

No.: 026/CORP/9981/IV/16

Jakarta, 21 April 2016

To:

Financial Services Authority (*Otoritas Jasa Keuangan*)

Soemitro 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 to 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 19 April 2016, PT United Tractors Pandu Engineering ("**UTE**") and PT Patria Maritime Industry ("**PAMI**"), both are subsidiaries of the Company, both are owned 99.99% by the Company from the total issued and paid-up capital, has signed a Shareholder Loan Agreement ("**Agreement**") (hereinafter referred to as the "**Transaction**").

Based on the Agreement, UTE will provide a loan of Rp14,400,000,000 divided into:

- (i) Tranche A: Rp5,000,000,000 in revolving form; and
- (ii) Tranche B: Rp9,400,000,000 in term loan form;

to PAMI ("**Loan**"), which will be used by PAMI for capital expenditure and working capital.

The following are information regarding the Loan:

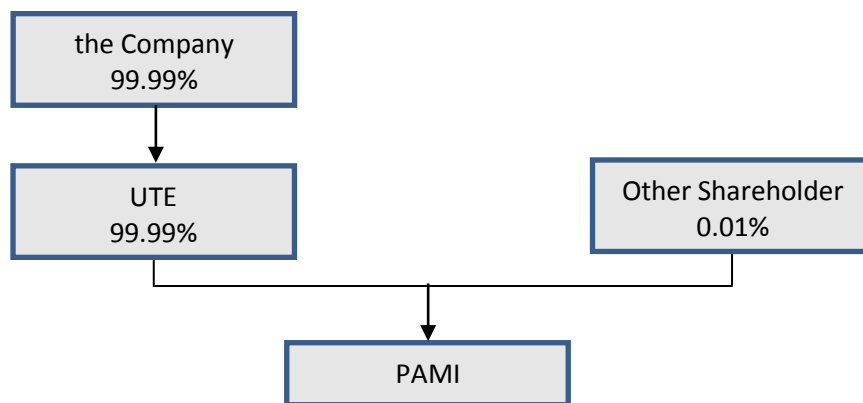
- a. Interest : LPS + 2.5% per annum
- b. Period of Interest for Loan : every 3 months
- c. Period of Loan : Tranche A is 1 (one) year after the end of the Availability Period of Fund.
Tranche B is up to 5 (five) years from the date of the last drawdown.
- d. Availability Period of Fund : 3 years after the date of the Agreement

2. Relation among the Parties

The affiliated relationship between UTE and PAMI are in UTE's shares ownership on PAMI and the similarities of management of UTE and PAMI, with following details:

- (a) UTE is the controlling shareholder on PAMI and has a total of 99.99% shares issued by PAMI.

The following is a chart that describes the structure of the relationship between the Company, UTE and PAMI.



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

Company Name	Board of Directors	Board of Commissioners
UTE	President Director: Loudy I. Ellias Director: Hilman Risan Director: Budhi Martono	
PAMI	President Director: Budhi Martono	President Commissioner: Loudy I. Ellias Commissioner: Hilman Risan

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

UTE agreed to provide Loan to PAMI for capital expenditure and working capital in PAMI. Commercially, for UTE it would be more profitable if PAMI receives this Loan, compared to UTE 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 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) This Transaction is not a conflict of interest transactions as stipulated in 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 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 an affiliated transaction which required to be reported to Financial Services Authority as stipulated in 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

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)