

Number : SE.01.01/A.SEKPER.04733/2019

20 March 2019

Attachments :-

To:

**PT Bursa Efek Indonesia - Indonesia Stock Exchange**

Gedung Bursa Efek Indonesia Lt. IV

Jl. Jend. Sudirman Kav. 52-53

Jakarta

**Attn.: Head of Listings, Services Sector / Kepala Divisi Penilaian Sektor Jasa PT Bursa Efek Indonesia**

Subject : **Disclosure - Management's Clarification concerning Change of More than 20% in Assets and Liabilities**

Dear Sir/Madam,

We refer to the Company's Letter Number SE.01.01/SEKPER.04717/2019 dated 20 March 2019 concerning submission of the PT Wijaya Karya (Persero) Tbk. Audited Consolidated Financial Statement for the year ended on 31 December 2018. We would like to provide the Company's clarification concerning a change of more than 20% in the Company's assets and liabilities:

Description	31 December 2018	31 December 2017	Increase
Assets	59,230,001,238	45,683,774,302	29.65%
Liabilities	42,014,686,674	31,051,949,689	35.30%

The Company's clarification concerning such change was as follows:

**1. Assets**

The Company's total assets increased by 29.65% compared with the Audited Consolidated Financial Statement for Financial Year 2017 for the following reasons:

- a. Cash and Cash Equivalents increased by 24.17% compared with the previous year because a significant number of receivables were paid at the end of 2018.
- b. Retentions increased by 44.87% compared with the previous year because of an increase in retention receivables for achieving project milestones. However, the retention itself will not be paid until the projects' maintenance period has ended.
- c. Unbilled Receivables increased by 56.08% compared with the previous year because project milestones achieved at the end of the year could not be billed since its billing documentation was still being prepared.

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- d. Other short-term receivables increased because the Company has made bridging payments for land acquisitions for infrastructure and dam projects.
- e. Inventories increased by 55.71% compared with the previous year because ready-for-sale real estate assets have been reclassified as inventories from non-current assets. In addition, there was an increase in the inventory of finished goods for the manufacturing industry sector that was attributable to the Company's subsidiaries.
- f. Current portion of advances increased by 25.99% because the Company has intensified procurement of materials and services in order to support its projects and produce industrial products.
- g. One of the effects of the increases of such transactions was an increase in prepaid taxes by 24.45%.
- h. Other non-current outstanding receivables increased by 228.66%. This was wholly due to the Company's additional contribution in the shareholder loan to PT Pilar Sinergi BUMN Indonesia (PT PSBI) to undertake construction of the Jakarta-Bandung High Speed Railway.
- i. Non-current portion of unbilled receivables were interest receivables on the shareholder loan to PT PSBI. Interest on the loan increased in proportion to the Company's contribution in the shareholder loan to PT PSBI.
- j. Real Estate Assets increased by 38.82% as some parcels of land in Jakarta and Banten, owned by the Company's Subsidiaries, were ready for development.
- k. The Company's investments in associated entities increased by 83.37% since the Company increased its placement in PT Jakarta River City, a company engaged in realty and property; and in PT Citra Marga Lintas Jabar, a company engaged in toll road management.
- l. Investment Properties increased by 195.92% because business tenants and public facilities have started operating in several new apartment complexes and airports in Indonesia. The facilities were owned by the Company's subsidiaries.
- m. Other long-term investments increased by 379.41% The largest increase was investments in PT Jasamarga Balikpapan Samarinda and in PT Prima Terminal Petikemas.

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- n. Intangible Assets increased by 413.64% due to the toll road concession rights held by PT Serang Panimbang.

## 2. Liabilities

The Company's liabilities increased by 29.65% compared with the Audited Consolidated Financial Statement for Financial Year 2017 for the following reasons:

- a. Trade payables increased by 47.71% compared with the previous year due to higher procurement of materials and services, which in turn was caused by an increase in production compared with 2017.
- b. Short-term portion of long-term loans increased by 42.86% because certain long-term loans for the Company's subsidiaries will be due.
- c. Balance of deferred tax liability increased by 205.57%. This was attributable to the Company's subsidiaries.
- d. Advances for long-term projects increased by 47.11% because the Company has secured more long-term/multi-year projects than in the previous year.
- e. The Company's other payables increased by 555.56%. This was attributable to the Company's subsidiaries.
- f. Medium-term loans increased by 508.46% from funds raised from the Global Bond in 2018.
- g. Long-term loans increased by 176.58% because the Company has obtained syndicated loan facilities from several banks to finance large-scale, multi-year construction projects.
- h. Long-term rental payables increased by 120.58% due to rental fees for factory and project equipment by the Company's subsidiaries.
- i. The perpetual security was fully issued in 2018, thus raising the Company's equities.
- j. Retained earnings increased by 37.35% and non-controlling interest increased by 20.69% owing to improvements in the Company's performance (profit).

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We thank you for your kind attention.

Sincerely Yours,

**PT Wijaya Karya (Persero) Tbk**  
Corporate Secretary,

[signed]

**Puspita Anggraeni**  
Corporate Secretary

CC:

Director of Listings, PT Bursa Efek Indonesia / Direktur Penilaian PT Bursa Efek Indonesia

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