

Clarification concerning Impact of the COVID-19 Pandemic – August 2020

Response ID

1105

Profile

Ticker/Listed Company Name

WIKA - PT Wijaya Karya (Persero) Tbk. [A734]

Queries

In order to obtain the latest information on the Company's operating conditions and financial performance, the Exchange finds it necessary to raise queries on the following matters:

What is the Company's current condition pertaining to its business continuity?

a. Affected by COVID-19 [A1]

Does the COVID-19 Pandemic cause the Company and/or Subsidiaries to **suspend and/or restrict** its operations?

Yes. It causes partial restriction of operations [c]

What is the estimated duration of the operating suspension/restriction?

More than 3 months [c]

Please describe the type of activities affected by suspension and/or restriction of the Company and/or Subsidiaries' operations (for example: suspended business segments; suspended business units; suspended business locations; etc.)

Example: Company A suspended packing operations located in City X

Several projects that were suspended/in slowdown has resumed operating, although the operations have not yet reached 100% capacity. These projects are located in DKI Jakarta, Jawa Barat, and other locations on Java Island.

What is the **revenue contribution** of the suspended and/or restricted operating activities to the total revenue (consolidated) for 2019?

Less than 25% [a]

In relation to employees affected by the COVID-19 Pandemic, please describe:

a. Total employees (permanent and non-permanent)

[As of 31 December 2019] [Total employees (permanent and non-permanent)]

3592

In relation to employees affected by the COVID-19 Pandemic, please describe:

a. Total employees (permanent and non-permanent)

[Present] [Total employees (permanent and non-permanent)]

3931

[Total employees terminated] [From January 2020 to present]

0

[Total employees affected by other measures (for example: pay deductions, shift/day/work hour adjustments, etc.)]
[From January 2020 to present]

1700

Please describe other measures that are subjected to such employees:

For example:

100 employees are subjected to pay deductions

100 employees are subjected to work hour adjustments/reductions

100 employees are furloughed until the Company returns to normal operations

1700 employees are subjected to work hour adjustments

What is the estimated reduction in total revenue (consolidated) in the latest reporting period in 2020 (pro forma figures may be used) compared with the same period in 2019?

Total revenues are estimated to decrease by 25% to 50% [b]

What is the estimated impact to profit/loss in the latest reporting period in 2020 (pro forma figures may be used) compared with the same period in 2019?

Net profit is estimated to decrease by 51% to 75% [c]

The Company's estimated total revenues and profit/loss are based on:

Period ended on 30 June 2020 compared with the period ended on 30 June 2019 [b]

Does the COVID-19 Pandemic affect the Company and/or Subsidiaries' most recent **short-term financial liabilities** (Trade Payables, Bank/Financial Institution Payables, Bond Coupon and/or Bond Principal, Medium-term Notes, etc.)?

No effects [d]

Does the COVID-19 Pandemic cause material **Legal Issues** to the Company and/or Subsidiaries, i.e. bankruptcy petition/suspension of debt repayment (*Penundaan Kewajiban Pembayaran Utang*, "PKPU")?

No [A2]

Does the COVID-19 Pandemic cause material **Legal Issues** to the Company and/or Subsidiaries, i.e. annulment of material contracts?

No [A2]

Does the COVID-19 Pandemic cause material **Legal Issues** to the Company and/or Subsidiaries, i.e. service of default notices (*somasi*) or legal claims due to default?

No [A2]

Does the COVID-19 Pandemic cause material **Legal Issues** to the Company and/or Subsidiaries other than the 3 (three) matters stated above?

No [A2]

What are the Company's strategies/measures to maintain its business continuity during the COVID-19 Pandemic?

1. Implementing business efficiency measures at every work unit
2. Maximizing productivity of ongoing projects by first performing assessments with project owners with good liquidity so that the Company can control its cash inflows and outflows.
3. Centralising procurement.
4. Requesting non-cash loan facilities that the Company has secured to be relaxed from a 6-month term to a 12-month term. The Company has also requested a deduction in loan interests.
5. Creating innovations as well as substituting imported materials to locally-sourced materials to improve efficiency of the Company's operating costs.
6. Promoting the use of information technology in project operations to improve its efficiency.
7. Rescheduling and deciding priorities in exercising corporate actions (capital expenditure)