

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 the Divestment of Shareholdings of PT Wijaya Karya Realty Resulting in Change of Control of PT Wijaya Karya Industri Energi

This Information Disclosure is published in Jakarta on 1 April 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**").

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 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 ("**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 28 February 2021 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 Acknowledgement 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 Information 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 Acknowledgement 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 Information 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 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 Mei 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 93.05% of the shares in PT Wijaya Karya Realty, hereinafter referred to as “**WIKA Realty**”, which is a shareholder in PT Wijaya Karya Industri Energi (hereinafter referred to as “**WINNER**”).

In connection with the Company’s programme to reclassify its Subsidiary’s business activities, the Company is proposing to WIKA Realty to dispose or divest its shareholdings of Rp95,000,000,000 (ninety-five billion Rupiah) in WINNER, which will be acquired by PT Wijaya Karya Rekayasa Konstruksi (“**WIKA Rekon**”) (hereinafter referred to as the “**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 Proposed Transaction is:

1. an Affiliated Transaction because the Company is a shareholder in WIKA Realty that holds 93.05% of its shares.
2. not a Material Transaction because the Proposed Transaction to divest Rp95,000,000,000 (ninety-five billion Rupiah) in shares constitutes 0.57% of the Company’s equity of Rp16,657,425,071,000 (sixteen trillion six hundred fifty-seven billion four hundred twenty-five million seventy-one thousand) as of 31 December 2020.

The Company’s Board of Commissioners and Directors, both jointly and severally, are fully responsible for the completeness and correctness of the information presented in this Information Disclosure. Having held satisfactory inspections and investigations, to the extent to which the facts are known and can be established, the Company’s Board of Commissioners and Directors do hereby state that the information contained in this Information Disclosure is true and that no material facts are being concealed or withheld, which in so doing may cause or result in the information or material facts to become false and/or misleading.

DESCRIPTION OF THE PROPOSED AFFILIATED TRANSACTION

The Company hereby discloses that the Proposed Transaction is in connection the disposal or divestment of WIKA Realty’s shareholdings of Rp95,000,000,000 (ninety-five billion Rupiah) in WINNER, pursuant to the following approvals:

- Decision of the Directors in lieu of Company Meeting Number 6/KLR-DIR/II/2021 dated 22 February 2021 on the Approval to Dispose Shares/Divest Shares Held by WIKA Realty in WINNER.
- Resolution of Shareholders in lieu of General Meeting of Shareholders of PT Wijaya Karya Realty Number MJ.01.01/WR-A.1060/2021 dated 26 March 2021 on Shareholders’ Approval to Dispose Shares/Divest Shares Held by WIKA Realty in WINNER

III. BENEFITS OF THE TRANSACTION

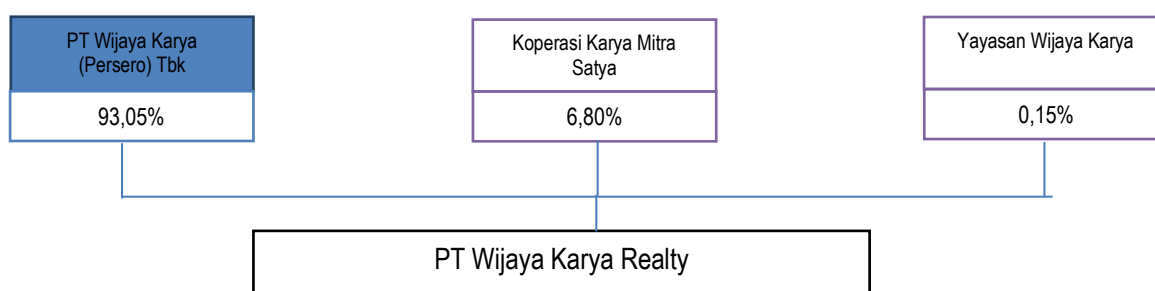
By entering into the Proposed Transaction, the disposed/divested shares will be acquired by WIKA Rekon in order to expand its core business activities in renewable energy.

IV. DESCRIPTION OF THE AFFILIATION

Affiliation by Ownership

The Company is a shareholder in WIKA Realty that holds 93.05% of its shares.

Shareholding Structure of WIKA Realty



Affiliation by Management

The Company's Director of Human Capital and Development concurrently serves as WIKA Realty's President Commissioner.

V. INDEPENDENT PARTY AND SUMMARY OF ITS OPINION

The Company has appointed the Public Appraisal Firm Maulana, Andesta dan Rekan ("KJPP Maulana" 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 sale and purchase of 64,340,400 shares (60%) in WINNER held by WIKA Realty as stated in the Fairness Opinion Report Number No. 00168/2.0053-00/BS/03/0095/1/III/2021 dated 30 March 2021:

1. Parties to the Proposed Transaction

Parties to the Proposed Transaction are WIKA Realty and WIKA Rekon, in which the Company is a shareholder in both parties.

2. Object of the Appraisal

The object of the appraisal is the Proposed Transaction where WIKA Realty disposes or divests its shareholdings of Rp95,000,000,000 (ninety-five billion Rupiah) in WINNER, which will be acquired by WIKA Rekon.

3. Purpose of the Appraisal

Purpose

The purpose of the engagement is to examine the fairness of the Proposed Transaction as governed in:

Regulation of the Bapepam-LK/OJK IX.E.1 as amended into the Regulation of the Financial Services Authority No. 42/POJK.04/2020 on Affiliated Transactions and Conflict of Interest Transactions.

Objective

The objective of the engagement is to express a fairness opinion on the Proposed Transaction entered by WIKA Realty to dispose or divest its shareholdings in WINNER to WIKA Rekon.

4. Assumptions and Limiting Conditions

1. The Fairness Opinion expresses is a non-disclaimer opinion.
2. The Appraiser has examined the documents that are used in the appraisal process. The Appraiser, however, did not examine the validity of such documents and consequently is unable to guarantee its correctness or validity.
3. The Appraiser uses data and information obtained and sourced from sources whose accuracy is trusted.
4. The Appraiser uses financial projections that have been adjusted to reflect a reasonable financial projection prepared by the management in accordance with its fiduciary duty.
5. The Appraiser is responsible for the appraisal process and fairness of the financial projections.
6. The Appraisal Report is prepared based on the analyses performed. The Appraisal Report is publicly accessible, except for confidential information that can affect the Company's operations.
7. The Appraiser is responsible for the appraisal and fairness of financial projections and conclusion of its fair value.

5. Approaches and Procedures of the Fairness Opinion

A fairness opinion is expressed after performing an analysis of the following

1. 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.
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, and 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 the Company's cash flows, analysis of the Company's financial ratios, analysis of financial projections, and added-value analysis.
4. Analysis of the fair value of the Proposed Transaction.
Analysis of other relevant factors.

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

As of 31 December 2020 (in thousands of Rupiah)	Before Capital Placement	Adjustment(s)		After Capital Placement
		Debit	Credit	
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	14,951,761,071			14,951,761,071
Trade Receivables	2,175,553,436			2,175,553,436
Retention Receivables	1,649,587,752			1,649,587,752
Gross Amount due from Customers	8,356,967,362			8,356,967,362
Unbilled Receivables	2,301,753,900			2,301,753,900
Other Receivables	4,826,181,670			4,826,181,670
Inventories	9,813,054,227			9,813,054,227
Advances	862,322,924			862,322,924
Prepaid Tax	2,139,155,664			2,139,155,664
Prepaid Expense	806,885,740			806,885,740
Business Guarantees	97,721,979			97,721,979
Restricted Deposits	-			-
TOTAL CURRENT ASSETS	47,980,945,725	-	-	47,980,945,725
NON-CURRENT ASSETS				
Trade Receivables - Non- current Portion	-			-
Other Receivables - Non- current Portion	-			-
Unbilled Receivables - Non- current Portion	-			-
Advances - Non-current Portion	280,000,000			280,000,000
Real Estate Assets	1,215,038,229			1,215,038,229
Investment in Associates	1,709,108,024			1,709,108,024
Investment in Joint Ventures	4,622,540,381			4,622,540,381
Investment Property	2,022,806,201			2,022,806,201
Fixed Assets	5,170,556,905			5,170,556,905
Goodwill	4,847,052			4,847,052
Other Long-Term Investments	781,390,852			781,390,852
Intangible Assets	3,864,322,299			3,864,322,299
Other Assets	63,688,614			63,688,614
Deferred Tax Assets	393,930,931			393,930,931
TOTAL NON-CURRENT ASSETS	20,128,239,488	-	-	20,128,239,488
TOTAL ASSETS	68,109,185,213	-	-	68,109,185,213

As of 31 December 2020 (in thousands of Rupiah)	Before Capital Placement	Adjustment(s)		Before Capital Placement
		Debit	Credit	
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short Term Loans	15,363,350,628			15,363,350,628
Trade Payables	14,241,490,843			14,241,490,843
Other Payables	475,183,076			475,183,076
Gross Liabilities from Customers	0			0
Tax Payables	329,076,176			329,076,176
Advances Received from Customers	1,495,256,500			1,495,256,500
Accrued Expenses	6,503,696,764			6,503,696,764
Unearned Revenue	111,220,038			111,220,038
Short-term Portion of Medium Term Loans	5,605,000,000			5,605,000,000
Long-term Loans	0			0
Lease Payables	44,193,711			44,193,711
TOTAL CURRENT LIABILITIES	44,168,467,736	-	-	44,168,467,736
LONG-TERM LIABILITIES				
Post Employment Benefits Liabilities	180,732,726			180,732,726
Deferred Tax Liabilities	98,483,073			98,483,073
Advances from Long-term Projects	1,434,955,926			1,434,955,926
Other Payables	304,163,608			304,163,608
Long-term Portion Net of Short- term Portion Medium Term Loans	1,789,410,414			1,789,410,414
Long-term Loans	1,367,695,557			1,367,695,557
Lease Payables	116,619,557			116,619,557
Bonds	1,491,231,747			1,491,231,747
Sukuk Mudharabah	500,000,000			500,000,000
TOTAL LONG-TERM LIABILITIES	7,283,292,406	-	-	7,283,292,406
TOTAL LIABILITIES	51,451,760,142	-	-	51,451,760,142
EQUITY				
Perpetual Securities	597,600,000			597,600,000
Share Capital	896,995,137			896,995,137
Treasury Shares	-110,000			-110,000
Additional Paid-in Capital	6,555,499,737			6,555,499,737
Changes in Equity of Subsidiary Company	1,238,083,880			1,238,083,880
General Reserves	335,759,957			335,759,957
Unappropriated Retained Earnings	12,815,947			12,815,947
Other Reserves	4,041,487,282			4,041,487,282
Sub Total	13,678,130,940			13,678,130,940

Non-controlling Interest	2,979,294,131			2,979,294,131
TOTAL EQUITY	16,657,425,071			16,657,425,071
TOTAL LIABILITY AND EQUITY	68,109,185,213	-	-	68,109,185,213

As of 31 December 2020 (in thousands of Rupiah)	Before Capital Placement	Adjustment(s)		After Capital Placement
		Debit	Credit	
NET REVENUES	16,536,381,639			16,536,381,639
COST OF REVENUES	(15,011,596,163)			(15,011,596,163)
GROSS PROFIT	1,524,785,476			1,524,785,476
Operating Expenses	(894,569,012)			(894,569,012)
Other Income	3,067,647,493			3,067,647,493
Other Expenses	(2,233,922,229)			(2,233,922,229)
Operating Profit	1,463,941,728			1,463,941,728
Finance Cost	(1,221,502,016)			(1,221,502,016)
Final Income Tax Expenses	(400,877,238)			(400,877,238)
Loss on Associate Entity	(3,458,952)			(3,458,952)
Share in Profit of Joint Venture	472,172,166			472,172,166
	(1,153,666,040)			(1,153,666,040)
PROFIT BEFORE INCOME TAX	310,275,688			310,275,688
Income Tax Expense	12,066,825			12,066,825
NET INCOME	322,342,513			322,342,513

As of 31 December 2020 (in thousands of Rupiah)	Before Capital Placement	Adjustment(s)		After Capital Placement
		Debit	Credit	
CASH FLOWS FROM OPERATING ACTIVITIES	141,278,814			141,278,814
CASH FLOWS FROM INVESTING ACTIVITIES	(5,059,580,428)			(5,059,580,428)
CASH FLOWS FROM FINANCING ACTIVITIES	9,477,948,129			9,477,948,129
NET INCREASE ON CASH AND CASH EQUIVALENTS	4,559,646,515			4,559,646,515

CASH AND CASH EQUIVALENTS FROM ACQUISITION OF SUBSIDIARY	4,431,713			4,431,713
EFFECT OF CHANGES IN FOREIGN EXCHANGE	40,948,505			40,948,505
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	10,346,734,338			10,346,734,338
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	14,951,761,071			14,951,761,071

Fairness Opinion of the Proposed Transaction

Based on the scope of engagement, assumptions, data and information obtained from the management used in the preparation of a fairness opinion, and examination of the financial impacts of the Proposed Transaction, the Appraiser is in the opinion that the Proposed Transaction is **FAIR** to the Company and the Company’s Shareholders.

VII. STATEMENT OF THE COMPANY’S DIRECTORS AND COMMISSIONERS

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

Mahendra Vijaya
Corporate Secretary