

INFORMATION DISCLOSURE

To Comply with the Regulation of the Financial Services Authority No. 42/POJK.04/2020 dated 2 July 2020 on Affiliated Transactions and Conflict of Interest Transactions

The Company's Board of Commissioners and Directors, both jointly and severally, are fully responsible for the accuracy of all information or material facts stated in this Information Disclosure and emphasise that there are no material information and relevant facts that are being withheld, that in so doing may result in the material information contained in this Information Disclosure to Shareholders to become false and/or misleading.



PT WIJAYA KARYA (Persero) Tbk.

PERUSAHAAN PERSEROAN (PERSERO) PT WIJAYA KARYA TBK.

Primary Business Activities:

The Company engages in the Construction Industry; Fabrication Industry; Investments; Energy, Renewable Energy and Energy Conversion Industry; Railway Operations; Port Operations; Engineering, Procurement, and Construction; Provision of Capacity Building Services in Construction; Engineering and Planning Services; Investments and/or Business Management in Basic Infrastructure.

Domiciled in Jakarta, Indonesia

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Information Disclosure of Affiliated Transaction concerning the Proposed Increase in Capital Placement in PT WIKA Tirta Jaya Jatiluhur and Change in Shareholding Composition of PT WIKA Tirta Jaya Jatiluhur

This Information Disclosure is published in Jakarta on 17 September 2021

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I. INTRODUCTION

A. Overview

The Company was formerly a Perusahaan Negara (State-owned Company) incorporated pursuant to the Government Regulation No. 64 Year 1961 dated 29 March 1961 on the Incorporation of Perusahaan Negara Widjaja Karja with the corporate name Perusahaan Negara Bangunan Widjaja Karja. Subsequently, pursuant to the Government Regulation No. 40 Year 1971 dated 22 July 1971, the Perusahaan Negara Bangunan Widjaja Karja was declared dissolved and its status was converted into a Perusahaan Perseroan (Persero) (Limited Liability Company), incorporated under the Laws of the Republic of Indonesia, as prescribed in the Deed of Limited Liability Company (*Akta Perseroan Terbatas*) No. 110 dated 20 December 1972, made before Dian Paramita Tamzil, delegate of Djojo Muljadi, S.H., a Notary in Jakarta, in conjunction with (*juncto*) the Deed of Amendment (*Akta Perubahan*) No. 106 dated 17 April 1973, made before Kartini Muljadi, S.H., a Notary in Jakarta, and has been approved by the Ministry of Justice of the Republic of Indonesia in its Decision Letter No. Y.A.5/165/14 dated 8 May 1973, and has been registered at the District Court of Jakarta, Number 1723 and Number 1724 dated 16 May 1973, and has been announced in Supplement No. 683 of the Official Gazette of the Republic of Indonesia No. 76 dated 21 September 1973 ("**Deed of Establishment**").

Pursuant to the Government Regulation No. 53 Year 2007 on Change in Shareholding Structure of the State through Issuance and Offering of New Shares in Perusahaan Perseroan (Persero) PT Wijaya Karya, the Company has exercised an initial public offering and subsequently converted its status and changed its name to PT Wijaya Karya (Persero) Tbk. and was officially listed in the Indonesia Stock Exchange on 29 October 2007 ("**Initial Public Offering**").

The Deed of the Articles of Association (*Akta Anggaran Dasar*) as stated in the Deed of the Annual General Meeting of Shareholders of Perusahaan Perseroan (Persero) PT Wijaya Karya Tbk. No. 58 dated 25 June 2021, made before Fathiah Helmi, S.H, a Notary in Jakarta has received approval from the Minister of Law and Human Rights of the Republic of Indonesia in its Letter Number: AHU-AH.01.03-0429345 dated 16 July 2021.

B. Business Activities

Article 3 of the Company's Article of Association states that the Company's objectives and purpose are to engage in the construction industry; fabrication industry; leasing services; agency services; investments; agri-industry; energy, renewable energy and energy conversion industry; railway operations; port operations; airport operations; logistics; trading; engineering, procurement, and construction; estate development and management; provision of capacity building services in construction; information technology; engineering and planning services; investments and business management in basic infrastructure to produce high quality and competitive goods and/or services in order to generate profit and increase the Company's value while observing the principles of Perseroan Terbatas (Limited Liability Company).

C. The Company's Capital and Shareholding Structure

According to the Shareholder Register issued by the Company's Securities Administration Bureau PT Datindo Entrycom, the Company's shareholding structure as of 31 August 2021 is as follows:

Description	Number of Shares	Nominal Value (Rp100) per share	%
Authorised Capital	35,000,000,000	3,500,000,000,000	-
Issued and Paid-up Capital:			
1. Government of the Republic of Indonesia	5,834,850,001	583,485,000,100	65.05
2. Public with less than 5% Holdings	3,135,101,371	313,510,137,100	34.95
Total Issued and Paid-up Capital	8,969,951,372	896,995,137,200	100.00
Total Unissued Shares	26,030,048,628	2,603,004,862,800	-

D. The Company's Board of Commissioners and Directors

According to the latest Deed of Management Composition as stated in the Deed of the Annual General Meeting of Shareholders of Perusahaan Perseroan (Persero) PT Wijaya Karya Tbk., short name PT WIKA (Persero) Tbk. No. 14 dated 14 September 2021, made before Fathiah Helmi, S.H, a Notary in Jakarta, which has been recorded by the Ministry of Law and Human Rights of the Republic of Indonesia as stated in its Acknowledgement of Change in Corporate Data No. AHU-AH.01.03-0447957 dated 14 September 2021, the composition of the Company's Board of Commissioners and Directors are as follows:

Board of Commissioners

President Commissioner	:	Jarot Widyoko
Commissioner	:	Firdaus Ali
Commissioner	:	Satya Bhakti Parikesit
Independent Commissioner	:	Harris Arthur Hedar
Independent Commissioner	:	Adityawarman
Independent Commissioner	:	Suryo Hapsoro Tri Utomo
Independent Commissioner	:	Rusmanto

Directors

President Director	:	Agung Budi Waskito
Director of Finance and Risk Management	:	Ade Wahyu
Director of Human Capital and Development	:	Mursyid
Director of Operations I	:	Hananto Aji
Director of Operations II	:	Harum Akhmad Zuhdi
Director of Operations III	:	Rudy Hartono
Director of Quality, Health, Safety and Environment	:	Ayu Widya Kiswari

E. Audit Committee

According to the Decree of the Board of Commissioners No. 20/DK/WIKA/2021 dated 28 April 2021, the members of the Audit Committee as at the date of this Information Disclosure are as follows:

Chairman, concurrently Member	:	Suryo Hapsoro Tri Utomo
Deputy Chairman, concurrently		
Member	:	Adityawarman
Member	:	Nirsihing Asmoro
Member	:	Nanda A. Wijayanti
Member	:	Yan Rahadian

F. Corporate Secretary

According to the Decision of the Directors No. SK.02.01/A.DIR.01155/2020 dated 26 June 2020, the Corporate Secretary as at the date of this Information Disclosure is as follows:

Name	:	Mahendra Vijaya
Office Address	:	Jl. D.I. Panjaitan Kav.10 Jakarta 13340, Indonesia
Phone Number	:	(021) 8067 9200
Fax Number	:	(021) 2289 3830
Email	:	investor.relations@wika.co.id

II. DESCRIPTION OF THE PROPOSED TRANSACTION

PT Wijaya Karya (Persero) Tbk., hereinafter referred to as “**Company**”, is a shareholder that holds 30% of the shares in PT WIKA Tirta Jaya Jatiluhur, hereinafter referred to as “**WTJJ**”. In order to provide added value through its investment activity, the Company proposes to use a portion of its capital expenditure of Rp402,030,000,000 (four hundred two billion thirty million Rupiah) to increase its capital placement in WTJJ, which results in the change of the Company’s shareholdings in WTJJ (hereinafter referred to as “**Proposed Transaction**”).

In accordance with the Regulation of the Financial Services Authority No. 42/POJK.04/2020 dated 2 July 2020 on Affiliated Transactions and Conflict of Interest Transactions (“**POJK 42/2020**”) and the Regulation of the Financial Services Authority No. 17/POJK.04/2020 dated 20 April 2020 on Material Transactions and Changes in Business Activities (“**POJK 17/2020**”), the Company is in the opinion that this Proposed Transaction is:

1. an Affiliated Transaction as regulated in the POJK 42/2020 because some members of WTJJ’s management are concurrently the Company’s employees;
2. not a Material Transaction and does not require Shareholders’ approval in a General Meeting of Shareholders as regulated in the POJK 17/2020, because this transaction constitutes:
 - 2.40% of the Company’s equity;
 - 0.02% of the Company’s total assets;
 - 0.01% of the Company’s net income.

The Company’s Board of Commissioners and Directors, both jointly and severally, are fully responsible for the completeness and correctness of the information presented in this Information Disclosure. Having held satisfactory examinations and investigations, to the extent to which the facts are known and can be established, the Company’s Board of Commissioners and Directors do hereby state that the information contained in this Information Disclosure is true and that no material facts are being concealed or withheld, which in so doing may cause or result in the information or material facts to become false and/or misleading.

DESCRIPTION OF THE PROPOSED AFFILIATED TRANSACTION

Pursuant to the Circular Resolution of WTJJ’s Shareholders No. KLR-DIR/WTJJ.00003/2021 dated 23 August 2021, WTJJ’s shareholders have agreed that the Company’s capital expenditure of Rp402,030,000,000 (four hundred two billion thirty million Rupiah) will be recorded as advances for paid-in capital. The capital expenditure for investment in WTJJ of Rp402,030,000,000 (four hundred two billion thirty million Rupiah) is from the Government’s Capital Placement (*Penyertaan Modal Negara*, “**PMN**”) of Rp402,000,000,000 (four hundred two billion Rupiah) and from the Company’s cash of Rp30,000,000 (thirty million Rupiah).

The Letter of the State-owned Ministry No. S-626/MBU/08/2021 dated 25 August 2021 on Approval for the Increase in Capital Placement in PT WIKA Tirta Jaya Jatiluhur and Change of Shareholding Composition in PT WIKA Tirta Jaya Jatiluhur, and the Letter of the Board of Commissioners No. 68/DK/WIKA/2021 dated 30 August 2021 on Approval for the Increase in Capital Placement in PT WIKA Tirta Jaya Jatiluhur and Change of Shareholding Composition in PT WIKA Tirta Jaya Jatiluhur have been approved the Company’s proposed increase in the capital placement in WTJJ of Rp402,030,000,000 (four hundred two billion thirty million Rupiah).

Following the proposed increase of the Company's shareholdings in WTJJ from 30% (thirty percent) to 80% (eighty percent) through an increase in the paid-in capital as stated in the Shareholders Agreement of WTJJ dated 15 January 2021, the Company retains its initial 30% shareholdings or Rp21,000,000,000 (twenty-one billion Rupiah) in WTJJ; and the Company has expressed its interest on and will subscribe to the shares that were not acquired by other shareholders of WTJJ for a sum of Rp10,400,000,000 (ten billion four hundred million Rupiah). Accordingly, the Company's shareholdings in WTJJ will be increased to 80% (eighty percent) and thus making the Company as the WTJJ's controlling shareholder. Other shareholders of WTJJ, i.e. PT Jaya Konstruksi Manggala Pratama Tbk ("**JAKON**") will have its shares diluted from 60% (sixty percent) to 17.44% (seventeen point four four percent) and PT Tirta Gemah Ripah ("**TGR**") will have its shares diluted from 10.00% (ten percent) to 2.56% (two point five six percent).

The Company will exercise its capital placement in WTJJ of Rp31,400,000,000 (thirty-one billion four hundred million Rupiah), which will be from the advances for paid-in capital as mentioned above. After converting the advances for paid-in capital of Rp31,400,000,000 (thirty-one billion four hundred million Rupiah), the remainder of the Company's advances for paid-in capital is Rp370,630,000,000 (three hundred seventy billion six hundred thirty million Rupiah) and additional conversion into capital placement will be exercised upon request from WTJJ.

III. BENEFITS OF THE TRANSACTION

The benefits of the Proposed Transaction for the Company are as follows:

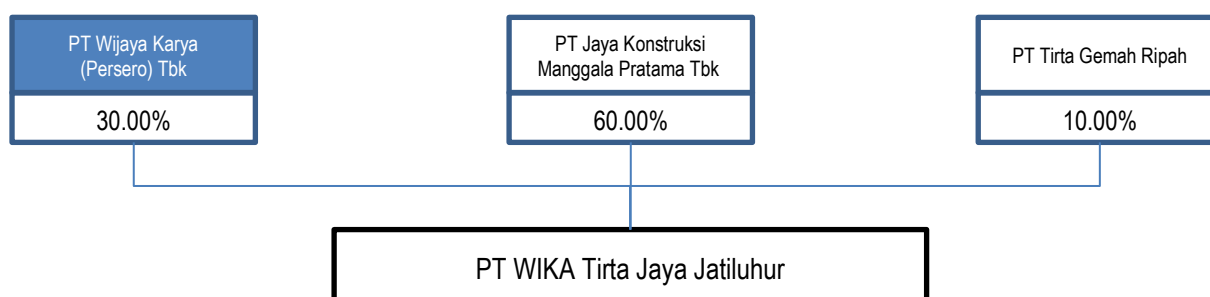
- The transaction will enable the Company to develop its business in Water Distribution System (*Sistem Penyediaan Air Minum "SPAM"*) carried out by WTJJ.
- The Company will become the controlling shareholder in WTJJ.
- The transaction will improve the Company's financial performance, which becomes an added value for the Company and provide dividends for shareholders.

IV. DESCRIPTION OF THE AFFILIATION

Affiliation by Ownership

The Company is a shareholder with 30% shareholdings in WTJJ.

Shareholding Structure of WTJJ



Affiliation by Management

A member of WTJJ's Board of Commissioners, Bima Prasetyo, and a Director of WTJJ, Hendra Rahmanto, are the Company's employees.

Affiliation of the Parties to the Transaction

The Company holds a shareholding of 30% in WTJJ.

V. INDEPENDENT PARTY AND SUMMARY OF ITS OPINION

The Company has appointed the Public Appraisal Firm Iskandar dan Rekan (“KJPP ISR” or “Appraiser”) as the independent appraiser to issue a fairness opinion on the Proposed Transaction. The Independent Appraiser has declared that it is not affiliated, both directly and indirectly, to the Company as defined by the Capital Market Law.

The following is a summary of the Fairness Opinion on Proposed Capital Placement as stated in the Fairness Opinion Report Number No. 00336/2.0118-00/BS/03/0520/1/IX/2021 dated 13 September 2021:

1. Parties to the Proposed Transaction

The parties to the proposed transaction are:

a. Company

The Company, in this matter, is a shareholder of WTJJ.

b. PT Wijaya Karya Realty

WIKAR Realty, in this matter, is the party issuing new shares and beneficiary of the capital placement.

2. Object of the Appraisal

The object of the appraisal is the portion of the Company’s capital expenditure of Rp402,030,000,000 (four hundred two billion thirty million Rupiah) to increase its capital placement in WTJJ, which results in the change of the Company’s shareholdings in WTJJ.

3. Purpose of the Appraisal

The purpose of the engagement is to express a fairness opinion on the Proposed Transaction in order to execute the Proposed Transaction.

4. Assumptions and Limiting Conditions

- The Fairness Opinion is a non-disclaimer opinion.
- The Appraiser has investigated the documents that are used in the appraisal process.
- Data and information are obtained from sources whose accuracy is trusted.
- Financial projections used are adjusted to reflect a reasonable financial projection prepared by the management based on its fiduciary duty.
- The Appraiser is responsible for the appraisal and fairness of the financial projections.
- This Appraisal Report is publicly accessible, except for confidential information that can affect the Company’s operations.
- The Appraiser is responsible for the Fairness Opinion and conclusion of its Fair Value.
- The Appraiser has received information on the legal status of the Object of the Appraisal and assignor.

5. Approaches and Procedures of the Fairness Opinion

A fairness opinion is expressed after performing an analysis of the:

- Value of the object being transacted;
- Financial impact of the transaction to the shareholders' interests; and,
- Management's business considerations concerning the proposed transaction in relation to shareholders' interests.

The following analyses were performed to analyse the above:

- Analysis of the transaction.
- Qualitative analysis of the proposed transaction.
- Quantitative analysis of the proposed transaction.
- Fairness analysis of the transaction's value.
- Analysis of other relevant factors.

VI. IMPACT OF THE TRANSACTION ON THE COMPANY'S FINANCIAL POSITION (PRO FORMA)

The following is the Company's financial statement before and after the transaction:

Proforma Statement of Financial Position

(In millions of Rupiah)

Description	Before the Transaction	Adjustment	After the Transaction
	31 March 2021		31 March 2021
ASSETS			
Current Assets			
Cash and Cash Equivalents	6,388,246	2,799	6,391,045
Trade Receivables	2,974,122		2,974,122
Retention Receivables	1,624,570		1,624,570
Gross Amount due from Customers	9,746,984		9,746,984
Inventories	9,930,241		9,930,241
Accrued Income	857,945		857,945
Other Receivables – Current Portion	1,231,710		1,231,710
Advance – Current Portion	5,876,815		5,876,815
Business Guarantees	89,759		89,759
Financial Assets	-		-
Prepaid Taxes	1,953,293		1,953,293
Prepaid Expense	1,030,001		1,030,001
Total Current Assets	41,703,684	2,799	41,706,483
Non-Current Assets			
Fixed Assets	5,236,354		5,236,354
Trade Receivables - Non-Current Portion	-		-
Other Receivables – Non-Current Portion	-		-
Accrued Income – Non-Current Portion	-		-
Advances – Non-Current Portion	280,000	-	280,000
Real Estate Assets	1,366,246		1,366,246

Investment in Associates	1,710,684	(3,000)	1,707,684
Investment in Joint Ventures	4,174,406		4,174,406
Investment Property	2,148,032		2,148,032
Goodwill	4,847		4,847
Other Long-Term Investments	852,948		852,948
Intangible Assets	4,153,440	8,824	4,162,264
Deferred Tax Assets	62,144		62,144
Other Assets	136,627		136,627
Total Non-Current Assets	20,125,727	5,824	20,131,551
TOTAL ASSETS	61,829,411	8,623	61,838,034

(In millions of Rupiah)

Description	Before the Transaction	Adjustment	After the Transaction
	31 March 2021		31 March 2021
LIABILITIES AND EQUITY			
Current Liabilities			
Short Term Loans	14,781,151		14,781,151
Trade Receivables	11,744,051	10	11,744,061
Other Receivables	625,528		625,528
Gross Amount due from Customers			
Tax Payables	288,514		288,514
Advance From Customers	1,455,783		1,455,783
Accrued Expenses	6,156,624		6,156,624
Unearned Revenue	172,558		172,558
Current portion of:			
Medium Term Loan			
Long Term Loan			
Lease Payables	28,512		28,512
Total Current Liabilities	35,252,721	10	35,252,731
Non-Current Liabilities			
Employee Benefits Liabilities	181,319		181,319
Deferred Tax Liabilities	98,783		98,783
Advances for Long Term Projects	1,347,220		1,347,220
Other Payables	14,633		14,633
Current portion of Long Term Loan after net of current portion short Term:			
Medium Term Loan	1,795,000		1,795,000
Long Term Loan	1,279,400		1,279,400
Lease Payables	120,702		120,702
Bond	3,977,094		3,977,094
Sukuk Mudharabah	1,000,000		1,000,000
Total Non-Current Liabilities	9,814,151	-	9,814,151

TOTAL LIABILITIES	45,06,872	10	45,06,882
Equity			
Share Capital	896,995		896,995
Advances of Paid in Capital of Subsidiaries	-	-	-
Treasury stock	(110)		(110)
Additional Paid-in Capital	6,555,499		6,555,499
Changes in Equity of Subsidiary Company	1,238,084	7,000	1,245,084
Retained Earnings (deficit)	4,468,227	13	4,468,240
Perpetual Securities	597,600		597,600
Non-Controlling Interest	3,006,244	1,600	3,007,844
Total Equity	16,762,539	8,613	16,762,539
TOTAL LIABILITIES AND EQUITY	61,829,411	8,623	61,838,034
Liquidity Ratio and Solvency Ratio			
Current Ratio	118.30%		118.31%
Debt to Equity Ratio	268.85%		268.72%
Debt to Asset Ratio	72.89%		72.88%

Fairness Opinion of the Transaction

The analysis on the transaction value for the increase of the Company's capital placement in WTJJ found that the transaction value is higher than market value, but nonetheless is within reasonable range. Accordingly, it is concluded that this transaction is fair.

The analysis on the financial impact on the Proposed Transaction in relation to shareholders' interests found that entering into this transaction will increase the Company's sales and profit. Accordingly, the transaction will provide added value for the Company that aligns with shareholders' interests.

Analysis on the management's business considerations on the Proposed Transaction in relation to shareholders' interests found that the business expansion will generate increased revenues and profit that in turn, will increase the Company's share value. Accordingly, it is concluded that the management's business considerations are aligned with shareholders' interests.

Based on the conclusions of the analyses above, we are in the opinion that the Proposed Transaction is fair for both the Company and its shareholders.

VII. STATEMENT OF THE COMPANY'S DIRECTORS AND COMMISSIONERS

1. This Information Disclosure, submitted to the Financial Services Authority on 17 September 2021, is complete and meets the requirements as prescribed in the POJK 42/2020;
2. Having held prudent and careful examination, we have reasonable belief that this Information Disclosure does not contain statements, or information, or facts that are false and/or misleading;
3. The Proposed Transaction has no Conflicts of Interest as referred to in the POJK 42/2020;
4. The Proposed Transaction is not a material transaction as referred to in the POJK 17/2020.

VIII. ADDITIONAL INFORMATION

For further information concerning this transaction, please contact the Company during business hours at the following address:

Corporate Secretary

PT Wijaya Karya (Persero) Tbk.

Jl. D.I. Panjaitan Kav. 10

Jakarta 13340, Indonesia

Tel. : (021) 8067 9200

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Email : investor.relations@wika.co.id

Website : www.wika.co.id

Sincerely Yours,

PT Wijaya Karya (Persero) Tbk

Corporate Secretary



PT WIJAYA KARYA (Persero) Tbk.

Mahendra Vijaya

Corporate Secretary