

No. 036/CORP/9981/IV/16

Jakarta, 16 May 2016

To:

Financial Services Authority (*Otoritas Jasa Keuangan*)

Sumitro Djojohadikusumo Building

Ministry of Finance of Republic of Indonesia

Jl. Lapangan Banteng Timur 1-4

Jakarta 10710

Attn.: Mrs. Nurhaida

Executive Chairman of Capital Market Supervisory

Re.: Disclosure regarding Rule IX.E.1

Dear Madam,

In order to comply with Rule 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 ("**Rule IX.E.1**"), we, PT United Tractors Tbk (the "**Company**"), a limited liability company which have listed all of its shares on the Indonesia Stock Exchange, hereby state the following information:

1. Description of the Transaction

On 12 May 2016, the Company and PT Komatsu Astra Finance ("**KAF**"), each is subsidiary of PT Astra International Tbk ("**Astra**"), either directly or indirectly, entered into a Loan Agreement ("**Agreement**").

Pursuant to the Agreement, the Company will provide loan in the amount of Rp600,000,000,000 (six hundred billion Rupiah) to KAF ("**Loan**"), which will be used for KAF' working capital, which later to be used to finance heavy equipment purchase by the Company's customers.

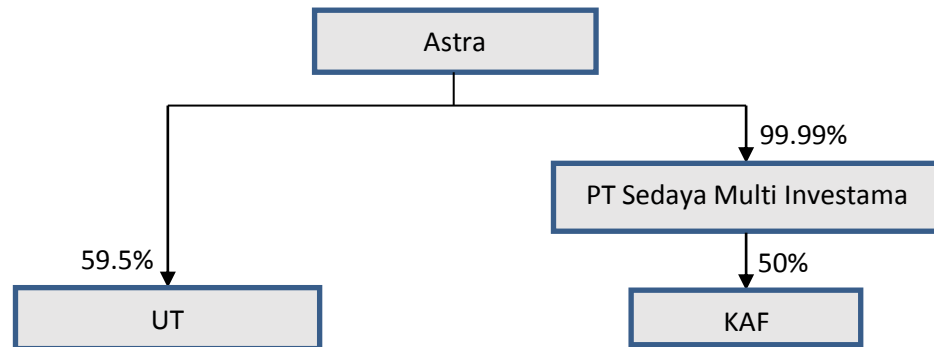
The following are information regarding the Loan:

- | | | |
|----|--------------------------|---|
| a. | Interest | : 6% per annum |
| b. | Interest Period for Loan | : every 3 months |
| c. | Loan Period | : 3 years after the date of the Agreement |
| d. | Loan Availability Period | : until 31 December 2016 |
| e. | Nature | : uncommitted |

2. Relation among the Parties

The affiliated relationship between the Company and KAF are in the similarities of shareholders and management of the Company and KAF, with following details:

- a. The Company and KAF are subsidiaries of Astra. The following is a chart that describes the structure of the relationship between the Company and KAF.



- b. The following are Board of Directors and Board of Commissioners of the Company who also serve in KAF at the time of the Transaction:

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

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

The Company decided to do the Transaction with KAF, the affiliated party, as (i) commercially it will be profitable for the group and ultimately it will be more profitable for all shareholders of the Company; and (ii) trust factor, where the funds obtained from loan facility will be used only for heavy equipment sales financing and not for other purposes, therefore the Company will be easier to monitor the use of funds.

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 aforementioned Transaction is an arm's length transaction, as supported by the independent appraisal report namely KJPP Nirboyo A, Dewi A, and Partners as an Appraiser, dated 11 May 2016.

Together with this letter, we also attach (i) a summary of independent appraisal report of KJPP Nirboyo A, Dewi A, and Partners; and (ii) a copy of independent appraisal report of KJPP Nirboyo A, Dewi A, and Partners as an Appraiser dated 11 May 2016.

- (b) This Transaction is not a conflict of interest transaction as stipulated in Rule IX.E.1, therefore it does not require an approval from independent shareholder.
- (c) This Transaction is not a Material Transaction (as defined in Rule 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 ("**Rule IX.E.2**") as the value of the Loan is not qualified the threshold as stipulated in Rule IX.E.2.

Therefore, this Transaction is only affiliated transaction which is required to be reported to Financial Services Authority as stipulated in Rule IX.E.2 number 2 letter a.

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

Best Regards,
PT United Tractors Tbk

<signatory>

Sara K. Loebis
Corporate Secretary

Cc:

1. Commissioner Deputy of Capital Market Supervisor II
2. Head Division of Trading and Communication Company Monitoring
3. Board of Directors of Indonesian Stock Exchange
4. Indonesian Capital Market Electronic Library (ICAMEL)