

Re.: **Disclosure regarding the Loan Agreement between Borneo Berkat Makmur (“BBM”) and PT Multi Prima Universal (“MPU”) in compliance with Rule No. IX.E.1**

On 2 November 2017, PT United Tractors Tbk (“**Company**”) disclosed the information to the Financial Services Authority related to the Loan Agreement between BBM and MPU, as the compliance with Rule No. IX.E.1, Attachment to the Chairman of Capital Market and Financial Institution Supervisory Board Decree No. KEP-412/BL/2009 dated 25 November 2009 on Affiliated Party Transaction and Conflict of Interest (“**Bapepam Rule IX.E.1**”).

The following are the information disclosed:

1. **Description on the Transaction**

On 31 October 2017, BBM and MPU, both are subsidiaries of the Company, whereas the total issued shares of BBM and MPU are owned by the Company directly or indirectly, signed a Loan Agreement (“**Agreement**”) (hereinafter referred to as the “**Transaction**”).

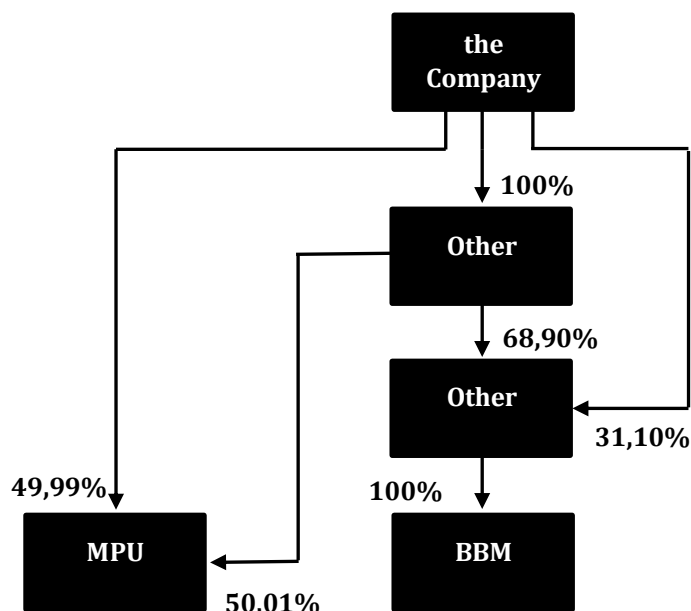
Based on the Agreement, BBM will provide loans to MPU in the amount of USD 1,000,000 (one million United States Dollar) (“**Loan**”) which will be used by MPU for its operational needs.

The following are information regarding the Loan :

- a. Interest : LIBOR + 2% per annum.
- b. Period of the Loan : 1 (one) year since date of the Agreement and can be extended based on agreement of BBM and MPU.
- c. Form : revolving

2. **Relationship among the Parties**

Affiliated relationship between BBM and MPU lies on the Company’s shares ownership in BBM and MPU with the following details:



3. **Explanation, Consideration and Reasons for the Transaction compared to other Similar Transaction with an Unaffiliated Party**

BBM agreed to provide the Loan to MPU to be used by MPU for its operational needs. Commercially, for BBM it would be more profitable if MPU receives this Loan, compared to BBM deposits its cash funds in bank with bank deposit rate at this time.

4. **Statements of the Board of Directors and Board of Commissioners of the Company**

In relation to this Transaction, the Board of Commissioners and Board of Directors state that to the extent of our knowledge, the Company has disclosed all the informations required to be known by public and there is no any material fact which has not been disclosed or omitted, causing the information related to the Transaction as discussed above becomes incorrect and/or misleading.

5. **Additional Information**

- (a) This Transaction is not a conflict of interest transactions as stipulated in Bapepam Rule IX.E.1, therefore it does not require an approval from independent shareholder.
- (b) This Transaction is not a Material Transaction (as defined in Rule No. IX.E.2, Attachment to the Chairman of Capital Market and Financial Institution Supervisory Board Decree No. KEP-614/BL/2011 dated 28 November 2011, on Material Transaction and Change of Main Business Activities ("**Bapepam Rule IX.E.2**") as the amount of the Loan does not meet the threshold amount as stipulated in Bapepam Rule IX.E.2.

Therefore, this Transaction is only an affiliated transaction required to be reported to Financial Services Authority as stipulated in Bapepam Rule IX.E.2 number 2 letter b (5).

[signed by Sara K Loebis as Corporate Secretary of the Company]