

INFORMATION 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 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; 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).

Domiciled in Jakarta, Indonesia

HEAD OFFICE

Jl. D.I. Panjaitan Kav. 10

Jakarta 13340, Indonesia

Telephone: (021) 8067 9200 Fax : (021) 2289 3830

www.wika.co.id

investor.relations@wika.co.id

Disclosure of an Affiliated Transaction concerning the Proposed Increase in Shareholder Loan to PT Pilar Sinergi BUMN Indonesia from PT Wijaya Karya (Persero) Tbk.

This Information Disclosure is Published in Jakarta on 12 October 2020

TABLE OF CONTENTS

I. INTRODUCTION 3

II. DESCRIPTION OF THE PROPOSED TRANSACTION 6

III. BENEFITS OF THE TRANSACTION 8

IV. DESCRIPTION OF THE AFFILIATED TRANSACTION..... 8

V. INDEPENDENT PARTY AND SUMMARY OF ITS OPINION..... 8

VI. STATEMENT OF THE COMPANY’S DIRECTORS AND COMMISSIONERS..... 10

VII. ADDITIONAL INFORMATION 11

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 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. 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 30 September 2020 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 Receipt of the Notice 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 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 Receipt of the Notice 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 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 Disclosure is 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 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 38% of the shares in PT Pilar Sinergi BUMN Indonesia, hereinafter referred to as “**PSBI**,” a consortium of State-owned Enterprises (“**BUMN**”) that holds shares in PT Kereta Cepat Indonesia-China (hereinafter referred to as “**KCIC**”) that is engaged to develop the High Speed Railway (“**HSR**”) project between Jakarta and Bandung as well as to develop estates in a number of transit locations (Transit Oriented Development, “**TOD**”), which hereinafter referred to as “**HSR Project**.”

The PSBI has delivered a Letter Number DU.IN.02.01.458.2020 dated 8 June 2020, concerning its Request for Fulfilment of Outstanding Placements for the Jakarta-Bandung High Speed Railway, to PSBI’s Shareholders for a total sum of Rp1,710,024,022,836 (one trillion seven hundred ten billion twenty-four million twenty-two thousand eight hundred thirty-six rupiah). The Company’s portion is 38% of that sum, or equivalent to Rp645,830,995,516 (six hundred forty-five billion eight hundred thirty million nine hundred ninety-five thousand five hundred sixteen rupiah).

In practice, such placements were not fully exercised because not all of the PSBI’s shareholders will exercise their placement in proportion to their shareholdings. Accordingly, to fulfil its placement in PSBI, the Company exercises its placement by way of a shareholder loan; the same is also exercised by other existing Shareholders.

In order to support PSBI’s growth and facilitate the HSR Project, pursuant to the Decision of the Directors In Lieu of Meeting No. 45A/KLR-DIR/IX/2020 dated 23 September 2020, and in view of the Statement of Approval from the Company’s Board of Commissioners No. 81/DK/WIKA/2020 dated 7 October 2020 that in essence expressed the Board of Commissioners’ support, the Board of Commissioners has thus approved to furnish a shareholder loan for a sum of Rp645,830,995,516 (six hundred forty-five billion eight hundred thirty million nine hundred ninety-five thousand five hundred sixteen rupiah) with a 12 (twelve) month maturity to the PSBI, which will be injected as additional capital to the KCIC (hereinafter referred to as “**Proposed Transaction**”).

This Proposed Transaction will be part of previous loans that the Company has provided to PSBI , as follows:

Transaction Date	Description	Transaction Sum (Rupiah)
December 2015	Disbursement of Shareholder Loan 1	285,000,000,000
January 2017	Disbursement of Shareholder Loan 2	440,012,309,000
October 2017	Disbursement of Shareholder Loan 3	486,400,000,000
January 2018	Disbursement of Shareholder Loan 4	5,253,541,724
February 2018	Disbursement of Shareholder Loan 5	940,000,000,000
March 2018	Disbursement of Shareholder Loan 6	373,000,000,000
April 2018	Disbursement of Shareholder Loan 7	625,000,000,000
July 2018	Disbursement of Shareholder Loan 8	829,674,850,337
Total Disbursed Loans		3,984,340,701,061

Accordingly, the Proposed Transaction plus the Total Disbursed Loans will be Rp4,630,171,696,577 (four trillion six hundred thirty billion one hundred seventy-one million six hundred ninety-six thousand five hundred seventy-seven rupiah).

The Proposed Transaction is a transaction entered by the Company with PSBI, an affiliated company where the Company holds 38% of its shares, which will be injected as additional capital in KCIC that in so doing maintains the Company's shareholding ratio. Accordingly, the Proposed Transaction may not be exercised jointly with another party.

Referring to 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 Transaction and Conflicts of Interest in Certain Transactions ("**Bapepam-LK Regulation No. IX.E.1**") as well as Bapepam-LK Regulation No. IX.E.2, the Company is in the opinion that this Proposed Transaction is:

1. an Affiliated Transaction because the Company is a shareholder in PSBI that holds 38% of its shares.
2. not a Material Transaction, given that the Proposed Transaction to furnish a loan facility of Rp645,830,995,516 (six hundred forty-five billion eight hundred thirty million nine hundred ninety-five thousand five hundred sixteen rupiah) is 3.98% of the Company's Equity of Rp16,223,892,679,000 as of 30 June 2020.

The Company's Board of Commissioners and Directors, both severally and jointly, are fully responsible for the completeness and correctness of the information presented in this Information Disclosure, and having held reasonable examination and verification, to the extent to which the facts are known and can be established, emphasises that the information contained in this Information 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.

DESCRIPTION OF THE PROPOSED TRANSACTION

The Company informs that the Proposed Transaction is to furnish a shareholder loan for a sum of Rp645,830,995,516 (six hundred forty-five billion eight hundred thirty million nine hundred ninety-five thousand five hundred sixteen rupiah) with a 12 (twelve) month maturity to the PSBI to Fulfil the Remaining Outstanding Placements for the Jakarta-Bandung High Speed Railway, which will be injected as additional capital in the KCIC.

According to the Minutes of Meeting of the Company's Board of Commissioners attended by the Directors No. 09/RIS-KOMDIR/WIKA/2020 dated 20 July 2020 on the Approval and Ratification to the Revised Corporate Business Plans and Budget for 2020, the Company has obtained an approval in principle to place an additional capital of Rp645,830,995,516 (six hundred forty-five billion eight hundred thirty million nine hundred ninety-five thousand five hundred sixteen rupiah) in the PSBI, on the condition that the placement must be first receive approval with due consideration to the limits of transaction authorities conferred by the Board of Commissioners, and on the condition that the Company's maximum shareholdings in PSBI remains at 38%.

The source of funds for the Proposed Transaction is from a bank loan with a 10.25% interest rate. According to information from the Company’s Management, the interest on such bank loans is 10.25% per annum. Accordingly, the Company’s cost of fund will be based on the bank loans’ interest of 10.25% per annum and is considered as an interest expense. As such, the interest that will be charged to PSBI is 10.25% + 1% = 11.25%. The shareholder loan to PSBI is unsecured and has no covenants attached.

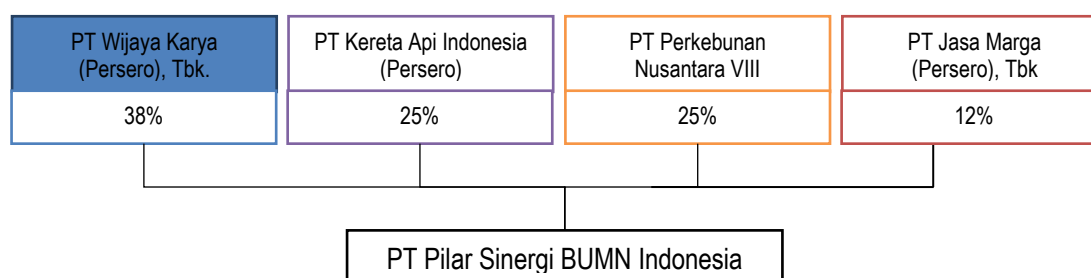
III. BENEFITS OF THE TRANSACTION

By exercising the Proposed Transaction, PSBI is expected to inject additional capital in KCIC to undertake the HSR Project, that in so doing the HSR Project is completed within the expected schedule.

IV. DESCRIPTION OF THE AFFILIATED TRANSACTION

Affiliation by Ownership

Shareholding Structure of PSBI



V. INDEPENDENT PARTY AND SUMMARY OF ITS OPINION

The Company has appointed the Public Appraisal Firm Iskandar & Rekan (“KJPP Iskandar”) 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 Proposed Additional Increase in Shareholder Loan to PSBI from the Company as stated in the Fairness Opinion Report Number 00453/2.0118-00/BS/03/0520/1/X/2020 dated 8 October 2020:

1. Affiliates in the Proposed Transaction

The parties affiliated to the proposed transaction are WIKA as the lender and PSBI as lendee.

2. Object of the Appraisal

The object of appraisal in the Proposed Transaction is shareholder loan for a sum of Rp645,830,995,516 (six hundred forty-five billion eight hundred thirty million nine hundred ninety-five thousand five hundred sixteen rupiah) with a 12 (twelve) month maturity to the PSBI, which will be injected as additional capital in the KCIC.

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.

4. Assumptions

- The Fairness Opinion is a non-disclaimer opinion.
- The Appraiser has investigated the documents that are used in the appraisal process.
- Data and information are obtained from sources whose accuracy is trusted.
- Financial projections used are adjusted to reflect a reasonable financial projection prepared by the management based on its fiduciary duty.
- The Appraiser is responsible for the appraisal and 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 received information on the legal status of the Object of the Appraisal and assignor.

5. Approaches and Procedures of the Fairness Opinion

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

- value of the object being transacted;
- financial impact of the transaction to the shareholders' interests; and,
- management's business considerations concerning the proposed transaction in relation to shareholders' interests.

The following analyses were performed to analyse the above:

- Analysis of the transaction.
- Qualitative analysis of the proposed transaction.
- Quantitative analysis of the proposed transaction.
- Fairness analysis of the transaction's value.
- Analysis of other relevant factors.

6. Fairness Opinion of the Transaction

The transaction value, based on the sum of the shareholder loan furnished to PSBI, which will be injected as additional capital in the KCIC to undertake its projects, is deemed to be fair. The interest rate, charged within the prevailing market interest rate, is also deemed to be **fair**.

Analysis of WIKA's cost of fund as lender that will be charged to the PSBI is within the prevailing market interest rate for bank loans of a nature. Therefore, it is concluded that the loan facility provided by WIKA to the PSBI is deemed to be **fair**.

By entering into the transaction, the financial impacts for the Company are improvements in its profitability, liquidity, and solvency. In addition, entering into the transaction also allows the HSR Project to be undertaken according to plan, which in turn will increase the Company's revenues and net profit in line with shareholders' interest.

Analysis on the management's business considerations concerning the transaction in relation to shareholders' interest found that completion of the KCIC Project so that it can start commercial operations will provide additional profit to and increase the Company's equity. Accordingly, it will increase the Company's share value in line with shareholders' interests.

Based on the conclusions of the analysis above, we are in the opinion that the Proposed Transaction is **fair** for both the Company and its shareholders.

VI. STATEMENT OF THE COMPANY'S DIRECTORS AND COMMISSIONERS

1. This Information Disclosure, submitted to the Financial Services Authority on 12 October 2020, is complete and meets the requirements prescribed in the Bapepam-LK Regulation No. IX.E.1;
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 is not a Conflict of Interest as referred to in the Bapepam-LK Regulation No. IX.E.1.

VII. 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

[signed]

Mahendra Vijaya
Corporate Secretary