

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 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; energy, renewable energy and energy conversion industry; railway operations; port operations; logistics; trading; 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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**Disclosure of an Affiliated Transaction concerning the Proposed Capital Injection in PT Wijaya Karya
Rekayasa Konstruksi by PT Wijaya Karya (Persero) Tbk.**

This Information Disclosure is Published in Jakarta on 23 December 2020

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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**").

Under the Deed of Amendment of the Articles of Association (*Akta Perubahan Anggaran Dasar*) of Perusahaan Perseroan (Persero) PT Wijaya Karya Tbk., the Company's short name is PT WIKA (Persero) Tbk. ("**Company**"). The Company's Capital Structure is prescribed in Deed No. 34 dated 16 June 2020, made before Fathiah Helmi, S.H, a Notary in Jakarta, and that has received approval from the Minister of Law and Human Rights of the Republic of Indonesia in its Letter Number: AHU-0047322.AH.01.02 Tahun 2020 dated 13 July 2020 ("**Deed No. 34/2020**").

B. Business Activities

The Company engages 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/or 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

The Company's Capital Structure is prescribed in the Deed No. 34 dated 16 June 2020, made before Fathiah Helmi, S.H, a Notary in Jakarta, and that has received approval from the Minister of Law and Human Rights of the Republic of Indonesia in its Letter Number: AHU-0047322.AH.01.02 Tahun 2020 dated 13 July 2020. According to the statement from the Company's Securities Administration Bureau, the Company's shareholding structure as of 30 November 2020 is as follows:

Description	Number of Shares	Nominal Value (Rp100) per share	%
Authorised Capital			-
- Series A Dwiwarna Shares	1	100	
- Series B Shares	34,999,999,999	3,499,999,999,900	
	35,000,000,000	3,500,000,000,000	
Issued and Paid-up Capital:			
1. Government of the Republic of Indonesia			
- Series A Dwiwarna Share	1	100	
- Series B Shares	5,834,849,999	583,484,999,900	65.05
2. Shareholdings by the Company's Directors and Board of Commissioners			
- Agung Budi Waskito (President Director)	34,200	3,420,000	0.0003813
- Ade Wahyu (Director of Finance)	457,435	45,743,500	0.0050996
3. Public with less than 5% Holdings	3,134,609,737	313,460,973,700	34.94
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

1. Board of Commissioners

According to Deed No. 33 dated 16 June 2020, made before Fathiah Helmi, S.H, a Notary in Jakarta, whose notice has been recorded by the Ministry of Law and Human Rights of the Republic of Indonesia as stated in its Receipt of the Notice of Change in Corporate Data No. AHU-AH.01.03-0250827 dated 16 June 2020, the members of the Company's Board of Commissioners as at the date of this Disclosure are as follows:

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

2. Directors

According to Deed No. 33 dated 16 June 2020, made before Fathiah Helmi, S.H, a Notary in Jakarta, whose notice has been recorded by the Ministry of Law and Human Rights of the Republic of Indonesia as stated in its Receipt of the Notice of Change in Corporate Data No. AHU-AH.01.03-0250827 dated 16 June 2020, the members of the Company's Directors as at the date of this Disclosure are as follows:

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

E. Audit Committee

According to the Decree of the Board of Commissioners No. 84/DK/WIKA/2020 dated 8 October 2020, members of the Audit Committee as at the date of this Disclosure is as follows:

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

F. Corporate Secretary

According to the Decision of the Directors No. SK.02.01/A.DIR.04640/2019 dated 28 Mei 2019, the Corporate Secretary as at the date of this 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 90.04% of the shares in PT Wijaya Karya ReKayasa Konstruksi, hereinafter referred to as “**WIKA Rekon**”.

In order to support the development of WIKA Rekon, the Company will exercise a capital injection in proportion to the Company’s shareholding in WIKA Rekon of Rp95,000,000,000 (ninety-five billion Rupiah) (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 Transaction is:

1. an Affiliated Transaction because the Company is a shareholder in WIKA Rekon that holds 90.04% of its shares.
2. not a Material Transaction because the Proposed Transaction to exercise a capital injection of Rp95,000,000,000 (ninety-five billion Rupiah) constitutes 0.59% of the Company’s Equity of Rp16,223,892,679,000 (six trillion two hundred twenty-three billion eight hundred ninety-two million six hundred seventy-nine thousand Rupiah) as of 30 June 2020.

The Company’s Board of Commissioners and Directors 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 TRANSACTION

The Company is disclosing that the Proposed Transaction is to exercise a capital injection for a sum of Rp95,000,000,000 (ninety-five billion Rupiah) in WIKA Rekon, pursuant to the:

- Statement of Approval from the Board of Commissioners No. 110/DK/WIKA/2020 dated 11 December 2020 on the Approval to Inject Additional Capital from PT Wijaya Karya (Persero) Tbk to PT Wijaya Karya ReKayasa Konstruksi

that in essence approves the injection of additional capital in WIKA Rekon. The capital injection will be used for, among others, WIKA Rekon’s working capital.

III. BENEFITS OF THE TRANSACTION

Benefits of this transaction are as follows:

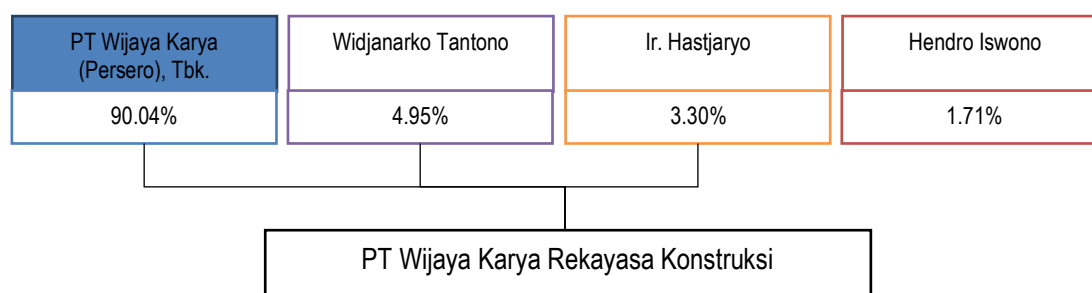
- By entering into this transaction, the Company can improve WIKA Rekon's debt ratio and accordingly attract investors.
- Increasing the Company's revenues and profit to generate added value for shareholders.

IV. DESCRIPTION OF THE AFFILIATION

Affiliation by Ownership

The Company is a shareholder that holds 90.04% of the shares in PT Wijaya Karya Rekeyasa Konstruksi.

Shareholding Structure of WIKA REKON



Affiliation by Management

The Company's Director of Operations II concurrently serves as WIKA Rekon's President Commissioner.

V. INDEPENDENT PARTY AND SUMMARY OF ITS OPINION

The Company has appointed the Public Appraisal Firm Iskandar & 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 the Proposed Capital Injection in WIKA Rekon by the Company as stated in the Fairness Opinion Report Number 00530/2.0118-00/BS/03/0520/1/XII/2020 dated 15 December 2020:

1. Parties to the Proposed Transaction

The parties to the proposed transaction are WIKA as the capital injector and WIKA Rekon as the capital injectee.

2. Object of the Appraisal

The object of appraisal in the Proposed Transaction is a capital injection for a sum of Rp95,000,000,000 (ninety-five billion Rupiah) to WIKA Rekon.

3. Purpose of Appraisal

The purpose of the appraisal is to provide a fairness opinion on the proposed transaction in order to execute the transaction.

4. Assumptions and Limiting Conditions

- The Fairness Opinion is a non-disclaimer opinion.
- The Appraiser has examined 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:

1. Analysis of the transaction.
2. Qualitative analysis of the proposed transaction.
3. Quantitative analysis of the proposed transaction.
4. Fairness analysis of the transaction's value.
5. 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:

PT Wijaya Karya (PERSERO), Tbk. and its subsidiaries
Proforma Financial Statement (in million Rupiah)

Description	Before the Transaction	Adjustment	After the Transaction
	30 June 2020		30 June 2020
<u>ASSETS</u>			
CURRENT ASSETS	7,068,854	10,509 a)	7,048,854
Cash and cash equivalents		(30,509) b)	
Trade receivables	4,702,488		4,702,488
Retention Receivables	1,632,447		1,632,447
Due from Customer	9,337,376		9,337,376
Inventories	8,415,586		8,415,586
Unbilled receivables net of current portion	2,712,878		2,712,878
Other Receivables – current portion	2,306,327		2,306,327
Advance Payment – Current portion	796,125		796,125
Business Guarantee	107,104		107,104
Financial assets	-		-
Prepaid Taxes	2,190,056		2,190,056
Prepaid expense	1,098,739		1,098,739
Total Current Assets	40,367,9878	(20,000)	40,347,9878
Non-current Assets			
Fixed assets	4,976,261	30,509 c)	5,006,769
Trade receivables -non-current portion	-	-	-
Other receivables - non-current portion	1,855,595	-	1,855,595
Unbilled receivable - non-current portion	-	-	-
Advance Payment - non-current portion	280,000	-	280,000
Real Estate Assets	1,282,229	-	1,282,229
Investment in Associates	1,699,407	-	1,699,407
Investment in Joint Venture	3,342,311	-	3,342,311
Investment Property – net	2,163,983	-	2,163,983
Goodwill	4,847	-	4,847
Other Long-term Investments	633,690	-	633,690

Intangible Assets	2,825,982	-	2,825,982
Deferred Tax Assets	53,857	-	53,857
Other Assets	608,399	-	608,399
Total Non-Current Assets	19,726,561	30,509	19,757,069
Total Assets	60,094,539	10,509	60,105,048

LIABILITIES AND EQUITY			
Current Liabilities			
Short Term Loans	10,773,626	-	10,773,626
Trade Payables	11,580,540	-	11,580,540
Other Payables	534,081	-	534,081
Due to Customer	-	-	-
Tax Payables	353,677	-	353,677
Advance from Customers	1,525,271	-	1,525,271
Accrued Expenses	7,266,202	-	7,266,202
Unearned Revenue	265,755	-	265,755
Short Term Portion of:			
Medium Term Notes	6,355,000	-	6,355,000
Lease Liabilities	73,602	-	73,602
Long-term Loan	-	-	-
Total Short-term Liabilities	38,727,753	-	38,727,753
Long-term Liabilities			
Post-Employment Benefits Liabilities	193,153	-	193,153
Deferred Tax Liabilities	142,682	-	142,682
Advances for Long Term Projects	1,190,718	-	1,190,718
Other Payables	441,693	-	441,693
Current portion of Long-Term Loan after net of current portion short Term			
Medium Term Loan	1,763,422	-	1,763,422
Lease Liabilities	123,025	-	123,025
Long-term Loan	1,288,200	-	1,288,200
Total Non-Current Liabilities	5,142,893	-	5,142,893
TOTAL LIABILITIES	43,870,647	-	43,870,647
EQUITY			
Share Capital	896,995	-	896,995
Treasury stock	(110)	-	(110)
Additional Paid-in Capital	6,555,499	-	6,555,499
Changes in Equity of Subsidiary Company	1,234,884	-	1,234,884
Retained Earnings (deficit)	4,469,560	-	4,469,560
Perpetual Securities	597,600	-	597,600

Non-Controlling Interest	2,469,465	10,509 d)	2,479,973
Total Equity	16,223,893	10,509	16,234,401
TOTAL LIABILITIES AND EQUITY	60,094,539	10,509	60,105,048

Fairness Opinion of the Transaction

Analysis on the transaction value shows the transaction value is below Market Value. As such, it is concluded that this transaction is fair.

Based on analysis on the financial impact on the proposed transaction in relation to shareholders' interests, it is found that entering into this transaction will increase the Company's sales and profit. Accordingly, the transaction will increase the Company's share value in accordance with shareholders' interests.

Based on analysis on the management's business considerations on the transaction in relation to shareholders' interests, it is found that the business expansion will generate increased revenues and profit that in turn, will increase the Company's share value. In addition, it is concluded that the management's business considerations are in accordance with shareholders' interests.

Based on the conclusions of the analysis 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 23 December 2020, is complete and meets the requirements 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 is not a Conflict of Interest as referred to in the POJK 42/2020.

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

[signed]

Mahendra Vijaya
Corporate Secretary