

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: Affiliated Transaction concerning Non-cash Loan to PT Wijaya Karya Serang Panimbang by PT Wijaya Karya (Persero) Tbk.

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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. 5 dated 4 February 2022, 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-0015012.AH.01.02 Year 2022 dated 2 March 2022 (“**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).

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.

C. The Company's Capital and Shareholding Structure

The Company's capital structure, as stated in the Deed of the Annual General Meeting of Shareholders of Perusahaan Perseroan (Persero) PT Wijaya Karya Tbk. No. 5 dated 4 February 2022, 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-0015012.AH.01.02 Year 2022 dated 2 March 2022. According to the Shareholder Register issued by the Company's Securities Administration Bureau, the Company's shareholding structure as of 31 December 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

1. Board of Commissioners

According to the latest Deed of Management Composition as stated in the Deed of the Extraordinary General Meeting of Shareholders of Perusahaan Perseroan (Persero) PT Wijaya Karya Tbk. No. 4 dated 4 February 2022, 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.01.03-0087714 dated 9 February 2022, the composition of the Company's Board of Commissioners at the date of this Information Disclosure is as follows:

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

2. Directors

According to the latest Deed of Management Composition as stated in the Deed of the Extraordinary General Meeting of Shareholders of Perusahaan Perseroan (Persero) PT Wijaya Karya Tbk. No. 4 dated 4 February 2022, 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. No. AHU-AH.01.03-0087714 dated 9 February 2022, the composition of the Company's Directors as at the date of this Information Disclosure is as follows:

President Director	:	Agung Budi Waskito
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
Director of Finance and Risk Management	:	Adityo Kusumo

E. Audit Committee

According to the Decree of the Board of Commissioners No. 88/DK/WIKA/2021 dated 1 October 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

F. Corporate Secretary

According to the Decision of the Directors No. SK.02.01/A.DIR.04640/2019 dated 28 May 2019, 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 83.42% of the shares in PT Wijaya Karya Serang Panimbang, hereinafter referred to as “**WSP**”.

In order to finance the development of operating activities to support the Serang Panimbang Toll Road Project, the Company provides a Non-cash Loan of Rp100,000,000,000 (one hundred billion rupiah) to WSP. This proposal is 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 the Proposed Transaction is:

1. an Affiliated Transaction as stated in the POJK 42/2020, because the Company is a shareholder that holds 83.42% of the shares in WSP. In addition, the Company’s Director of Quality, Health, Safety and Environment concurrently serves as the President Commissioner of WSP.
2. not a Material Transaction as stated in the POJK 17/2020. The value of Proposed Transaction is Rp100,000,000,000 (one hundred billion rupiah). Compared to the Company’s total equity of Rp17,980,009,548,000 (seventeen trillion nine hundred eighty billion nine million five hundred forty-eight thousand rupiah) for the period ended on 30 September 2021, the Proposed Transaction constitutes only 0.55% of the Company’s total equity.

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

The Proposed Transaction is a Non-cash Loan of Rp100,000,000,000 (one hundred billion rupiah) to WSP pursuant to a letter from WSP’s Directors No. KU.02.01/A.DIR.WSP.104A/2021 dated 30 July 2021 on Request for Approval of Using the Shareholder Loan Facility.

The Company has approved the Non-cash Loan Facility to WSP as reflected in the Company’s Work Plan and Budget Year 2021 and 2022 (*Rencana Kerja dan Anggaran Perusahaan*, “**RKAP**”). The Company allocated Rp100,000,000,000 (one hundred billion rupiah) for the Non-cash Loan Facility to WSP.

The Proposed Transaction is a recurring transaction, where the transaction is not exercised all at once but exercised according to WSP’s needs. The amount disbursed will be in accordance with the ceiling approved in the RKAP.

The Proposed Transaction is a recurring transaction, and its value and exercise has been planned in the Company’s RKAP.

III. BENEFITS OF THE PROPOSED TRANSACTION

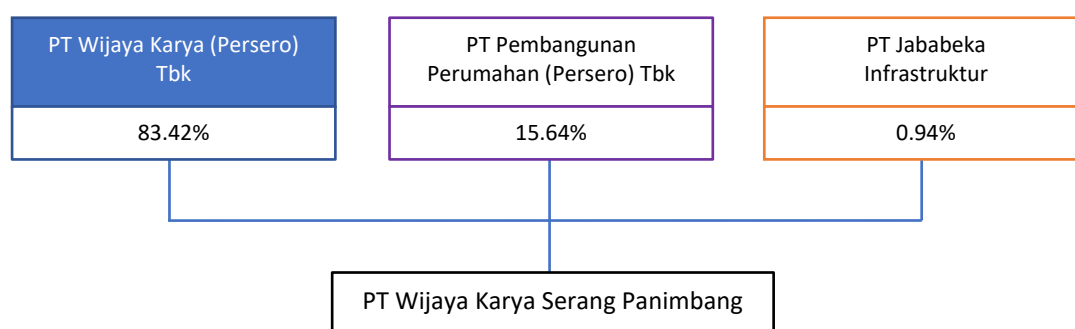
- Enables WSP as the Company's subsidiary to immediately obtain working capital to support its operating activities in toll road construction.
- Assists WSP to achieve its toll road completion targets based on its operating schedule.

IV. DESCRIPTION OF THE AFFILIATION

Affiliation by Shareholdings

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 Quality, Health, Safety and Environment concurrently serves as the President Commissioner of WSP.

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 Cash Loan and Non-cash Loan to WSP by the Company as stated in the Fairness Opinion Report No. 00013/2.0042-00/BS/03/0405/1/II/2022 dated 15 February 2022.

1. Parties to the Proposed Transaction

The parties to the Proposed Transaction are as follows:

- PT Wijaya Karya (Persero) Tbk is the parent company of PT Wijaya Karya Serang Panimbang ("WSP") that holds 83.42% of the shares in WSP and is the party that provides the Cash Loan and Non-cash Loan to WSP.
- PT Wijaya Karya Serang Panimbang is the Company's subsidiary and is the beneficiary of the Non-cash Loan by the Company.

2. Object of the Appraisal

The object of the appraisal is the proposed transaction of Non-cash Loan Facility of Rp100,000,000,000 (one hundred billion rupiah) by the Company to WSP.

3. Purpose and Objective of the Appraisal

The purpose of this Fairness Opinion Report is to examine the fairness of the Proposed Transaction in relation to POJK 42/2020.

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 any 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 was engaged to perform an objective and independent examination, in accordance with the Work Order Agreement No. TP.01.03/A.DL.00758/2021 dated 2 September 2021 in conjunction with Amendment I of Work Order Agreement No. TP.01.03/A.DL.00113/2022 dated 31 January 2022.

In expressing the opinion, the Appraiser uses several assumptions, as follows:

1. This Fairness Opinion is a non-disclaimer opinion.
2. KJPP DSR has examined the documents that are used in the appraisal process.
3. All data and information collected by KJPP DSR are obtained from reliable sources.
4. KJPP DSR uses financial projections that are adjusted to reflect a reasonable financial projection prepared by the management based on its fiduciary duty.
5. KJPP DSR is responsible for the appraisal and the fairness of the financial projections.
6. KJPP DSR provides an Appraisal Report that is publicly accessible, except for confidential information that can affect the Company's operations.
7. KJPP DSR is responsible for the Fairness Opinion and conclusion of its fair value.
8. KJPP DSR has obtained the information on the legal status of the Appraisal Object from the Assignor.
9. KJPP DSR assumes that the that since the date of the Proposed Transaction to the issuance date of this fairness opinion there are no amendments that will materially affect the Proposed Transaction.
10. KJPP DSR 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.
11. KJPP DSR 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.
12. KJPP DSR assumes that the Company has and will continue to comply with obligations concerning taxes, duties, or levies in accordance with prevailing regulations.
13. KJPP DSR has received information on the terms and conditions stated in the agreements in connection with the Company's Proposed Transaction.
14. The Opinion is prepared for the objectives and purposes as stated in the Opinion. KJPP DSR 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.
15. KJPP DSR 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.

16. If on a later date KJPP DSR 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.
17. This Report is invalid if it is not duly signed and stamped by the KJPP's Management.

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:

1. Analysis of the Proposed Transaction, consisting of identifying and establishing the affiliations of the parties to the Proposed Transaction, analysis of agreements and conditions of the Proposed Transaction, and analysis of the benefits and risks of the Proposed Transaction.
2. 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.
3. 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, and analysis of added value.
4. Fairness analysis of the Proposed Transaction.

6. Analysis of the Fairness of the Proposed Transaction

1. Based on the information above, there is an affiliation between the Company and WSP, where the Company holds 83.42% of shares in WSP. In addition, both entities are affiliated by management, where a member of the Company's Directors, Ayu Widya Kiswari, is the President Commissioner of WSP.
2. Pursuant to the abridged draft of the Shareholder Loan Agreement, there are no specific conditions that may harm the parties to the transaction. Accordingly, the conditions of the Proposed Transaction are deemed fair.
3. The benefits of the Proposed Transaction are to enable WSP as the Company's subsidiary to immediately obtain working capital to support its operating activities in toll road construction and assist WSP to achieve its toll road completion targets based on its operating schedule. The risk of the Proposed Transaction is failure to repay the loan in relation to WSP's ability to fulfil its obligations on loan facilities due to its very limited cash flow, and its failure to meet the projected financial performance that may affect WSP's operating performance.
4. Based on an overview of the toll road industry, the industry's prospect is projected to remain sound in the future. Accordingly, the Proposed Transaction by the Company is deemed fair.
5. The rationale for entering the Proposed Transaction is to provide funds to support WSP's business activities.
6. The benefit of the Proposed Transaction is that WSP can immediately secure its funding needs, compared to borrowing from third parties or banks which will take longer to secure. The disadvantage of the Proposed Transaction is a potential loss for the Company if payments are not made in accordance with the agreement and/or projections. For WSP, the disadvantage is a potential financial loss related to the payment schedule if the projected financial performance is not met.

7. The Company's financial projections projected robust performance for the Company and the Company will continue to record a positive growth in revenues and net income. Accordingly, the Proposed Transaction is deemed fair.
8. Based on the Company's financial projection with and without the Proposed Transaction, the Company will enjoy an added value of Rp0.59 billion in 2022.
9. The compensation received by the Company for the Non-cash Loan Facility to WSP is lower than the average provision from banks.

Based on the Fairness 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)

**Proforma Statements as at 30 September 2021
of the Non-cash Loan Facility**

Description	Before the Transaction	Adjustment	After the Transaction
ASSETS			
Current Assets			
Cash and Cash Equivalents	6,029,146	250	6,029,646
Trade Receivables	2,792,727		2,792,727
Retention Receivables	1,594,601		1,594,601
Gross Amount due from Customers	4,202,240		4,202,240
Accrued Income	2,781,467		2,781,467
Other Receivables	1,335,306		1,335,306
Inventories	10,913,944		10,913,944
Advance	873,681		873,681
Prepaid Taxes	1,647,673		1,647,673
Prepaid Expense	1,033,733		1,033,733
Business Guarantees	112,987	(250)	112,737
Work in Progress	5,652,699		5,652,699
Total Current Assets	38,970,202	0	38,970,202
Non-Current Assets			
Advances – Non-Current Portion	3,882,136		3,882,136
Real Estate Assets	1,988,638		1,988,638
Investment in Associates	1,905,371		1,905,371
Investment in Joint Ventures	5,403,960		5,403,960
Investment Property	1,898,574		1,898,574
Fixed Assets	8,691,157		8,691,157
Assets of Joint Operation	291,635		291,635
Goodwill	4,847		4,847
Other Long-Term Investments	1,019,277		1,019,277
Intangible Assets	4,768,490		4,768,490
Other Assets	72,256		72,256
Deferred Tax Assets	612,849		612,849
Total Non-Current Assets	30,539,192	0	30,539,192

TOTAL ASSETS	69,509,395	0	69,509,395
LIABILITIES AND EQUITY			
Current Liabilities			
Short Term Loans	13,412,846		13,412,846
Trade Receivables	11,520,393		11,520,393
Other Receivables	1,213,015		1,213,015
Tax Payables	312,545		312,545
Advance From Customers	1,113,166		1,113,166
Accrued Expenses	6,149,699		6,149,699
Unearned Revenue	218,706		218,706
Current portion of:			
Medium Term Loan	300,000		300,000
Long Term Loan	245,937		245,937
Lease Payables	84,355		84,355
Total Short Term Liabilities	34,570,661	0	34,570,661
Non-Current Liabilities			
Employee Benefits Liabilities	202,662		202,662
Deferred Tax Liabilities	79,899		79,899
Advances for Long Term Projects	1,279,355		1,279,355
Current portion of Long Term Loan after net of current portion short Term:			
Medium Term Loan	1,590,000		1,590,000
Long Term Loan	6,038,297		6,038,297
Lease Payables	199,396		199,396
Other Payables - Long Term	7,569,115		7,569,115
Total Long Term Liabilities	16,958,724	0	16,958,724
TOTAL LIABILITIES	51,529,385	0	51,529,385
Equity			
Perpetual Securities	599,800		599,800
Share Capital	896,995		896,995
Treasury Shares	(110)		(110)
Additional Paid-in Capital	6,555,499		6,555,499
Changes in Equity of Subsidiary Company	1,068,661		1,068,661
Retained Earnings (deficit)	4,450,174		4,450,174
Sub total	13,571,018	0	13,571,018
Non-Controlling Interest	4,408,991		4,408,991
Total Equity	17,980,010	0	17,980,010
TOTAL LIABILITIES AND EQUITY	69,509,395	0	69,509,395

The impact after entering the Proposed Transaction is an increase in cash and cash equivalents and a decrease in business guarantees of Rp250,000,000 (two hundred fifty million rupiah).

VII. STATEMENT OF THE COMPANY'S DIRECTORS AND COMMISSIONERS

1. This Information Disclosure, submitted to the Financial Services Authority on 21 February 2022, 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;

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
Corporate Secretary