

Re.: **Disclosure regarding the Shareholder Loan Agreement between PT Buah Turangga Agung (“TTA”) and Turangga Resources PTE. Ltd. (“TRPL”) in compliance with Rule No. IX.E.1**

On 27 October 2016, PT United Tractors Tbk (“**Company**”) disclosed the information to the Financial Service Authority related to the Shareholder Loan Agreement between TTA and TRPL, 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 of the Transaction**

On 26 October 2016, TTA and TRPL, both are subsidiaries of the Company, whereas the total issued shares are owned by the Company directly or indirectly, has signed a Shareholder Loan Agreement (“**Agreement**”) (hereinafter referred to as the “**Transaction**”).

Based on the Agreement, TTA will provide a loan of USD 1,200,000 to TRPL (“**Loan**”), which will be used by TRPL for operational needs of TRPL.

The following are information regarding the Loan :

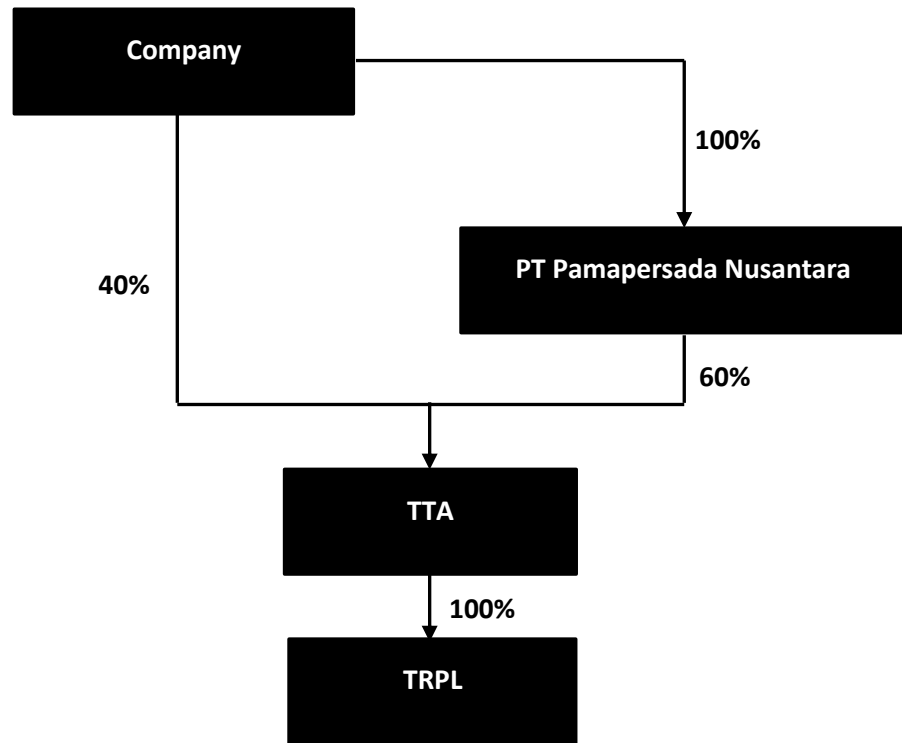
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|--------------------------------|---|
| a. Interest                    | : LIBOR + 2% per annum  |
| b. Period of Interest for Loan | : 1 (one), 2 (two), 3 (three) or 6 (six) months, or other period as agreed. |
| c. Period of Loan              | : 1 (one) year after the date of the Agreement.                             |

**2. Relation among the Parties**

The affiliated relationship between TTA and TRPL are in TTA’s shares ownership on TRPL and the similarities of management of TTA and TRPL, with the following details:

- (a) TTA is the controlling shareholder of TRPL and has a total of 100% shares of the total issued shares of TRPL.

The following is a chart that describes the structure of the relationship between the Company, TTA and TRPL:



(b) The following are Board of Directors and Board of Commissioners of TTA who also serve in TRPL at the time of the Transaction:

Company Name	Board of Directors	Board of Commissioners
TTA	Director: Edianto Rahardja	-
TRPL	Director: Edianto Rahardja	-

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

TTA agreed to provide Loan to TRPL for operational needs of TRPL. Commercially, for TTA it would be more profitable if TRPL receives this Loan, compared to TTA 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).

Thus this disclosure. Thank you for your attention and cooperation.

Kind regards,  
**PT United Tractors Tbk**

<signatory>

**Sara K. Loebis**  
Corporate Secretary