smart
agribusiness and food

No: 065/SMART-IR/V/2026 *Unofficial Translation*

Jakarta, 28 May 2026

To:
Mr. Bima Ruditya Surya
P.H. Kepala Divisi Penilaian Perusahaan 2
Indonesia Stock Exchange
Indonesia Stock Exchange Building Tower 1 6th Floor
Jl. Jendral Sudirman Kav 52-53
South Jakarta 12190

Re: Response to the Stock Exchange's Request for Clarification

Dear Sir,

In connection with the letter from Indonesia Stock Exchange ("Stock Exchange") No. S-06302/BEI.PP2/05-2026 dated 25 May 2026 to PT Sinar Mas Agro Resources and Technology Tbk (the "Company") regarding Stock Exchange's Request for Clarification on the planned issuance of a Government Regulation ("PP") on the Export Governance of Natural Resources and the Indonesian Government's plan to establish a State-Owned Enterprise ("SOE") specifically for export, as reported in the Kompas media on 22 May 2026 titled "Export Scheme via SOE Provides a Risk of Margin Reduction, Downstream Issuers are Safer", followings are our explanation:

1. With respect to the Government's planned issuance of a PP on the Export Governance of Natural Resources, how does the Company respond to the planned implementation of a PP on the Export Governance of Natural Resources?

   Response:
   The Company acknowledges the Government's plan to issue a PP governing the export management of strategic natural resource commodities, including palm oil products. This initiative aims to safeguard domestic supply stability, strengthen national economic resilience, enhance value creation, and ensure the sustainability of national development. The Company remains committed to complying with all applicable regulations and laws, including forthcoming policy on the Governance of Natural Resource Exports. At present, the Company is actively monitoring developments and awaiting the issuance of the PP, along with its implementation provisions and guidelines.

2. In the event that the Company generates export revenue/sales, please describe the potential impacts of the plan on the Company, including:
   a. Impact on the Company's business continuity.
   b. Impact on the Company's operational activities.
   c. Impact on the Company's financial condition, particularly on revenue, operating profit, net profit, and cash flows.
   d. Impact on agreements with the Company's existing customers.
   e. Impact on the fulfilment of obligations and covenants in the Company's financing agreements (if any).
   f. Legal risks, such as breach of contracts.
   g. Other impacts (if any).

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Response:
The Company is awaiting the issuance of the relevant PP together with its implementing provisions and/or guidelines, in order to understand the new policy framework. Accordingly, at this stage, the Company is not in a position to assess or disclose the potential impact of the forthcoming PP on the Company and our operations.

3. The Company's strategy in mitigating the Government's policy, including any corporate action plans (if any), as well as the timeline for such plans.

   Response:
   The Company continues to closely monitor policy developments. Once the PP and its implementing provisions and/or guidelines are issued, the Company will prepare and implement the necessary adjustment measures to ensure full compliance with the PP and safeguard the Company's long-term business continuity.

We hereby submit this explanatory letter and hope it will be well received. Thank you very much for your kind attention.

Best regards,
DR. ING Gianto Widjaja
Vice President Director

CC to:
- Direktur Penilaian Keuangan Perusahaan Sektor Riil, Otoritas Jasa Keuangan

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