

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

HEAD OFFICE

Jl. D.I. Panjaitan Kav. 9-10
Jakarta 13340, Indonesia
Telephone: (021) 8067 9200 Fax: (021) 2289 3830
www.wika.co.id
investor.relations@wika.co.id

Information Disclosure of Affiliated Transaction concerning Shareholder Loan to PT Wijaya Karya Realty, a Controlled Entity of PT Wijaya Karya (Persero) Tbk.

This Information Disclosure is published in Jakarta on 14 December 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 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 ("**Company's Articles of Association**").

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 PT Datindo Entrycom as the Company's Securities Administration Bureau, the Company's shareholding structure as of 30 November 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. 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 is 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 93.05% of the shares in PT Wijaya Karya Realty (hereinafter referred to as “**WR**”) according to WR’s Financial Statement as of June 2021. Consequently, WR is a controlled entity of the Company.

In order to provide funds for land acquisition investments by WR, land acquisition by WR’s subsidiaries, and estate development of landed houses and high-rise buildings, the Company as the majority shareholder will provide a Shareholder Loan to WR with a ceiling value of Rp1,500,000,000,000 (one trillion five hundred billion rupiah). The ceiling value is the total of the loan principal plus its interest (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 defined in the POJK 42/2020, because in terms of management, the Company’s Director of Human Capital and Development concurrently serves as WR’s President Director. An employee of the Company also concurrently serves as a WR Commissioner.
2. not a Material Transaction as defined in the POJK 17/2020, because the value of the Proposed Transaction constitutes only 8.94% of the Company’s equity and less than 20% of the Company’s equity as governed in the POJK 17/2020.

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.

DESCRIPTION OF THE PROPOSED AFFILIATED TRANSACTION

Pursuant to the Minutes of the Joint Board of Commissioners and Directors Meeting No. 10/RIS-KOMDIR/WIKA/2021 dated 30 August 2021 on Approval and Confirmation of Changes in the Company’s Work Plan and Budget 2021 (*Rencana Kerja dan Anggaran Perusahaan*, “**RKAP**”), the proposal to provide Shareholder Loan of Rp1,500,000,000,000 (one trillion five hundred billion rupiah) to WR according to the RKAP has been approved.

Furthermore, WR’s Circular Resolution of Shareholders in lieu of General Meeting dated 31 August 2021 on Approval and Confirmation of Changes in RKAP 2021 has approved the Shareholder Loan of Rp1,500,000,000,000 (one trillion five hundred billion rupiah) from the Company.

The term of the Loan Agreement and its drawdown period are valid for 1 (one) year since the fulfilment of the Requirements for Loan Effectiveness, that is, after the signing of the Loan Agreement and after obtaining approval from WR’s shareholders or other approvals required in the Agreement between WR and Third Parties. The Loan Agreement term can be extended based on mutual agreement between the Company and WR.

WR is required to pay interest at an interest rate of 10.5% (ten point five percent) per annum on the loan provided by the Company.

III. BENEFITS OF THE PROPOSED TRANSACTION

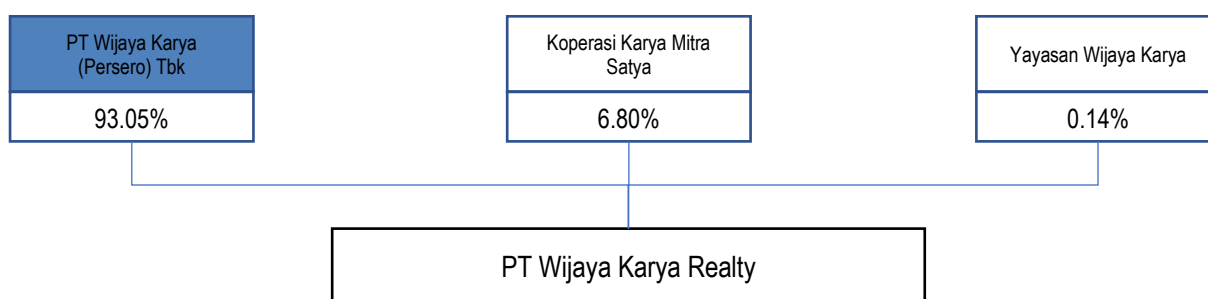
The Transaction enables WR to fulfil its obligations to carry out land acquisitions for WR and its subsidiaries. WR will be able to carry out estate development of landed houses and high-rise buildings to generate revenues for WR, and on a consolidated basis, contribute long-term profit for the Company.

IV. DESCRIPTION OF THE AFFILIATION

Affiliation by Ownership

The Company is a shareholder that holds 93.05% of the shares in WR.

Shareholding Structure of WR as at June 2021



Affiliation by Management

The Company's Director of Human Capital and Development concurrently serves as WR's President Director, and one of the Company's employees serves as a WR Commissioner.

Affiliation of the Parties to the Transaction

The Company is a shareholder that holds 93.05% of the shares in WR.

V. INDEPENDENT PARTY AND SUMMARY OF ITS OPINION

The Company has appointed the Public Appraisal Firm Doli Siregar dan Rekan ("**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 in the Capital Market Law.

The following is a summary of the Fairness Opinion on the Proposed Transaction of Shareholder Loan as stated in the report No. 00197/2.0042-00/BS/03/0405/1/XII/2021 dated 03 December 2021:

1. Parties to the Proposed Transaction

The parties to the Proposed Transaction are as follows:

- **The Company**

The Company is the party that provides the Shareholder Loan to WR, its controlled entity, and holds 93.0% of the shares in WR.

- **WR**

WR is the party that receives the Shareholder Loan from the Company, its majority shareholder.

2. Object of the Appraisal

The object of the appraisal is the Shareholder Loan by the Company to WR with a ceiling value of Rp1,500,000,000,000 (one trillion five hundred billion rupiah). The ceiling value is the total of the loan principal and its interest.

3. Purpose and Objective of the Appraisal

The purpose of the appraisal is to examine the fairness of the Proposed Transaction.

4. Assumptions and Limiting Conditions

- This Appraisal Report is a non-disclaimer opinion.
- The Appraiser has examined the documents that are used in the appraisal process.
- All data and information are obtained from reliable sources.
- 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 the 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 obtained the information on the legal status of the Appraisal Object from the assignor.

5. Approaches and Procedures of the Fairness Opinion

The fairness opinion was given after the following analysis:

- Analysis of the Proposed Transaction, consisting of identification and affiliation of the parties to the Proposed Transaction, analysis of the commitment and requirements for the Proposed Transaction, analysis of the benefits and risks of the Proposed Transaction.
- Qualitative analysis of the Proposed Transaction, consisting of the Company's history and business activities, analysis of the industry, analysis of the Company's operations and prospects, and analysis of the rationale for entering into the Proposed Transaction.
- Quantitative analysis of the Proposed Transaction, consisting of the Company's historical financial statements, analysis of the Company's financial ratios, analysis of the Company's financial projections, and analysis of added value.

6. Analysis of the Fairness of the Proposed Transaction

- Based on the identification of the parties to the transaction, there is a known affiliation between the Company and WR, where the Company is the majority shareholder holding 93.05% of shares in WR. In addition, both entities are affiliated by management, where Mr Mursyid serves as the Company's Director and WR's President Commissioner.
- Pursuant to the abridged draft of the Shareholder Loan Agreement, there are no specific conditions that would harm the parties to the transaction. Accordingly, the conditions of the Proposed Transaction are deemed fair.
- The benefit of the Proposed Transaction is to enable WR to fulfil its obligation to ensure its business continuity. The risk of this Proposed Transaction is the risk of not achieving the financial projections. This risk arises from the performance of the Company and WR in running their respective businesses.
- Based on the overview of the construction and property industry, both industries are projected to have good prospect going forward. Accordingly, the Proposed Transaction by the Company to support WR's business is deemed fair.
- The rationale for entering the Proposed Transaction is to support WR to secure funds for business development as well as for WR's land acquisition investments and land acquisition by WR subsidiaries.
- The benefit of the Proposed Transaction for the Company is that the loan interest rate is higher than prevailing market rates. The benefit for WR is immediate fulfilment of funding needs, which is faster than compared to securing loans to third parties or bank.
- Based on the leverage ratio analysis, WR's debt-to-equity ratio ("**DER**") and debt-to-assets ratio ("**DAR**") are lower than the DER and DAR of its peers.
- Based on WR's projected financial ratio, WR's current ratio of more than 1 (one) time, indicating that WR is able to meet its short-term obligations.
- Based on WR's financial projection that projects WR's robust performance, WR will continue to record a positive growth in revenues and net income. Accordingly, the Proposed Transaction is deemed fair.
- Based on the Company's proforma financial statement, there are no financial impacts caused by the Proposed Transaction. The Company's financial position as of 30 June 2021 before the Proposed Transaction and after the Proposed Transaction is identical.
- During the projection period, WR shows good financial performance since it always posts a net profit. This indicates that WR is able to repay its loans.
- Based on the comparison between WR's financial projections with the Proposed Transaction and without the Proposed Transaction, WR is projected to have a higher net profit by entering into this Proposed Transaction.
- The interest rate of the Proposed Transaction is above the prevailing market interest rate.

7. Fairness Opinion of the Proposed Transaction

Based on the Analysis of the Transaction, qualitative analysis, and quantitative analysis above, the Appraiser is in the opinion that this Proposed Transaction is **FAIR**.

VI. IMPACT OF THE PROPOSED 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

As at 30 June 2021

(in thousand rupiah)

Description	PT WIJAYA KARYA (PERSERO) Tbk. Before the Transaction	Adjustment(s)	PT WIJAYA KARYA (PERSERO) Tbk. After the Transaction
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	7,566,761,660	-	7,566,761,660
Trade Receivables			-
Related Parties	582,887,484		582,887,484
Third Parties	2,188,128,200		2,188,128,200
Retention Receivables			-
Related Parties	684,148,063		684,148,063
Third Parties	929,815,807		929,815,807
Due From Customer			-
Related Parties	5,095,895,150		5,095,895,150
Third Parties	4,097,709,866		4,097,709,866
Accrued Income	751,865,721		751,865,721
Other Receivables			-
Related Parties	1,074,931,816		1,074,931,816
Third Parties	143,230,314		143,230,314
Inventories	9,540,825,898		9,540,825,898
Advance	6,329,283,393		6,329,283,393
Prepaid Tax	1,687,007,096		1,687,007,096
Prepaid Expense	760,914,780		760,914,780
Business Guarantee	137,561,189		137,561,189
Total Current Assets	41,570,966,437		41,570,966,437
NON-CURRENT ASSETS			
Other account receivables net of current portion			
Related Parties	-	-	-
Third Parties	-		-
Advance net current portion	280,000,000		280,000,000
Real Estate Assets			-
Land For Development	1,555,689,180		1,555,689,180
Investment in Associates	1,964,921,757		1,964,921,757
Investment in Joint Venture	4,330,502,493		4,330,502,493
Investment Property	2,175,742,974		2,175,742,974
Fixed Assets	5,251,246,952		5,251,246,952
Goodwill	4,847,052		4,847,052
Other Long-Term Investments	852,948,018		852,948,018
Intangible Assets	4,412,108,392		4,412,108,392
Deferred Tax Assets	59,040,081		59,040,081
Other Assets	135,837,464		135,837,464
Total Non-Current Assets	21,022,884,363		21,022,884,363
TOTAL ASSETS	62,593,850,800		62,593,850,800
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short Term Loans			
Related Parties	8,917,360,649		8,917,360,649
Third Parties	6,866,447,759		6,866,447,759
Trade Payables			
Related Parties	10,471,575,951		10,471,575,951

(in thousand rupiah)

Description	PT WIJAYA KARYA (PERSERO) Tbk. Before the Transaction	Adjustment(s)	PT WIJAYA KARYA (PERSERO) Tbk. After the Transaction
Third Parties	216,664,563		216,664,563
Other Payables current portion			
Related Parties	-		-
Third Parties	753,920,287		753,920,287
Tax Payables	192,964,397		192,964,397
Advance From Customers	935,411,738		935,411,738
Accrued Expenses	4,514,890,541		4,514,890,541
Unearned Revenue	232,476,830		232,476,830
Current portion of Long-Term Loan			
Medium Term Loan	-		-
Lease Payables	14,955,879		14,955,879
Total Current Liabilities	33,116,668,594		33,116,668,594
NON-CURRENT LIABILITIES			
Employee Benefits Liabilities	187,078,590		187,078,590
Deferred Tax Liabilities	98,883,073		98,883,073
Advances for Long Term Projects	1,709,803,403		1,709,803,403
Other Payables non-current portion	20,632,867		20,632,867
Current portion of Long-Term Loan after net of current portion Short Term			
Medium Term Loan	1,795,000,000		1,795,000,000
Long-Term Loan	3,782,493,966		3,782,493,966
Lease Payables	118,623,243		118,623,243
Bond	3,977,819,855		3,977,819,855
Sukuk Mudharabah	1,000,000,000		1,000,000,000
Total Non-Current Liabilities	12,690,334,997		12,690,334,997
TOTAL LIABILITIES	45,807,003,591	-	45,807,003,591
EQUITY			
Equity attributable to owners of parent entity			
Share Capital			
Authorized Capital 35,000,000,000 shares, par value of Rp100 (full amount) per share. Issued and paid- up capital are 8,969,951.372 shares on 30 June 2021 and 31 December 2020.			
	896,995,137		896,995,137
Treasury Stock	-110,000		-110,000
Additional Paid-in Capital	6,555,498,737		6,555,498,737
Changes in Equity of Subsidiary Company	1,245,658,612		1,245,658,612
Perpetual Securities	597,600,000		597,600,000
Retained Earnings	4,473,480,725		4,473,480,725
Sub Total	13,769,123,211		13,769,123,211
Non-Controlling Interest	3,017,723,998		3,017,723,998
Total Equity	16,786,847,209		16,786,847,209
TOTAL LIABILITIES AND EQUITY	62,593,850,800	-	62,593,850,800

Based on the Company's proforma financial statement above, there are no financial impacts caused by the Proposed Transaction. The Company's financial position as of 30 June 2021 before the Proposed Transaction and after the Proposed Transaction is identical.

Fairness Opinion of the Proposed Transaction

As reflected in the positive financial projection and proforma analysis of the Transaction above, the Appraiser is in the opinion that this Transaction is **FAIR**.

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 Transaction has no Conflicts of Interest as referred to in the POJK 42/2020;
4. The 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

Fax. : (021) 2289 3830

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