

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 a Shareholder Loan to PT Wijaya Karya Serang Panimbang by PT Wijaya Karya (Persero) Tbk

This Information Disclosure is Published in Jakarta on 30 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 83.42% of the shares in PT Wijaya Karya Serang Panimbang, hereinafter referred to as “**WSP**”.

In order to secure funds to settle payments for contractors and maintain timeliness of the Serang Panimbang Toll Road Project, the Company is furnishing a shareholder loan to WSP for a sum of Rp2,347,269,083,084 (two trillion three hundred forty-seven billion two hundred sixty-nine million eighty-three thousand eighty-four 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 WSP that holds 83.42% of its shares. In addition, there is also an affiliation by management, where the Company’s Director of Operations I concurrently serves as WSP’s President Commissioner.
2. not a Material Transaction because the Proposed Transaction to furnish a shareholder loan for a sum of Rp2,347,269,083,084 (two trillion three hundred forty-seven billion two hundred sixty-nine million eighty-three thousand eighty-four Rupiah) constitutes 14.47% 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 AFFILIATED TRANSACTION

The Company is disclosing that the Proposed Transaction is to furnish a shareholder loan for a sum of Rp2,347,269,083,084 (two trillion three hundred forty-seven billion two hundred sixty-nine million eighty-three thousand eighty-four Rupiah) to WSP, pursuant to the:

- a. Statement of Approval from the Board of Commissioners No. 115/DK/WIKA/2020 dated 22 December 2020 on the Approval to Furnish a Shareholder Loan by PT Wijaya Karya (Persero) Tbk to PT Wijaya Karya Serang Panimbang;
- b. Resolution of Shareholders in lieu of General Meeting of Shareholders of PT Wijaya Karya Serang Panimbang Number MJ.01.01/PS.WSP.009/2020 dated 23 December 2020;

that in essence approves to furnish a shareholder loan by PT Wijaya Karya (Persero) Tbk to PT Wijaya Karya Serang Panimbang. The purpose of the loan is to provide financial resources to settle payments for contractors undertaking the Package 1 of the Serang Panimbang Toll Road.

III. BENEFITS OF THE TRANSACTION

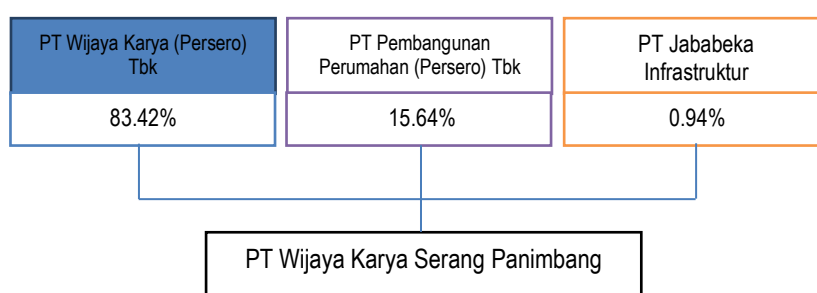
- As the Company's Subsidiary, WSP secures immediate access to funds to settle payments for contractors and maintain timeliness of the toll road project.
- WSP is able to meet the toll road completion targets according to its construction schedule.

IV. DESCRIPTION OF THE AFFILIATION

Affiliation by Ownership

The Company is a shareholder that holds 83.42% of the shares in WSP.

Shareholding Structure of WSP



Affiliation by Management

The Company's Director of Operations I concurrently serves as WSP's President Commissioner.

V. INDEPENDENT PARTY AND SUMMARY OF ITS OPINION

The Company has appointed the Public Appraisal Firm Doli Siregar & Rekan ("KJPP DSR" 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 Shareholder Loan to WSP from the Company as stated in the Fairness Opinion Report Number 018/2.0042-00/FO/03/0405/1/XII/2020 dated 28 December 2020:

1. Parties to the Proposed Transaction

Parties to the Proposed Transaction are:

- PT Wijaya Karya (Persero) Tbk. is the parent entity of PT Wijaya Karya Serang Panimbang holding 83.42% of its shares and the lender.
- PT Wijaya Karya Serang Panimbang is the Company's Subsidiary and lende.

2. Object of the Appraisal

The object of appraisal is the proposed transaction to furnish a shareholder loan for a sum of Rp2,347,269,083,084 (two trillion three hundred forty-seven billion two hundred sixty-nine million eighty-three thousand eighty-four Rupiah) to WSP.

3. Purpose of Appraisal

The purpose of this Fairness Opinion is to examine the fairness of the Proposed Transaction, in relation to the Regulation of the Financial Services Authority No. 42/POJK.04/2020 dated 2 July 2020 on Affiliated Transactions and Conflict of Interest Transactions.

4. Assumptions and Limiting Conditions

This fairness opinion can only be used in connection with the Proposed Transaction to be entered into and must not be used for other purposes. This fairness opinion is not intended as a recommendation to provide approval or not provide approval for the Proposed Transaction or to take other actions in connection with the Proposed Transaction.

The third party appointed to provide a Fairness Opinion on the Transaction is **KJPP DSR**, who is expected to perform an objective and independent examination, in accordance with the approval on Proposal Number DSR-C-C/FO/AFS/XII/20/0752 dated 14 December 2020 and Agreement Number KU.02.01/A.KEU.07973/2020 dated 15 December 2020.

In preparing this independent opinion, the Appraiser adopts several assumptions, as follows:

1. Assumes that there are no changes with material effects to the Proposed Transaction since the Proposed Transaction until the issuance of this Fairness Opinion,
2. Assumes that the Company complies with all government regulations, especially those pertaining to the Company's operations, either that has been issued or will be issued in the future.
3. Assumes that there are no issues, either with the law or in other matters, in terms of the Company's legal status both before and after entering the Proposed Transaction.
4. Assumes that the Company has and will continue to comply with obligations concerning taxes, duties, or levies in accordance with prevailing regulations.
5. The Appraiser has examined the documents that are used in the appraisal process
6. The Fairness Opinion is a non-disclaimer opinion.
7. This Appraisal Report is publicly accessible, except for confidential information that can affect the Company's operations.
8. The Appraiser is responsible for the Fairness Opinion and conclusion of its Fair Value
9. The Appraiser has received information on the terms and conditions stated in the agreements in connection with the Company's Proposed Transaction.
10. The Opinion is prepared for the objectives and purposes as stated in the Opinion. The Appraiser is not responsible to any other parties except to the Assignor. Any other parties using this Opinion are solely responsible for any risks arising thereof.
11. The Appraiser does not perform examinations and investigation pertaining to the accuracy of legal statuses as well as debts that resulted in losses on the appraised properties because such matters are beyond the Appraiser's scope. The Appraiser assumes that the object of appraisal is free from any legal claims.
12. Site inspections performed by the Appraiser are only to inspect the visible condition of the asset as described in this Opinion. Accordingly, such inspections are not intended to inspect subsurface/submarine conditions, nor to perform a building audit, nor to inspect technical conditions in detail.

13. The Appraiser does not perform examinations into environmental matters pertaining to pollution. Unless informed otherwise, the Appraisal is made on the assumption that there is no pollution that may affect the property's value.
14. The Appraiser is not required to provide testimony or appear before a court of law or government official if such testimonies or appearance are not relevant with the objectives and purpose of this Opinion and beyond the scope of engagement.
15. If on a later date the Appraiser is requested to provide clarification and presentation beyond the scope of an Appraisal Firm and to any other party except for the Assignor and service user, all costs incurred will be borne by the Assignor.

5. Approaches and Procedures of the Fairness Opinion

In evaluating the fairness of the Proposed Transaction, we have performed an analysis according to the following:

- Analysis of the Proposed Transaction, consisting of identifying and establishing the affiliations of the parties to the Proposed Transaction, analysis of the agreements and terms of the Proposed Transaction, and analysis of the benefits and risks of the Proposed Transaction.
- Qualitative analysis of the Proposed Transaction, consisting of the examining the Company's track record and business activities, analysis of the industry, analysis of the Company's operations and business prospects, analysis of the rationale for the Proposed Transaction, benefits and risks of the Proposed Transaction, analysis on impact to leverage, analysis on impact to liquidity, and analysis on financial impacts if the project failed.
- Quantitative analysis of the Proposed Transaction, consisting of analysis of the Company's historical financial statements, analysis of financial ratios, analysis of financial projections, analysis of financial positions before and after the Proposed Transaction, analysis of solvency, analysis of cash management and financial covenants, analysis on yield, and analysis of added value.

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 Financial Statement

Abridged Proforma Financial Statement (in thousands of Rupiah)

Description	30 June 2020 Before the Proposed Transaction	Adjustment(s)	30 June 2020 After the Proposed Transaction
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	7,068,854,297	(2,347,269,083)	4,721,585,214
Trade Receivables			
Related Parties	2,518,414,120		2.518.414.120
Third Parties	2,184,073,603		2.184.073.603
Retention Receivables			
Related Parties	905,868,763		905.868.763
Third Parties	726,578,180		726.578.180
Due from Customers			
Related Parties	4,742,358,492		4.742.358.492
Third Parties	4,613,259,609		4.613.259.609
Accrued Income			

Description	30 June 2020 Before the Proposed Transaction	Adjustment(s)	30 June 2020 After the Proposed Transaction
Current Portion	2,694,635,519		2,694,635,519
Other Receivables			
Related Parties	2,235,860,259	2,347,269,083	4,583,129,342
Third Parties	70,466,345		70,466,345
Inventories	8,415,586,178		8,415,586,178
Advances	796,124,970		796,124,970
Prepaid Tax	2,190,055,906		2,190,055,906
Prepaid Expense	1,098,738,707		1,098,738,707
Business Guarantees	107,103,508		107,103,508
TOTAL CURRENT ASSETS	40,367,978,456	-	40,367,978,456
NON-CURRENT ASSETS			
Other account receivables			
Related Parties	1,855,594,763		1,855,594,763
Third Parties	-		-
Advances	280,000,000		280,000,000
Real Estate Assets	1,282,229,459		1,282,229,459
Investment in Associates	1,699,406,928		1,699,406,928
Investment in Joint Ventures	3,342,311,013		3,342,311,013
Investment Property	2,163,982,902		2,163,982,902
Fixed Assets	4,976,260,609		4,976,260,609
Goodwill	4,847,052		4,847,052
Other Long-Term Investments	633,689,921		633,689,921
Intangible Assets	2,825,982,001		2,825,982,001
Deferred Tax Assets	53,857,253		53,857,253
Other Assets	608,398,838		608,398,838
TOTAL NON-CURRENT ASSETS	19,726,560,739	-	19,726,560,739
TOTAL ASSETS	60,094,539,195	-	60,094,539,195
LIABILITIES			
CURRENT LIABILITIES			
Short Term Loans			
Related Parties	3,097,032,661		3,097,032,661
Third Parties	7,676,592,917		7,676,592,917
Trade Payables			
Related Parties	155,892,218		155,892,218
Third Parties	11,424,647,339		11,424,647,339
Other Payables			
Related Parties	-		0
Third Parties	534,081,258		534,081,258
Tax Payables	353,676,532		353,676,532
Advances from Customers	1,525,271,338		1,525,271,338
Accrued Expenses	7,266,201,925		7,266,201,925
Unearned Revenues	265,755,277		265,755,277
Current portion of Long-term Loans			
Medium Term Loans	6,355,000,000		6,355,000,000
Long-term Loans	73,601,678		73,601,678
TOTAL CURRENT LIABILITIES	38,727,753,143	-	38,727,753,143
NON-CURRENT LIABILITIES			
Employee Benefits Liabilities	193,152,822		193,152,822
Deferred Tax Liabilities	142,681,790		142,681,790
Advances for Projects	1,190,718,237		1,190,718,237
Other Payables	441,693,048		441,693,048
Non-current Portion			
Medium Term Loans	1,763,422,076		1,763,422,076
Lease Payables	123,025,470		123,025,470
Long-term Loans	1,288,199,930		1,288,199,930
TOTAL NON-CURRENT LIABILITIES	5,142,893,373	-	5,142,893,373
TOTAL LIABILITIES	43,870,646,516	-	43,870,646,516
EQUITY			
EQUITY ATTRIBUTABLE TO			
Share Capital	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	1,234,883,866		1,234,883,866
Perpetual Securities	597,600,000		597,600,000

Description	30 June 2020 Before the Proposed Transaction	Adjustment(s)	30 June 2020 After the Proposed Transaction
Retained Earnings	4,469,560,190		4,469,560,190
Sub Total	13,754,427,930	-	13,754,427,930
Non-controlling Interest	2,469,464,749		2,469,464,749
TOTAL EQUITY	16,223,892,679	-	16,223,892,679
TOTAL LIABILITY AND EQUITY	60,094,539,195	-	60,094,539,195

The financial impacts of the Proposed Transaction to furnish a shareholder loan to WSP are a reduction in Cash and Cash Equivalents and an increase in other receivables of Rp2,347 billion. The impacts of the Proposed Transaction to the liquidity ratio and leverage ratio are as follows:

Impacts of the Proposed Transaction to Liquidity Ratio and Leverage Ratio (%)

Description	Before the Proposed Transaction	After the Proposed Transaction
Liquidity Ratio		
Current Ratio	1.042	1.042
Cash Ratio	0.183	0.122
Leverage Ratio		
Debt to Total Assets Ratio	0.730	0.730
Debt to Equity Ratio	2.704	2.704

Fairness Opinion of the Proposed Transaction

Since the financial projections and proforma analysis showed positive results, the Appraiser is in the opinion that the Proposed Transaction is **FAIR**.

VII. STATEMENT OF THE COMPANY'S DIRECTORS AND COMMISSIONERS

1. This Information Disclosure, submitted to the Financial Services Authority on 30 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

Fax. : (021) 2289 3830

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