

Number : SE.01.01/A.SEKPER.05506/2019

2 July 2019

Attachments : 1 (one) file

To:

**Head of Listings, Services Sector/Kepala Divisi Penilaian Sektor Jasa PT Bursa Efek Indonesia
Financial Services Authority / Otoritas Jasa Keuangan Republik Indonesia ("OJK RI")**

Gedung Soemitro Djojohadikusumo Lantai 3

Jl. Lapangan Banteng Timur No. 1-4

Jakarta, 10710

Jakarta

**Subject : Shareholder Loan from PT Wijaya Karya (Persero) Tbk. to PT
Wijaya Karya Industri Energi**

Dear Sir/Madam,

Pursuant to the provisions of section 2 subsection b of the Appendix to the Decision of the Chairman of the Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) No. KEP. 412/BL/2009 on Affiliated Transactions and Conflicts of Interest in Certain Transactions, we wish to provide our clarifications for the transaction entered between PT Wijaya Karya (Persero) Tbk. ("**Company**") and PT Wijaya Karya Industri Energi, as follows:

1. Object of Transaction

The object of transaction was a Shareholder Loan from PT Wijaya Karya (Persero) Tbk. to PT Wijaya Karya Industri Energi as stipulated in the attached Loan Agreement.

2. Transaction Value

The Transaction Value of the loan was Rp8,024,000,000 (eight billion twenty-four million Rupiah).

3. Parties to the Transaction

- a. **PT Wijaya Karya (Persero) Tbk.** was the party providing the loan to PT Wijaya Karya Industri Energi.
- b. **PT Wijaya Karya Industri Energi** was the party receiving the loan and is an Associated Entity of PT Wijaya Karya (Persero) Tbk.

4. Description of Affiliation of the Parties to the Transaction**a. Affiliation by Shareholdings**

PT Wijaya Karya (Persero) Tbk. holds 40% (forty percent) of the shares in PT Wijaya Karya Industri Energi and PT Wijaya Karya Realty holds the remaining 60% (sixty percent) of its shares. In addition, PT Wijaya Karya (Persero) Tbk. is the majority shareholder in PT Wijaya Karya Realty with a 93.05% (ninety-three point zero five percent) shareholding.

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b. Affiliation by Management

None of the Company's Directors and/or Board of Commissioners are currently holding office as Directors and/or Board of Commissioners of PT Wijaya Karya Industri Energi.

5. Explanations, Considerations, and Rationales to Enter into the Transaction

- a. PT Wijaya Karya Industri Energi's investments in LED lamps (conventional and bulb LEDs) and in batteries (photovoltaic batteries, such as battery cells, solar-powered electric generators, and portable power supplies) has facilitated a sound opportunity to develop demand from the domestic market (from the government and private sector) as well as facilitated opportunities to markets outside of Indonesia.
- b. In order to develop the market demand as part of the synergy programme within WIKA Group, PT Wijaya Karya Industri Energi requires funding for product development, for product certification, and for procuring materials for production.
- c. In response to the matter stated in paragraph (b) and in response to market demands, PT Wijaya Karya Industri Energi has to procure materials and components from outside of Indonesia. However, funds were required for such actions. Accordingly, using available funding facilities, PT Wijaya Karya (Persero) Tbk. was able to provide a loan to PT Wijaya Karya Industri Energi so as to improve its competitiveness and productivity.
- d. PT Wijaya Karya (Persero) Tbk. and PT Wijaya Karya Industri Energi entered into the transaction based on the considerations as follows:
 - i. Establishing strategic collaboration and synergy within the WIKA Group that supports PT Wijaya Karya Industri Energi's production activities;
 - ii. PT Wijaya Karya Industri Energi's engagement in the electronics industry and supply of household and apartment demands has offered the company with an opportunity to develop home-grown products to compete in the national and international market; and
 - iii. Financial stimulus for PT Wijaya Karya Industri Energi to independently develop its business activities, as the company requires financial assistance from its shareholders on grounds that its financial performance is yet to stabilise.
- e. The transaction was necessary to support business synergy within the WIKA Group as well as to ensure the company's business sustainability and continuous innovation.

6. Statement of the Board of Commissioners and Directors

- a. The information disclosed to the Financial Services Authority (*Otoritas Jasa Keuangan*, OJK) on 2 July 2019 has satisfied the requirements stated in section 2 subsection b of the Appendix to the Decision of the Chairman of the Capital Market and Financial Institution Supervisory Agency

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(Bapepam-LK) No. KEP. 412/BL/2009 on Affiliated Transactions and Conflicts of Interest in Certain Transactions;

- b. The information disclosed above is consistent with the Agreement executed between PT Wijaya Karya (Persero) Tbk. and PT Wijaya Karya Industri Energi and contains no false statements or information.

This Report was prepared to comply with the provisions of section 2 subsection b of the Appendix to the Decision of the Chairman of the Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) No. KEP. 412/BL/2009 on Affiliated Transactions and Conflicts of Interest in Certain Transactions.

We thank you for your kind attention.

Sincerely yours,

PT Wijaya Karya (Persero) Tbk
Corporate Secretary,

[signed]

Mahendra Vijaya
Corporate Secretary

CC:

1. Director of PKP, Services Sector, OJK RI / Direktur PKP Sektor Jasa, OJK RI
2. Head of Supervision of Property and Real Estate Companies, OJK RI / Kavid Pemantauan Perusahaan Property dan Real Estate, OJK RI
3. Director of Listing, PT Bursa Efek Indonesia / Direktur Penilaian PT Bursa Efek Indonesia
4. Head of Listing, Services Sector, PT Bursa Efek Indonesia / Kepala Divisi Penilaian Sektor Jasa, PT Bursa Efek Indonesia

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