



The Disclosure of Affiliated Transaction In Relation to the Capital Reduction PT Nakau, Being One of the Subsidiaries Which is Directly and Indirectly Owned by PT Provident Agro Tbk. ("Company")

Name of Issuer or Listed Company : PT Provident Agro Tbk.
 Business : Palm Oil Plantation Business
 Telephone : 021 – 2157 2008
 Fax : 021 – 2157 2009
 Email address : Investor.relation@provident-agro.com

1.	Date of Event	14 December 2016
2.	Type of Material Information or Fact	The reduction of authorized capital, issued and paid-up capital on one of the subsidiaries which are directly and indirectly owned by the Company, namely PT Nakau (" NAK "), by way of revocation of Series B Shares, being the shares classification that can be revoked from time to time.
3.	Disclosure of Material Information or Fact	<p>Pursuant to the Deed of Shareholders Resolution on Amendment of Articles of Association No. 19 dated 14 December 2016, drawn before Jose Dima Satria, S.H., M.Kn., Notary in Administrative City of South Jakarta, the shareholders of NAK have approved to reduce the authorized capital, issued and paid-up capital of NAK by revoking Series B Shares, being the shares classification that can be revoked from time to time, at the amount of 145,000 (one hundred forty five thousand) Series B Shares owned by the Company.</p> <p>In relation the reduction of the authorized capital, issued and paid-up capital of NAK, the shareholders of NAK have approved that the margin resulting from the issued and paid-up capital before and after the capital reduction shall be distributed to the shareholders of NAK, whose names are registered in NAK Shareholders Register dated 13 December 2016.</p>
4.	Relationship of the Parties	NAK is one of subsidiaries whose shares are directly and indirectly owned by the Company, whereby all of the shares issued by NAK are owned by the Company and PT Transpacific Agro Industry ("TPAI"), whereas the Company owns 99.99% (ninety nine point ninety nine percent) shares and TPAI owns 0.01% (zero point zero one percent) shares of the total issued and paid-up capital of NAK. Therefore, NAK is a Controlled Company of the Company as defined under Regulation No. IX.E.1 and has an affiliated relationship with the Company as defined under Law No. 8 of 1995 on Capital Market ("Capital Market Law").

5.	Explanation, consideration and reason to conduct the Transaction	The abovementioned capital reduction of NAK will give flexibility to NAK in gaining more efficiency in its capital structure.
6.	Impact of the material information or fact to the operational, legal or financial activities, or the business sustainability of the Issuer or Listed Company	There is no impact whatsoever on any operational activity, legal, financial condition, or business sustainability of the Company.
7.	Miscellaneous Information	NAK is one of subsidiaries of the Company which 99,99% (ninety nine point ninety nine percent) of its shares are owned direct or indirect by the Company, therefore NAK is a Controlled Company of the Company as defined under Regulation No. IX.E.1. In accordance with regulation Article 2 (b) point 5 of Regulation No. IX.E.1, the transaction between the Company and the Controlled Company where the Company owned at least 99% (ninety nine percent) of shares of the Controlled Company or the transaction between the Controlled Companies whereas the Company owned at least 99% (ninety nine percent) of shares, the Company is only required to report the transaction to the Financial Services Authority no later by the end of the second business days after the transaction occurred.

The Board of Commissioners and the Board of Directors of the Company hereby declare that all material information have been disclosed and such information are not misleading.