

# 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**

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**Information Disclosure of Affiliated Transaction concerning Sale of Machinery, Equipment, Vehicles, and Heavy Equipment from PT Wijaya Karya Industri & Konstruksi to PT Wijaya Karya Beton Tbk.**

This Information Disclosure is published in Jakarta on 16 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).

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 Deed 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 Year 2021 dated 16 July 2021. According to the Shareholder Register issued by 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	%
<b>Authorised Capital</b>	<b>35,000,000,000</b>	<b>3,500,000,000,000</b>	-
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
<b>Total Issued and Paid-up Capital</b>	<b>8,969,951,372</b>	<b>896,995,137,200</b>	<b>100.00</b>
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. 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 at the date of this Information Disclosure is as follows:

#### Board of Commissioners

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

#### 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. 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 Directors as at the date of this Information Disclosure is as follows:

President Director	:	Agung Budi Waskito
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Director of Finance and Risk Management	:	Ade Wahyu
Director of Quality, Health, Safety and Environment	:	Ayu Widya Kiswari
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

#### **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 98.573% of the shares in PT Wijaya Karya Industri & Konstruksi (hereinafter referred to as “**WIKON**”) and holds 60.00% of the shares in PT Wijaya Karya Beton Tbk. (hereinafter referred to as “**WTON**”). WIKON and WTON have entered into a sale and purchase agreement of machinery, equipment, vehicles, and heavy equipment. The sale and purchase agreement 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 this Transaction is:

1. an Affiliated Transaction as defined in the POJK 42/2020, because the Company is a shareholder that holds 60.00% of the shares in WTON and 98.573% of the shares in WIKON. In addition, WTON’s President Commissioner concurrently serves as the Company’s Director, WIKON’s President Commissioner concurrently serves as the Company’s Director, and a WIKON’s commissioner concurrently serves as the Company’s employee.
2. not a Material Transaction as defined in the POJK 17/2020, because the Proposed Transaction’s value of Rp69,130,000,000 (sixty-nine billion one hundred thirty million rupiah) constitutes only 0.41% of the Company’s equity for the period ended on 30 June 2021 of Rp16,786,847,209,000 (sixteen trillion seven hundred eighty-six billion eight hundred forty-seven million two hundred nine thousand rupiah).

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.

## III. EXPLANATION, RATIONALE, AND REASONS TO ENTER INTO THE TRANSACTION

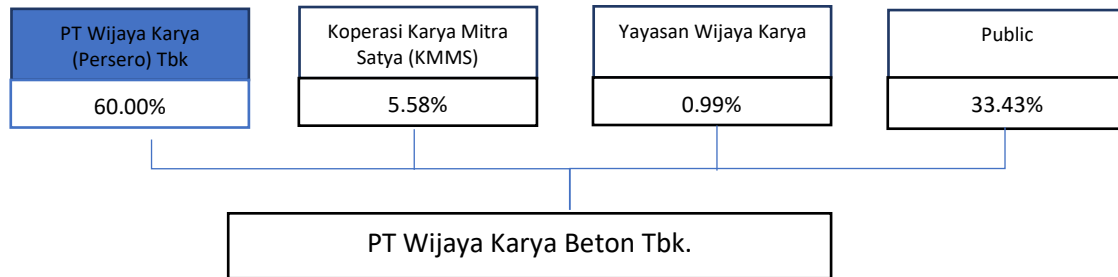
The Proposed Transaction is entered into for business development considerations of Subsidiaries and is aimed to establish synergy within PT Wijaya Karya (Persero) Tbk Group. Proceeds from the sale of machinery, equipment, vehicles, and heavy equipment to WTON provide added value for WIKON since they are underutilised. WTON is able to optimise the utility of the machinery, equipment, vehicles, and heavy equipment for its business activity.

## IV. DESCRIPTION OF THE AFFILIATION

### **Affiliation by Ownership**

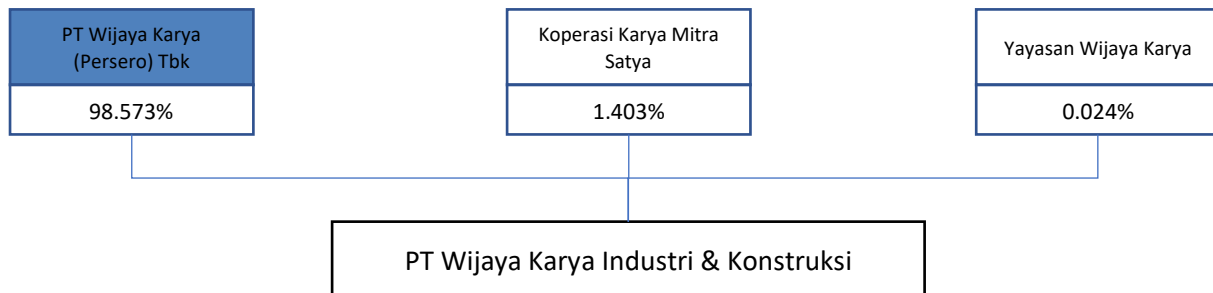
The Company is a shareholder that holds 60.00% of the shares in WTON.

### Shareholding Structure of WTON



The Company is a shareholder that holds 98.573% of the shares in WIKON.

### Shareholding Structure of WIKON



#### Affiliation by Management

The Company's Director of Finance and Risk Management concurrently serves as WTON's President Commissioner, the Company's Director of Operations III concurrently serves as WIKON's President Commissioner, and a WIKON's Commissioner is the Company's employee.

## V. INDEPENDENT PARTY AND SUMMARY OF ITS OPINION

The Company has appointed the Public Appraisal Firm Iskandar & Rekan ("KJPP ISR") as the independent appraiser, pursuant to the Appointment Letter No. TP.01.01/A.DL.01048/2021 dated 22 November 2021, 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. In order to express the fairness opinion, KJPP ISR uses the consolidated financial statement of PT Wijaya Karya (Persero) Tbk. for the period ended on 30 June 2021 that has been reviewed by the Public Accounting Firm Slamet Riyanto, Aryanto & Rekan. The following is a summary of the Fairness Opinion on the Sale of Machinery, Equipment, Vehicles, and Heavy Equipment from WIKON (the Company's Controlled Entity) to WTON as stated in the Fairness Opinion Report No. 00398/2.0118-00/BS/03/0520/1/XI/2021 dated 29 November 2021:

#### 1. Parties to the Proposed Transaction

The parties to the Proposed Transaction are as follows:

- **PT Wijaya Karya Industri & Konstruksi** is the seller of the machinery, equipment, vehicles, and heavy equipment to PT Wijaya Karya Beton Tbk.
- **PT Wijaya Karya Beton Tbk.** is the purchaser of the machinery, equipment, vehicles, and heavy equipment from PT Wijaya Karya Industri & Konstruksi.

## **2. Object of the Appraisal**

The object of the appraisal is the sale of machinery, equipment, vehicles, and heavy equipment from PT Wijaya Karya Industri & Konstruksi to PT Wijaya Karya Beton Tbk.

## **3. Purpose and Objective of the Appraisal**

The purpose of the appraisal is to issue a fairness opinion on 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, if financial projections are used in the process.
- 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 on:

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

In performing the above analyses, the Appraiser conducted analysis on the following:

- a. Analysis of the Transaction;
- b. Qualitative analysis of the Proposed Transaction;
- c. Quantitative analysis of the Proposed Transaction;
- d. Fairness analysis of the Transaction;
- e. Analysis of other relevant factors.

## **6. Analysis of the Fairness of the Proposed Transaction**

The analysis on the transaction value for the sale of machinery, equipment, vehicles, and heavy equipment 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 revenues and profit as well as improve the Company's liquidity and solvency. 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 optimising the utility of WIKON's machinery, equipment, vehicles, and heavy equipment will generate higher revenues and net profit on a consolidated basis, which in turn will increase the Company's share value.



Based on the findings of the analyses above, the Appraiser has deemed that the Proposed Transaction is **fair**.

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

The analysis includes the financial impacts on the Company's financial position based on the financial statement for the period ended on 30 June 2021 provided by the Company's management.

The Pro Forma Financial Statement is aimed to demonstrate the Proposed Transaction's significant impacts on the historical financial information. However, the Pro Forma Financial Statement is not a guidance of business results or impacts on the financial position resulting from previous transactions. The Pro Forma Financial Statement is prepared using the following assumptions:

- The financial statement before the transaction is taken from the Company's financial statement for the period ended 30 June 2021 that has been reviewed by Public Accounting Firm Slamet Riyanto, Aryanto dan Rekan.
- The transaction came into effect on 30 June 2021.
- The transaction came into effect in accordance with the prevailing provisions and regulations.

The pro forma financial statement is as follows:

### PT WIJAYA KARYA (Persero) Tbk. and Its Subsidiaries Pro Forma Financial Position (in million Rp)

Description	Before the Proposed Transaction	Adjustment(s)	After the Proposed Transaction
	30 June 2021		30 June 2021
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7,566,762	-	7,566,762
Trade receivables	2,771,016	-	2,771,016
Retention receivables	1,613,964	-	1,613,964
Gross Amount due from customer	9,193,605	-	9,193,605
Inventories	9,540,826	-	9,540,826
Accrued Income	751,866	-	751,866
Other receivables – current portion	1,218,162	-	1,218,162
Advance - current portion	6,329,283	-	6,329,283
Business guarantees	137,561	-	137,561
Financial assets	-	-	-
Prepaid tax	1,687,007	-	1,687,007
Prepaid expense	760,915	-	760,915
<b>Total Current Assets</b>	<b>41,570,966</b>	<b>-</b>	<b>41,570,966</b>
<b>Non-Current Assets</b>			
Fixed assets	5,251,247	-	5,251,247
Trade receivables – non-current portion	-	-	-
Other receivables – non-current portion	-	-	-
Accrued Income - non-current portion	-	-	-
Advance – non-current portion	280,000	-	280,000
Real estate assets	1,555,689	-	1,555,689
Investment in associates	1,964,922	-	1,964,922
Investment in joint venture	4,330,502	-	4,330,502
Investment property - net	2,175,743	-	2,175,743
Goodwill	4,847	-	4,847
Other long-term investments	852,948	-	852,948

Description	Before the Proposed Transaction	Adjustment(s)	After the Proposed Transaction
	30 June 2021		30 June 2021
Intangible assets	4,412,108	-	4,412,108
Deferred tax assets	59,040	-	59,040
Other assets	135,837	-	135,837
<b>Total non-current assets</b>	<b>21,022,884</b>	-	<b>21,022,884</b>
<b>TOTAL ASSETS</b>	<b>62,593,851</b>	-	<b>62,593,851</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Short term loans	15,783,808	-	15,783,808
Trade payables	10,688,241	-	10,688,241
Other payables	753,920	-	753,920
Due to customers	-	-	-
Tax payables	192,964	-	192,964
Advance from Customers	935,412	-	935,412
Accrued expenses	4,514,891	-	4,514,891
Unearned revenue	232,477	-	232,477
Current portion of:			
Medium-term loans	-	-	-
Lease payables	14,956	-	14,956
Long-term Loans	-	-	-
<b>Total Current Liabilities</b>	<b>33,116,669</b>	-	<b>33,116,669</b>
<b>Non-current Liabilities</b>			
Employee benefits liabilities	187,079	-	187,079
Deferred tax liabilities	98,883	-	98,883
Advances for Projects	1,709,803	-	1,709,803
Other payables	20,633	-	20,633
Current portion of long-term loan After net of current portion short term			
Medium term-loans	1,795,000	-	1,795,000
Lease payables	118,623	-	118,623
Long-term loans	3,782,494	-	3,782,494
Bond	3,977,820	-	3,977,820
Sukuk mudharabah	1,000,000	-	1,000,000
<b>Total Non-Current Liabilities</b>	<b>12,690,335</b>	-	<b>12,690,335</b>
<b>TOTAL LIABILITIES</b>	<b>45,807,004</b>	-	<b>45,807,004</b>
<b>EQUITY</b>			
Share Capital	896,995	-	896,995
Treasury stock	(110)	-	(110)
Additional Paid-in Capital	655,499	-	655,499
Changes in Equity of Subsidiary Company	1,245,659	-	1,245,659
Retained Earnings (deficit)	4,473,481	-	4,473,481
Perpetual Securities	597,600	-	597,600
Non-controlling Interest	3,017,724	-	3,017,724
<b>Total equity</b>	<b>16,786,847</b>	-	<b>16,786,847</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>62,593,851</b>		<b>62,593,851</b>
<b>Liquidity Ratio and Solvency Ratio</b>			
Current Ratio	125.53%		125.53%
Debt to Equity Ratio	272.87%		272.87%
Debt to Asset Ratio	73.18%		73.18%

The abridged analysis on impact of the Transaction on the Company's pro forma financial position as of 30 June 2021 is as follows:

- Projected current assets remains unchanged.
- Projected non-current assets remains unchanged.

- In general, the Company's projected assets after the Proposed Transaction remains identical with before the Proposed Transaction.
- Projected current liabilities remains unchanged.
- Projected non-current liabilities remains unchanged.
- In general, the Company's projected liabilities remains unchanged.
- Projected equity after the Transaction remains unchanged.
- Projected current ratio after the Transaction remains unchanged.
- Debt to Equity Ratio and Debt to Asset Ratio remains unchanged.

Based on the description above, the Appraiser has concluded that the Transaction does not affect the Company's liquidity and solvency.

#### VII. STATEMENT OF THE COMPANY'S DIRECTORS AND COMMISSIONERS

1. This Information Disclosure, submitted to the Financial Services Authority on 16 November 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.

#### 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  
 Phone Number : (021) 8067 9200  
 Fax. : (021) 2289 3830  
 Email : investor.relations@wika.co.id  
 Website : [www.wika.co.id](http://www.wika.co.id)

Sincerely Yours,  
**PT Wijaya Karya (Persero) Tbk.**  
 Corporate Secretary



**PT WIJAYA KARYA (Persero) Tbk.**

**Mahendra Vijaya**