

-Number	SE.01.01/A.SEKPER.00748/2020
Issuer Name	Wijaya Karya Tbk
Ticker Symbol	WIKA
Attachment(s)	0
Subject	Clarification concerning News in Mass Media

News in Mass Media:

We refer to the request for clarification from the Indonesia Stock Exchange in the letter number S-03524/BEI.PP2/06-2020 dated 24 June 2020 on Request for Clarification concerning News in Mass Media, as follows:

Publication Name	News Title	Date
Bisnis.com	Moody's Pangkas Peringkat dan Revisi Outlook Belasan Obligor Indonesia - Moody's Downgraded Ratings and Revised Outlooks of Indonesian Issuers	24 June 2020
Bisnis.com	Moody's Pangkas Peringkat dan Revisi Outlook Belasan Obligor Indonesia - Moody's Downgraded Ratings and Revised Outlooks of Indonesian Issuers	24 June 2020

We wish to provide the following clarifications:

No	Queries
1	<p>Clarification on the news</p> <p>a. On the facts of the news: We wish to inform you that on 23 June 2020, the rating agency Moody's Investor Service has revised its ratings for bonds issued by PT Wijaya Karya (Persero) Tbk. from Ba2 to Ba3. In addition, Moody's also revised the Company's outlook rating from stable to negative due to impact of the COVID-19 Pandemic on the Company's performance.</p> <p>b. Reasons for the Company's downgraded rating and outlook: The coronavirus pandemic has caused a number of projects undertaken by the Company to be temporarily suspended and/or operating with restrictions, where some aspects of the projects' activities were slowed down, such as workforce mobilisation. However, as of June 2020, projects that were previously suspended and/or restricted has resumed although not at reaching 100% capacity.</p> <p>The temporary suspension and operating restrictions have resulted in delayed project progress, which in turn will causes a decline in the Company's performance in 2020. Nonetheless in the Q1-2020 reporting period, the Company's Gross Gearing Ratio and Debt-to-Equity Ratio is relatively low compared with the general industry average. The Company's Gearing Ratio is at 1.04x (debt covenant threshold = 2.5x) while its Debt-to-Equity Ratio is at 2.30x (debt covenant threshold = 3.5x). The figures showed that the Company has adequate room for further business expansion in the future.</p> <p>Another factor that caused the rating revision was that the Company will be refinancing</p>

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	<p>the Komodo Bond (Global IDR Bond), due to mature in January 2021. Furthermore, numerous project owners have postponed their invitation to tender due to the COVID-19 Pandemic resulted in a reduction of new contract acquisitions in the construction sector.</p> <p>c. The Company's strategies to improve its rating and outlook in the future:</p> <ul style="list-style-type: none"> - During the pandemic, the Company will continue to maintain its cash liquidity by focusing on developing projects owned by state-owned enterprises and its affiliates as well as government-owned projects because of their more favourable payment schemes. This favourable payment scheme will help the Company to ensure its operating stability and sustain its financial health. - Ensuring the success of refinancing the Komodo Bond due to mature in 2021. - Securing the Company's margins by always emphasising quality, health, safety, and efficiency. In addition, the Company continues to promote the use of information technology and innovation in the workflows of its projects.
2	<p>On information or other material facts that may affect the company's business continuity and may affect its share price.</p> <ul style="list-style-type: none"> - There are no other information or material facts that may affect the Company's business continuity and may affect its share price.

We thank you for your kind attention.

Sincerely Yours,
PT Wijaya Karya Tbk.

Mahendra Wijaya
Corporate Secretary

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Date and Time	26-06-2020 15:44
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