

Re.: **Disclosure regarding the Loan Agreement between PT United Tractors Tbk (“Company”) and PT Komatsu Astra Finance (“KAF”) in compliance with Rule No. IX.E.1**

On 4 July 2017, the Company disclosed the information to the Financial Services Authority related to the Loan Agreement between the Company and KAF, 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 30 June 2017, both Company and KAF are subsidiaries of PT Astra International Tbk (“**Astra**”) directly or indirectly, signed a Loan Agreement (“**Agreement**”) (hereinafter referred to as the “**Transaction**”).

Based on the Agreement, the Company will provide loans to KAF in the amount of Rp100,000,000,000,00 (one hundred billion Rupiah) (“**Loan**”) which will be used by KAF for its working capital.

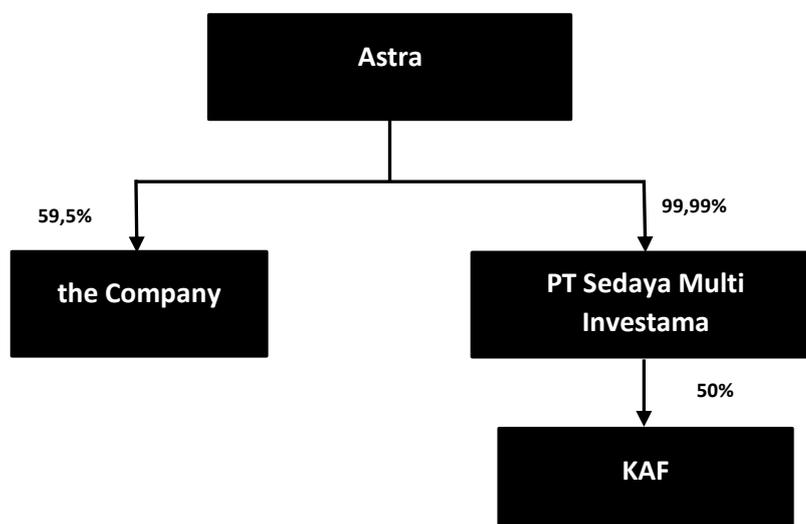
The following are information regarding the Loan :

- a. Interest : 8% per annum.
- b. Period of the Loan : 1 (one) year from last drawdown date.

### 2. **Relationship among the Parties**

Affiliated relationship between the Company and KAF lie on shares ownership and the similarity of the management of the Company and KAF, with the following details:

- (a) The following is a chart that describes the structure of the relationship between the Company and KAF :



- (b) The following is the similarity of the management of the Company and KAF at the time of the Transaction:

Company Name	Board of Directors	Board of Commissioners
Company	President Director : Gidion Hasan	-
KAF	-	President Commissioner : Gidion Hasan

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

The Company agreed to grant the Loan to KAF to be used as working capital of KAF. Commercially, it would be more profitable if the Company grants the Loan to KAF rather than if the Company deposits its funds in the bank with current interest rate.

**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 information 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) The above transaction is an arm's length transaction, as supported by the independent appraisal report dated 7 June 2017, issued by KJPP Nirboyo A., Dewi A., and Partners, as the Appraiser.
- (b) This Transaction is not a conflict of interest transaction as stipulated in Bapepam Rule IX.E.1, therefore it does not require an approval of independent shareholder.
- (c) 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 (a).

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