DREAM
BELIEVE
ACHIEVE

WIKA
CORPORATE
REPORT
2017
DREAM
BELIEVE
ACHIEVE

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Dream, Believe, Achieve

After 58 years of being active in infrastructure development in its homeland, PT WIJAYA KARYA (Persero) Tbk. [WIKA] has shown remarkable growth and development. From its beginning as a company engaged in electrical installations and water pipes, WIKA has transformed into one of the best engineering services, procurement, construction and investment company.

During its journey of almost 6 decades WIKA has always been brave enough to try something new and measurable. Before other companies had even thought about moving into precast concrete manufacturing, WIKA had already established a number of concrete factories in various regions across the archipelago.

Many companies have dreams as high as the sky, wanting to become leading companies in terms of operational performance, finance, with large number of employees and such forth. But in practice, many show that it’s all just a plan, with corporate actions being carried out without direction and purpose. However, WIKA is different.

Dare To Dream

Is the notion that WIKA has the will, imagination, vision, and the expectation of what to achieve in the future. By 2020, WIKA aspires to be one of the Best EPC and Investment Integrated Companies in Southeast Asia.

Believe

WIKA dares not only to dream, but WIKA has Believe (brave with the believe that WIKA is able to answer the challenges of the dream with real action). The Company Wheels are not only limited to the courage to dream, but also the dream to dare. What’s the point of having a dream, if you do not dare to realize it. Vice versa, why dare if you do not have a dream. The dream of becoming a leading company must be accompanied by hard work to make it happen.

Achieve

WIKA can say they have been successful because WIKA had a dream and was willing and able to Achieve (realizing the promise that it believed together through real work) Furthermore, WIKA must be ready for all the risks it faces, and be strongly confident to answer all the challenges and obstacles it faces with brilliant work strategies and implementation.

2018 Vision

Infrastructure development remains a priority for the Indonesian government in efforts to achieve quality economic growth. Considering the opportunities in construction, its expertise, and capabilities, WIKA is optimistic that the company will attain significant performance growth by the end of the fiscal year. WIKA will always innovate and synergize in its aims to improve the quality and quantity of its operations and ensure the right targets are set and met.
WIKA signed a cooperation agreement with PT Pembangunan Pariwisata Indonesia for the construction of roads and parks in the Mandalika area and the arrangement of pearl house buildings on the Kuta beach - Praya, Lombok Tengah, NTB.

WIKA won Best Rights Offering Award in the category Best Packages Equity, at The Asset Regional Awards 2016 held at Four Seasons Hotel, Hongkong.

WIKA in cooperates with Matiere Bridge Building Indonesia, representative of French steel company in Indonesia. This cooperation is marked by an MoC signing made by WIKA Director of Finance A.N.S. Kosasih and Matiere Chairman, Philippe Matiere, witnessed by French President Francois Hollande.

President Joko Widodo inaugurated the Soreang - Pasir Koja toll road which is expected to increase economic growth, especially in the Soreang region and support natural and agro tourism destinations in the Bandung district.

President Joko Widodo inaugurated the Nurul Bilad Mosque located in Mandalika Special Economic Zone (KEK), Lombok - NTB.

President Joko Widodo inaugurated the Surabaya - Mojokerto toll road IB, II & III sections. The Toll Road was built by WIKA connecting the city of Surabaya to the city of Mojokerto and passes through four districts / cities, namely Surabaya, Sidoloy, Gresik and Mojokerto.
WIKA successfully lists Komodo bonds on the London Stock Exchange. WIKA’s “Komodo” bonds—bonds by which the Indonesian Rupiah (IDR) is referred to—was oversubscribed by over 2.5 times, which demonstrates WIKA’s strong support and demand from global investors. The company raised 5.4 trillion Indonesian rupiah. Bond proceeds will finance several key projects in WIKA’s portfolio that strategically align with Indonesia’s vision.

WIKA has once again made it into the ranks of the 25 most socially responsible companies in 2018 at the Indonesia Green Company Achievement event. The award presented to WIKA is a testament to its success in the field of corporate social responsibility.

WIKA solidifies its commitment and signs a MoU as part of the Citra Consortium Manila-Taguig Express Way (MTEx) development project in the Philippines. The project, an elevated toll road project in Manila worth US$830.41 million, is critical to strengthening WIKA’s presence and portfolio abroad, especially in the ASEAN region, where it has successfully completed several major projects such as the Limbang Cable Stay Bridge in Malaysia and the Maubin Pyapon Road Rehabilitation Project in Myanmar.

WIKA hosts an annual General Meeting of Shareholders for the 2017 fiscal year. The panel of executives shared WIKA’s performance for the year, the progress it has made in efforts to become one of the best EPC and investment integrated companies in Southeast Asia. Shareholders also voted on critical agenda items proposed by the management team. The meeting proved to be constructive and productive and positions WIKA well for a successful fiscal year ahead.

WIKA partners with Zimbabwe to develop housing that would improve the living standards of its citizens. WIKA executives met with delegates of the Zimbabwean government to discuss its plans to build several housing developments in the country. The meeting reinforced the partnership and WIKA’s commitments to help promote the country’s economic development and growth. This housing project is one of a multitude of projects in diverse sectors that the nation is actively pursuing in efforts to optimize the African market.

WIKA’s Director of Operations III, Destiawan Soewardjono, receives a visit from the Afghan delegation. The highlight of the event was the signing of the Memorandum of Understanding (MoU) which was conducted by WIKA’s General Manager of Overseas Department, Yulianto along with the President Director of Haji Khalil Construction Ltd., Khalil Samar Gul. The agreement expresses the commitment both parties have towards a sustainable and successful future together in development.

WIKA is a key member of the delegation representing Indonesia in the Indonesia Africa Forum (IAF). The Forum presented WIKA with the opportunity to establish greater cooperation in the area of infrastructure development with African countries. Discussion around sustainable development and infrastructure was fruitful, and WIKA’s plans and commitment to enabling a more prosperous Africa and connectivity was well received by the African delegation.

WIKA’s commitment to social responsibility is well recognized, having been once again ranked among the most socially responsible companies in Indonesia. The award reflects WIKA’s dedication to corporate social responsibility, which is integral to its business strategy.

WIKA has once again made it into the ranks of the 25 most socially responsible companies in 2018 at the Indonesia Green Company Achievement event. The award presented to WIKA is a testament to its success in the field of corporate social responsibility.
MESSAGE FROM PRESIDENT DIRECTOR

Change, for many companies, may seem overwhelming. The ability to control fear and manage change, however, musters the energy to excel and achieve—a notion deeply ingrained in WIKA’s beliefs.

Being good is not enough, WIKA must aim to be great. WIKA is a state-owned enterprise that first entered the foreign market ahead of competitors, which demonstrates that our company does not merely exist in the present, we have intertwined our roots with Indonesia’s history in development. Although we have grown to become a leading company in the country, which is a great achievement, we have also continually transformed and repositioned ourselves as a world-class SOE and competitive player in the international arena.

WIKA also believes in applying best practices for every line of work in the business and regularly benchmarks itself against competitors. Doing so increases the company’s network and allows us to form strategic partnerships to execute domestic and international projects.

In pursuing overseas markets, WIKA is gradual and strategic in its approach and focuses its development in markets it has a presence in and where it has leverage and competitive advantage. Such strategies have enabled WIKA to successfully penetrate the construction market in many countries in Africa, Southeast Asia, and the Middle East.

In the implementation of each project, WIKA always emphasizes the concept of “Cost, Quality, Time”. That is, we always try to make every project that we work on has superior quality, but without relinquished the efficiency and effectiveness aspects. This is what makes us adept to survive in the competition in the construction sector. These values are unique and provide a strong and consistent foundation to encourage every WIKA resources in winning competition not only in the domestic market, but also in the global market.

WIKA’s successful track record and its ability to excel and exceed targets were made possible by its human capital and strong financial condition. In keeping the business sustainable and profitable, WIKA has expanded its expertise beyond construction and into infrastructure development with a particular focus on investment programs. Capturing investment opportunities in various infrastructure sectors, such as energy and transportation, enables the company to succeed, thrive, and further expand. We are optimistic of WIKA’s future and its ability to capture the opportunities that lie ahead.

Ir. Tumiyana, M.B.A.
President Director

BEING GOOD IS NOT ENOUGH, WIKA MUST AIM TO BE GREAT.

Ir. Tumiyana, M.B.A.
President Director
Ir. Novel Arsyad, M.M.
President Director

An Indonesian citizen, born on February 10 in 1965 in Klaten, Indonesia, has been appointed as President Director since April 24, 2018. Previously, he served as President Director in PT Pembangunan Perumahan (Persero) Tbk. since 2016 and Financial Director of PT Pembangunan Perumahan (Persero) in 2008-2013 periods and has other important positions in the company. He holds a Masters degree in Management from IPMI and holds his Bachelor Degree in Engineering from the University Borobudur, Jakarta.

Antonius N.S. Kosasih, S.E., M.MFI.
Director of Finance

An Indonesian citizen, born in Jakarta on July 12 in 1970. He has been appointed as Director of PT WIJAYA KARYA (Persero) Tbk. since April 28, 2016. Previously, he served as President Director of PT Transportasi Jakarta (Transjakarta) from 2014 to early 2016 and Finance Director of Perum Perhutani, Indonesia's largest forestry company in the service period of 2008 – 2012. He was awarded as one of “Top 5 Indonesia Best CFO” for 3 consecutive years: 2010, 2011 and 2012 from SWA Business Magazine and Prasetiya Mulya Business School for his contribution in turning around Perum Perhutani. In 2016, he was voted and awarded as “Best CFO in Indonesia” by Alpha Southeast Asia, an international business and finance magazine, for his contribution a CFO of PT WIJAYA KARYA (Persero) Tbk. He holds a Master Degree in Finance and Investment from IPMI and holds his Bachelor Degree in Economics from University of Gadjah Mada. As his service towards the community, Antonius N.S. Kosasih dedicates his spare time to teach in University of Indonesia, Master of Management School of Business, Faculty of Economics and Business.

Ir. Tumiyana, M.B.A.
President Director

An Indonesian citizen of 49 years old born in Surakarta on September 30, 1967. He graduated from Universitas Islam Indonesia in Yogyakarta with a Bachelor’s degree in Civil Engineering and from Bina Nusantara University with a Master’s degree in Strategic Management in 2012. He currently lives in Jakarta and has been serving as the Director of Human Capital and Development since March 17th, 2017.

Mr. Arsyad began his career at PT WIJAYA KARYA (Persero) Tbk. in Building Division as a Technical section staff at Bank Peltia Jakarta Project on December 20, 1991. Since then, he has held various positions, such as the Head of Solo Paragon Project, Manager of The Adhiwangsa Residences Project and Mall Surabaya Project, Manager of Business Development, Division Manager and General Manager of Building Construction Department and President Director of Wika Gedung.

Ir. Bambang Pramujo, M.T.
Director of Operation II

An Indonesian citizen, who was born in Wonogiri June 13, 1957. Currently he is the Operation Director of PT WIJAYA KARYA (Persero) Tbk. since April 25, 2013. In addition, he is the President Commissioner of PT Wika Rekayasa Komuniti since 2013. Bambang Pramujo began his career in PT Wijaya Karya (Persero) Tbk. since 1984 and has held several important positions in the Company and its subsidiaries, including: Commissioner of PT Wika Insan Persiwa (July-October 2013) and President Commissioner of PT Marga Nusajaya Agung (WNA). He was also General Manager of several business units, for example EPC Dept., Dept. Energy, Utilities Dept., and Industrial Plant Dept. (2005-2013), he holds a Masters Degree in Civil Engineering from the University of Indonesia.

Ir. Destiawan Soewardjono, M.M.
Director of Operation III

Indonesian citizen, who was born in Surabaya on April 10, 1961. He has become the Operation Director of PT WIJAYA KARYA (Persero) Tbk. since April 25, 2013. Destiawan Soewardjono started his career in PT WIJAYA KARYA (Persero) Tbk. since 1988 and other operational positions in WIKA as the General Manager of Overseas Division (2012-2013), Manager of Overseas Division (2008-2011), and Project Manager of East West Motorway – Aljakbar (2009-2010). He earned his Master degree in Management from University of Gadjah Mada, Yogyakarta in 2008 and his Bachelor Degree in Civil Engineering from University of Brawijaya, Malang in 1987.

Mr. Agung Budi Waskito was born on Boyolali July 17th, 1971.Began his career in PT WIJAYA KARYA (Persero) Tbk. Agung who completed the strata 1 civil engineering at the University of Gadjah Mada in Yogyakarta has held various key positions in the Department of Operations, such as: Division Manager 4 in 2015-2016, General Manager of Marketing Department in 2016-2017 and General Manager of Civil 1 Department. Agung holds master degree in water resource from Indian Institute of Technology then becomes Director of Operations I PT WIJAYA KARYA (Persero) Tbk. since April 24th, 2018.

Mr. Danu Prijambodo was born on Cirebon December 17th, 1969. Began his career in PT PSN (Persero) Tbk. Danu who completed bachelor degree in civil engineering at the University of Hasanuddin in Makassar has held various key positions in PT PSN (Persero) Tbk. such as: Technical and Operation Director, Group Head Program Management Office (2015-2016), Group Head Business Infrastructure (2017-2018). Danu who hold master degree in management ed Economia from Scuola Superiore Enrico Mattei, Italy then becomes Director of QSHI PT WIJAYA KARYA (Persero) Tbk. since April 24th, 2018.
ARUK CROSS COUNTRY BORDER POST
Development of Border Posts in the Aruk area, West Kalimantan, to support immigration, customs, quarantine, security and improve the welfare of the community. It also fulfilling government aspiration contained in Nawacita, which is believed will create new economy and equality of the people around the border. Total project construction cost USD22.60 million, finished in 2 years.
## Financial Highlights

**Wika and Its Subsidiaries Consolidated Statement of Financial Position as of December 31, 2017**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Asset</strong> (in million USD)</td>
<td>941.05</td>
<td>1,192.41</td>
<td>1,465.40</td>
<td>2,342.74</td>
<td>3,413.31</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>706.47</td>
<td>825.21</td>
<td>1,059.33</td>
<td>1,391.01</td>
<td>2,320.08</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>234.58</td>
<td>367.20</td>
<td>410.07</td>
<td>951.73</td>
<td>1,093.23</td>
</tr>
<tr>
<td><strong>Result of operations (in million USD)</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td>887.98</td>
<td>931.20</td>
<td>1,017.64</td>
<td>1,170.71</td>
<td>1,955.80</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>46.65</td>
<td>58.40</td>
<td>53.45</td>
<td>90.48</td>
<td>101.32</td>
</tr>
<tr>
<td><strong>Profit Attributable to Parent Entity Owner</strong></td>
<td>42.58</td>
<td>47.88</td>
<td>47.46</td>
<td>79.12</td>
<td>89.81</td>
</tr>
<tr>
<td><strong>Profit Attributable to Non Controlling Interest</strong></td>
<td>4.07</td>
<td>10.52</td>
<td>5.99</td>
<td>11.36</td>
<td>11.51</td>
</tr>
</tbody>
</table>

**Financial Indicators**: 2013 2014 2015 2016 2017

- **Return on Equity (%)**: 35.49 27.41 28.13 16.45 18.93
- **Cash Ratio (%)**: 19.00 27.14 24.15 62.18 43.40
- **Debt to Equity Ratio (%)**: 2.90 2.26 2.60 1.46 2.12
- **Operating Profit Margin (%)**: 10.23 11.24 11.12 13.04 10.59
- **Collection Period (days)**: 45 57 75 87 69
- **Earning per Share (IDR/Share)**: 92.84 104.21 103.31 162.21 134.10
- **Number of Employees (Persons)**: 1,809 1,912 2,069 2,187 2,446

**US$ 1 = IDR 13.384**

### Industry

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Contract</td>
<td>1,327.4</td>
<td>1,377.39</td>
<td>1,364.47</td>
<td>4,097.71</td>
<td>3,168.12</td>
</tr>
<tr>
<td>Order Book</td>
<td>2,859.18</td>
<td>3,024.74</td>
<td>3,625.47</td>
<td>6,223.08</td>
<td>7,967.88</td>
</tr>
</tbody>
</table>

**Growth**

- **New Contract**: 42.95%
- **Order Book**: 47.96%
- **Total Revenue**: 51.15%
- **Profit (Loss) from Joint Venture**: 27.18%
- **Net Income**: 27.18%
- **Profit Attributable to Parent Entity Owner**: 33.70%

### Infrastructure and Building

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Contract</td>
<td>1,085.23</td>
<td>1,095.80</td>
<td>1,095.80</td>
<td>1,095.80</td>
<td>1,095.80</td>
</tr>
<tr>
<td>Order Book</td>
<td>1,095.80</td>
<td>1,095.80</td>
<td>1,095.80</td>
<td>1,095.80</td>
<td>1,095.80</td>
</tr>
</tbody>
</table>

**Growth**

- **New Contract**: 0%
- **Order Book**: 0%
- **Total Revenue**: 0%
- **Profit (Loss) from Joint Venture**: 0%
- **Net Income**: 0%
- **Profit Attributable to Parent Entity Owner**: 0%

**US$ 1 = IDR 13.384**

### Reality and Property

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Contract</td>
<td>1,239.64</td>
<td>1,299.17</td>
<td>1,973.48</td>
<td>2,528.12</td>
<td>3,168.12</td>
</tr>
<tr>
<td>Order Book</td>
<td>2,859.18</td>
<td>3,024.74</td>
<td>3,625.47</td>
<td>6,223.08</td>
<td>7,967.88</td>
</tr>
</tbody>
</table>

**Growth**

- **New Contract**: 55.91%
- **Order Book**: 27.18%
- **Total Revenue**: 16.97%
- **Cost of Revenues**: -26.48%
- **Profit (Loss) from Joint Venture**: 24.90%
- **Net Income**: -79.63%

**US$ 1 = IDR 13.384**

### Energy and Industrial Plant

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total New Contract</td>
<td>496.76</td>
<td>319.69</td>
<td>55.39%</td>
<td>496.76</td>
<td>319.69</td>
</tr>
<tr>
<td>Total Order Book</td>
<td>620.50</td>
<td>418.87</td>
<td>48.14%</td>
<td>620.50</td>
<td>418.87</td>
</tr>
</tbody>
</table>

**Growth**

- **New Contract**: -41.33%
- **Order Book**: -27.86%
- **Total Revenue**: -25.97%
- **Cost of Revenues**: -27.86%
- **Profit (Loss) from Joint Venture**: -19.82%
- **Net Income**: -25.36%

**Profit Attributable to Parent Entity Owner**: 15.41% - 19.69% - 21.76%
In the context of expansion towards the international market, WIKA sets an excellent example on how premium coherence shall be implemented simultaneously.

In stages, WIKA entered a strategic market within a country that provides comparative advantage to other countries, meaning WIKA did not randomly target markets, but selectively entered particular markets.
Light Rail Transit (LRT) is one of the modern modes of transportation in Indonesia that can be an alternative in breaking down congestion. This LRT project stretches for 5.8 km starting from Kelapa Gading to Velodrome, Jakarta. Project construction cost USD395.68 million and is estimated to be finished in 1Q 2019.
AUTOMATED PEOPLE MOVER SYSTEM (APMS) - SOEKARNO-HATTA INTERNATIONAL AIRPORT

Automated People Mover System (APMS) or Skytrain at Soekarno-Hatta International Airport is an unmanned train that operates on a single track and will connect terminal 3 to terminal 2 and vice versa in the initial stage. Total project construction cost USD66.50 million, finished in 2 years.
Pursuant to Government Regulation.No.1960/2 and Minister’s Decree of Public Works and Electric Power (PUTL) Decree No. 5 dated 11 March 1960, WIKA was established with the name of “Perusahaan Negara Bangunan Widjaja Karya”. WIKA’s business activities at the time were electrical and water pipe installation works.

**MILESTONE**

**1960**

WIKA formed several new divisions, namely the Construction Civil Division, Buildings Division, Housing Facilities Division, Concrete and Metal Products Division, Industrial Construction Division, Energy Division, and Trading Division. The projects that were handled at that time consist of: UPI Building, and Building, and also Irrigation Project.

**1972**

Perusahaan Negara Bangunan Widjaja Karya was changed into “PT Wijaya Karya”. WIKA then developed into a construction contractor by handling various important projects such as the installation of electricity grids at Asahan and the irrigation project of Jatijajar.

**1982**

WIKA released its Initial Public Offering (IPO) on October 1982, at the Indonesia Stock Exchange (known at the time as the Jakarta Stock Exchange). WIKA released 35 % of its shares to the public, so that the Government of the Republic Indonesia held 35 % while the rest was owned by the public including WIKA employees (after ESA, ESOP and MSOP).

**2000**

The establishment of PT Wijaya Karya Realty as a progression of the Realty Division. Subsequently PT Wijaya Karya Intrade was also established as the progression of the Industrial and Commercial division and in 2015, was renamed to PT Wijaya Karya Industri dan Konstruksi.

**2007**

WIKA founded its first Subsidiary company, namely PT Wijaya Karya Beton.

**2009**

Along with PT Jasa Sarana and PT Ram, established PT Wijaya Karya Jabar Power specializes in the development of Geothermal Power Station (PLTP).

**2010**

 WIKA has defined a new vision, namely the vision 2020, to become one of the best integrated EPC and Investment Company in Southeast Asia. The vision is believed to be able to provide directions to every WIKA’s line of business to achieve optimum, healthy and sustainable growth.

**2011**

WIKA’s 53rd anniversary, Wikasatrian officially applied in the training of batch 1 on April 2011.

**2012**

During 2012, WIKA has successfully completed its power plant projects with total powers consist as follows:

- Turbine Gas Power Plant Borang, 60 MW.
- Engine Gas Power Plant Rengat Ambon, 21 MW.
- Diesel Engine Power Plant Ambon, 34 MW.

**2013**

Earned an Award of 2013 Asia Pacific from Aon Hewitt. WIKA acquired 100% of PT Sarana Karya (Persero) shares, which are 5,000 shares owned by the Government of the Republic of Indonesia with a total value of Rp 50 billion.

**2014**

WIKA is getting more and more established being a player of the sector of power plant as well as oil and gas, through projects it won. With a number of projects abroad, WIKA’s action is increasingly recognized in the international level.

**2016**

• WIKA is working on infrastructure projects in accordance with the accelerated national strategic projects program, such as Trans Sumatra and Kalimantan toll roads and the Jakarta LRT.

• WIKA Group has established a subsidiary engaged in the toll roads, property, and precast building.

• WIKA acquires PMN and executes a Rights issue with total funds obtained of Rp.6trillion.

**2017**

• Establishment of Subsidiary PT Wijaya Karya Serang Panimbang.

• Adoption of new Corporate Value – Agility, Caring, Excellence (ACE)

• PT Wijaya Karya Bangunan Gedung Tbk, has official IPO at Bursa Efek Indonesia.

• Acquiring several major project contracts, such as the Serang Panimbang Toll Road for Rp3.3 trillion, Kunciran Cengkareng Toll Road for Rp 1.98 trillion and Lodgement Development in Agria for Rp 1.35 trillion.
The Vision and Mission has been approved and signed by the Board of Commissioners and Board of Directors as stated in the Minutes of the Board of Commissioners and Board of Directors Joint Meeting Number : 02/RISKOMDIR/WIKA/2010 dated February 26, 2010.

**VISION**

“TO BE ONE OF THE BEST INTEGRATED ENGINEERING, PROCUREMENT AND CONSTRUCTION (EPC) AND INVESTMENT COMPANY IN SOUTHEAST ASIA”

WIKA has diversified business lines, with a fixed focus on business related to WIKA’s core business through a vertical integration strategy (backward & forward integration), in order to provide total business solutions.

**MISSION**

- Providing excellent and integrated products and services in EPC and investment for infrastructure, building, energy, industrial plant, industry and property.
- Satisfying the expectation of key stakeholders.
- Implementing business ethics to promote sustainability of Good Corporate Governance.
- Strategic overseas expansion.
- Implementing 'Best Practice' integrated management system.

**Number of Employees**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2,187</td>
</tr>
<tr>
<td>2017</td>
<td>2,446</td>
</tr>
</tbody>
</table>

Tamansari La Grande is a High Rise Building project developed by PT Wika Realty which consists of Apartment unit and Condotel.
In 2017, WIKA changed its corporate values from Commitment, Innovations, Balance, Excellence, Relationship, Teamwork, Integrity (CIBERTI) to Agility, Caring, Excellence (ACE). This change was confirmed through Decree number SK.01.01/A.DIR.12240/2017 dated 01 August 2017 concerning PT Wijaya Karya (Persero) Tbk. Corporate Culture Formulation.

In WIKA’s human capital management, the corporate values have significance in achieving the Vision and Mission of the Company. WIKA’s ACE values must be well understood and become a guide for all WIKA’s people.
HUMAN CAPITAL

WIKA CONDUCTED AN ORGANIZATIONAL RESTRUCTURING IN 2016 BY ESTABLISHING AN INVESTMENT DIVISION AS PART OF THE COMPANY’S CORE BUSINESS.

Human Capital management is in accordance with WIKA’s Human Capital business processes starting from the organizational development strategic plan to employee retirement. Human capital fulfillment is processed through new employee recruitment, either fresh graduates or experienced personnel. The recruitment is carried out through partnerships with universities in Indonesia (University Career Centre), advertisements, job fairs, general job applications, and cooperation with recruitment agencies. In addition, recruitment is also undertaken through a foundation program for students with outstanding achievements who will be offered working opportunities at WIKA.

HUMAN CAPITAL DEVELOPMENT

To prepare employees for the development program, the Company observes the employees’ career development through coaching results from work assessments and competency evaluations, and these drive the training needs in accordance with actual operational conditions.

In addition, the Company determines the development program composition of hard, soft and managerial competency corresponding with applicable job title position. For staff level, hard competency portion is larger than soft and managerial competency. The higher the structural position and expertise, the lower the hard competency composition compared to soft and managerial competency.

The selection process follows several stages aimed at obtaining candidates that comply with WIKA culture. After the selection process, candidates are included in the Employee Training Program (PPCP), which aims to inculcate WIKA’s human character and WIKA’s values of Agility, Caring, and Excellence (ACE).

WIKA has 5 categorized/cluster positions that are Senior Manager, Middle Manager, Junior Manager, Supervisor, and Staff. WIKA prepares a “dik-duk” method, meaning employees are educated first before occupying their position. This method is expected to more prepare employees for the task before rotation and promotion.

At the Middle Manager level, WIKA not only prepares the domestic program, but also the overseas program, as a benchmark for knowledge and skills.

In the Management of Employee Talents, WIKA’s talent development paths are:

- Talent Identification: WIKA’s identification process on all WIKA staff performance and competency. This can be seen in WIKA’s Talent Box.
- Talent Development: WIKA’s systematic and continuous development process for employees who are included in the Talent program.

HUMAN CAPITAL DEVELOPMENT PROCESSES

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MADYA STADIUM
An international multi-functional Stadium with a capacity of 10,000 people to support the 2018 ASIAN Games event. It is included in renovation package for Softball and Baseball Court and Basketball Hall. The renovation package is USD14.10 million, finished in 1 year.
IMPLICATION OF SUSTAINABLE
GOOD CORPORATE GOVERNANCE

In principle, GCG in WIKA has been well implemented by the Board of Commissioners, Board of Directors, and all human capital in each activity, with the aim of protecting the interests of the Company, shareholders and stakeholders.

THE GCG IMPLEMENTATION STANDARDS INCLUDE:

1. Commitment Aspects for the Implementation of Sustainable Good Corporate Governance.
2. Shareholders and GMS / Capital Owners Aspects.
3. Board of Commissioners / Board of Supervisors Aspects.
4. Board of Directors Aspects.
5. Information Disclosure and Transparency Aspects.
6. Other aspects which among others include sustainability reporting and the Company’s ability against benchmarks in its field.

GCG implementation standards are needed as a baseline in order to realize the Vision and execute the Company’s Mission. The baseline covers the criteria to be achieved from various aspects related to GCG implementation. Implementation standards are also intended to encourage the Company to improve the quality of its GCG. These standards are formulated based on relevant regulations, input from stakeholders, assessment results and benchmarking.


DETERMINATION OF QUALITY STANDARDS FOR IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

The implementation of GCG gives a positive impact to both internal and external environment in the Company.
THE MATINDOK GAS DEVELOPMENT PROJECT (MGDP)
The Matindok Gas Development Project (MGDP) is an oil and gas EPC (Engineering, Procurement, Construction) project up to Commissioning and Start-Up by PT Wijaya Karya (Persero) Tbk. The project is located in Batui, Banggai, Central Sulawesi Province. The Matindok Central Processing Plant’s gas production capacity is 65 MMSCFD, with a condensate content of approximately 850 BOPD, with water being produced at approximately 2500 BWPD.
Corporate social responsibility management is performed by then Corporate Social Responsibility Function (PKBL), which is under the Corporate Relations Bureau and supervised by the Corporate Secretariat. The duties and responsibilities include:

1. Developing the corporate social responsibility performance following the concept of sustainability with consideration of cost efficiency and program effectiveness, responding to global issues and minimizing corporate risk;
2. Establishing the partnership and community development programs as one of the company’s communication strategies.

In this context, WIKA using ISO 26000 as a guidance: Guidance Standard on Social Responsibility. In ISO 26000,

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**CSR covers 7 (seven) main issues:**

1. Organizational Governance
2. Human Rights
3. Employment
4. Environment
5. Fair Institutional Activity Practices
6. Consumer Issues,
7. Involvement and Community Development

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WIKA is a State-Owned Enterprise (SOE/BUMN) engaged in construction services, therefore the Company fully understands the importance of maintaining, improving and ensuring the satisfaction of its customers by always improving the quality of service continuously.

The Company is committed to contributing to the surrounding communities and as a realization of social responsibility to the environment in line with the Government program that promotes Corporate Social Responsibility (CSR) programs for each company.

WIKA realizes that the implementation of Corporate Social Responsibility (CSR) is a moral responsibility to the stakeholders. The Company is committed that with or without the rule of law, the Company always upholds morality. Thus, the parameter of success is to promotemoral and ethical principles, that is, to achieve the best results without harming other community groups. The Company embraces the principle that it teaches that one party treats the other as much as they would like to be treated. As such, the Company believes that the Company which works by prioritizing moral and ethical principles will provide the best benefits for the community.
In honor and celebration of Indonesia's independence day on August 17, all the State Owned Enterprises (SOE) organized a day of programs filled with engaging activities such as a walking event, local product exhibition, and an eight-day exchange program which gives students from various regions the opportunity to visit a different province and engage in cross-learning.

The SOE-sponsored student exchange activity called ‘Siswa Mengenal Nusantara’ saw the selection of 34 participants across Indonesia. Those who were selected are second-year students from vocational and public high schools.

As part of WIKA’s interest in the development of education in Indonesia, the company organized the ‘WIKA Mengajar’ (or WIKA Teaches) activity in 58 junior high schools simultaneously across the country on February 28, 2018.

WIKA believes in the value of education and the opportunities it can offer to the country’s youth. To promote the importance of education, the company frequently awards scholarships to students with outstanding academic achievements.

Sulawesi, August 2018

WIKA is involved in strategic corporate giving programs. One of the many charitable events the company hosts and organizes is the blood donation which occurs every three months.

Pamijahan, Bogor

Blood Donation

One of WIKA’s CSR activities that emphasize community development is ‘Desa Binaan’ (or Foster Village), an event held in Pamijahan, Bogor. The highlight of the event was the planting of a sengon tree (a type of tree native to the tropics) and a discussion on the economic benefits it brings. Meanwhile, WIKA is working to develop and leverage the skills and expertise of farmers through derivative programs such as beef cattle and ram fattening in tandem with the growth of the tree.

Pamijahan, Bogor

Desa Binaan

WIKA, together with student representatives from Central Sulawesi, exchanged with Pelindo and their student representatives from Bangka Belitung. Participating students were asked to stay with host families to learn about each other, their values, and the characteristics of each region. They were also expected to gain an understanding of several other areas of the host region, such as the education system, culture, entrepreneurship skill and tourism.

As part of the program, students had the chance to visit a defense monument on a hillside and a school for special students, learn freshwater fish farming and the cultivation and weaving of local textiles, observe a series of customary events, and watch an inspiring program of talented deaf students speaking.

Sulawesi, August 2018

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Indonesia State Owned Enterprises for The Nation
AWARDS

Award Name: Pembagian Kacamata Plus dengan Jumlah Terbanyak
Event: CSR Day HUT WIKA
Organizer: Museum Rekor Dunia-Indonesia
Date: March 11, 2017

Award Name: Analyst Issuer Choice
Event: Program Yuk Nabung Saham
Organizer: CSA Institute
Date: March 14, 2017

Award Name: Appreciation of HC Management Improvement
Event: Indonesia Human Capital Study 2017
Organizer: Dunamis Organization Services
Date: September 27, 2017

Award Name: The Most Popular Company category Construction
Event: Warta Ekonomi Indonesia Corporate Award 2017
Organizer: Warta Ekonomi
Date: September 29, 2017

Award Name: SOE with Very Good Financial Performance Practices
Event: Infobank 8th BUMN Awards 2017
Organizer: Infobank
Date: October 12, 2017

Award Name: Zero Accident 5,014,200 Safe Work Hours
Event: Tanjung Priok Access Road
Organizer: KAJIMA-WASKITA JOINT OPERATION
Date: December 19, 2017

Award Name: RankED 6, SOE Enterprises category
Event: Indonesia Good Corporate Governance Award III 2017
Organizer: Economic Review
Date: November 2, 2017

Award Name: Indonesia Champion for Asean 2017 Category Construction
Event: The 3rd ASEAN Marketing Summit
Organizer: Markplus Inc
Date: September 7, 2017

Award Name: Reaching a score of 687.5
Event: SOE Performance Excellence Award 2017
Organizer: Forum Ekselen BUMN
Date: November 6, 2017

Award Name: 1,000,000 Manhours without Lost Time Injury
Event: Ciawi-Sukabumi Toll Road Project
Organizer: Waskita-WIKA KSO dengan PT Trans Jabar Toll
Date: September 30, 2017

Award Name: Top 50 of The Biggest Market Capitalization Public Listed Companies
Event: The 9th IICD Corporate Governance Conference and Award
Organizer: Indonesian Institute for Corporate Directorship (IICD)
Date: November 27, 2017
### Type of Certification
- **Audit Certificate Security Management System**
  - **Receiver:** PT Wijaya Karya (Persero) Tbk.
  - **Validity:** June 19, 2017 - June 19, 2017
  - **Issued by:** Indonesian National Police of the Republic of Indonesia

### Type of Certification
- **OHSAS 18001:2007 Occupational Health and Safety Management System-Requirements**
  - **Receiver:** PT Wijaya Karya (Persero) Tbk.
  - **Validity:** August 15, 2015 - August 14, 2018
  - **Issued by:** Sucofindo

### Type of Certification
- **ISO 14001:2015 Environmental Management System-Requirements**
  - **Receiver:** PT Wijaya Karya (Persero) Tbk.
  - **Validity:** August 15, 2015 - August 14, 2018
  - **Issued by:** Sucofindo

### Type of Certification
- **SNI ISO 9001:2015 Quality Management System-Requirements**
  - **Receiver:** PT Wijaya Karya (Persero) Tbk.
  - **Validity:** May 04, 2017 - May 03, 2020
  - **Issued by:** Sucofindo

### Type of Certification
- **OHSAS 18001:2007 Occupational Health and Safety Management System-Requirements**
  - **Receiver:** PT Wijaya Karya (Persero) Tbk.
  - **Validity:** August 15, 2015 - August 14, 2018
  - **Issued by:** Sucofindo

### Type of Certification
- **ISO 14001:2015 Environmental Management System-Requirements with guidance for use**
  - **Receiver:** PT Wijaya Karya (Persero) Tbk.
  - **Validity:** August 31, 2015 - August 30, 2018
  - **Issued by:** Ministry of Manpower of the Republic of Indonesia

### Type of Certification
- **SNI ISO 9001:2015 Quality Management System-Requirements**
  - **Receiver:** PT Wijaya Karya (Persero) Tbk.
  - **Validity:** May 04, 2017 - May 03, 2020
  - **Issued by:** Sucofindo

### Type of Certification
- **OHSAS 18001:2007 Occupational Health and Safety Management System-Requirements**
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  - **Validity:** August 31, 2015 - August 30, 2018
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  - **Issued by:** Sucofindo
The first toll road in Kalimantan that connects Balikpapan city to Samarinda city, with a total length of 99.2km. It is listed as one of National Strategic Project in Presidential Decree (Peraturan Presidenti) Republic of Indonesia No. 56 Year 2018. Total project construction cost USD447.16 million and estimated will be finish in 1Q 2019.