

DISCLOSURE

To Comply with the Regulation of the Capital Market and Financial Institution Supervisory Agency No. IX.E.1, Appendix to the Decision of the Chairman of the Capital Market and Financial Institution Supervisory Agency No. KEP. 412/BL/2009 dated 25 November 2009 on Affiliated Transactions and Conflicts of Interest in Certain Transactions

The Company's Board of Commissioners and Directors are fully responsible for the accuracy of all information or material facts stated in this Disclosure and emphasise that there are no material information and relevant facts are being withheld, that in so doing may result in the material information contained in this Disclosure to become false and/or misleading.



PT WIJAYA KARYA (Persero) Tbk

PERUSAHAAN PERSEROAN (PERSERO) PT WIJAYA KARYA TBK.

Primary Business Activities:

Construction industry, fabrication industry, leasing services, agency services, investments, agroindustry, energy industry, renewable energy and energy conversion, railway operation, port operation, airport operation, logistics, trade, engineering, procurement, and construction, estate development and management, construction, information technology, engineering and planning services

Domiciled in Jakarta, Indonesia

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Disclosure of a Proposed First Amendment to the Cooperation Agreement on the Development and Management of Land in Gangga, Bali with PT Wijaya Karya Realty Tbk.

Disclosure published in Jakarta on 25 April 2018

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I. INTRODUCTION

A. Introduction

The Company was 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 of 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 executed 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 2008 (“**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 Capital Structure of the Company is prescribed in Deed No. 07 dated 7 April 2017, made before Ashoya Ratam, SH., M.KN, a Notary in Jakarta, and has been approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decree No. AHU-0010171.AH.01.02 dated 06 May 2017 (“**Deed No. 07/2017**”).

B. Scope of Business

In accordance with Article 3 of the Company’s Articles of Association, its objectives and purpose is to conduct business in the following areas: construction industry, fabrication industry, leasing services, agency services, investment, agro-industry, energy, renewable energy and energy conversion industry, railway operations, port operations, airport operations, logistics, trade, engineering procurement construction, estate development and management, services in capacity building in construction, information technology, services in engineering and planning,

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for the production of high quality and competitive goods and/or services in order to record profit to increase the Company's valuation in accordance with the principles of Limited Liability Companies.

C. Capital and Shareholding Structure of the Company

The Capital Structure of the Company is prescribed in Deed No. 07 dated 7 April 2017, made before Ashoya Ratam, SH., M.KN, a Notary in Jakarta, and has been approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0010171.AH.01.02 dated 06 May 2017. Pursuant to the statement from the Company's Securities Administration Bureau, the shareholding structure of the Company as at 31 March 2018 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 Shares	1	100	
- Series B Shares	5,834,850,000	583,485,000,000	65.05
2. Shareholdings by the Directors and Board of Commissioners of the Company			
- Bintang Perbowo (President Director)	4,251,068	425,106,800	0.05
- Novel Arsyad (Director of Human Capital and Systems Development)	856,700	85,670,000	0.01
3. Shareholdings by Employees	59,943,482	5,994,348,200	0.67
4. Public with less than 5% Holdings	3,129,993,604	312,999,360,400	34.22
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 Board of Commissioners and Directors of the Company

1. Board of Commissioners

According to Deed No. 39 dated 23 March 2017, made before Ashoya Ratam, SH., M.KN, 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.

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AHU-AH.01.03-0127318 dated 13 April 2017, the Company's Commissioners as at the date of the affiliated transaction is as follows:

President Commissioner/	: Ir. Imam Santoso. M.Sc
Commissioner	: Liliek Mayasari, SE
Commissioner	: Drs. Freddy R. Saragih, MPAcc
Commissioner	: Eddy Kristanto
Independent Commissioner	: Ir. Nurrachman, ST, MM
Independent Commissioner	: Imas Aan Ubudiah, S.Pd, M.Si

2. Directors

According to Deed No. 39 dated 23 March 2017, drawn before Ashoya Ratam, SH., M.KN, 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.01.03-0127318 dated 13 April 2017, the Company's Directors as at the date of the affiliated transaction is as follows:

President Director	: Bintang Perbowo, SE, MM
Director of Finance	: Antonius Nicholas Stephanus Kosasih. SE, MM-FI
Director of Human Capital and Development	: Ir. Novel Arsyad, MM
Director of Operation I	: Ir. Chandra Dwiputra, MMT
Director of Operation II	: Ir. Bambang Pramujo, MT
Director of Operation III	: Ir. Destiawan Soewardjono, MM

3. Audit Committee

According to the Decree of the Board of Commissioners No. 56/DK/PT.WIKA/2017 dated 22 June 2017, members of the Audit Committee as at the date of the affiliated transaction is as follows:

Chairman/Member	: Ir. Nurrachman, ST, MM
Member	: Dra. Waluyati Supriyantini, CA, QIA, MM
Member	: Ir. Muhammad Sjukrul Amien, MM
Member	: Dr. Ac. Dr. Ed. Darsono P, SE, SF, MA, MM

4. Corporate Secretary

According to the Decree of the Directors No. SK.02.01/A.DIR.7124/2017 dated 9 June 2017, the Corporate Secretary as at the date of the affiliated transaction is as follows:

Name	: Puspita Anggraeni, ST, MM
Office Address	: Jl. D.I. Panjaitan Kav. 9-10 Jakarta 13340, Indonesia
Phone Number	: (021) 8067 9200
Fax Number	: (021) 2289 3830
Email	: puspita@wikamail.id

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II. DESCRIPTION OF THE PROPOSED TRANSACTION

The Company is currently the majority shareholder in PT Wijaya Karya Realty Tbk. (“WIKA Realty,” or “WR”) with a stake of 90.88%. In order to develop, build, and manage the Land in Bali, the Company intends to cooperate with WR by entering into a cooperation agreement called WIKA-Wika Realty Bali, abbreviated “WW @ Bali.”

The cooperation agreement is a revision (first amendment) of an agreement entered into on 10 December 2012. The agreement was deemed to be fair by the Public Appraisal Firm (*Kantor Jasa Penilai Publik*, KJPP) Iskandar Asmawi dan Rekan according to its report number 062.1/IA-1/FO/V/2018 dated 28 May 2012 on Summary Fairness Opinion Report on the Proposed Capital Participation by PT Wijaya Karya (Persero) Tbk, wherein the capital to be placed pursuant to the agreement with PT Wijaya Karya Realty Tbk. was an unutilised plot of land. Following the fairness opinion, the Company issued a Disclosure under letter No. SE.01.01/A.DIR.10305/2012 dated 12 December 2012 on Disclosure of the Performance of the Joint Operations between PT Wijaya Karya (Persero) Tbk. and PT Wijaya Karya Realty Tbk.

Since the Company is the parent entity of WR, and since there are some common management personnel in the Company and in WR, the Proposed Transaction is an affiliated transaction such that the Company must comply with Regulation of the Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) No. IX.E.1 on “Affiliated Transactions and Conflicts of Interest in Certain Transactions” prescribed under Appendix to the Decision of the Chairman of the Capital Market and Financial Institution Supervisory Agency No. KEP. 412/BL/2009 dated 25 November 2009. Nonetheless, the Company states that this transaction is not a conflict of interest transaction.

The Company’s Board of Commissioners and Directors, both individually and collectively, are fully responsible for the completeness and correctness of the information presented in this Disclosure, and having held satisfactory examination and verification, to the extent to which the facts are known and can be established, emphasise that the information contained in this Disclosure is true and no material facts are concealed nor withheld, that in so doing may cause or result in such information or material facts to become false and/or misleading.

In order to execute the Proposed Transaction and to comply with the provisions of Regulation IX.E.1, the Company has appointed KJPP Toha, Okky, Heru & Rekan as an independent consultant to prepare a Fairness Opinion of the Proposed Transaction.

DESCRIPTION OF THE PROPOSED TRANSACTION

According to information obtained from the Company’s management, the Proposed Transaction intends to amend the terms of the KSO (Joint Operations) agreement with WR from previously a

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profit-sharing agreement into a fixed-profit agreement for WIKA, with an addendum stating that WR must place a 1,140m² plot of land to be developed while the Company will still place a 12,174m² plot of land (in the form of 8,568m² plot of land and the cash equivalent of a 3,606m² plot of land of Rp15,598,156,727) owned by WIKA, demonstrated by 50 Right to Build titles (*Hak Guna Bangunan*, HGB) to such plots. The plots of land provided by the Company are not planned for any use in the Company's interests/projects.

The value of transaction under the first amendment of the revised cooperation agreement in Article 4 on LAND VALUE, the parties agreed the land value to be:

Before the Amendment:

The Parties agree that **LAND** considered as placement by **WIKA** to be Rp3,600,000.00/m² (three million six hundred thousand Rupiah per square metre) or a total sum of Rp43,826,400,000.00 (forty-three billion eight hundred twenty-six million four hundred thousand Rupiah). Hereinafter in this agreement referred to as "**Land Value.**"

After the Amendment:

The Parties agree that the value of WIKA's participation is Rp52,660,000,000.00 (fifty-two billion six hundred sixty million Rupiah), with the breakdown as follows:

- a. in the form of a 8,568m² parcel of land valued at Rp4,325,611.00/m² (four million three hundred twenty-five thousand six hundred eleven Rupiah per square metre) or a total sum of Rp37,061,843,273.00 (thirty-seven billion sixty-one million eight hundred forty-three thousand two hundred seventy-three Rupiah);
- b. in the form of cash of Rp15,598,156,727.00 (fifteen billion five hundred ninety-eight million one hundred fifty-six thousand seven hundred twenty-seven Rupiah) from the payment for a 3,606m² parcel of land by WIKA REALTY.

The profit-sharing under the first amendment of the revised cooperation agreement in Article 6 on PROFIT SHARING, the parties agreed to the provisions of profit-sharing as follows:

Before the Amendment:

The Parties agree that profits earned and losses incurred will be shared by and borne to each Party at a rate of 50% to WIKA and 50% to WIKA REALTY.

After the Amendment:

1. The Parties agree that the share of Profits earned by WIKA is **fixed and defined** ("fixed profit"). The amount of Fixed and Defined Profit share that will be earned by WIKA is Rp18,836,029,205.00 (eighteen billion eight hundred thirty-six million twenty-nine thousand two hundred five Rupiah), consisting of:
 - a. 13 (thirteen) Condotel units of the Nararaya type with a net floor space of 378.17m² (three hundred and seventy-eight point one seven square metres) for a value of Rp18,255,900,000

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- (eighteen billion two hundred fifty-five million nine hundred thousand Rupiah), not including Value-added Tax (*Pajak Pertambahan Nilai*, PPN), Acquisition Duty on Right to Land and Buildings (*Bea Perolehan Hak atas Tanah dan Bangunan*, BPHTB), Title Transfer Duty (*Bea Balik Nama*), Notary Fees, the sums of which will be borne by WIKA; and,
- b. The remaining share of profit will be paid in cash for a sum of Rp580,129,205 (five hundred eighty million one hundred twenty-nine thousand two hundred five Rupiah).
2. The payment of Profit as referred to in Article 6 section 1 of this Agreement will be paid in instalments, as follows:
 - a. the payment of 20% of the total fixed and defined profit no later than August 2018 will be paid by way of a Sale and Purchase Commitment of 13 Condotel units of the Nararaya type;
 - b. the remaining 80% of the total fixed and defined profit no later than August 2019 will be paid by way of a Sale and Purchase Deed of 13 Condotel units of the Nararaya type and including a cash payment for a sum of Rp580,129,205 (five hundred eighty million one hundred twenty-nine thousand two hundred five Rupiah).

III. BENEFITS OF THE TRANSACTION

Benefits of the Transaction

The Management's business considerations to execute the Proposed Transaction are as follows:

1. Develop empty plots of land into villas/condotels by cooperating with a credible developer, i.e. WR.
2. Projections of economic and financial profits.

IV. DESCRIPTION OF THE AFFILIATION

Affiliation by Ownership

WIKA Realty is a subsidiary of the Company, wherein the Company holds a stake of 90.88%.

Affiliation by Management

In terms of management, one of the Company's Directors, A.N.S Kosasih is the President Commissioner of WIKA Realty.

V. INDEPENDENT PARTY AND SUMMARY OF ITS OPINION

The Company has appointed the Public Appraisal Firm ("KJPP") Toha, Okky, Heru & Rekan (hereinafter "KJPP TOH") as the independent appraiser to issue a fairness opinion on the 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.

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The following is a summary of the Fairness Opinion on the Proposed First Amendment to the Cooperation Agreement on the Development and Management of Land in Gangga with PT Wijaya Karya Realty Tbk. (hereinafter “**WIKA Realty**”), a Subsidiary of the Company, as stated in the Fairness Opinion Report Number: 025/FO/TOHA-PST/XXIX:

1. Affiliates in the Proposed Transaction

The affiliates in the proposed transaction are the Company and WIKA Realty in the Cooperation to Develop and Manage Land in Gangga.

2. Object of the Appraisal

The object of appraisal is the Proposed First Amendment to the Cooperation Agreement on the Development and Management of Land in Gangga with PT Wijaya Karya Realty Tbk..

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 and to satisfy the Regulation of the Financial Services Authority (formerly Capital Market and Financial Institution Supervisory Agency, Bapepam-LK) No. IX.E.1 on Affiliated Transaction and Conflicts of Interest in Certain Transactions and Regulation No. IX.E.2 on Material Transactions and Change of Primary Business Activity.

4. Primary Assumptions and Limiting Conditions:

Primary Assumptions

The Fairness Opinion on the Proposed Transaction is prepared to make certain that the Proposed Transaction is executed in accordance with the arm’s length principle that is generally accepted in commercial practices and does not damage the interests of the Company and its shareholders. KJPP TOH adopts the following assumptions, among others:

1. KJPP TOH assumes that since the date of publication of its fairness opinion up to the date of execution of the Proposed Transaction, there will be no amendments that will materially affect the Proposed Transaction;
2. This Fairness Opinion is a comprehensive analysis whose constituents as a whole are inseparable. Analysis and discussion of parts of this Fairness Opinion by an incompetent party, without due consideration to analysis and discussion of other parts of this Fairness Opinion as a whole, may result in a deviation of the conclusion reached in this Fairness Opinion.

KJPP TOH bears no responsibility to restate or redress its opinion due to events occurring after the date of this letter.

5. Limiting Conditions

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This fairness opinion was prepared based on, among others, the principle of integrity of available information. KJPP TOH prepares this Fairness Opinion based on the information and data as supplied by the Company's management, which by the nature of fairness is deemed to be true, complete, reliable, and not misleading. KJPP TOH did not audit or verify such information and data.

As the basis in carrying out the analysis and preparing the Fairness Opinion on the Proposed Transaction, KJPP TOH uses the data as attached in the Sources of Data section as basis of its considerations. Any change to such data may result in material deviations from the opinion issued by KJPP TOH. Consequently, KJPP TOH bears no responsibility for the possibility of any different conclusions that were reached as a result of the changes to the data mentioned above.

KJPP TOH assumes that the Company's management has supplied all of the significant and relevant information pertaining to the Proposed Transaction and that to the extent known by the Company's management, there is no other undisclosed data and material information that may cause misleads.

KJPP TOH hereby wishes to state that the scope of its engagement does not include the analysis of other transactions beyond that of the Proposed Transaction that may be executed by the Company as well as the effects of such transactions on the Proposed Transaction.

KJPP TOH wishes to hereby states that the results of the analysis and research by KJPP TOH are explicitly limited to the appraisal of the transaction, without due regard to taxation and legislation, given that such aspects are beyond the scope of KJPP TOH's engagement.

6. Approaches and Procedures of the Fairness Opinion

In evaluating the fairness of the Proposed Transaction, KJPP TOH performs analysis in the following stages:

1. Analysis of the Proposed Transaction, consisting of analysis of the affiliates in the Proposed Transaction and requirements of the Proposed Transaction.
2. Qualitative Analysis, consisting of a general overview of the industries pertaining to the Company's business activities and industry prospects.
3. Qualitative and Quantitative Analysis, consisting of a fairness analysis of the Proposed Transaction, and incremental analysis of the Proposed Transaction for the Company.

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

The following is the Company's pro forma financial statement before and after the transaction according to the pro forma data supplied by WIKA's Management to KJPP TOH. The cut-off date used is 30 September 2017.

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(In Thousands of Rupiah)				
Description	WIKA	IMPACT OF TRANSACTION		WIKA
	(before placement of land)	DEBIT	CREDIT	(after placement of land)
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and Cash Equivalents	7,236,187,854			7,236,187,854
Net trade receivables - Third Parties	3,037,304,906			3,037,304,906
Net trade receivables - Related Parties	1,872,061,445			1,872,061,445
Net retention receivables - Third Parties	867,178,582			867,178,582
Net retention receivables - Related Parties	286,267,651			286,267,651
Due from Customers - Third Parties	3,839,820,048			3,839,820,048
Due from Customers - Related Parties	4,409,431,354			4,409,431,354
Accrued Income	971,621,297			971,621,297
Other receivables Net of Current Period				
Related Parties	50,456,502			50,456,502
Third Parties	212,873,376			212,873,376
Inventories	1,801,710,352			1,801,710,352
Advance Net Current Portion	1,353,597,691			1,353,597,691
Prepaid Tax	1,306,494,868			1,306,494,868
Prepaid Expense	854,784,314			854,784,314
Business Guarantee Net Current Portion	87,941,452			87,941,452
Real Estate Assets Net Current Portion	2,156,720,108			2,156,720,108
Financial Assets from Concession Projects	110,148,921			110,148,921
Total Current Assets	30,454,600,721			30,454,600,721
NON-CURRENT ASSETS				
Investment in Associates	323,059,232			323,059,232
Trade Account Receivables Net Current Portion	142,439,748			142,439,748

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Unbilled Receivables	92,097,802			92,097,802
Other Receivables - Related Parties	725,012,309			725,012,309
Advance Net Current Portion	250,588,122			250,588,122
Financial Assets from Concession Projects	86,182,475			86,182,475
Real Estate Assets Net Current Portion	655,344,707		26,276,775	629,067,932
Investment Property	483,232,833			483,232,833
Fixed Assets	3,693,430,958			3,693,430,958
Investment in Joint Venture	2,760,343,930	52,660,000		2,813,003,930
Goodwill	4,847,052			4,847,052
Business Guarantee Net Current Portion	200,681,233			200,681,233
Other Financial Assets	106,939,371			106,939,371
Intangible Assets	1,145,387			1,145,387
Other Assets	56,886,406			56,886,406
Net Deferred Tax Assets	16,029,018			16,029,018
Total Non-current Assets	9,598,260,583			9,624,643,808
TOTAL ASSETS	40,052,861,304			40,079,244,529

Description	WIKA	IMPACT OF TRANSACTION		WIKA
	(before placement of land)	DEBIT	CREDIT	(after placement of land)
<u>LIABILITIES AND EQUITY</u>				
CURRENT LIABILITY				
Short Term Loans				
Third Parties	3,864,775,020			3,864,775,020
Related Parties	2,644,595,613			2,644,595,613
Trade Payables				-
Third Parties	7,603,680,167			7,603,680,167
Related Parties	75,375,824			75,375,824
Other Payables	111,773,445			111,773,445
Tax Payable	454,926,181			454,926,181
Advance from Customers	836,163,188			836,163,188
Accrued Expenses	5,538,911,509			5,538,911,509
Unearned Revenue	234,288,023			234,288,023
Short Term Liabilities due in One Year				-

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Medium Term Loan	975,000,000			975,000,000
Long Term Loan	271,616,761			271,616,761
Lease Payables	23,867,402			23,867,402
Total Current Liabilities	22,634,973,133			22,634,973,133
NON-CURRENT LIABILITY				
Employee Benefits Liabilities	321,207,700			321,207,700
Deferred Tax Liabilities	38,420,890			38,420,890
Advance for Long Term Projects	2,910,647,372			2,910,647,372
Current Portion of Long Term Loan after net of Current Portion				
Medium Term Loan	250,000,000			250,000,000
Long Term Loan	602,281,036			602,281,036
Lease Payables	119,997,191			119,997,191
Total Non-current Liabilities	4,242,554,489			4,242,554,489
TOTAL LIABILITIES	26,877,527,322			26,877,527,322
				-
	WIKA	IMPACT OF TRANSACTION		WIKA
Description	(before placement of land)	DEBIT	CREDIT	(after placement of land)
<u>EQUITY</u>				
Equity attributable to owners of parent entity				
Share Capital	896,995,137			896,995,137
Authorized Capital of 35,000,000,000 shares, par value of Rp100 per share. Issued and paid-up capital are 8,969,951,372 shares as at 30 Sept 2017				
Treasury Stock	(10,272,110)			(10,272,110)
Additional Paid-in Capital	6,555,720,677			6,555,720,677
Change of Equity in Subsidiary Company	1,059,204,710			1,059,204,710
Other Equity Components	(143,729,994)			(143,729,994)
Retained Earnings	3,430,423,254		23,606,529	3,454,029,783
Total Equity	11,788,341,674			11,811,948,203
Non-controlling Interest	1,386,992,308		2,776,696	1,389,769,004

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Total Equity	13,175,333,982			13,201,717,207
TOTAL LIABILITIES AND EQUITY	40,052,861,304			40,079,244,529

1. Fairness of the Value of the Proposed Transaction

The analysis carried out was to compare the return on investment made by WIKA in the Gangga KSO without taking into account the time value of money (TVOM) and by taking into account the TVOM at a discount rate of 10.42% – the figure of which is the interest on investment loans from Government-owned Banks, based on the Indonesian Financial Statistics (*Statistik Ekonomi dan Keuangan Indonesia*, SEKI) compiled by Bank Indonesia (BI). The discount rate is taken into account since all return on investment made by WIKA is in the form of land value and fixed profit that is both fixed and defined.

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Presented in a table, the return on investment by way of land provision by WIKA is as follows:

Description	Without Taking Into Account Time Value of Money	Taking Into Account Time Value of Money
Return of Land Value	52,660,000,000	38,943,264,462
Fixed Profit in 12 Condotel Units	18,836,029,205	16,029,056,321
Total (Rp)	71,496,029,205	54,972,320,783
Market Value of Land Appraisal	52,660,000,000	52,660,000,000
Value Added (Rp)	36%	4%

2. Opinion on Fairness of the Transaction

Based on the fairness analyses of the Proposed Transaction, i.e. analysis of the Proposed Transaction as well as qualitative and quantitative analysis, the KJPP TOH is in the opinion that from an economic and financial point of view, the Proposed Transaction, as a whole, is **fair** to both the Company and its shareholders.

VII. STATEMENT OF THE COMPANY'S DIRECTORS AND COMMISSIONERS

1. This Disclosure, submitted to the Financial Services Authority on 9 April 2018, is complete and meets the requirements prescribed in Regulation No. IX.E.1 on Affiliated Transaction and Conflicts of Interest in Certain Transactions, Appendix to the Decision of the Chairman of the Bapepam-LK No. Kep-412/BL/2009 dated 25 November 2009 (hereinafter "Regulation IX.E.1");
2. Having conducted prudent and careful examination, we believe that this submitted Disclosure does not contain statements or information or facts that are incorrect or misleading;
3. Having conducted a prudent and careful examination, we believe that investors have all the necessary information or material facts required to arrive at a decision in relation to the Transaction;
4. The Transaction is not a Conflict of Interest as referred to in Regulation No. IX.E. on Affiliated Transaction and Conflicts of Interest in Certain Transactions, Appendix to the Decision of the Chairman of the Bapepam-LK No. Kep-412/BL/2009 dated 25 November 2009 (hereinafter "Regulation IX.E.1")

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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. 9-10

Jakarta, 13340, Indonesia

Phone : (021) 9067-9200

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 & Duty Stamped]

Puspita Anggraeni

Corporate Secretary

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