

Re.: **Disclosure regarding the Shareholder Loan Agreement between PT Pamapersada Nusantara (“PAMA”) and PT Kalimantan Prima Persada (“KPP”) in compliance with Rule No. IX.E.1**

On 13 June 2017, PT United Tractors Tbk (“**Company**”) disclosed the information to the Financial Services Authority related to the Shareholder Loan Agreement between PAMA and KPP, 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 9 June 2017, PAMA and KPP, both are subsidiaries of the Company, whereas the total issued shares of PAMA and KPP are owned by the Company directly or indirectly, signed a Shareholder Loan Agreement (“**Agreement**”) (hereinafter referred to as the “**Transaction**”).

Based on the Agreement, PAMA will provide a loan to KPP in the amount of USD 75,000,000 (seventy five million United States Dollar) (“**Loan**”) which will be used by KPP as additional capital expenditure for its operational needs.

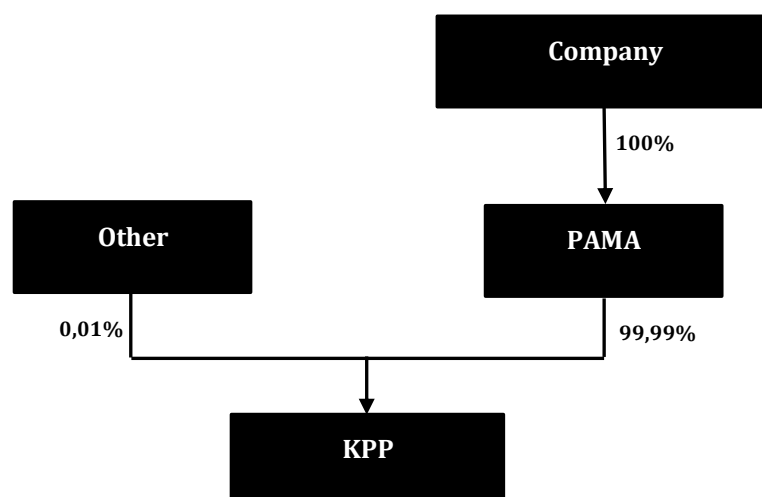
The following are information regarding the Loan :

- a. Interest : LIBOR + 2% per annum.
- b. Period of the Loan : 3 (three) years since date of the Agreement.

2. **Relation among the Parties**

Affiliated relationship between PAMA and KPP lies on PAMA’s shares ownership in KPP and the similarities of management of PAMA, KPP and the Company, with the following details:

- (a) PAMA is the controlling shareholder of KPP and has a total of 99.99% shares of the total issued shares of KPP. The following is a chart that describes the structure of the relationship between the Company, PAMA and KPP:



- (b) The following are the similarities management of PAMA and KPP at the time of the Transaction:

Company Name	Board of Directors	Board of Commissioners
PAMA	President Director : Franciscus Xaverius Laksana Kesuma Director : Dadi Sukarso Yuwono	-
KPP	-	Presiden Commissioner : Franciscus Xaverius Laksana Kesuma Commissioner : Dadi Sukarso Yuwono
Company	Director : Franciscus Xaverius Laksana Kesuma	-

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

PAMA agreed to provide the Loan to KPP to be used by KPP as additional capital expenditure for its operational needs. Commercially, for PAMA it would be more profitable if KPP receives this Loan, compared to PAMA 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]