UEM EDGENTA

A member of UEM Group

Unlocking Potential

Empowered by Science, Inspired by Humans

Annual Report

2014

OUR LOGO

A member of **UEM Group**

Logo Rationale

EDGENTA, derived from the word "Edge" is our new name and inspiration. It symbolises a new, dynamic and cutting edge organisation. The UEM EDGENTA brand represents our affiliation with UEM Group and our renewed vision to bring together the best of our capabilities to provide an edge to our clients.

52ND ANNUAL GENERAL MEETING OF UEM EDGENTA BERHAD

(formerly known as Faber Group Berhad)

Date	:	Monday, 25 May 2015
Time	:	9.30 am
Venue	:	Banquet Hall Menara Korporat, Persada PLUS Persimpangan Bertingkat Subang KM15, Lebuhraya Baru Lembah Klang 47301 Petaling Jaya Selangor Darul Ehsan

Cover Rationale

Our business has just got bigger, three leaders in their field are now part of an enlarged organisation known as UEM Edgenta Berhad (**"UEM Edgenta"**), formerly known as Faber Group Berhad. We are now a Total Asset Management company with strong presence in the healthcare, infrastructure and commercial sectors. Our job is to find smarter, better solutions that improve everyday life. With our technical expertise and the desire to make a difference to people's lives, our ultimate aim is to strengthen society as a whole.

As depicted by the show of hands on the cover, we are building and nurturing a new combined company with all the necessary ingredients to build a strong and successful company.

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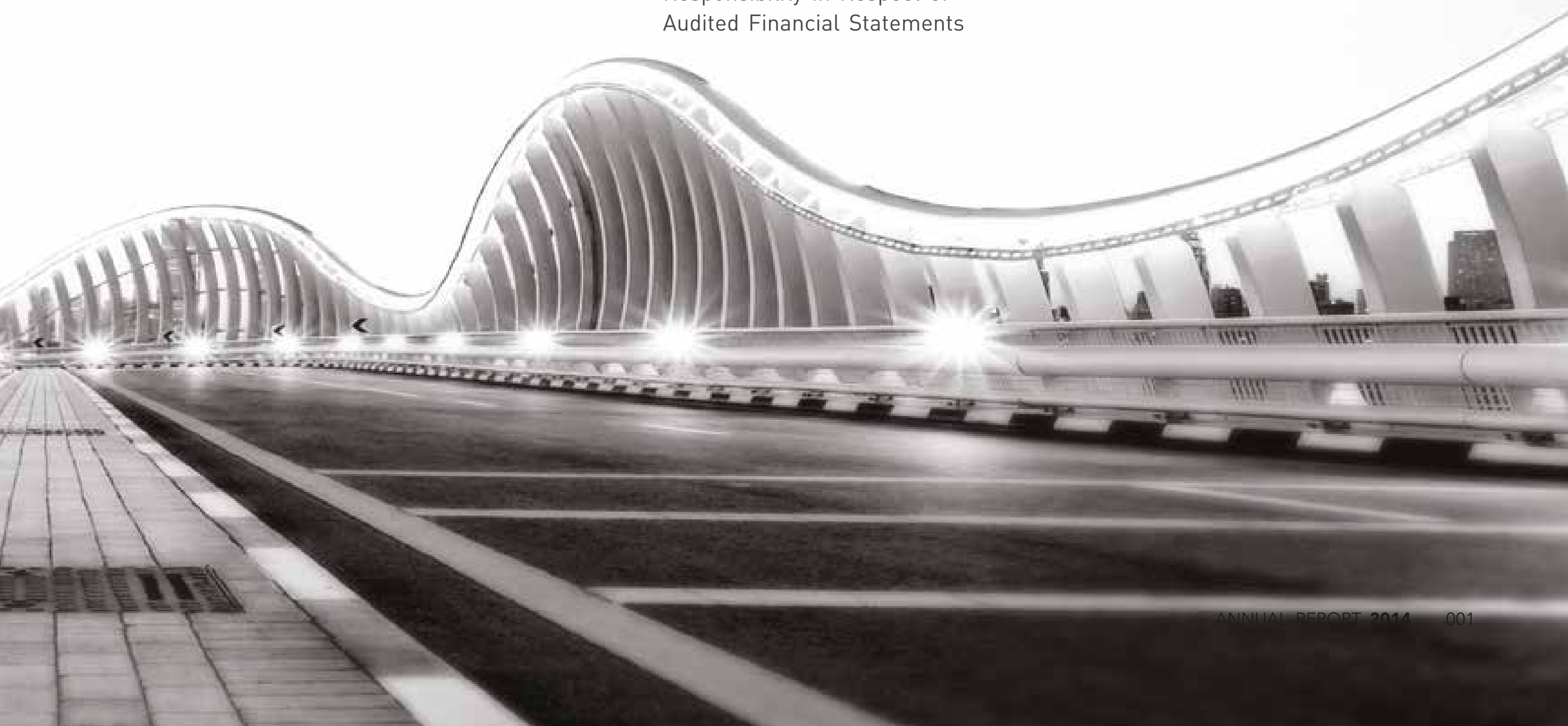


2014 KEY HIGHLIGHTS

REVENUE ▲
14.4% to
RM3.1 billion
(FY2013: RM2.7 billion)

EBITDA ▲
6.4% to
RM366.7 million
(FY2013: RM344.6 million)

PBT ▲
2.3% to
RM324.5 million
(FY2013: RM317.2 million)

PATANCI ▲
6.3% to
RM202.4 million
(FY2013: RM190.4 million)

EPS ▲
6.4% to
24.9 sen
(FY2013: 23.4 sen)

DIVIDEND TO SHAREHOLDERS
RM187.1 million
representing payout ratio of 92%
(FY2013: RM36.3 million)

OUR VISION

Optimising assets to improve lives.

OUR MISSION

Our services, commitment to smarter thinking and improved solutions place us at the forefront of the industry. We create opportunities for clients and assets that positively influence society.

OUR VALUES

- **T**eamwork
- **I**ntegrity
- **P**assion
- **S**uccess

UEM EDGENTA AT A GLANCE

Combined experience of more than
75 years
in the AFM business

Market Capitalisation of
RM2.7 billion*

** As at 31 March 2015*

14,000
strong workforce worldwide

RM3.1 billion
Consolidated Revenue in 2014

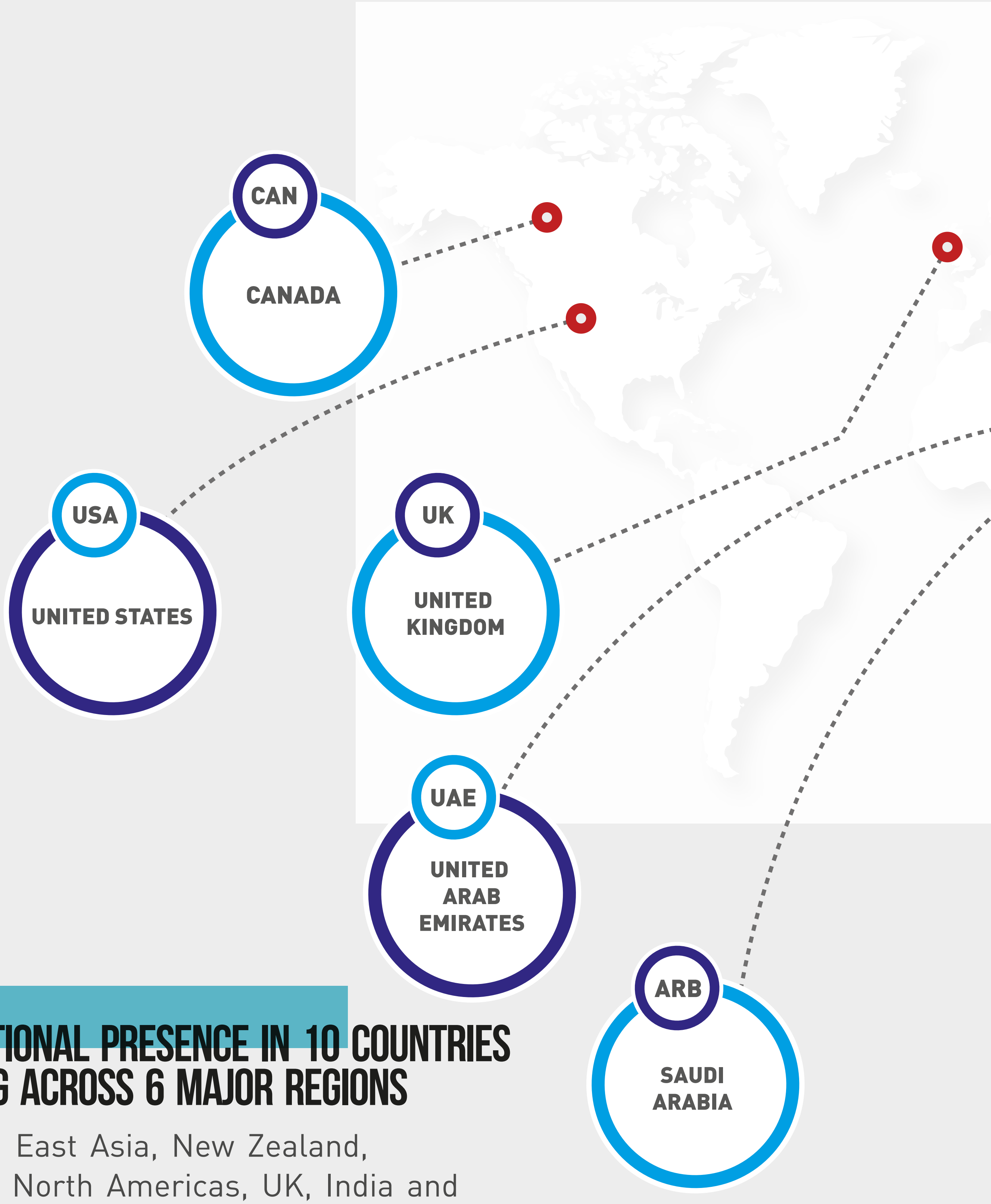
FY14
Shareholders' Fund of
RM1.2 billion

International presence in
10 countries

LARGEST AFM
entity in Malaysia with group assets of >RM2.6 billion

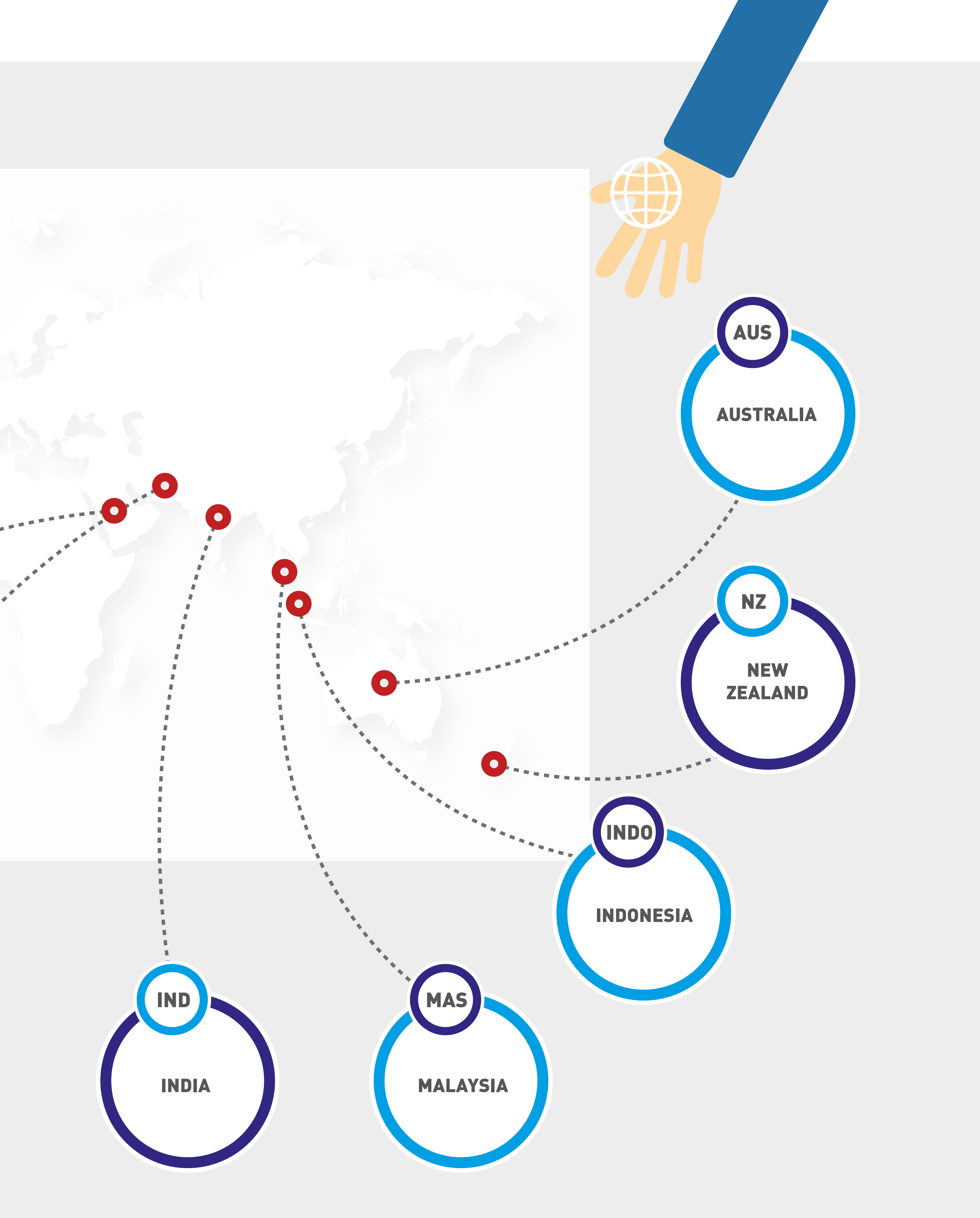
UEM Edgenta is listed on the Main Market of Bursa Malaysia Securities Berhad while Opus International Consultants Limited is listed on the New Zealand Stock Exchange (NZX)

OUR PRESENCE



INTERNATIONAL PRESENCE IN 10 COUNTRIES SPANNING ACROSS 6 MAJOR REGIONS

the South East Asia, New Zealand, Australia, North Americas, UK, India and the Middle East.


AUS
AUSTRALIA
NZ
NEW ZEALAND
INDO
INDONESIA
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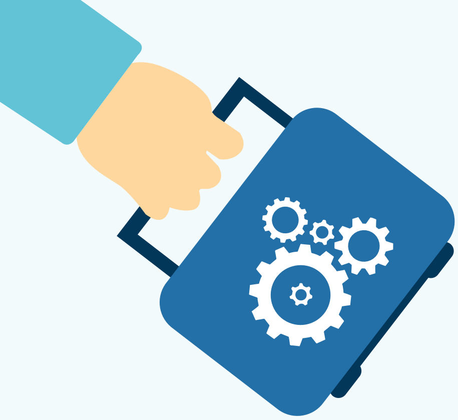
INDIA
MAS
MALAYSIA



COMPANY PROFILE

UEM Edgenta Berhad ("UEM Edgenta"), formerly known as Faber Group Berhad is a new brand that redefines the asset management industry. Listed on the Main Market of Bursa Malaysia Securities Berhad, we are a leader in Total Asset Management providing asset consultancy services, healthcare services and infra services amongst others. Our combined expertise and our ability to provide end-to-end solutions creates opportunities for both our clients and ourselves.

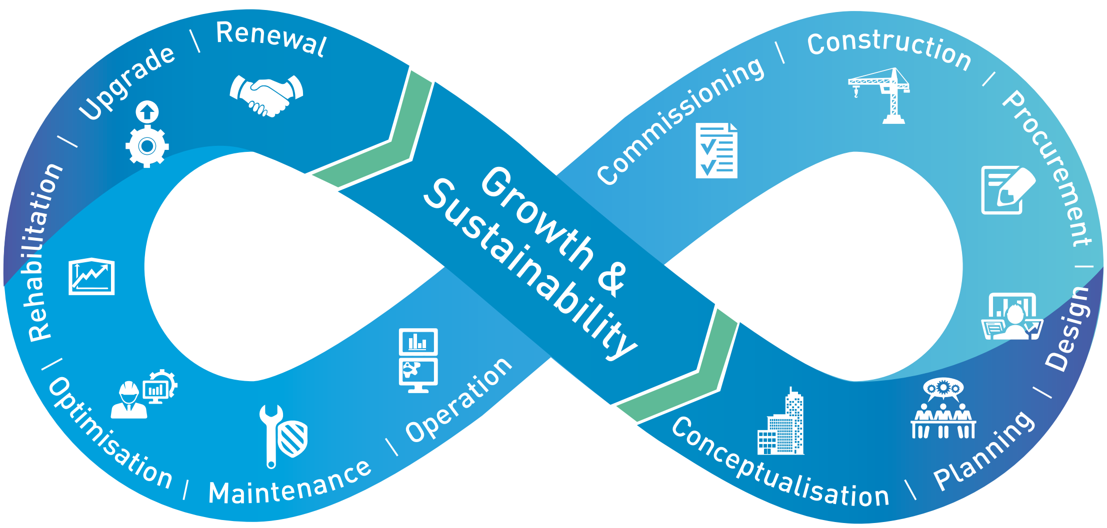
Innovation is at the heart of what we do. It leads us to offer smarter answers to a wide and varied array of asset and infrastructure questions. Through our expanded offering of Asset Consultancy, Healthcare Services, Infra Services, Industrial Services, Facilities Services and Energy Services, we aim to set new industry benchmarks and optimise our clients' assets throughout their life cycle.

UEM Edgenta has developed standards of practice that are recognised and adopted by the industry in several countries and multi-lateral agencies such as the World Bank and the Asian Development Bank. Our global presence and internal knowledge sharing networks enable us to share and apply our wealth of experience and expertise collaboratively across multiple disciplines.

As a Total Asset Management provider, we offer the healthcare, infrastructure and commercial sectors a full suite of services throughout the asset life cycle. These include consultancy, procurement and construction planning, operations and maintenance, as well as optimisation, rehabilitation and upgrades.

We are able to be there for our clients from start to finish because accessibility, understanding and collaboration are our trademarks. We are our clients' advisors and partners from the very first blueprint, right up to the management and maintenance of the day-to-day operations of the assets we create.

ASSET LIFE CYCLE



Asset Consultancy

Our capabilities span across the asset life cycle spectrum from planning and design, to procurement, contract management and project management.

With over two decades of experience in the industry, we have undertaken major projects for over 12,000 clients worldwide in the Expressways and Highways, Built Environment, Airports and Railways as well as Utilities sectors.

Our Asset Consultancy Offering

- Engineering and Consultancy Services
- Project Management Services
- Value Engineering
- Asset Management Consultancy
- Procurement and Contract Management
- Geographic Information Systems
- Asset Management Information System
- Integrated Asset and Facility Management Services

Healthcare Services

From biomedical engineering maintenance to waste management and linen and laundry services, the team at UEM Edgenta understands the demands of the healthcare industry.

We are internationally certified to provide Total Asset and Facility Management Services for healthcare institutions. As a key player in this segment, we have had the privilege of serving over 81 hospitals and various healthcare institutions in Malaysia for the past 18 years. We also operate in the India healthcare sector via a joint venture.

Our Healthcare Support Services Offering

- Biomedical Engineering Maintenance Services
- Facilities Engineering Maintenance Service
- Healthcare Waste Management Services
- Linen and Laundry Services
- Cleansing Services
- Sustainability Programmes

Infra Services

With over 25 years of experience in highway maintenance, UEM Edgenta has solidified its reputation as one of Malaysia's leading Engineering and Infrastructure Maintenance Specialists.

Our track record is evident in the expressways (approximately 1,000 km), airports, commercial buildings, municipalities and urban transit that we maintain for major clients such as PLUS Malaysia Berhad, MRT Corp, Lingkaran Trans Kota Sdn Bhd (Litrak), Syarikat Prasarana Negara Berhad and Malaysia's Public Works Department. In the global arena, we have worked on infrastructure maintenance projects in Abu Dhabi, the UAE.

We leverage on our network with the transportation authorities, planning agencies, operators and developers to provide a broad range of services in the transportation sector which encompasses roads, rails, airports, cycling paths and walkways.

Our Infra Services Offering

- Pavement Rehabilitation
- Traffic and Safety Management
- Civil (tunnels, slopes, bridges, landscaping, line markings, commercial buildings, toll plazas and Rest & Service Areas)
- Mechanical and Electrical Works
- Plant Optimisation and Energy Services

Facilities Services

UEM Edgenta provides facilities management services for a range of building types from institutional to retail buildings and offices, to hospitals, schools and homes.

Our Facilities Services Offering

- Facilities Maintenance Services
- Facilities Management Audit Services
- Condition Based Maintenance
- Maintenance Management Information System

Industrial Services

UEM Edgenta collaborates with industry partners to undertake engineering projects in the Oil & Gas sector. We provide asset maintenance, operations improvement and plant turnaround services, leveraging on our expertise as a Total Asset Management outfit.

Our Industrial Services Offering

- Engineering Project & Turnaround Management
- Power Distribution System Upgrading and Replacement
- Instrumentation System Upgrading and Replacement
- Instrument Device Calibration
- Wireless Instrument System
- Installation, Testing and Commissioning
- Piping Installation and Fabrication
- Painting and Blasting

Energy Services

UEM Edgenta provides energy savings solutions for efficient energy management. Through our advanced and innovative technology offerings, asset owners and operators can optimise a building's energy performance and lower their carbon footprint, translating into reduced asset management costs.

Our Energy Services Offering

- Energy Performance Management System
- Energy Management Services/Energy Audit
- Green Building Index/Leadership in Energy and Environment Design (LEED) Services
- Control Solutions
- Remote Monitoring

Our remote monitoring system leverages on real time monitoring software to capture building services data and translate them into useful actionable output for quick decision making. This unique and advanced system integrates various hardware to deliver information to the data manager and further transmission to the central station for real time monitoring and analysis. The application of this system will enable us to detect and rectify any anomaly thus reducing the operational costs for clients by optimising energy consumption.

Property Development

We are committed to completing our two current property projects namely our Chymes (formerly known as Faber Antara) and Prima Villa developments.

Dear Shareholders,

The year 2014 was a fulfilling one for UEM Edgenta Berhad ("UEM Edgenta" or "the Company"), formerly known as Faber Group Berhad. We steadfastly withstood the unpredictable and highly competitive market environments in the diverse geographies that we now operate in to turn in a commendable performance on the financial and operational fronts. I am pleased to report that the fast-tracked integration exercise that we embarked on in 2014 to immerse our new acquisitions namely Opus Group Berhad (Opus) and Edgenta PROPEL Berhad, formerly known as Projek Penyelenggaraan Lebuhraya Berhad (Edgenta PROPEL) into our stable of companies, continues to make good headway. UEM Edgenta is well on its way to becoming a more cohesive Asset Development and Asset Management Group with an enhanced brand, vision, mission and values.

CHAIRMAN'S STATEMENT

Dato' Seri Ismail Shahudin
Chairman

The Group posted its full year revenue of

RM**3.1** billion

and Profit Before Tax of

RM**324.5** million

On behalf of the Board of Directors, it is an honour and a privilege to present the inaugural Annual Report and Audited Financial Statements of UEM Edgenta for the financial year ended 31 December 2014 (FY2014).

A CHALLENGING OPERATING ENVIRONMENT

In 2014, the global economy expanded at a moderate pace, with disproportionate growth across and within regions. In the advanced economies, growth in the United States continued to show broader signs of recovery, while economic activity in the Euro area and Japan remained subdued. While most Asian economies benefited from higher external demand, economic growth was not uniform across the region as domestic demand moderated in a number of economies amid country-specific developments.

Malaysia posted a commendable 6.0% growth in 2014 (4.7% in 2013), outperforming most Asian economies. Domestic demand remained as the main anchor for growth coupled with an improved external trade performance. Total public sector expenditure contributed only marginally to growth during the year in line with the Government's commitment to fiscal consolidation, whereas public investment contracted following the lower capital spending by both the Federal Government and the public enterprises due mainly to the completion and near-completion of some major projects during the year.

As the year progressed, downside risks to global growth re-emerged. This came on the back of geopolitical developments in Eastern Europe and the Middle East; weaker-than-expected economic activity in several major economies; as well as heightened concerns over the growth prospects of commodity-producing emerging economies, particularly amid the plunging prices of oil and other commodities in the second half of the year.

COMMENDABLE FINANCIAL PERFORMANCE

Despite the challenging market conditions in countries that we operate in, UEM Edgenta and its subsidiaries (the Group) as a whole turned in a solid performance for FY2014. The Group posted its first full year revenue of RM3.1 billion, a 14.4% or RM389.6 million increase against revenue of RM2.7 billion in the preceding year. Some 53% of revenue was generated from the Group's Asset Consultancy (AC) Division while the Infra Services (IS) and Integrated Facilities Management (IFM) consisting of Healthcare Services & Facilities Services, contributed 24% and 22% of revenue respectively.

The Group as a whole turned in a profit before tax (PBT) of RM324.5 million in FY2014, higher than the preceding year's PBT of RM317.2 million. The year's marginally higher PBT came on the back of higher revenue coupled with the reversal of deferred consideration rising from the acquisition of Opus Stewart Weir in Canada by Opus International Consultants (Opus IC). The finer details of our financial performance can be found in the Managing Director/Chief Executive Officer's Review in this Annual Report.

GOOD SHAREHOLDER RETURNS

In spite of a challenging operating environment, the Board remains committed to delivering good returns to our shareholders. In respect of FY2014, the Company declared a single tier special interim dividend of 18 sen on 813,501,053 ordinary shares of RM0.25 each amounting to RM146.43 million. This was paid out on 22 January 2015.

I am pleased to inform shareholders that the Board is recommending the payment of a single tier final dividend of 5 sen on 813,501,053 ordinary shares of RM0.25 each, amounting to RM40.68 million in respect of FY2014. Upon receiving shareholders' approval, UEM Edgenta will have declared a total dividend of 23 sen, representing a dividend pay-out ratio of 92%. Excluding the special dividend, the dividend pay-out ratio will be 20%.

GOOD SHAREHOLDER RETURNS

Declared Dividend:

23 SEN

Dividend Payment of RM187.1 million

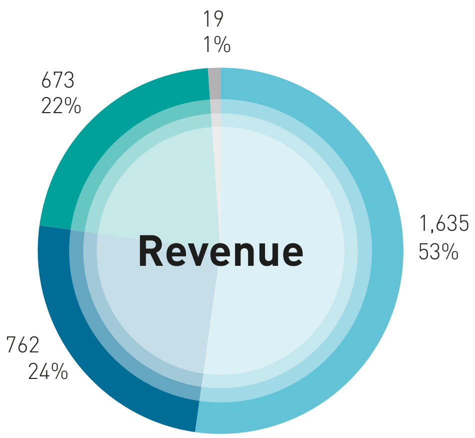
representing a dividend pay-out ratio of

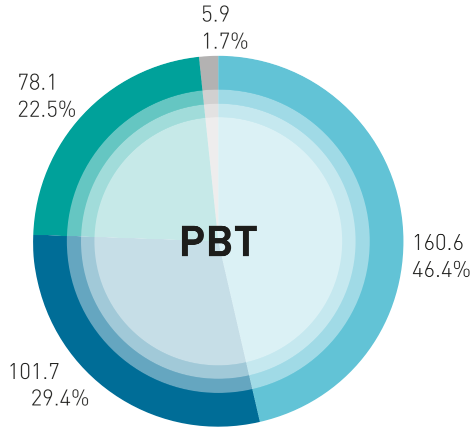
92%

REVENUE
+14.4%
to **RM3.1** billion

PBT
+2.3%
to **RM324.5** million

2014 Key Contributor by Division
Figures in RM'mil and %





- Asset Consultancy (AC)
- Infra Services (IS)
- Integrated Facilities Management (IFM) – Healthcare Services (HS) and Facilities Services (FS)
- Property Development

Note: *PBT excludes others and elimination items*

KEY CORPORATE AND STRATEGIC UPDATES

Transformation into a Total Asset Management Leader

The most significant milestone achieved in FY2014 was the successful completion of the RM1.15 billion acquisition of Opus and Edgenta PROPEL on 29 October 2014.

The merger of the three different companies effectively brought the following capabilities under one roof: proven expertise in the Hospital Support Services (HSS) and integrated facilities management services; infrastructure and highway maintenance; as well as asset consultancy capabilities in the areas of transportation, infrastructure and built environment.

On behalf of the Board, I would like to sincerely thank you, our shareholders for your confidence and support throughout this corporate exercise. I am sure all of you are equally excited as I am to see three distinct leaders in their respective fields come together to become a Total Asset Management Leader.

NEW CONTRACTS SECURED:

EDGENTA MEDISERVE SDN BHD (FORMERLY KNOWN AS FABER MEDI-SERVE SDN BHD)

RM1.03 billion

Asset Management Services for the Women & Children's Hospital over a period of 27 years and

10-year

new Concession Agreement for Hospital Support Services Concessions signed

OPUS IC secured

6 out of 9 new NZ Transport Agency highway maintenance and operations contracts that will bring in more than NZD35 million in fees over the next 7 years

Opus Consultants DMCC has secured a

NZD20 million,

5-year contract by the Royal Commission for Jubail and Yanbu in the Kingdom of Saudi Arabia

As a single, enlarged entity, we have transformed into Malaysia's largest Asset Development and Asset Management player with combined assets of more than RM2.6 billion and shareholders' funds of RM1.2 billion as at 31 December 2014. The Company's market capitalisation on Bursa Malaysia Securities Berhad has also increased to RM2.7 billion as at 31 March 2015. Today, the Group's workforce comprises more than 14,000 staff in 10 nations around the globe. Through our subsidiaries, we now have an expanded footprint with a presence in Malaysia, Indonesia, Australia, New Zealand, India, the United Arab Emirates, Saudi Arabia, the United Kingdom, Canada and the United States.

A New and Cutting-Edge Organisation

As we worked towards integration, we undertook a rebranding exercise which involved a name change. At an Extraordinary General Meeting held on 27 March 2015, we received unanimous support and approval from our shareholders to change the Company's name to "UEM Edgenta Berhad".

Our new name, "UEM Edgenta", which is derived from the word "Edge", is in line with our commitment to provide an edge to all our stakeholders. It also conveys our intent to be a new, dynamic and cutting-edge organisation. Our new brand name and logo represent our affiliation with UEM Group and our renewed vision to bring together the best of our capabilities to provide an edge to our clients.

New Contracts Secured

During FY2014, several key contracts were sealed to strengthen the capabilities of the Group and position the Group for sustainable growth.

On 19 May 2014, Edgenta Mediserve Sdn Bhd, formerly known as Faber Medi-Serve Sdn Bhd (Edgenta Mediserve) entered into a RM1.03 billion Asset Management Services (AMS) Agreement with Konsortium Prohawk Sdn Bhd to provide AMS to the Women and Children's Hospital located in Kuala Lumpur for a period of 27 years. The AMS Agreement will allow the Group's Healthcare Services businesses to capitalise on existing resources and investments cumulated over the years and drive greater competencies in this key sector.

The year saw Opus IC successfully securing six out of the nine new NZ Transport Agency (NZTA) highway maintenance and operations contracts that it had bid for. Opus IC will support the delivery of efficient and effective state highways for NZTA through smarter asset management and provide high quality outcomes for all road users. These long-term performance-based contracts will bring in more than NZD35 million in fees for Opus IC over the next seven years.

On 10 February 2015, Opus Consultants DMCC, Dubai (a joint venture between Opus IC and Opus Malaysia), in association with Abdullah Al Joaib Consulting Engineering and Psomas, has secured a NZD20 million, five-year contract by the Royal Commission for Jubail and Yanbu in the Kingdom of Saudi Arabia.

On 11 March 2015, Edgenta Mediserve signed the much awaited 10-year new Concession Agreement to provide HSS concessions to the Malaysian Government. Under the new Concession Agreement, Edgenta Mediserve will be providing services for all public hospitals and their related healthcare facilities in the northern region of Peninsular Malaysia (covering the states of Perak, Pulau Pinang, Kedah and Perlis). Edgenta Mediserve is also the 40% equity partner for the HSS concession in the states of Sabah and Sarawak to be carried out by Sedafiat Sdn Bhd and One Medicare Sdn Bhd respectively.

The privatisation of HSS began in 1996, when Edgenta Mediserve signed an agreement with the Ministry of Health. Since then, the scope of services has been widened and enhanced with the new Concession Agreement now covering Biomedical Engineering Maintenance Services (BEMS); Facility Engineering Maintenance Services (FEMS); Healthcare Waste Management Services (HWMS); Linen and Laundry Services (LLS); and Cleansing Services (CLS). The improvements and additional services under the new Concession Agreement are called Facilities Management Services (FMS) while HWMS is the expanded scope of the clinical waste management services of the previous Concession Agreement. The new Concession Agreement will also include the implementation of sustainability programmes where the Government seeks to garner economic improvements through environmental preservation, particularly in the areas of water management, indoor air quality, energy efficiency and the 3Rs (Reduce, Reuse, Recycle).

RESPONSIBLE CORPORATE PRACTICES

In our pursuit of quantifiable and long-term success for the Group, the Board of Directors is committed to upholding and implementing the tenets of integrity, accountability and transparency. We are doing this by ensuring the highest standards of corporate governance and risk management practices are implemented throughout our organisation. By stringently adhering to best practices in these areas and through subscribing to the principles and recommendations set out in the Second Edition of the Malaysian Code of Corporate Governance 2012, we are ensuring the Group's sustainable growth, strengthening UEM Edgenta's reputation and safeguarding shareholder value for the long-term. The finer details of our 2014 corporate governance measures, risk management practices and internal control policies can be found in the relevant sections of this Annual Report.

Being a conscientious corporate citizen and now a leading player in the Total Asset Management sector, we are genuinely committed to balancing out our economic ambitions with responsible and sustainable social and environmental considerations. With the enlarged entity, the Group will continue to develop and enhance a common corporate responsibility (CR) framework across the Group. Our subsidiaries that have been carrying out CR activities on the Community, Workplace, Marketplace and Environment fronts for some time now, have already made a tangible impact in these areas. An overview of the Group's CR activities are spelt out in the relevant section of this Annual Report.

LOOKING AHEAD

In 2015, the global economy is expected to continue expanding at a modest pace. It is forecasted that there will be increasing divergence in the growth momentum among the major economies. Global growth will be supported by measured but uneven improvements in the major economies and moderate growth in most emerging economies. Malaysia, being a trade and resource dependent economy will be impacted by the global trend. Our economy is expected to grow between 4.5% and 5.5% in 2015 (2014: 6.0%), taking into consideration the outlook for the major economies who are also some of our largest trading partners.

While growth in the US is projected to gather momentum amid higher private sector spending, economic activity in the Euro area and Japan is expected to be weighed down by structural weaknesses. In PR China, growth is projected to continue to moderate towards a more sustainable path amid measures to rebalance the key drivers of the economy. Nevertheless, growth prospects in most emerging economies are expected to be sustained by the continued expansion in domestic demand and the gradual improvement in external demand, following the recovery in several advanced economies. On top of this, low global crude oil prices are expected to provide additional lift to global growth.

The mood in Malaysia remains cautiously optimistic on the back of strong domestic demand while resilient exports should anchor growth. The uncertainties surrounding oil prices affecting the country's outlook, are however, expected to linger.

Given this backdrop, we will focus our efforts on ensuring that we cement UEM Edgenta's position as the largest Asset Development and Asset Management group in Malaysia. At the same time, we will bolster our revenue base by leveraging on the strength of the enlarged group to create more business opportunities both locally and abroad.

Going forward, the Group is single minded in pursuing its new vision of "Optimising assets to improve lives". We will commit to our new mission: "Our services, commitment to smarter thinking and improved solutions place us at the forefront of the industry. We create opportunities for clients and assets that positively influence society". We will also look to our values of Teamwork, Integrity, Passion and Success to guide us so that we become a truly cutting-edge organisation that delivers smarter, better solutions to improve everyday life. Empowered by science and inspired by humans, we are ready to unlock our potential.

The outlook for the Group in 2015 is expected to be challenging in light of the low economic growth projected in countries where we currently operate. Nevertheless, we will continue to set our sights on growing our businesses and deriving synergies from our integration. The Board of Directors of the Group is confident that as a larger and more integrated Group, we are in a strong position to create more opportunities for ourselves which augurs well for the Group's sustainable, long-term growth.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I want to convey my deepest appreciation to you, our valued shareholders, for your staunch confidence in us amidst the entire integration exercise.

I also wish to extend my heartfelt gratitude to our dedicated management team and staff across diverse geographies, who have risen above the challenges in their respective marketplaces to turn in a profitable year for the Group as a whole.

My utmost appreciation goes to our loyal clients, suppliers, business associates and the various governments and regulatory authorities in the countries that we operate in for their steadfast support and kind cooperation.

On behalf of my fellow Board members, the Management Team and employees of the Group, I would like to record our heartfelt gratitude to YBhg Dato' Ikmal Hijaz bin Hashim, for his leadership and invaluable contributions during his six-year tenure as the Chairman of the Company up until 26 June 2014 when he retired and expressed his intention not to seek for re-election.

Last but not least, I wish to express my sincere thanks to my fellow Board members for their discerning insights and wise counsel in guiding UEM Edgenta through a year full of challenges and opportunities.

As we venture forth as a bold new company to explore new areas of opportunity and brave new challenges as a Total Asset Management group, I call upon all our stakeholders to continue lending us their unwavering support.

Thank you.

DATO' SERI ISMAIL SHAHUDIN
Chairman

AS A LARGER AND MORE INTEGRATED GROUP, WE ARE IN A STRONG POSITION TO CREATE MORE OPPORTUNITIES FOR OURSELVES WHICH AUGURS WELL FOR THE GROUP'S SUSTAINABLE, LONG-TERM GROWTH.

Azmir Merican
Managing Director/
Chief Executive Officer

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER'S OPERATIONS REVIEW

Dear Shareholders,

I am delighted to present you my first annual review of UEM Edgenta Berhad (UEM Edgenta) which combines the financial and operational highlights of the merged entities. I am especially proud, and at the same time humbled, to be part of the team that has worked so hard to get us to where we are today. Everyone, at all levels of our organisation, has played a vital part in ensuring the completion of the merger exercise and the smooth rollout of the integration, and I applaud the team for their commitment and dedication in ensuring we move forward as one company.

The year in review was indeed an exciting year for the team at UEM Edgenta. At the macro level, we fast tracked the integration of three distinct leaders in their respective fields to create a more cohesive Asset Development and Asset Management group with a new vision, mission and values. On the ground, this translated into a swift realignment of resources, various employee engagement activities and an integration exercise which included rebranding. Amidst all these activities, our respective businesses and operations overcame market challenges and turned in good results on the financial and operational fronts.

MERGER AND INTEGRATION

The year 2014 saw us spending a good amount of time and effort in planning and executing the merger which was concluded on 29 October 2014. To recap, the following is the sequence of events that led to the creation of UEM Edgenta:

5 August 2013

The UEM Group submitted the proposal for the merger and integration exercise to the Board of Faber Group Berhad (Faber). The proposal called for Opus Group Berhad (Opus) and Projek Penyelenggaraan Lebuhraya Berhad (PROPEL) to be acquired for a total consideration of RM651 million and RM500 million respectively which was to be satisfied via a combination of a cash payment of RM250 million and the issuance of 450,500,000 new Faber shares at the issue price of RM2.00 per share.

6 September 2013

The Board of Faber agreed to accept the RM1.15 billion offer.

18 April 2014

Faber entered into a conditional share sale agreement with UEM Group for the acquisition of PROPEL and Opus.

26 June 2014

Faber obtained shareholders' approval to proceed with the proposal via an Extraordinary General Meeting (EGM).

17 October 2014

UEM Group and Faber agreed that all conditions precedent to the conditional share sale agreement entered into between them had been fulfilled.

29 October 2014

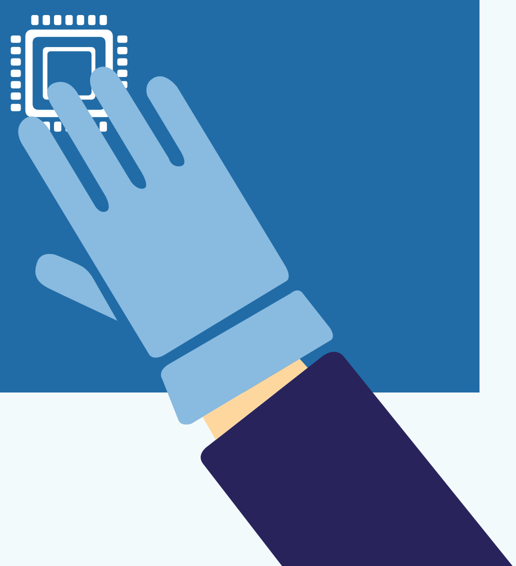
The acquisitions of PROPEL and Opus by Faber were completed and they became wholly owned subsidiaries of Faber. With the successful completion of the corporate exercise, UEM Group increased its direct equity interest in Faber from 34.3% to approximately 70.7%. Faber in essence became the fourth core in UEM Group's core businesses; the others being its expressways, property development as well as engineering and construction businesses.

27 March 2015

An EGM was held to approve the change of Faber's name to "UEM Edgenta Berhad" as part of the re-branding exercise pursuant to the completion of merger. The name change was approved by shareholders.

9 April 2015

Faber officially changed its name to UEM Edgenta and the enlarged group formally came into being under the one banner.



Once the proposal to merge the companies was accepted, several initiatives were rolled out across the three companies to ensure the smooth integration of operations, resources and working cultures as well as to harness efficiencies. This included the consolidation and streamlining of the policies and practices of support units.

Of particular concern was how our employees felt about the merger and how we would execute the integration as seamlessly as possible. We held a series of focus group sessions and employee workshops in early 2014, primarily to gather valuable feedback on how employees felt about the impact on themselves and their respective companies. This helped us established focus groups that worked on the issues identified during the workshops. Several subsequent workshops were held to help develop the new vision, mission and values that defined us as a company.

OUR NEW BRAND

On 17 April 2015, we launched our new brand, "UEM Edgenta", which underscores our intent to be a new, dynamic, cutting-edge organisation. Our new brand also aligns and showcases our relationship with our major shareholder, UEM Group Berhad.

We aim to use the latest technology, tools, systems and practices to deliver better solutions to our clients. We believe we are the engine behind the scenes. Our technical capabilities in the field of asset development and asset management will put our clients in a winning position and ultimately improve the lives of people, society and the environment at large. Empowered by science and inspired by humans is the idea behind our organisation which is now a tagline.

Our new identity is a catalyst to promote unity amongst our employees. The unification of our core services provides us expanded capabilities that truly allow us to embody our vision. Going forward, we aim to be a Total Asset Management provider with expertise and presence across multiple sectors.

GETTING DOWN TO BUSINESS AS "UEM EDGENTA"

Post-merger, UEM Edgenta and its subsidiaries (the Group) is a much larger and stronger entity with businesses covering the entire asset life cycle. Today, our integrated offering encompasses project management and consultancy for a wide array of infrastructure and construction jobs, highway and infrastructure maintenance, hospital support services, and facilities management services.

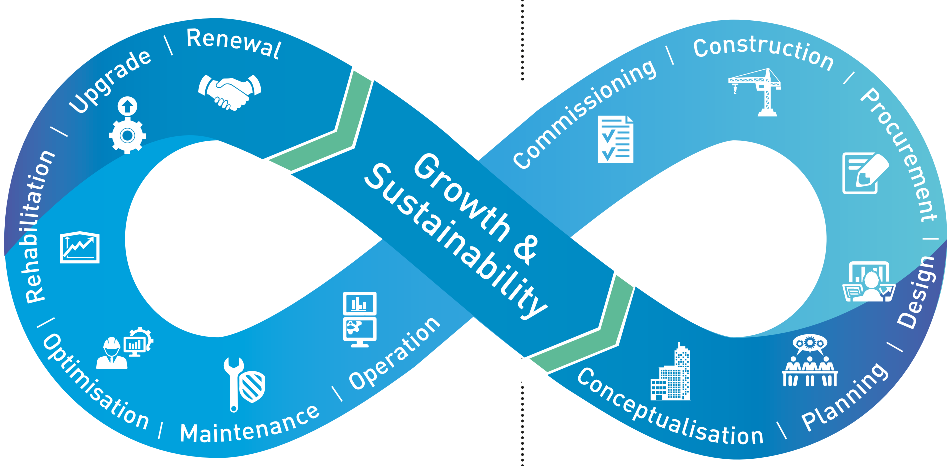
A leader in Total Asset Management, UEM Edgenta is able to offer a full suite of services throughout the asset life span, right from conceptualisation, planning and design, to procurement, project management and commissioning, to operations, maintenance, and optimisation, to rehabilitation, upgrading and renewal of an asset.

UEM Edgenta now comprises six core business units. They are:

- Asset Consultancy
- Infra Services
- Healthcare Services
- Industrial Services
- Facilities Services
- Energy Services

Infra Services
•Pavement
•Railway
•Bridges
•Airports

Healthcare Services
Facility Services
Energy Services
Industrial Services



ASSET LIFE CYCLE

Asset Consultancy
•Project Management
•Design & Consulting Services
•Asset Maintenance Programmes

BUSINESS PERFORMANCE 2014

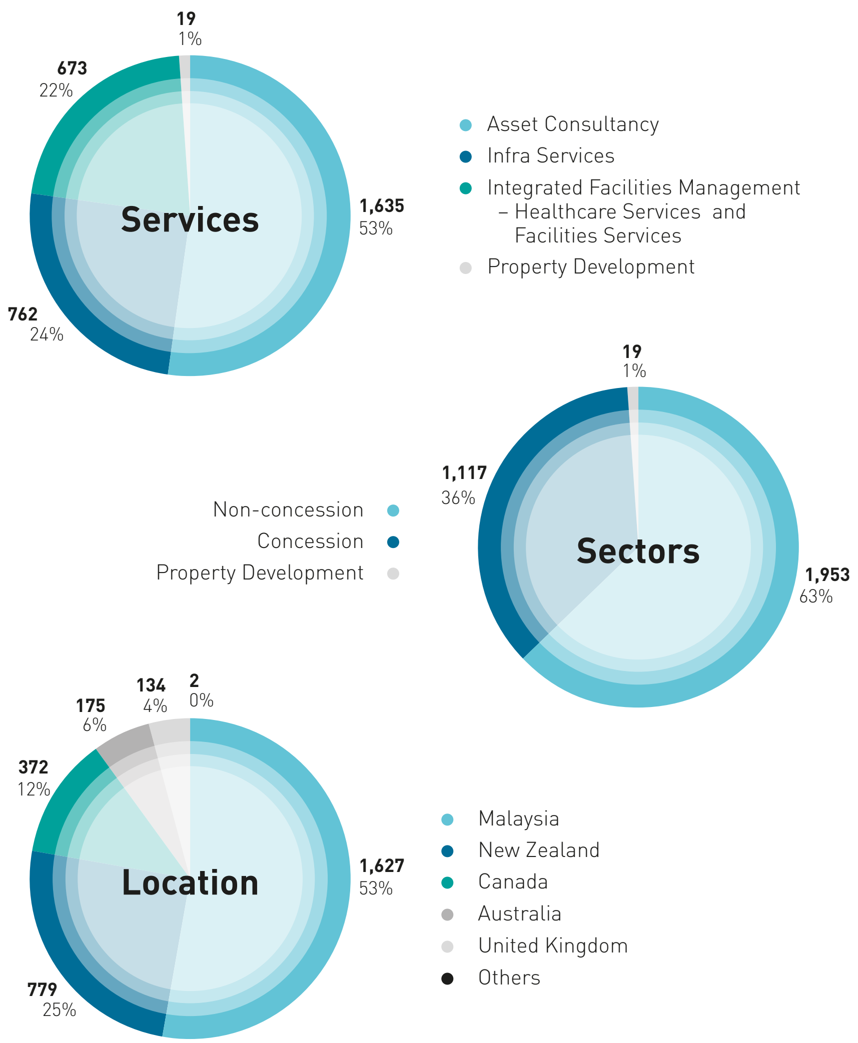
Amidst the challenging market conditions in the 10 countries that UEM Edgenta operates in, the Group turned in its first full year revenue of RM3.1 billion, a 14.4% or RM389.6 million increase in comparison to revenue of RM2.7 billion in FY2013.

The Asset Consultancy business made up 53% of the Group's revenue contribution, while the Infra Services business as well as the combined Healthcare Services and Facilities Services businesses (collectively referred to as "IFM"), contributed 24% and 22% respectively. Some 63% of the Group's revenue came from the non-concession sector and 36% from our recurring concessions sector. The Group's Malaysian businesses contributed 53% of our FY2014 revenue, while our largest overseas contributor was New Zealand at 25%, followed by Canada (12%), Australia (6%) and the United Kingdom (the UK) (4%).

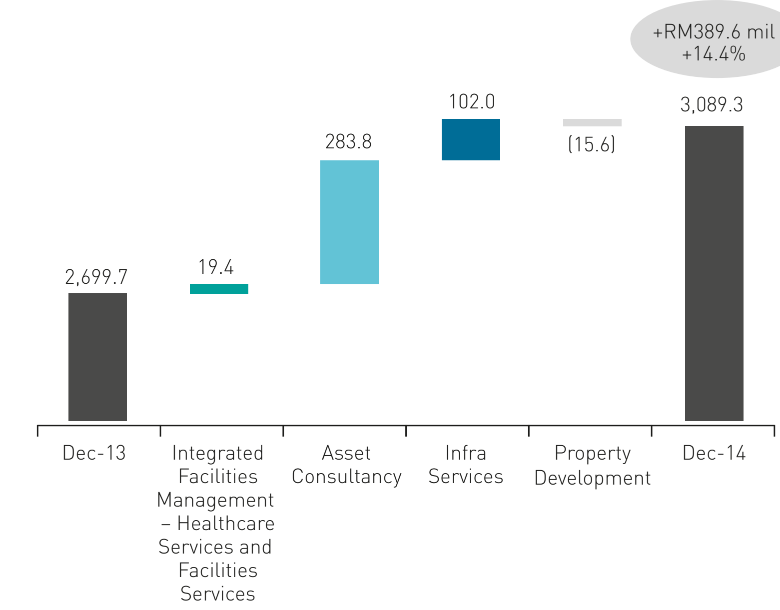
As a whole we turned in a profit before tax (PBT) of RM324.5 million in FY2014, higher than the preceding year's PBT of RM317.2 million. The year's marginally higher PBT came on the back of higher revenue coupled with the reversal of deferred consideration rising from the acquisition of Opus Stewart Weir (Opus SW) by Opus International Consultants Ltd (OIC).

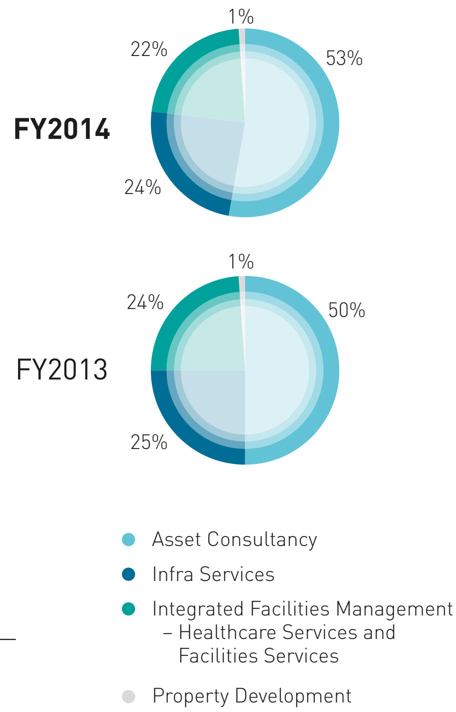
Group Revenue Breakdown FY2014

Figures in RM'mil and %



Year-on-Year Revenue by Business Division
RM million





ASSET CONSULTANCY

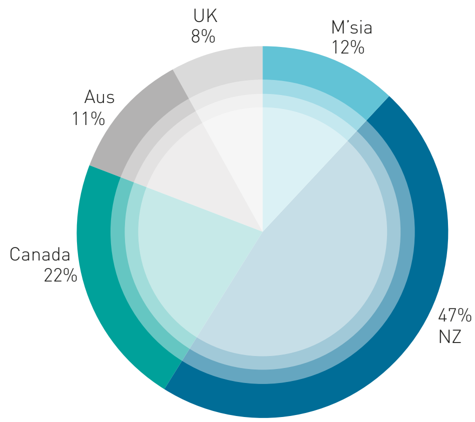
Performance Highlights

In FY2014, the Asset Consultancy business consisting of Asset Development and Asset Management Consultancy, posted a RM283.8 million increase in revenue and continued to derive the bulk of its business from its New Zealand and Canadian operations. The consolidation of the full year results of Opus SW in Canada contributed a RM209.0 million increase to the Asset Consultancy division's revenue. In addition, the strengthening of the New Zealand Dollar (NZD) against the Malaysian Ringgit (MYR) contributed an additional RM67.3 million to the division's revenue.

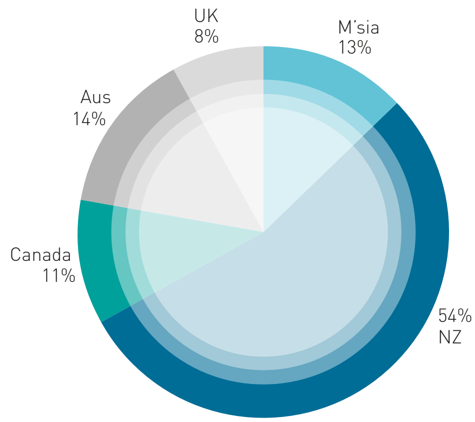
Although geographically, New Zealand's share of revenue dropped 7% year-on-year due to weaker economic climate and tougher competition at home, New Zealand continued to be the biggest revenue contributor while Canada showed the most significant jump in revenue share on the back of oil exploration and pipeline projects in Alberta.

Asset Consultancy
Infra Services
Integrated Facilities Management – Healthcare Services and Facilities Services
Property Development

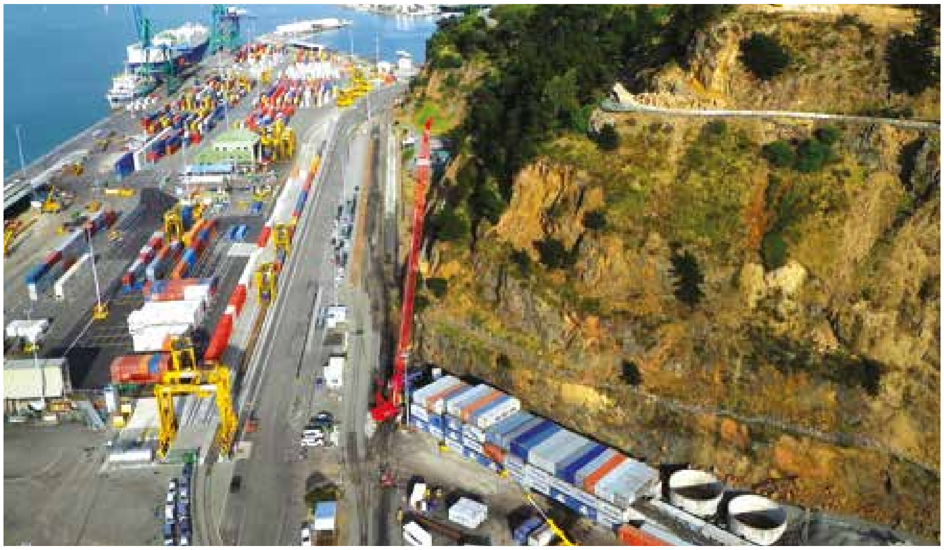
Revenue Breakdown by Countries for Asset Consultancy in 2014



Revenue Breakdown by Countries for Asset Consultancy in 2013



The division registered higher PBT by RM32.1 million on the back of higher revenue from new projects secured and optimisation of resources allocation. Opus International Malaysia (OIM) posted a PBT of RM65.6 million which is 40.8% of the total PBT of the Asset Consultancy business. Asset Consultancy is now the largest contributor to Group revenue and PBT providing approximately 53% and 46% of the Group's revenue and PBT respectively.



Operational Highlights

In New Zealand: While revenue growth was boosted mostly by the stronger NZD, the operations had to contend with challenging market conditions including increased competition and lower government spending that led to tighter margins. The business went through a restructuring exercise in early 2015 to respond better to market needs. The highlight of the year was securing six out of nine transport asset management contracts from the New Zealand Transport Authority (NZTA) with a capital value of NZD574 million and fees of NZD35 million over seven years. Continued rebuilding efforts leading from the 2011 Christchurch earthquake are also expected to support near-term activities.

In Canada: The Canadian operations registered a significant jump in revenue due to the full year impact of the integration between OIC Canada and Opus SW. Opus SW contributed 80% of FY2014's revenue in Canada with 63% of its revenue coming from oil and gas surveys. The Canadian operation's earnings were also buoyed by a reversal of deferred consideration of RM30.8 million from the acquisition of Opus SW. This is due to a reassessment of the fair value of deferred consideration payable following the non achievement of a stretched target set at the onset of the transaction.

In Malaysia: OIM has been providing project management services for many large projects. Its FY2014 performance was driven by projects such as the North South Expressway 4th lane widening (4LW) and LRT Extension projects. OIM continues to undertake asset management services for 60% of the highway network in Malaysia totalling some 1,000 km in length. Big project wins for OIM in 2014 include the project management services for the Women and Children's Hospital, pre-engineering work for the Senawang-KLIA (SKLIA) Expressway and asset management services for a local council.

In Australia: The Australian operations experienced a revenue decline as a direct result of the general slowdown in the resource sector. This also impacted earnings as the management reassessed the recoverable amount of the Australian segment (determined based on value in use calculation using projected cash flows) to be lower than the initial carrying value. This eventually led to an impairment loss on goodwill of RM17.9 million for FY2014. With the slowdown leading to fewer projects, OIC Australia embarked on a restructuring and cost cutting exercise which is expected to help it manage its performance for 2015.

In the UK: The UK operations turned in its best performance to date on the back of its strengthening work programme with the Hertfordshire County Council. The UK operations provide transport asset management services for the council's entire highway network.

In MENA: Inroads have been made into Saudi Arabia with a contract from the Royal Commission for Jubail & Yanbu for consulting services associated with the asset management as well as operation and maintenance of Royal Commission facilities and properties in Jubail Industrial City and Ras Al-Khair Industrial City.

Moving Forward

We are confident of the division's growth prospects which are expected to be strong in Malaysia and the UK.

In New Zealand: A stronger growth outlook is expected following the restructuring exercise targeting procurement processes and process efficiencies. OIC New Zealand is confident of securing more contracts from the NZTA, and is actively pursuing other opportunities within the New Zealand's transport sector.

In Canada: While the oil and gas market continues to provide long-term growth opportunities, the Canadian operations are not immune to the current impact of fluctuating oil prices. Alberta's Government revenue has declined due to low oil prices and many public sector projects are being delayed as a result. While continuing to monitor the impact of slowing oil and gas exploration activities by oil majors, the Canadian operations has also taken proactive measures to minimise cost while maintaining the core strength of its team in anticipation of an upturn.

In Malaysia: We anticipate a positive momentum for OIM in light of the many planned infrastructure projects including the SKLIA Expressway and LRT 3. OIM is pursuing the opportunity to work on the Sabah stretch of the Pan Borneo Highway. It is also developing a new pavement research centre to lead new technology development for the local highway and roads network. At the same time, asset management services opportunities are also emerging for the Lebuhraya Pantai Timur 2 (LPT2) and the development of performance-based contracts for the maintenance of Federal roads in Peninsular Malaysia are in the pipeline.

In Australia: The prospects in Australia remain uncertain given the economic slowdown and the recent downturn in the mining sector. That said, opportunities exist specifically in the transportation sector with the Australian Government allocating AUD12 billion to invest in road infrastructure improvements to support economic activity. The total infrastructure budget in Australia over the next five years is likely to exceed AUD125 billion, representing a huge opportunity for the Australian team.

In the UK: There is strong growth potential for the UK operations given the higher focus on transport asset management. Significant opportunities exist in this market, following Network Rail's proposed £39 billion investment in high-speed rail (between 2014 and 2019). There are also a number of sizeable road network management contracts coming to market in 2015. The UK business is also positioning itself to bid for larger county council transport asset management contracts that are coming to market.

INFRA SERVICES

Performance Highlights

The Group's Infra Services division is helmed by Edgenta PROPEL Berhad, formerly known as Projek Penyelenggaraan Lebuhraya Berhad (Edgenta PROPEL) that has over 25 years of experience in highway maintenance. Today, Edgenta PROPEL continues to maintain over 1,000 km of highways with the key one being the North South Expressway (NSE). Its other highways in its stable include the Penang Bridge, New Klang Valley Expressway (NKVE), Federal Highway Route 2, ELITE, Seremban-Port Dickson Highway and Malaysia-Singapore Second Link. Edgenta PROPEL has also diversified its maintenance services to include airport runways and aprons, municipalities, plantation roads and urban rail transits.

In FY2014, the Infra Services division recorded a RM102.0 million jump in revenue from FY2013, driven by increased volume in road maintenance works and the 4LW. The division also saw its PBT rise by RM20.2 million from increased work progress and certification for the 4LW and Coastal Road projects. The Infra Services division contributed 24% of the Group's FY2014 revenue and 29% of its PBT.

Edgenta PROPEL has over
25 YEARS
of experience in highway maintenance.

The IM Division recorded a
RM102.0 MILLION
jump in revenue from FY2013.

EDGENTA PROPEL'S KEY PROJECT WINS IN FY2014

- A runway upgrade for the Kuala Lumpur International Airport.
- The Kampung Sg. Serai – Rawang Highway Exit on the NSE.
- Infra works related to the RAPID Pengerang project.

Operational Highlights

61% of the Infra Services division's FY2014 revenue is recurring in nature, relating to routine maintenance and work orders on the PLUS-owned highways while projects contributed to the remaining 39% of the revenue. For project works, the Infra Services division made significant progress on its key developments including the Penang Coastal Road, the 4LW and the Cikampek-Palimanan Expressway in Indonesia.

Among Edgenta PROPEL's key project wins in FY2014 were a runway upgrade for the Kuala Lumpur International Airport, the Kampung Sg. Serai – Rawang Highway Exit on the NSE, and infra works related to the RAPID Pengerang project.

Moving Forward

The outlook for the Infra Services division in 2015 remains positive. We expect growth to come from new infrastructure projects, particularly urban highway construction projects, plus new opportunities from a new segment, namely utilities relocation.

The division has also secured a pavement structural overlay contract with PLUS from 2015 onwards which is expected to contribute more than RM80 million in revenue for 2015. The Infra Services division is also looking to secure pavement contract works from several upcoming highways and utilities relocation works for the MRT2 and LRT3 development.

Revenue growth is also expected to come from several projects to be rolled out in 2015 including the Pan Borneo Highway, SKLIA Expressway and Damansara-Shah Alam Highway. The division will also strengthen its regional presence by exploring opportunities to provide operations and maintenance services to the soon to be completed Cikampek-Palimanan Expressway where it is currently undertaking pavement works.

The **IFM Division** contributed

22%

of the Group's revenue and

23%

of its PBT in FY2014.

INTEGRATED FACILITIES MANAGEMENT (IFM): HEALTHCARE SERVICES & FACILITIES SERVICES

Performance Highlights

The division recorded a RM19.4 million increase in revenue for FY2014 mainly due to higher variation orders and reimbursable works at the Government hospitals within the Group's concession.

The IFM Division recorded a marginally lower PBT of RM33.9 million mainly due to the reversal of over-accrued costs from a former project in the United Arab Emirates amounting to RM10.2 million and recognised one-off proceeds from linen losses amounting to RM13.3 million reimbursed by the Ministry of Health in FY2013. The lower PBT was also due to higher incineration and transportation costs of RM11.4 million incurred in managing healthcare waste services in Sabah. The IFM Division contributed 22% of the Group's revenue FY2014 revenue and 23% of its PBT.

Operational Highlights

The year saw the IFM Division incurring higher incineration and transportation costs for the treatment of healthcare waste in Sabah as the Lok Kawi Incinerator Plant (LKIP) had ceased operations since September 2012 due to licensing issues. This waste, which had to be transported to the Peninsular Malaysia plant, incurred significant logistics costs.

The division also worked to address capacity constraints through the installation of a new Microwave Disinfectant System (MDS) at its Kamunting incineration plant. With the MDS, operational capacity at the Kamunting plant has increased by 2,000 tonnes/year (33%) to approximately 7,300 tonnes/year. A capacity expansion exercise was also performed on our laundry plants which will enable operational capacity to increase by 30% to approximately 21,000 tonnes/year.

ON 11 MARCH 2015, EDGENTA MEDISERVE INKED A 10-YEAR NEW CONCESSION AGREEMENT FOR HOSPITAL SUPPORT SERVICES WITH THE GOVERNMENT OF MALAYSIA.

Moving Forward

On 26 February 2015, Edgenta Mediserve Sdn Bhd, formerly known as Faber Medi-Serve Sdn Bhd (Edgenta Mediserve), completed the acquisition of the remaining 40% equity stake in Healthtronics previously not owned by Edgenta Mediserve, for RM10 million resulting in the latter becoming a wholly-owned subsidiary of Edgenta Mediserve.

On 11 March 2015, the IFM Division via Edgenta Mediserve inked the much awaited Hospital Support Services (HSS) new Concession Agreement for a 10-year period with the Malaysian Government.

Under the agreement, Edgenta Mediserve shall be the 100% HSS concessionaire for Government hospitals in the northern region of Peninsular Malaysia with an annual revenue of approximately RM307 million. Edgenta Mediserve will hold a 40% equity stake in two new joint venture concession companies established (via JV) to undertake the HSS in the states of Sabah and Sarawak. The new Concession Agreement also comes with a one-off rate hike for Peninsular Malaysia (+5.8%), Sabah (+7.8%) and Sarawak (+8.1%) concessions to cater for the minimum wage requirement. The total number of hospitals managed in the Northern region, Sabah and Sarawak is 81.

To ensure a smooth transition of HSS and operations resulting from the changing of the concession companies in Sabah and Sarawak, the JV companies will outsource all HSS to Edgenta Mediserve during the transition period for six months based on an agreed fee.

STRATEGIES FOR SUCCESS

As we move towards becoming the leading Total Asset Management Company in Malaysia and regionally, we will focus our efforts on sustainable growth across all our businesses. We have outlined our key strategic growth drivers to ensure we remain focused on the task which are:

- Grow in new business areas such as township management services and healthcare services;
- Develop a stronger presence in energy management and as well as controls and monitoring services;
- Penetrate further into oil and gas sector for facilities services;
- Explore new marketplaces with high growth potential (e.g. Indonesia); and
- Continue integration efforts of the combined entity and engage employees to embrace the new vision, mission and values.

While the outlook for the Group in 2015 is expected to be challenging given the subdued growth projection in countries where we currently operate, we are also taking measures to strengthen growth by aggressively exploring new opportunities and partnerships in Malaysia and abroad.

We continue to invest into our businesses to keep our competitive edge and have set aside a capital expenditure budget of RM120 million for 2015. Of this, RM80 million will be allocated to the Asset Consultancy and Infra Services businesses, while the remaining RM36 million will be spent on the IFM segment. Our primary objective with this capital expenditure budget is to enhance operational efficiency across our major divisions via the purchase of new equipment, advanced operating systems and the setting up of a research arm to explore new technology development and to drive the incubation and conception of innovative ideas relevant to our industry.

We will continue to set our sights on growing our businesses and deriving synergies from the integration. This includes tapping synergies such as procurement rationalisation over a single cost platform and sharing common resources. We intend to intensify cross selling of our services across the UEM Group and utilise its wide reach and network.

We will also focus our efforts on expanding our business via partnerships and will explore new opportunities by entering new segments and moving up the industry value chain. Our aim is for the Group to gain international recognition, achieve sustainable growth and ultimately be the clear regional leader in Total Asset Management.

IN APPRECIATION

We would not have come thus far without the support of the many dedicated parties who have stood by us. I extend my deep gratitude to our valued customers, suppliers, the many Governments and agencies where we do business, as well as our business partners for their support and cooperation, especially through our integration exercise.

I wholeheartedly thank the Board of Directors for their keen insights, guidance and direction especially for steering us through the merger and integration exercise. I particularly wish to convey my heartfelt appreciation to all our employees throughout the Group for their hard work, dedication and commitment and believe in the Company. I continue to count on them as we take the Company forward to realise our ambitions.

Last but not least, I thank you, our valued shareholders for your trust and confidence in us to get on with the job at hand.

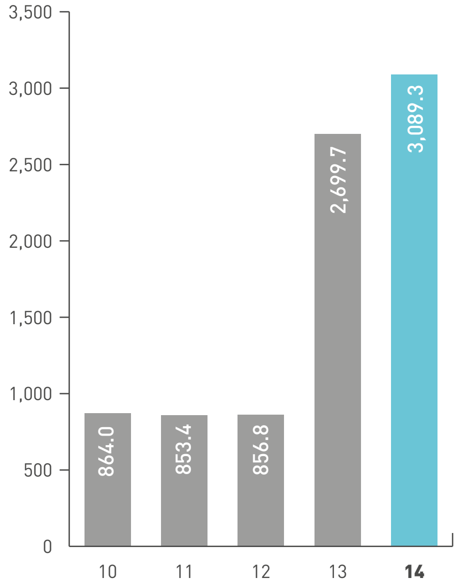
We are excited and committed to take on the challenges to unlock the potential of our newly integrated entity. We continue to count on the continued support of our stakeholders as we embark in making UEM Edgenta the leader in Total Asset Management and achieve more success.

Thank you.

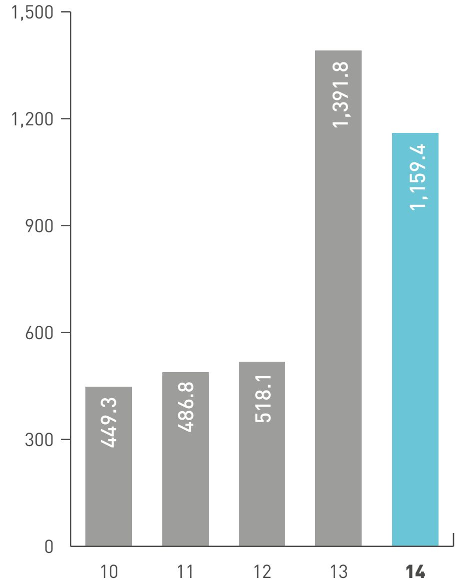
AZMIR MERICAN
Managing Director/
Chief Executive Officer

5-YEAR GROUP FINANCIAL HIGHLIGHTS

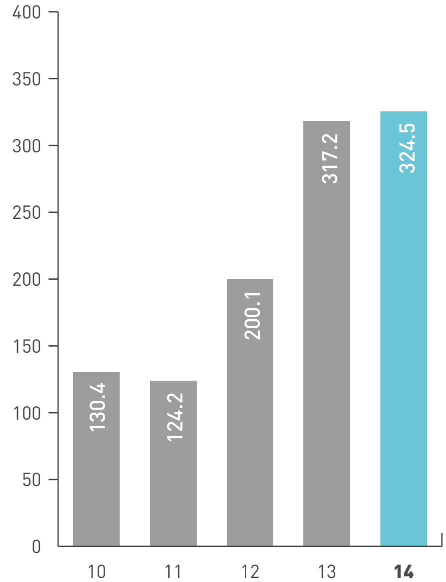
REVENUE
(RM million)



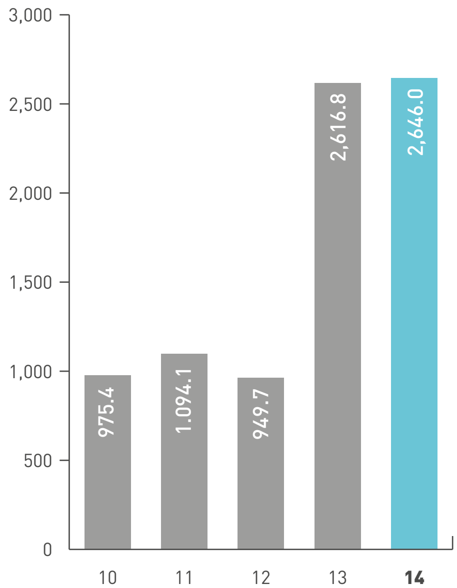
SHAREHOLDERS' FUNDS
(RM million)



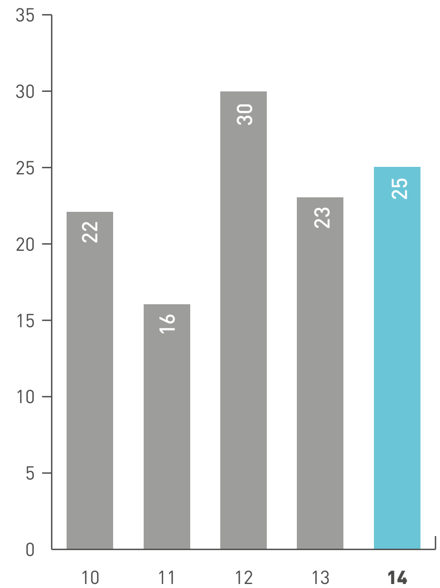
PROFIT BEFORE TAX
(RM million)



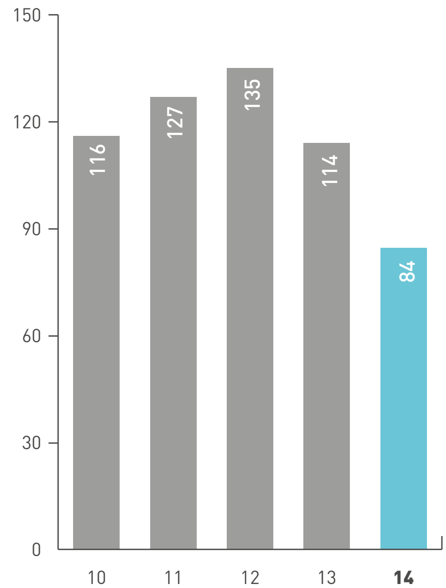
TOTAL ASSETS
(RM million)



EARNINGS PER SHARE
(Sen)



NET TANGIBLE ASSETS PER SHARE
(Sen)



Note: *The 5-Year Group Financial Highlights is based on the Annual Audited Financial Statements for the respective years. For the purpose of this annual report, the impact of the pooling of interest method on the acquisition of Opus Group Berhad and Edgenta PROPEL Berhad (formerly known as Projek Penyelenggaraan Lebuhraya Berhad) has not been reflected for the years 2010, 2011 and 2012.*

5-YEAR GROUP FINANCIAL SUMMARY

STATEMENTS OF FINANCIAL POSITION

In RM Million	2010	2011	2012	2013 (Restated)	2014
ASSETS					
Non-current assets	149.5	272.3	131.1	758.7	**753.5**
Current assets	825.9	821.8	818.6	1,858.1	**1,892.5**
TOTAL ASSETS	975.4	1,094.1	949.7	2,616.8	**2,646.0**
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	363.0	90.8	90.8	90.8	**203.4**
Share premium	116.0	–	–	–	**–**
Reserves	(3.9)	(3.5)	5.1	706.0	**350.8**
(Accumulated loss)/Retained earnings	(25.8)	399.5	422.2	595.0	**605.2**
	449.3	486.8	518.1	1,391.8	**1,159.4**
Non-controlling interests	62.5	74.1	100.0	215.1	**201.7**
Total equity	511.8	560.9	618.1	1,606.9	**1,361.1**
Non-current liabilities	166.2	47.5	7.5	290.7	**394.9**
Current liabilities	297.4	485.7	324.1	719.2	**890.0**
Total liabilities	463.6	533.2	331.6	1,009.9	**1,284.9**
TOTAL EQUITY AND LIABILITIES	975.4	1,094.1	949.7	2,616.8	**2,646.0**
Net tangible assets per share (sen)	115.8	126.5	135.3	114.1	**84.1**
Current ratio (times)	2.8	1.7	2.5	2.6	**2.1**
Liquidity ratio (times)	1.0	0.7	1.0	1.0	**0.9**
Gearing ratio (times)	0.4	0.3	0.0	0.1	**0.3**

Note: *The 5-Year Group Financial Summary is based on the Annual Audited Financial Statements for the respective years. For the purpose of this annual report, the impact of the pooling of interest method on the acquisition of Opus Group Berhad and Edgenta PROPEL Berhad (formerly known as Projek Penyelenggaraan Lebuhraya Berhad) has not been reflected for the years 2010, 2011 and 2012.*

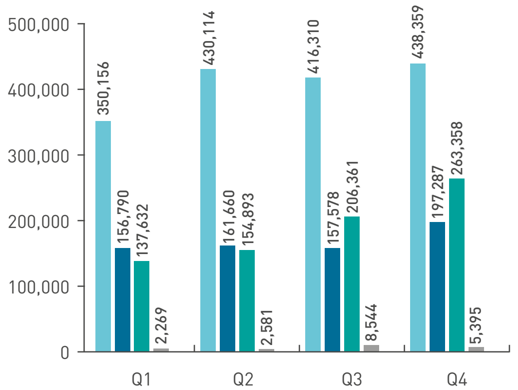
INCOME STATEMENTS

In RM Million	2010	2011	2012	2013 (Restated)	2014
Revenue	864.0	853.4	856.8	2,699.7	**3,089.3**
Earnings before interest, taxation, depreciation and amortisation	150.9	147.1	210.5	344.6	**366.7**
Profit before tax	130.4	124.2	200.1	317.2	**324.5**
Zakat	(1.0)	(1.0)	(1.5)	(4.0)	**(3.5)**
Income tax expense	(25.7)	(48.3)	(51.1)	(83.4)	**(79.1)**
Profit net of tax	103.7	74.9	147.5	229.8	**241.9**
Attributable to:					
Owners of the parent	78.8	59.7	108.5	190.4	**202.4**
Non-controlling interests	24.9	15.2	39.0	39.4	**39.5**
	103.7	74.9	147.5	229.8	**241.9**
Earnings per share (sen)	21.7	16.4	29.9	23.4	**24.9**
Earnings before interest, taxation, depreciation and amortisation as a percentage of revenue (%)	17	17	25	13	**12**
Profit before tax as a percentage of revenue (%)	15	15	23	12	**11**
Profit before tax as a percentage of total equity at year end (%)	25	22	32	20	**24**
Dividend per share – gross (sen)	6.0	8.0	28.0	10.0	**28.0**

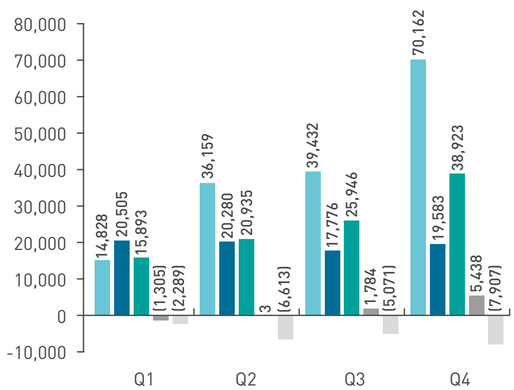
Note: *The 5-Year Group Financial Summary is based on the Annual Audited Financial Statements for the respective years. For the purpose of this annual report, the impact of the pooling of interest method on the acquisition of Opus Group Berhad and Edgenta PROPEL Berhad (formerly known as Projek Penyelenggaraan Lebuhraya Berhad) has not been reflected for the years 2010, 2011 and 2012.*

2014 GROUP QUARTERLY PERFORMANCE

REVENUE BY SEGMENT
(RM'000)



PROFIT/(LOSS) BEFORE TAX BY SEGMENT
(RM'000)



FOR THE YEAR ENDED 31 DECEMBER 2014

	Quarter RM'000				
	1st	**2nd**	**3rd**	**4th**	**Total**
Revenue	646,847	749,248	788,793	904,399	**3,089,287**
Operating expenses	(604,618)	(686,034)	(714,833)	(821,541)	**(2,827,026)**
Other Income	7,461	11,176	9,064	49,214	**76,915**
Earnings before interest, taxation, depreciation and amortisation	54,876	82,836	84,110	144,926	**366,748**
Profit before taxation	47,632	70,764	79,867	126,199	**324,462**
Profit attributable to owners of the parent	29,154	47,521	52,411	73,300	**202,386**
Earnings per share (sen)	3.6	5.9	6.4	9.0	**24.9**

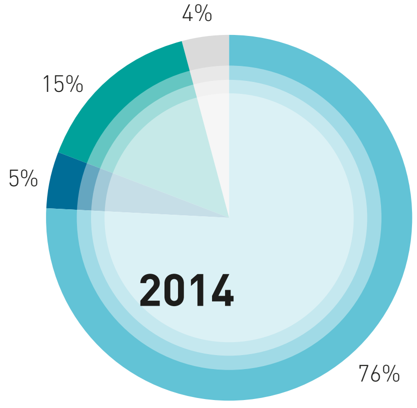
BY SEGMENT

	Quarter RM'000				
	1st	**2nd**	**3rd**	**4th**	**Total**
Revenue					
Asset Consultancy	350,156	430,114	416,310	438,359	**1,634,939**
Integrated Facilities Management	156,790	161,660	157,578	197,287	**673,315**
Infra Services	137,632	154,893	206,361	263,358	**762,244**
Property Development	2,269	2,581	8,544	5,395	**18,789**
Group	646,847	749,248	788,793	904,399	**3,089,287**
Profit before taxation					
Asset Consultancy	14,828	36,159	39,432	70,162	**160,581**
Integrated Facilities Management	20,505	20,280	17,776	19,583	**78,144**
Infra Services	15,893	20,935	25,946	38,923	**101,697**
Property Development	(1,305)	3	1,784	5,438	**5,920**
Others	(2,289)	(6,613)	(5,071)	(7,907)	**(21,880)**
Group	47,632	70,764	79,867	126,199	**324,462**

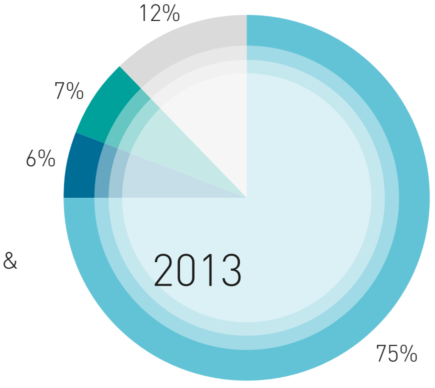
Note: *Integrated Facilities Management comprises of Healthcare Services and Facilities Services.*

GROUP STATEMENT OF VALUE ADDED

DISTRIBUTON OF VALUE ADDED



- Employee cost
- Taxation
- Dividend & non-controlling interests
- Depreciation, amortisation & retained earnings



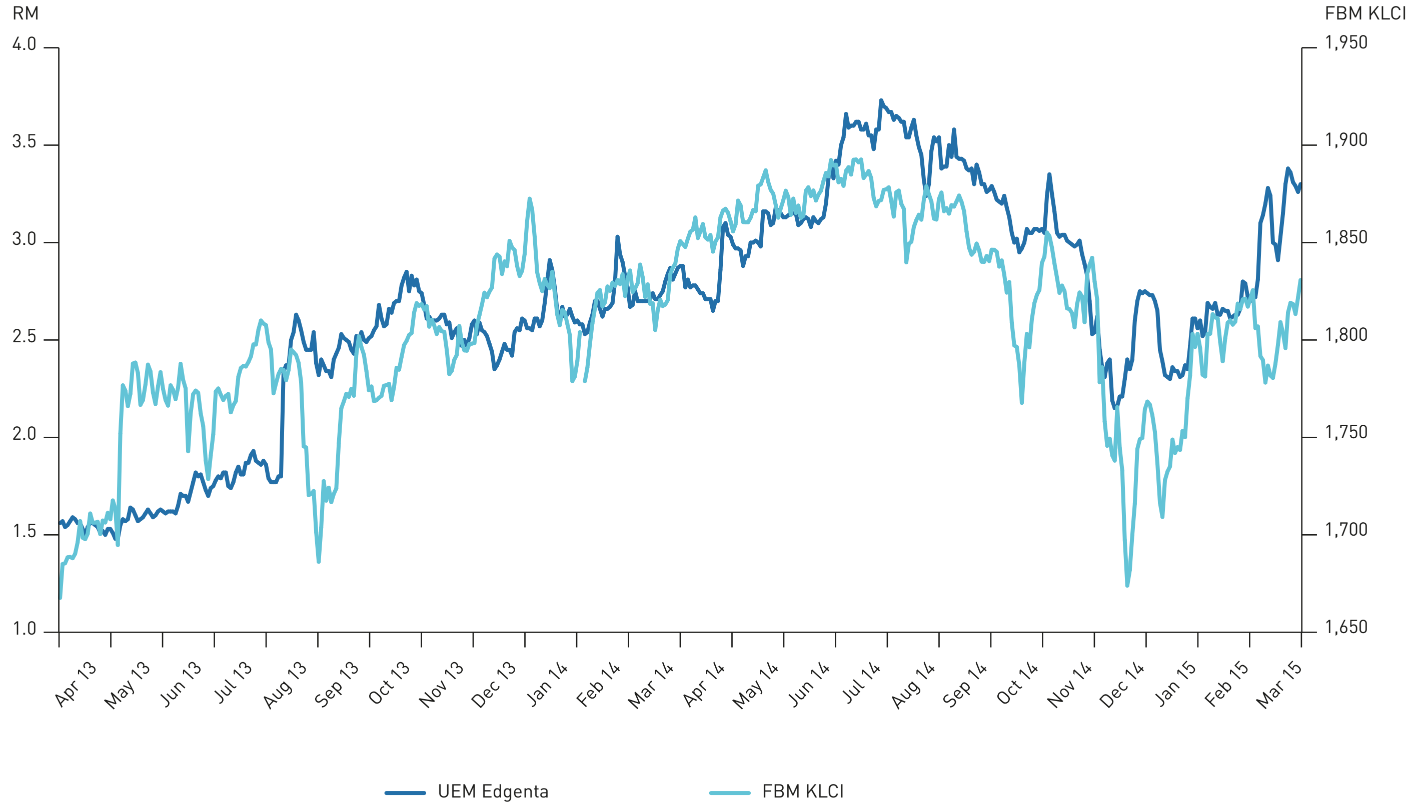
STATEMENT OF VALUE ADDED

	2014 RM Million	2013 RM Million
VALUE ADDED		
Revenue	**3,089**	2,700
Other income	**56**	17
Interest income	**21**	19
Operating expenses	**(1,618)**	(1,346)
Finance cost	**(14)**	(11)
Value added available for distribution	**1,534**	1,379
DISTRIBUTION		
To Employees		
Employee cost	**1,165**	1,028
To Government		
Taxation	**79**	83
To Shareholders		
Dividend	**183**	64
Non-controlling interests	**40**	39
Retained for reinvestment and future growth		
Depreciation and amortisation	**48**	39
Retained earnings	**19**	126
Total distributed	**1,534**	1,379

STOCK PERFORMANCE

SHARE PRICE MOVEMENT

for the period from 1 April 2013 to 31 March 2015



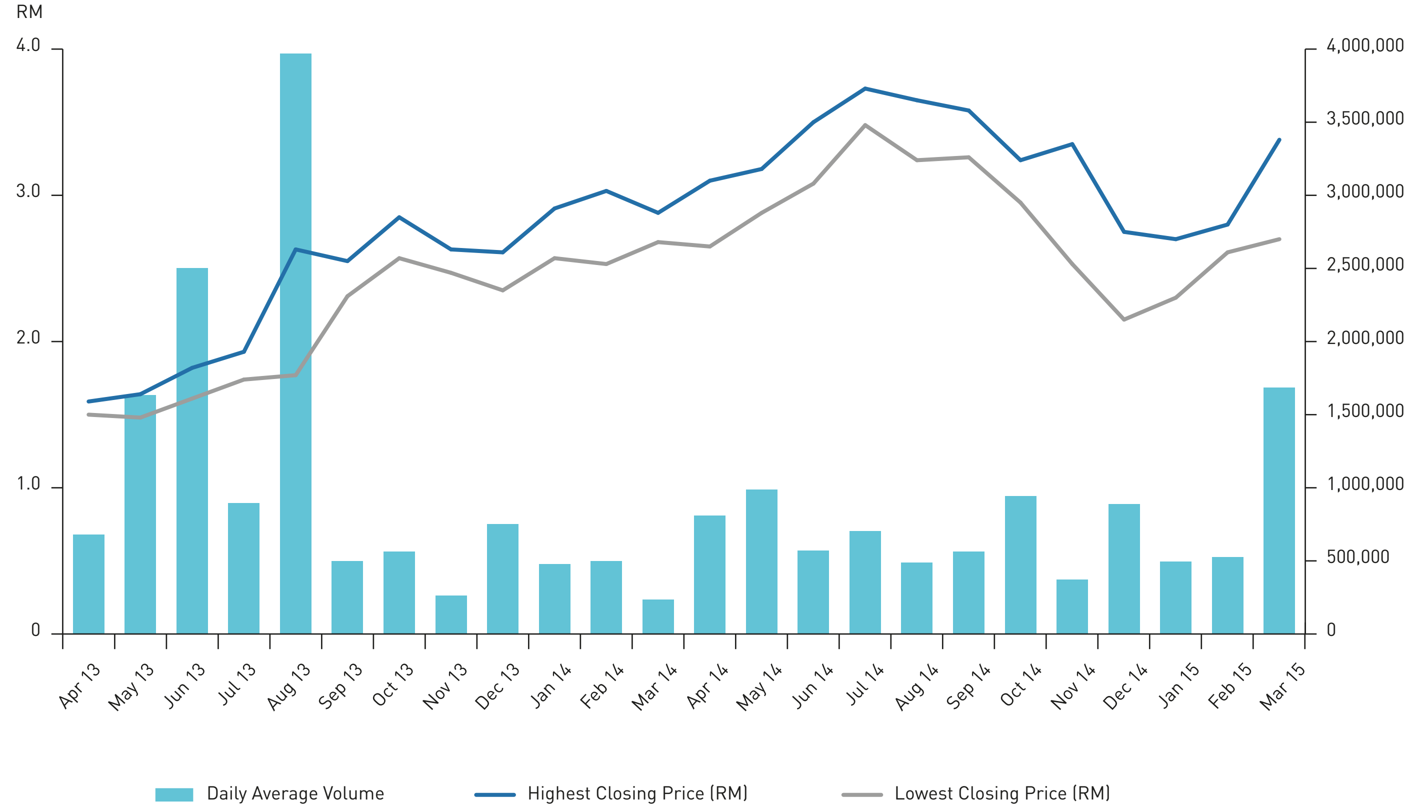
Share Price	RM	Date
Highest	3.73	23 July 2014
Lowest	1.48	2 May 2013

The highest volume traded during this period is 27,653,700 on 6 August 2013.

Source: S&P Capital IQ

SHARE PRICE AND VOLUME TRADED

for the period from 1 April 2013 to 31 March 2015



	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Daily average volume	679,000	1,633,633	2,500,490	893,048	3,969,263	498,305	561,536	261,690	750,938	478,632	497,111	234,071
Highest Closing Price (RM)	1.59	1.64	1.82	1.93	2.63	2.55	2.85	2.63	2.61	2.91	3.03	2.88
Lowest Closing Price (RM)	1.50	1.48	1.61	1.74	1.77	2.31	2.57	2.47	2.35	2.57	2.53	2.68
Month End Closing Price (RM)	1.51	1.61	1.78	1.77	2.37	2.55	2.62	2.59	2.55	2.58	2.67	2.88

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Daily average volume	808,836	987,960	570,681	701,715	486,805	563,155	942,310	372,495	888,100	494,800	523,350	1,682,909
Highest Closing Price (RM)	3.10	3.18	3.50	3.73	3.65	3.58	3.24	3.35	2.75	2.70	2.80	3.38
Lowest Closing Price (RM)	2.65	2.88	3.08	3.48	3.24	3.26	2.95	2.53	2.15	2.30	2.61	2.70
Month End Closing Price (RM)	2.97	3.14	3.50	3.67	3.39	3.26	3.24	2.62	2.73	2.54	2.79	3.30

Source: S&P Capital IQ

GROUP FINANCIAL CALENDAR

2014

QUARTERLY RESULTS

28 February 2014
Announcement on financial results for the 4th quarter ended 31 December 2013.

28 May 2014
Announcement on financial results for the 1st quarter ended 31 March 2014.

26 August 2014
Announcement of financial results for the 2nd quarter ended 30 June 2014.

25 November 2014
Announcement of financial results for the 3rd quarter ended 30 September 2014.

DIVIDEND

28 February 2014
Announcement on proposed single tier final dividend for financial year 2013.

22 July 2014
Payment of single tier final dividend of 10 sen per ordinary share of RM0.25 each in respect of the financial year ended 31 December 2013.

12 December 2014
Announcement on declaration of single tier special interim dividend for financial year 2014.

ANNUAL GENERAL MEETING & EXTRAORDINARY GENERAL MEETING

26 June 2014
- 51st Annual General Meeting
- Extraordinary General Meeting

2015

QUARTERLY RESULTS

27 February 2015
Announcement on financial results for the 4th quarter ended 31 December 2014.

DIVIDEND

22 January 2015
Payment of single tier special interim dividend of 18 sen per ordinary share of RM0.25 each in respect of the financial year ended 31 December 2014.

27 February 2015
Announcement on proposed single tier final dividend for financial year 2014.

EXTRAORDINARY GENERAL MEETING

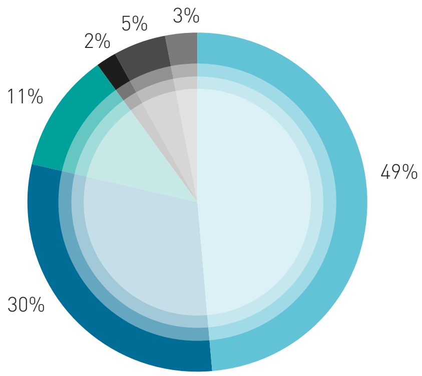
27 March 2015
Extraordinary General Meeting

EMPLOYEES & PRODUCTIVITY

EMPLOYEE BY CLASSIFICATION – Overall

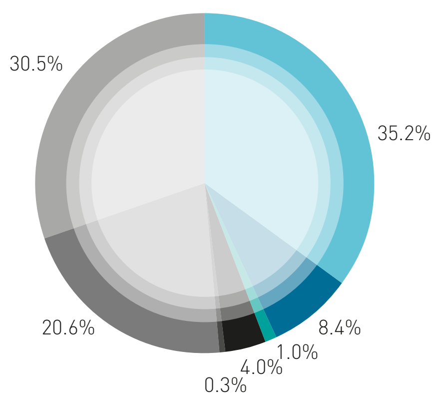
Management	Executive	Non-Exec	
2,079	2,172	10,542	= 14,793

Employee by Region/Country



- Malaysia (include Sabah & Sarawak) – 7,226
- India – 4,506
- New Zealand – 1,665
- Australia – 313
- Canada – 667
- UK – 398
- Saudi – 1
- Indonesia – 17

Malaysia (Ethnicity) + Overseas



- Malay – 5,216
- Sabah/Sarawak – 1,233
- Chinese – 152
- Indian (Malaysia) – 595
- Others (Indonesia, UK, Pakistan & Thailand) – 48
- OIC – 3,043
- Faber Sindoori (local Indian) – 4,506

REVENUE PER EMPLOYEE COST (times)

2.7 times

VALUE ADDED & DISTRIBUTION PER EMPLOYEE COST (times)

1.3 times

CORPORATE STRUCTURE

as at 30 April 2015

UEM EDGENTA

A member of **UEM Group**

ASSET CONSULTANCY

100%
Opus Group Berhad

- **100%**
  Opus International (M) Berhad
  - **100%**
    Opus Management Sdn Bhd
  - **100%**
    Soil Centralab Sdn Bhd
  - Other Subsidiaries
- **100%**
  Opus International (NZ) Limited (New Zealand)
  - **61.22%**
    Opus International Consultants Limited (New Zealand)
    - Other Subsidiaries

Other Subsidiaries

HEALTHCARE SERVICES

100%
Edgenta Healthcare Management Sdn Bhd (formerly known as Faber Healthcare Management Sdn Bhd)

57% / **43%**
Edgenta Mediserve Sdn Bhd (formerly known as Faber Medi-Serve Sdn Bhd)

- **100%**
  Edgenta Mediserve (Sabah) Sdn Bhd (formerly known as FMS Services (Sabah) Sdn Bhd)
  - **40%**
    Sedafiat Sdn Bhd
- **100%**
  Edgenta Mediserve (Sarawak) Sdn Bhd (formerly known as FMS Services (Sarawak) Sdn Bhd)
  - **40%**
    One Medicare Sdn Bhd
- **100%**
  Cermin Cahaya Sdn Bhd
- **100%**
  Edgenta Healthtronics Sdn Bhd (formerly known as Healthtronics (M) Sdn Bhd)
- **60%**
  Fresh Linen Services (Sabah) Sdn Bhd

INFRA SERVICES

100%
Edgenta PROPEL Berhad (formerly known as Projek Penyelenggaraan Lebuhraya Berhad)

- **100%**
  Aquatrans Sdn Bhd

FACILITIES SERVICES

100%
Edgenta Facilities Sdn Bhd (formerly known as Faber Facilities Sdn Bhd)

- **100%**
  Faber Facilities Management Sdn Bhd
- **100%**
  General Field Sdn Bhd
- **100%**
  Faber Star Facilities Management Limited (India)
- **51%**
  Faber Sindoori Management Services Private Limited (India)

75%
Faber L.L.C (UAE)

PROPERTY DEVELOPMENT

100%
Faber Development Holdings Sdn Bhd

- **100%**
  Faber Union Sdn Bhd
- **100%**
  Country View Development Sdn Bhd
- **100%**
  Faber Grandview Development (Sabah) Sdn Bhd
- **100%**
  Faber Heights Management Sdn Bhd
- **55%**
  Rimbunan Melati Sdn Bhd

Other Subsidiaries

ORGANISATION CHART

UEM EDGENTA

A member of **UEM Group**

BOARD OF DIRECTORS

Board Committee

- Audit and Risk Committee
- Nomination and Remuneration Committee

MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER

Azmir Merican

MANAGING DIRECTOR OF OPUS

Nik Airina Nik Jaffar

- ASSET CONSULTANCY

CHIEF OPERATING OFFICER

Ir. Wan Azman Wan Salleh

- HEALTHCARE SERVICES
- INFRA SERVICES
- FACILITIES SERVICES
- INDUSTRIAL SERVICES
- ENERGY SERVICES

CHIEF FINANCIAL OFFICER

Dato' Jezilee Mohamad Ramli

- FINANCE
- INFORMATION TECHNOLOGY
- GROUP PROCUREMENT

INTERNAL AUDIT

RISK MANAGEMENT

BUSINESS DEVELOPMENT

HUMAN RESOURCE & ADMIN

- TALENT MANAGEMENT/ LEARNING & DEVELOPMENT
- WORKFORCE PLANNING
- ADMIN

OPERATIONS CONTROL

- OPERATIONS CONTROL & REPORTING
- PERFORMANCE MONITORING & IMPROVEMENT
- SAFETY, HEALTH & ENVIRONMENT
- QUALITY ASSURANCE & QUALITY CONTROL

CORPORATE PLANNING

- CORPORATE PLANNING
- PROJECT MANAGEMENT
- INVESTOR RELATIONS

CORPORATE COMMUNICATIONS

- INTERNAL COMMUNICATIONS
- MARKETING COMMS & BRAND MANAGEMENT
- EXTERNAL COMMUNICATIONS/ STAKEHOLDER MANAGEMENT

LEGAL

SECRETARIAL

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Seri Ismail Shahudin
Non-Independent Non-Executive Chairman
(Appointed on 1 July 2014)

Dato' Izzaddin Idris
Non-Independent Non-Executive Director

Elakumari Kantilal
Non-Independent Non-Executive Director

Azmir Merican
Managing Director/Chief Executive Officer

Robert Tan Bun Poo
Independent Non-Executive Director

Dato' Ikmal Hijaz Hashim
Independent Non-Executive Chairman
(Retired on 26 June 2014)

Datuk Ir. Abdullah Sani Abd Karim
Senior Independent Non-Executive Director

Dr. Saman @ Saimy Ismail
Independent Non-Executive Director

AUDIT AND RISK COMMITTEE

Robert Tan Bun Poo
Chairman

Datuk Ir. Abdullah Sani Abd Karim
Member

Dr. Saman @ Saimy Ismail
Member

Elakumari Kantilal
Member

NOMINATION AND REMUNERATION COMMITTEE

Datuk Ir. Abdullah Sani Abd Karim
Chairman

Dr. Saman @ Saimy Ismail
Member

Elakumari Kantilal
Member

COMPANY SECRETARIES

Chiew Siew Yuen
(MAICSA 7063781)

Sheikh Azree Mokhtar
(LS No. 0008368)

REGISTERED OFFICE

Level 6, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 6688
Fax : +603 2725 6888

AUDITORS

ERNST & YOUNG (AF 0039)
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

SHARE REGISTRAR

SYMPHONY SHARE REGISTRARS SDN BHD
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 7849 0777 (Helpdesk)
Fax : +603 7841 8151/8152

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
AmBank Berhad
CIMB Bank Berhad
HSBC Amanah Malaysia Berhad
Malayan Banking Berhad
Public Bank Berhad
RHB Bank Berhad

PRINCIPAL SOLICITORS

Cheang & Ariff
Zul Rafique & Partners

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Name : EDGENTA

Stock Code : 1368

Stock Sector : Trading/Services

GROUP MILESTONES

1963

Faber

1990

1993

fms

1996

1964

1996

1963

31 may

Incorporated as Merlin Hotels Malaysia Berhad. Hotel owner and manager of the "Merlin" brand.

1964

2 january

Listed under the Hotel Sector on the Main Board of the Kuala Lumpur Stock Exchange.

1972

Merged with Faber Union Sdn Bhd, a property developer company to form Faber Merlin Malaysia Berhad.

1990

22 november

Changed name to Faber Group Berhad (Faber).

1993

Embarked on expansion and rebranding of the Hotel Division with the tie-up with Starwood International to rebrand some of the hotels to the "Sheraton" brand.

1996

28 october

Awarded a 15-year concession for Hospital Support Services to 71 Government hospitals in Perak, Penang, Kedah, Perlis, Sabah and Sarawak. Embarked on service provision in Integrated Facilities Management.

2000

Completed the first Debt Restructuring Exercise under the purview of the Corporate Debt Restructuring Committee.

2004

30 september

Completed Second Restructuring Exercise and formation of Special Purpose Vehicle.

8 november

Faber reclassified under the Trading/Services Sector on the Main Board of Bursa Malaysia.

2007

Faber paid a dividend of 2% less 27% taxation in respect of FY2006 after a lapse of 22 years.

2008

18 february

The sale of Sheraton Hanoi Hotel marked Faber's exit from the Hotel sector.

26 june

Faber Medi-Serve Sdn Bhd ("FMS") became a wholly owned subsidiary of Faber with the acquisition of the remaining 30% equity interest from Medlux Overseas (Gurney) Ltd.

3 november

Capital repayment to Jeram Bintang Sdn Bhd of RM115.0 million Redeemable Convertible Preference Shares.

2009

18 march

Faber L.L.C was awarded contracts by the Department of Municipal Affairs, Western Region Municipality ("WRM"), Emirate of Abu Dhabi for low cost houses maintenance. The annual total contract is estimated at RM62.0 million.

23 november

Faber L.L.C. was awarded a contract by the Department of Municipal Affairs, WRM, Emirate of Abu Dhabi for infrastructure maintenance with an estimated annual total contract of RM144.0 million.

2010

4 april

Faber Development Holdings Sdn Bhd ("FDH") launched Armada Villa in Taman Danau Desa, Kuala Lumpur with a Gross Development Value ("GDV") of RM141.0 million.

14 november

FDH launched Areca Residence Sections 1 and 2 in Kepong Kuala Lumpur with a GDV of RM190.0 million.

2011

19 february

FDH launched Prima Villa in Taman Danau Desa, Kuala Lumpur with a GDV of RM142.0 million.

17 july

FDH launched Section 3, Areca Residence in Kepong, Kuala Lumpur with a GDV of RM102.0 million.

19 september

Faber completed its Par Value Reduction and Share Premium Reduction exercise.

3 october

FMS submitted the Request for Proposal ("RFP") on the Hospital Support Services Concession Agreement ("HSS CA") to Unit Kerjasama Awam Swasta ("UKAS").

27 october

FMS received a letter from UKAS for an extension on the existing HSS Concession Agreement for a six-month period effective 28 October 2011 until 27 April 2012.

2008

2010

LAMAN RIMBUNAN
ARECA
RESIDENCE
SEMI DETACHED HOMES

ARMADA
VILLA
TAMAN DANAU DESA

2010

2011

2012

20 january

The Health Minister of Malaysia officially launched FMS Bukit Beruntung Laundry Plant in Selangor.

27 april

FMS received a letter from UKAS whereby the existing HSS Concession Agreement shall continue until the signing of new Concession Agreement with the Ministry of Health.

7 & 17 december

FDH successfully completed and handover 102 units of Areca Residence Sections 1 and 2 on 7 December and 45 units of Armada Villa in Taman Danau Desa, Kuala Lumpur to purchasers on 17 December 2012.

2013

23 january

UKAS has agreed in principle that the implementation of new concession in relation to the privatisation of HSS for the Northern Region of Peninsular Malaysia is to be implemented by FMS whilst the new concession for the privatisation of HSS in Sabah Zone and Sarawak Zone will be implemented by new consortium companies where FMS will hold 40% equity interest in the respective consortium companies.

27 february

Faber held the joint venture agreements signing ceremony with its partners for the incorporation of the new consortium companies, Sedafiat Sdn Bhd for Sabah Zone and One Medicare Sdn Bhd for Sarawak Zone. FMS will hold 40% equity interest in each of the said consortium companies.

2013

8 march

FDH successfully completed and handover 54 units Areca Residence Section 3 in Kepong, Kuala Lumpur to purchasers.

5 august

Faber received a letter of offer from UEM Group Berhad to merge and streamline the Asset & Facility Management businesses of the UEM Group of Companies, through the proposed disposal of its 100% equity interest in Projek Penyelenggaraan Lebuhraya ("PROPEL") Berhad and its entire equity interest in Opus Group Berhad (Opus) to Faber.

26 october

FDH launched Chymes (formerly known as Faber Antara Condominium), a-255 residential units of 22-storey in two blocks of condominium located along Jalan Persiaran Gurney, Kuala Lumpur with a GDV of RM256 million.

2014

18 april

Faber enters into a Conditional Share Agreement with UEM Group in relation to the RM1.15 billion offer to acquire PROPEL and Opus.

19 may

Faber entered into a RM1.03 billion Asset Management Services ("AMS") Agreement with Konsortium Prohawk Sdn Bhd to provide AMS to Women & Children's Hospital in Kuala Lumpur.

26 june

Faber obtained shareholders' approval to proceed with the proposal via an Extraordinary General Meeting (EGM).

29 october

The successful completion of RM1.15 billion acquisition of Opus and PROPEL that is set to transform the Company from a Hospital Support Service Specialist into one of the largest Asset Development and Asset Management player in the region.

2015

11 march

FMS signed the 10-year HSS new Concession Agreement with the Government of Malaysia.

27 march

An EGM was held to approve the change of Faber's name to "UEM Edgenta Berhad" as part of the re-branding exercise pursuant to the completion of merger. The name change was approved by shareholders.

9 april

Faber officially changed its name to "UEM Edgenta Berhad".

2015

CORPORATE EVENTS

3-7 march

Opus International Consultants (OIC) UK played host to a delegation from the Ministry of Works and the private sectors from Malaysia. The delegation includes YB Datuk Hj Fadillah Yusof, Minister of Works, YBhg Dato' Sri Ir. Dr. Judin Abdul Karim, Chief Executive Officer of Construction Industry Development Board (CIDB) and YBhg Dato' Ir. Dr. Johari Basri of CIDB. The technical visit was a knowledge sharing session between OIC UK and the Malaysian delegates.

6 march

The Group organised a '*Majlis Doa Selamat*' after the completion of their move to the new office in Menara UEM, Bangsar South City, Kuala Lumpur. The '*Majlis Doa Selamat*' was attended by the muslim employees and the prayers was led by Ustaz Abd Rahman Rohaily, who is a regular Islamic speaker for Radio IKIM.

4-6 march

The Group participated in the 17th Southeast Asian Healthcare & Pharma Show 2014 held at the Kuala Lumpur Convention Centre. The three-day exclusive trade show was participated by more than 150 Malaysian and international exhibitors from the Medical Industry.

25 march

The inaugural Health, Safety and Environment (HSE) Conference for the LRT Line Extension Project was held at the Sime Darby Convention Centre to facilitate the exchange of ideas and best practices in HSE between the contractors and consultants who are currently working on the project. The event was jointly organised by Syarikat Prasarana Negara Berhad (Prasarana) and Opus Group Berhad (Opus).

18-28 may

Opus hosted the International Road Federation (IRF) Seminar on Performance Based Contracts, where approximately 50 delegates from 12 different countries worldwide came together to exchange ideas and impart knowledge during their visit in Kuala Lumpur. The 11 days event was held for the very first time, outside the United States. Opus, as the strategic partner of IRF provided marketing and logistical support as well as inviting industry experts and international speakers to impart their knowledge during the IRF seminar.

21 june

Edgenta Mediserve participated in the Toilet Cleanliness & Safety Awareness Campaign launched by YBhg. Datuk Dr. Noor Hisham Abdullah, Director General of Ministry of Health. The campaign was held at the Dietetic Unit in Kajang Hospital. With the theme "*Tandas Bersih, Hati Ceria*", the campaign was aimed to enhance and sustain the cleanliness, as well as raise the public's awareness on the proper usage and safety while using public toilets especially in Government hospitals and clinics.

8 april

A group of Senior Fund Managers and Analysts from Lembaga Tabung Haji and MIDF Amanah Investment Bank had a site visit to Edgenta Mediserve Sdn Bhd's (formerly known as Faber Medi-Serve Sdn Bhd) Bukit Beruntung Laundry Plant, located in the in Bukit Beruntung Industrial Park. They were briefed on the Group's Hospital Support Services, followed by a plant tour to the Linen and Laundry Services operations.

9-10 june

PT Nusa Raya Cipta (PT NRC), Edgenta PROPEL's (formerly known as Projek Penyelenggaraan Lebuhraya Berhad) business partner for the Cikampek Toll Palimanan Road Project in Indonesia was in Kuala Lumpur for an on-site visit of the Group's Infra Services operations. The Indonesian delegation was led by Hadi Winarto Christanto, President Director of PT NRC. The entourage witnessed the operations of highway maintenance civil works, fleet operation, machinery and equipment, pavement rehabilitation, traffic & safety management, utilities relocation, civil and mechanical, electrical & electronic maintenance of infrastructure and facilities.

26 june

The Company held an Extraordinary General Meeting (EGM) followed by its 51st Annual General Meeting at the Banquet Hall, Persada PLUS Petaling Jaya. During the EGM, the Company has obtained unanimous approval from the shareholders on the RM1.15 billion acquisition of Opus and Edgenta PROPEL and the consent for Edgenta Mediserve to enter into an Asset Management Services (AMS) agreement with Konsortium Prohawk Sdn Bhd for the provision of AMS for the Women and Children's Hospital in Kuala Lumpur.

26 august

Shahdee Ahmad, the Head of Operations Control, presented a paper entitled "Managing Safety, Health & Environment at Work at the 17th National Conference & Exhibition on Occupational, Safety and Health (COSH 2014). The event was attended by about 1,500 participants which consist of regulators, practitioners, experts, researchers and suppliers, all with a common aspiration to achieve a safer and healthier workplace.

27 june

A general Analyst Briefing was held to update the investing community on the Group's FY2013 financial results, business updates and outlook for 2014.

12-13 august

Senior Management team of the Group held its Mid-Year Review 2014 at the Sime Darby Convention Centre Kuala Lumpur.

17 september

The Group organised its first collective Town Hall at Menara UEM with more than 500 employees in attendance. All employees were provided with key updates on the merger exercise and integration plan.

17-19 september

The Group representing the Asset and Facility Management Division of the UEM Group participated in the 14th International Construction Week (ICW2014) under the UEM Group banner. ICW2014 was jointly organised by CIDB and Eco Build Southeast Asia to promote the construction industry in general and to assist the industry players to promote their products and services.

20 october

Edgenta Mediserve hosted the "Recent Development in Electrical Safety Test" seminar at the Impiana KLCC Hotel, Kuala Lumpur. The primary objective of the seminar was to train the biomedical equipment maintenance staff on the latest electrical safety tests and to perform the procedure in line with the standards outlined by International Electrotechnical Commission (IEC).

28 november

Edgenta PROPEL launched Malaysia's first Occupational Safety & Health Passport for highway maintenance called PROPEL Safety Passport (PSP). Tan Sri Datuk Seri Lee Lam Thye, Chairman of the National Institute Occupational Safety & Health (NIOSH) was the guest-of honour of the event. At the same time, Edgenta PROPEL also launched the Competency Infrastructure Maintenance (CIM) which aims to enhance and standardise competencies, skills and knowledge among its operations and project teams.

5 december

The Group held its 2nd Analyst Briefing as part of its engagement programme with the investing community.

MEDIA HIGHLIGHTS


Miliki penyelesaian strategik
Faber to become regional player on merger with Opus and Propel
KUALA LUMPUR: Faber Group Bhd is set to become one of the region's largest asset development and asset management players following the completion of a RM1.5 billion merger with Opus Group Bhd (Opus) and Projek Penyelenggaraan Lebuhraya Bhd (Propel).
only allow our clients to attain significant cost savings in the long run, maximise their competitiveness and profitability but it would also provide lower life cycle costs and the best possible return on investment.
"It would also increase their asset availability, reliability and safety per-
Lembaga Pengarah Faber setuju tawaran belian AFM UEM Group
Penalty for service failures
Azmir Merican dilantik Pengarah Urusan Faber
Faber expanding its asset management business
完成11.5億併購
輝百躍居區域最大資產管理
FGB shareholders agree to RM1.15b acquisition
辉百与政府签新协议
支援服务4州特定医院
RM1.03 billion contract to boost Faber for next 27 years
Faber Group fair value revised

LEADERSHIP THROUGH EXPERIENCE

BOARD OF DIRECTORS

from left to right

ROBERT TAN BUN POO / DATUK IR. ABDULLAH SANI ABD KARIM / DATO' SERI ISMAIL SHAHUDIN / AZMIR MERICAN / DATO' IZZADDIN IDRIS / DR. SAMAN @ SAIMY ISMAIL / ELAKUMARI KANTILAL

BOARD OF DIRECTORS' PROFILE

Dato' Seri **Ismail** Shahudin
Chairman/Non-Independent Non-Executive Director

Azmir Merican
Managing Director/Chief Executive Officer

Datuk Ir. **Abdullah Sani** Abd Karim
Senior Independent Non-Executive Director
Chairman of Nomination and Remuneration Committee
Member of Audit and Risk Committee

Dato' **Izzaddin** Idris
Non-Independent Non-Executive Director

Robert Tan Bun Poo
Independent Non-Executive Director
Chairman of Audit and Risk Committee

Dr. Saman @ **Saimy** Ismail
Independent Non-Executive Director
Member of Audit and Risk Committee
Member of Nomination and Remuneration Committee

Elakumari Kantilal
Non-Independent Non-Executive Director
Member of Audit and Risk Committee
Member of Nomination and Remuneration Committee

Dato' Seri **Ismail** Shahudin

64, Malaysian
Chairman/Non-Independent Non-Executive Director
Appointed on 1 July 2014

Dato' Seri Ismail holds a Bachelor of Economics (Honours) Degree from University of Malaya, majoring in Business Administration.

Dato' Seri Ismail was appointed as Chairman of the Board of UEM Edgenta on 1 July 2014. He has held senior positions in Citibank, serving both in Malaysia and New York, United Asian Bank and Malayan Banking Berhad where he was appointed Executive Director in 1997. He left Malayan Banking Berhad in 2002 to assume the position of Group Chief Executive Officer of MMC Corporation Berhad, until his retirement in 2007.

His current directorships in companies within the UEM Edgenta Group include as Chairman of Opus Group Berhad, Projek Penyelenggaraan Lebuhraya Berhad (now known as Edgenta PROPEL Berhad) and Opus International Consultants Limited, a company listed on New Zealand Stock Exchange. He is also a director of several public listed companies which include Malayan Banking Berhad, EP Manufacturing Berhad, MCB Bank Limited, Pakistan and Aseana Properties Limited, a company listed on the London Stock Exchange.

Azmir Merican

44, Malaysian
Managing Director/Chief Executive Officer
Appointed on 4 December 2012

Azmir Merican was appointed to the Board on 4 December 2012 as Non-Independent Non-Executive Director and was re-designated as the Executive Director on 1 February 2014. Subsequently he was appointed as the Managing Director/Chief Executive Officer on 1 August 2014.

Azmir Merican holds a Bachelor's Degree in Business Administration (Finance) from Haworth College of Business, Western Michigan University, United States of America.

He joined UEM Group Berhad as the Group Chief Operating Officer, Business Units in October 2012 and brought along with him a wealth of cross functional experience from his background in financial advisory and as a business operator.

He started his career as an investment analyst and later worked as a manager in the financial advisory arm of PricewaterhouseCoopers. His corporate advisory experience includes dealings with corporations, multinationals and institutions involved in construction and engineering, real estate development, plantations, manufacturing, oil and gas, venture capital, fund management and stockbroking.

While at CIMB Investment Bank Berhad, he was part of the team that established the bank's private equity business and was involved in various aspects of its operations including fund structuring and fund raising, investment evaluation and structuring, monitoring and execution of divestment plans.

He was the Group Chief Executive Officer/Managing Director AWC Berhad where he led the successful restructuring and transformation of the company into a leading provider of engineering services and solutions and integrated facilities management in Malaysia, Singapore and the Middle East.

His current directorships in companies within the UEM Edgenta Group includes Projek Penyelenggaraan Lebuhraya Berhad (now known as Edgenta PROPEL Berhad), Opus Group Berhad and Opus International Consultants Limited (listed on the New Zealand Stock Exchange).

Datuk Ir. Abdullah Sani holds a Bachelor of Science (Hons) in Civil Engineering from University of Birmingham, United Kingdom. He is a registered Professional Engineer with Lembaga Jurutera Malaysia and is a Fellow member of the Institution of Engineers, Malaysia. He is also a member of the Association of Consulting Engineers, Malaysia.

Datuk Ir. **Abdullah Sani** Abd Karim

60, Malaysian
Senior Independent Non-Executive Director
Appointed on 9 May 2013
Chairman of Nomination and Remuneration Committee
Member of Audit and Risk Committee

He began his career as a Civil Engineer with the Engineering Unit of the Urban Development Authority in 1976 and was promoted to Assistant Director and headed the Engineering Unit from 1977 until 1982. He then continued his career as a Director of Kumarasivam Tan & Ariffin Sdn Bhd and the Co-Head of the Civil & Structural Department until 1987.

Datuk Ir. Abdullah Sani served as a General Manager (Property) at Island & Peninsular Berhad from 1987 to 1989. In September 1989, he initiated his own engineering company, A. Sani & Associates (proprietorship) which was then restructured to A. Sani & Associates Sdn Bhd ("ASA"). Since October 1990, he holds the position as Chairman/Managing Director of ASA.

Datuk Ir. Abdullah Sani is also the Chairman of Faber Development Holdings Sdn Bhd, the Property Development Division of UEM Edgenta.

Dato' Izzaddin Idris

52, Malaysian
Non-Independent Non-Executive Director
Appointed on 5 August 2010

Dato' Izzaddin holds a Bachelor of Commerce Degree (First Class Honours in Finance) from University of New South Wales, Australia and is a Fellow of Chartered Public Accountants (CPA) Australia and a member of the Malaysian Institute of Accountants (MIA).

He is currently the Group Managing Director/Chief Executive Officer of UEM Group Berhad. He is also the Non-Executive Deputy Chairman of PLUS Expressways International Berhad.

Dato' Izzaddin has over 20 years of experience in the fields of investment banking, financial and general management and was previously the Chief Financial Officer/Senior Vice President (Group Finance) of Tenaga Nasional Berhad, a position he held from September 2004 to June 2009.

He was formerly a Senior Vice President (Corporate Finance) of Southern Bank Berhad and the Chief Financial Officer of Ranhill Berhad. He also held the position of Chief Operating Officer of Malaysian Resources Corporation Berhad in the late 1990s. After graduating in June 1985, Dato' Izzaddin served Malaysian International Merchant Bankers Berhad for almost 11 years, which included a three-year secondment in the late 1980s to Barclays de Zoete Wedd Limited, a London-based investment bank and a subsidiary of Barclays Bank PLC then.

Dato' Izzaddin currently sits on the Boards of UEM Group and several UEM Group of Companies including UEM Sunrise Berhad, PLUS Malaysia Berhad, PLUS Expressways International Berhad, Projek Lebuhraya Usahasama Berhad, Projek Lebuhraya Utara-Selatan Berhad, Cement Industries of Malaysia Berhad, Opus Group Berhad, UEM Builders Berhad, PT Lintas Marga Sedaya in Indonesia and India's Uniquest Infra Ventures Private Limited. He also serves on the Board of ACWA Power International, an independent water and power producer based in the Kingdom of Saudi Arabia.

In addition, Dato' Izzaddin is a member of the Board of Trustees of Yayasan UEM, a non-profit foundation that supports the implementation of UEM Group Berhad's corporate responsibility initiatives and philanthropic activities as well as a Director of Yayasan Putra Business School, a non-profit organisation that aims to become a home-grown globally recognised Business School.

Robert Tan graduated with a Bachelor of Commerce from University of Newcastle, Australia in 1973 and obtained his Chartered Accountancy from the Institute of Chartered Accountants, Australia in 1976. He is a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants, Malaysian Institute of Taxation and a Fellow of the Institute of Chartered Accountants in Australia.

Robert Tan Bun Poo

64, Malaysian
Independent Non-Executive Director
Appointed on 9 May 2013
Chairman of Audit and Risk Committee

Robert Tan is currently in accounting practice providing auditing, due diligence, liquidation, advisory and other related services. He was a Senior Partner with Deloitte and has more than 37 years of experience in the audits of both private and public companies locally and internationally including banking, insurance and financial services, construction and property development, manufacturing, retailing, engineering, leisure and hospitality industry.

He was also involved in leading assignments related to outsourced internal audits and risk management services, initial public offerings, corporate restructuring, mergers and acquisitions, and financial due diligence.

He is a council member of the Malaysian Institute of Certified Public Accountants (MICPA) and served as a member in the Accounting and Auditing Technical Committee, Financial Statements Review Committee and Investigation Committee of MICPA. He also serves as a Board member of the Auditing & Assurance Standards Board, Malaysia Institute of Accountants.

Robert Tan also sits on the Board of QL Resources Berhad, RCE Capital Berhad, Amcorp Properties Berhad and AmFamily Takaful Berhad.

Dr. Saman @ **Saimy** Ismail

68, Malaysian
Independent Non-Executive Director
Appointed on 9 May 2013
Member of Audit and Risk Committee
Member of Nomination and Remuneration Committee

Dr. Saimy holds a Master of Public Health, University of California Berkeley, United States of America and Bachelor of Medicine and Surgery from University of Malaya. He is an Ad Hoc panel member for the Joint Malaysian Medical Council and Malaysian Qualifying agency for the accreditation of medical schools.

Dr. Saimy had served with the Ministry of Health of Malaysia for more than 25 years. Between 1984 and 2001, he held various clinical and senior management positions in both health and hospital establishments around the country with the last position as the Director of Medical and Health Services Sabah.

He is currently holding the position as the Public Health Consultant in the Health Policy & Management Unit, Department of Social & Preventive Medicine, Faculty of Medicine, University of Malaya.

He is also the Chairman of Faber Medi-Serve Sdn Bhd (now known as Edgenta Mediserve Sdn Bhd) and Healthtronics (M) Sdn Bhd (now known as Edgenta Healthtronics Sdn Bhd).

Elakumari Kantilal

58, Malaysian
Non-Independent Non-Executive Director
Appointed on 22 October 2001
Member of Audit and Risk Committee
Member of Nomination and Remuneration Committee

Elakumari holds a Master of Science in Finance and Accounting from University of East Anglia, United Kingdom and a Bachelor of Accounting from Universiti Kebangsaan Malaysia. Besides her executive education in IMD Switzerland, she has also attended the Harvard's Premier Business Management Programme. She is a member of the Malaysian Institute of Accountants.

Elakumari currently holds the position as Director of the Investment Division of Khazanah Nasional Berhad ("Khazanah"). She was actively involved in the establishment of Khazanah whilst in the Ministry of Finance. She has been in Khazanah since its establishment in 1994 moving from the position of Senior Manager to Director in 2004.

She started her career in the government sector in 1981 and held various positions within the sector, namely in the Accountant General's Office, Ministry of Agriculture and Ministry of Finance. She was involved in the monitoring and restructuring of companies, including debts of non-performing companies held by Ministry of Finance (Inc).

Elakumari also sits on the Board of TIME dotCom Berhad and UEM Builders Berhad.

Notes:

1. ***Family Relationship with Director and/or Major Shareholder***
   None of the Directors has any family relationship with any Director and/or major shareholder of UEM Edgenta.

2. ***Conflict of Interest***
   None of the Directors has any conflict of interest with UEM Edgenta.

3. ***Conviction of Offences***
   None of the Directors has been convicted for offences within the past 10 years other than traffic offences, if any.

4. ***Attendance at Board Meetings***
   The details of attendance of each Director at Board Meetings are set out on page 083 of this Annual Report 2014.

SENIOR MANAGEMENT TEAM

from left to right

NIK AIRINA NIK JAFFAR (Managing Director, Opus) **/ IR WAN AZMAN WAN SALLEH** (Chief Operating Officer) **/**
AZMIR MERICAN (Managing Director/Chief Executive Officer) **/ DATO' JEZILEE MOHAMAD RAMLI** (Chief Financial Officer) **/**
DR. DAVID PRENTICE (Managing Director/Chief Executive Officer, Opus International Consultants Ltd) **/**
LOW CHEE YEN (Head, Corporate Planning) **/ CHIN CHI HAW** (Group General Manager, Opus) **/**
AHMAD ZAMRI SAID (Chief Operating Officer, Edgenta Mediserve Sdn Bhd (formerly known as Faber Medi-Serve Sdn Bhd) **/**
CHAN KIN POOI (Chief Operating Officer, Opus) **/ CHIEW SIEW YUEN** (Head, Secretarial) **/**
JULIANA JAMALUDDIN (Head, Corporate Communications) **/ DR. SOO KIAN SIN** (Head, Engineering & Design, Opus) **/**
CHAN KENG CHUAN (Head, Risk Management) **/ SHAHDEE AHMAD** (Head, Operations Control) **/**
YUSRI YUNUS (Head, Internal Audit) **/ SURIANA ABDUL HAMID** (Head, Group Procurement & Contract Management)

Note: *The Senior Management Team are from UEM Edgenta unless stated otherwise.*

OUR COMMITMENT TO RESPONSIBLE CORPORATE PRACTICES

Being a conscientious corporate citizen, the Group is mindful of the need to balance our economic ambitions with responsible and sustainable social and environmental considerations. Our subsidiaries have been carrying out corporate responsibility (CR) activities on the Community, Workplace, Marketplace and Environment fronts for some time now and have already made a tangible impact in these areas. We continue to work together to develop a common CR framework across the Group.

In the year under review, we continued to develop and execute CR initiatives that made a positive impact on our stakeholders and the environment that we operate in.

OUR COMMITMENT TO NURTURING OUR PEOPLE

As Malaysia's largest Total Asset Management player today, we understand the crucial role that our employees play in our success. In order to encourage enthusiasm and commitment as well as to embed a common culture amongst our employees, we developed several internal engagement programmes in 2014.

Ensuring a Smooth Merger

Following the announcement of the integration exercise, we set out to create a dynamic workplace by encouraging collaboration between the people who make up the three companies. We realised from the beginning, the need to build a trusting relationship between the organisations for our people to embrace the new brand and the common set of values that now define us.

To this end, May 2014 saw us launching afmconnect, an information sharing platform that served to promote a clear and common understanding of the merger between the three companies as well as to deliver corporate updates. We also organised AFM Focus Group sessions with representatives selected from the three companies to better understand the respective work cultures, attitudes and service philosophies of the different organisations. Themed "Break Down the Walls," 153 change agents across the three companies attended the 2.5 hour focus group sessions. Participants ranged from employees at the non-executive level, to members of the senior management teams.

Strengthening Employee Ties

Recognising that unity is an important aspect of a people-centric organisation, the year saw us rolling out several employee engagement activities, one of which was "The Million Step Challenge" that was launched in August 2014. It was a 100-day pedometer-based challenge that encouraged participants to take 10,000 steps a day or approximately 6.4 km per day as recommended by global health authorities. Around 60 employees throughout the Group took part in the challenge, clocking in approximately 48.2 million steps, the equivalent of 32,508 km and 18.5 million calories. We developed the challenge to accomplish the following:

- To enhance teamwork and build trust;
- To drive fitness and foster good health/wellbeing in a fun manner;
- To transform sedentary lifestyles into active ones and improve fitness levels; and
- To create a more productive workforce and a culture of excellence within the Group.

In late September 2014, the Group collaborated with Pusat Pungutan Zakat (PPZ) and Majlis Agama Islam Wilayah (MAIWP) to jointly organise a talk on the keys to promoting a happy and blissful family life on both a personal and corporate level. The talk also showcased information relating to zakat or tithing.

To mark the completion of the RM1.15 million acquisition of Opus and Edgenta PROPEL, the Group organised a series of "We Are One" townhall sessions nationwide, which allowed us to engage our personnel in different regions across the country. More than 2,000 employees attended the sessions where we shared first hand information regarding the integration as well as the direction of the enlarged entity.

OUR COMMITMENT TO CREATING A STRONGER MARKETPLACE

We are committed to ensuring transparency and accountability in all our business dealings. Our business relationships are guided by our core values of teamwork, integrity, passion and success. As an enlarged entity, we remain committed to strengthening our corporate relationships with our customers and vendors and to increasing our market presence. In 2014, we continued to reinforce our partnerships with our stakeholders, committed to good shareholder returns as well as participated in and hosted international events exhibitions and knowledge sharing sessions.

Proactively Engaging Stakeholders

Communication and the dissemination of information remains an integral aspect of our relationship with our stakeholders. In 2014, we proactively engaged our partners in open dialogues, leveraging on various platforms to strengthen our relationships with them. We steadfastly disseminated fair and timely information to our stakeholders, guided by our Corporate Disclosure Policy via the following channels:

- Analyst briefings
- Press conferences
- Extraordinary General Meetings
- Annual General Meeting
- Announcements to Bursa Malaysia and press releases
- One-to-one meetings and conference calls
- Our corporate website

Building Robust Partnerships

As part of our efforts to build our reputation and extend our reach, we participated in and hosted several international exhibitions as well as organised various knowledge sharing sessions for our key stakeholders.

As a strategic partner of the International Road Federation (IRF), the Group hosted the "Performance Based Contracts" seminar from 18 to 28 May 2014. Fifty delegates from 12 different countries including international experts representing the fields of asset management and procurement came together to learn from best practices and case studies in performance-based contracting shared by their peers. Delegates were engaged in both theoretical and practical learning sessions. The seminar was followed with visits to government agencies, a highway operations centre and a talk hosted by the Group at Menara UEM.

In September 2014, the Group participated in the 14th International Construction Week (ICW2014) under the UEM Group banner. The ICW2014 carrying the theme "Building a Better Tommorow", was a joint collaboration between the Construction Industry Development Board (CIDB) Malaysia and Eco Build Southeast Asia. The three-day international exhibition and conference saw the participation of some 300 exhibitors from 24 countries where networking sessions were held to promote business opportunities in the construction industry.

Appreciating Our Stakeholders

During 2014, the Group organised appreciation events to further strengthen ties and enhance rapport with our stakeholders. These activities included exclusive movie screenings and a friendly bowling tournament.

Enhancing Shareholder Value

In spite of the challenging operating environment for the Group in 2014, we remain committed to delivering good returns to shareholders. The Group has declared a single tier special interim dividend of 18 sen on 813,501,053 ordinary shares of RM0.25 each amounting to RM146.63 million and a proposed final dividend of 5 sen on 813,501,053 ordinary shares of RM0.25, amounting to RM40.68 million in respect of financial year 2014. Upon shareholders' approval, the total dividend to shareholders will amount to RM187.1 million representing a dividend pay-out ratio of 92%.

Strengthening Vendor Development

During the year under review, to enhance the Group's supply chain management, Edgenta Mediserve implemented the following initiatives to strengthen the company's Vendor Development Programme in meeting the Group's benchmark in relation to the goods and services provided:

- Conducted a vendor performance review to evaluate all central contracts vendors and selected local vendors at all operational sites, regional offices and the head office annually;
- Conducted an audit programme to inspect and evaluate vendors' quality and management systems, control procedures and compliance, vendor viability, management responsibility and the accuracy of documentation; and
- Undertook a vendor perception survey that serves as a mechanism to measure/monitor and promote better communication and working relationships.

92%

Pay-out ratio of the total dividend to shareholders amounting up to **RM187.1 million**

OUR COMMITMENT TO UPHOLDING GOOD HSE PRACTICES

The Group strongly believes in promoting a holistic working environment where the safety and health of our employees as well as the environment we operate in remain our key priorities. In line with this, we continue to advocate and implement numerous Health, Safety and Environment (HSE) practices throughout the Group. In 2014, the Group, through its subsidiaries, actively participated in promoting and creating awareness to raise the industry standards of HSE with key stakeholders and business associates.

Pioneering HSE Initiatives

In early 2014, Opus collaborated with Syarikat Prasarana Negara Berhad (Prasarana) to co-organise the inaugural HSE Conference on the LRT Line Extension Project. Themed "Lead, Educate and Practice," the conference not only served to inform and inspire stakeholders on our commitment to HSE practices but also provided a platform for the exchange and discussion of ideas. Over 300 people attended the conference that featured renowned leaders in the construction industry.

Additionally, Opus, together with Prasarana established a High-Level Safety Committee with key management of the respective organisations meeting to address and resolve any HSE-related concerns. A framework has been put in place to achieve the common objective of ensuring project implementation is supported by good HSE practices at all levels.

Edgenta PROPEL was invited to impart its HSE expertise at the 17^{th} National Conference & Exhibition on Occupational, Safety & Health (COSH 2014). The conference, which serves as an effective knowledge-sharing platform, was organised by the National Institute of Occupational Safety and Health (NIOSH) at the Kuala Lumpur Convention Centre in August 2014. Over 1,500 participants attended COSH 2014.

As part of our effort to enhance and standardise competencies among Edgenta PROPEL's Operations and Project teams, we launched Malaysia's first occupational safety and health 'passport' for highway maintenance called the PROPEL Safety Passport (PSP). The development and awareness programme features training modules that cater specially to Edgenta PROPEL's employees and contractors in highway maintenance. The PSP Induction Programme was co-developed by Edgenta PROPEL and NIOSH. Since its first implementation, the programme has been recognised both locally and internationally as an effective and efficient training programme.

AS PART OF OUR EFFORT TO ENHANCE AND STANDARDISE COMPETENCIES AMONG EDGENTA PROPEL'S OPERATIONS AND PROJECT TEAMS, WE LAUNCHED MALAYSIA'S FIRST OCCUPATIONAL SAFETY AND HEALTH 'PASSPORT' FOR HIGHWAY MAINTENANCE CALLED THE PROPEL SAFETY PASSPORT (PSP).

The PSP launch event also saw the unveiling of an internal competency development programme called Competency for Infrastructure Maintenance (CIM). The programme is targeted at the company's front-liners that comprise non-executives working at the sites, namely the Edgenta PROPEL intervention team, machine and plant operators as well as technicians and supervisors.

To ensure the safety of healthcare personnel, the Group through Edgenta Mediserve, together with Rigel Medical, organised a seminar to highlight the importance of electrical safety procedures. Titled "The Recent Development on Electrical Safety Test," the seminar featured three experienced speakers in biomedical engineering.

Fostering an Eco-Conscious Culture

In conjunction with Earth Day, the Group's internal environment champions, the AFM Green Squad, organised the AFM Recycle Mania held at Menara UEM. The recycling drive served not only to boost an eco-conscious culture among our employees but also helped to develop a sense of camaraderie among them.

To develop the 5S culture and a stronger green mindset among staff at Menara UEM, the Group ran several campaigns around the two concepts. One such campaign was the "Your Workstation, Your Throne" competition that saw the best and most efficiently organised workstations being recognised.

Opus collaborated with the staff and the Parent-Teachers Association of Sekolah Kebangsaan Taman PRIMA to roll out an environmental awareness campaign aimed at students. Under the "Opus Plant A Tree 2014" event, some 298 trees were planted within the premises of the school to encourage children to care for the environment. The event also saw the Forest Research Institute Malaysia (FRIM) giving a talk on the importance of preserving the environment.

Ensuring a Sustainable Future

UEM Edgenta is committed to creating a more sustainable future by tapping into our Environmental Management System and Green Building activities. We are also focused on greening our development projects by incorporating numerous sustainable and environmental features into the built designs. By investing our efforts into environmentally friendly initiatives, we hope to develop a business that is responsible, efficient, profitable and sustainable.

Upholding Operational Excellence

In 2014, UEM Edgenta and its subsidiary companies renewed various certifications and attained new authorisations in an effort to maintain operational excellence. Both Opus and Edgenta PROPEL engaged in the practice of revamping their Quality, Health, Safety and Environmental (QHSE) frameworks to ensure more structured and updated frameworks. In line with the restructuring, Opus established an integrated QHSE Policy across its operations as defined in its Quality and HSE manuals. The QHSE implementation is a closely monitored procedure which involves stringent HSE inspection, periodic internal audits, joint inspection, contractor audits, joint measurement, and witness testing, among other criteria.

We also continue to implement the Hazard Identification, Risk Assessment and Developing Control (HIRADC) as well as the Environmental Assessment and Significant Impact (EASI) processes throughout our operations.

The list of management system certification attained by the Group's companies to date is as follows:

Edgenta Mediserve

- ISO14001:2008 (Environmental Management System)
- ISO13485:2003 (Quality Management System for Medical Devices)
- ISO14001:2004 and OHSAS 18001:2007 (OSH Management System) certified facilities
  - Kamunting Incineration and Laundry Plant
  - Kuala Ketil Laundry Plant
- ISO9001:2008 (Quality Management System)
  - Kamunting Incineration and Laundry Plant
  - Kuala Ketil Laundry Plant
  - Kota Kinabalu Incineration Plant
- MS1722:2011 (OSH Management System)
  - Kuala Ketil Laundry Plant

Opus

- ISO9001:2008 (Quality Management System), ISO14001:2004 (Environmental Management System) and OHSAS 18001:2007 (OSH Management System) for both Asset Management and Asset Development projects.

OUR COMMITMENT TO ELEVATING COMMUNITIES

As a responsible corporate citizen, we are committed to positively impacting the communities around us. We believe that a strong nation, like a strong business, is built on thriving people. In line with this belief, we continued to strengthen the people in our community via our tertiary level initiatives and our numerous charity activities.

Championing Industry Education

UEM Edgenta continues to transfer its knowledge and expertise in the Integrated Facilities Management field to future generations via the Work-Based Learning (WBL) curriculum. Developed in collaboration with the Ministry of Education, the curriculum will serve to further the prospects of candidates in this field. Our programmes include a one-year WBL programme for the Diploma in Facilities Management and Maintenance (DFMM) with Community College Hulu Langat (CCHL) and an Advanced Diploma in Electronics Engineering (Medical).

This work experience programme includes a one-year WBL industry attachment based on the structured curriculum with strict adherence to the Malaysian Qualification Agency's requirements comprising both academic and on-the-job training. To date, 40 students have successfully graduated from our DFMM programme. The students also successfully found placements within the Group's Healthcare Services division via Edgenta Mediserve.

To date, we have 89 students enrolled, with 23 students having completed their practical WBL attachments at Edgenta Mediserve hospitals in Kedah and Perak.

Our Advanced Diploma in Electronics Engineering (Medical) which focuses on BEMS in Malaysia has so far seen 55 Politeknik Sultan Abdul Aziz Shah Alam (PSA) graduates complete the programme, with 17 of the graduates being absorbed as full-time employees of the Group. The students in the fifth intake, comprising 19 PSA students, commenced their courses in January 2014 and have completed their practical WBL attachments at Edgenta Mediserve offices in Kedah, Perlis, Penang and Perak. Since the inception of our WBL flagship programme, we have successfully trained 216 students. The Group's initiatives in the WBL programmes are proof of our commitment to developing well-prepared, industry-relevant graduates.

Lending a Helping Hand in Time of Need

Over the course of the year, the Management and staff of the Group organised a hospital visit to the University Malaya Medical Centre (UMMC) Paediatric Oncology Ward to bring cheer to the young patients there. The children were treated to activities that included a clown performance and were presented with goodies and *duit raya*. We also presented the ward a donation for the purchase of anti-nausea medicine for its young patients.

To mark the Hari Raya festivities, we organised an *iftar* session with 35 orphans from Persatuan Anak-Anak Yatim Kampung Medan at Menara UEM. The orphans received goodies and *duit raya* while we donated to the home to help them with the day to day expenses. The Group also paid a visit to Pertubuhan Kebajikan Anak-Anak Yatim dan Miskin Sabak Bernam, Selangor (PAYSA) which houses 75 orphans. Donations in cash amounting to RM5,000 and in-kind were collected from the management and staff of the Group prior to the visit to help the orphanage prepare for the celebrations. Small tokens and *duit raya* were distributed to all the children, through the "Do-It-Your-Way" campaign.

In conjunction with the Hari Raya Aidiladha celebration this year, Edgenta PROPEL and Edgenta Mediserve organised several *ibadah korban* ceremonies at 15 locations throughout Malaysia. As per previous years, these ceremonies are conducted annually to help strengthen the ties between co-workers, their immediate family members and the communities surrounding the areas where the group conducts its businesses. A total of 18 cows were contributed by the two companies. The meat was then distributed to the employees of Edgenta PROPEL and Edgenta Mediserve, their family members, Kariah Taman Danau Desa, Kuala Lumpur, Persatuan Ibu Tunggal & Anak Yatim Mutiara Kasih, hospital staff and the deserving communities around them.

Faber Development Holdings Sdn Bhd (FDH) also played a part in our CR efforts by presenting foodstuff and household items to senior citizens, orphans, single mothers and the disabled community at Dewan Persatuan Penduduk Lorong-lorong Kiri Datuk Keramat (PPLKDK), a community surrounding the company's current development project.

Last but not least, Edgenta PROPEL collaborated with UEM Sunrise and students from Universiti Teknologi MARA (UiTM) Sri Iskandar for a *gotong-royong* session at Pertubuhan Kebajikan Anak-Anak Yatim Darul Aitam, a shelter home to 30 children in Tapah, Perak. Twelve of Edgenta PROPEL's employees from Section C1, Tapah and Simpang Pulai were involved in activities which included the cleaning and painting of the shelter and landscaping of the grounds. This programme forms part of Edgenta PROPEL's CR undertakings for the needy community surrounding its area of operations.

MOVING FORWARD

As the enlarged Group advances forward as a singular, cohesive unit, we are committed to growing in a responsible, sustainable manner. To this end, we will continue to develop and enhance our CR initiatives so that we effect a positive change among our stakeholders and the environment that we operate in. We strive to be a model for responsible corporate behaviour in the many markets that we do business in.

STATEMENT ON CORPORATE GOVERNANCE

The Board of UEM Edgenta Berhad (formerly known as Faber Group Berhad) ("UEM Edgenta" or "the Company") is fully committed to maintain the highest standards in corporate governance practices, professionalism and integrity in driving the Company to safeguard and enhance shareholders' value and performance of the Company and its subsidiaries ("the Group").

In reinforcing the importance of corporate governance, the Board is dedicated in ensuring that good corporate governance is practised and complied with throughout the Group within the framework as expounded by the principles and recommendations promoted by the Malaysian Code on Corporate Governance 2012 ("MCCG 2012").

As required under the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), this Statement on Corporate Governance reports on how the Company has applied the principles and recommendations of good corporate governance during the financial year under review as set out in the MCCG 2012 issued by the Securities Commission.

The Board will continue to take measures to improve compliance with principles and recommended best practices in the ensuing years.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

1.1 CLEAR FUNCTIONS OF THE BOARD AND MANAGEMENT

The ultimate and overall responsibility for corporate governance, strategic direction, financial and organisational matters of the Group lies with the Board. In discharging its roles and responsibilities, the Board is guided by the Board Charter and the Discretionary Authority Limits ("DAL") which outlines the duties and responsibilities of the Board, as well as matters that the Board may delegate to the Board Committees, the Managing Director/Chief Executive Officer and Management. The Board Charter and DAL are reviewed from time to time to ensure it remains relevant to the Company's objectives.

The Board meets regularly to perform its principal responsibilities, which are amongst others, as follows:-

- Establishing, reviewing and adopting the strategic plans and direction for the Group.
- Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed.
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks.
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management.
- Developing and implementing an investor relations programme or Corporate Disclosure policy for the Group.
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including system for compliance with applicable laws, regulations, rules, directives and guidelines.

The Managing Director/Chief Executive Officer is primarily responsible for overseeing the day-to-day business and implementing the policies and strategies adopted by the Board. He is accountable for leading the Management team, implementing the policies/decisions approved by the Board, building a dynamic corporate culture with the requisite skills and competency and acting as the Group's chief spokesperson. He is also responsible for developing and recommending to the Board annual business plans and budgets that support the Group's long-term strategy and vision, formulating and monitoring the implementation of major corporate policies.

1.2 CLEAR ROLES AND RESPONSIBILITIES

In discharging its fiduciary duties and responsibilities, the Board has delegated specific tasks to the Board Committees, all of which operate within defined terms of reference. The Chairman of the various committees will report to the Board the deliberations and outcome of the Committee Meetings and are incorporated in the minutes of the Board meeting. Although the Board has granted authority to the Board Committees to deliberate and decide on certain operational matters, the ultimate responsibility for final decision on all matters lies with the entire Board.

The Board Committees carry out their tasks based on their roles and responsibilities as outlined below:-

Audit and Risk Committee

The Audit and Risk Committee assists the Board in its oversight of the Company's financial statements and reporting, and in fulfilling its fiduciary responsibilities relating to internal controls, and maintenance of financial and accounting records and setting policies as well as financial reporting practices of the Group. It also reviews related party transactions and conflict of interest situations that may arise within the Group.

The Audit and Risk Committee Report including its membership, composition, roles and responsibilities is presented on pages 093 to 099 of this Annual Report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board in the nomination of new Directors and remuneration package of Executive Directors, the Chief Executive and other Senior Management.

The members of the Nomination and Remuneration Committee and its roles and responsibilities are set out in Section 2.1 below.

Investment Committee

The Investment Committee comprises a minimum of three (3) members, one (1) of whom shall be from the major/substantial shareholder of the Company. The Chairman of the Investment Committee was Dato' Ikmal Hijaz Hashim. However, he has since retired from the Company with effect from 26 June 2014. The two (2) other members are the Managing Director/Chief Executive Officer, Azmir Merican and Datuk Ir. Abdullah Sani Abd Karim.

The Investment Committee was formed to assist the Board in achieving the following objectives:-

- To assist the Board in evaluating all investment proposals including acquisitions and disposals of assets, or investments into new businesses including venture capital, locally and abroad;
- To review the viability of proposals/projects/investments at the Initial Project Assessment Stage and provide appropriate directions to the Management, so as to enable Management to proceed or otherwise with the basic investment concept proposal; and
- To review, recommend and act on any other investment proposals and matters related thereto, as mandated by the Board.

The Investment Committee met once during the financial year ended 31 December 2014.

In view that most of the investment proposals were tabled directly to the Board of the Company or its relevant subsidiaries for deliberation, consideration and approvals due to urgencies, it has been proven that the roles and responsibilities of the Investment Committee could be carried out by the Board efficiently and effectively. Hence, the Board had on 6 April 2015 dissolved the Investment Committee.

1.3 FORMALISE ETHICAL STANDARDS THROUGH CODE OF ETHICS

Code of Conduct

The Company's Code of Conduct, which incorporates a Code of Ethics, requires all officers and employees to observe high standards of business and personal ethics in carrying out duties and responsibilities. As employers and representatives of UEM Edgenta, or any of its subsidiaries, they must practise honesty and integrity in fulfilling their duties and responsibilities, and comply with all applicable laws and regulations.

It is thus the responsibility of all officers and employees to comply with the Code of Conduct and to report violations or suspected violations thereto.

The Code of Conduct is available at the Company's website at www.uemedgenta.com

Whistle Blower Policy

The Whistle Blower Policy has been formulated with a view to provide a mechanism for officers and employees of the Company to report instances of unethical behaviour, actual or suspected fraud or dishonesty or violation of the Company's Code of Conduct or ethics policy.

Conflict of Interest

Directors and principal officers are required to declare their respective shareholdings in the Company and related companies and their interests in contracts or proposed contracts with the Company or any of its related companies. The interested Directors concerned shall abstain from deliberating and voting in relation to these transactions.

Trading on Insider Information

Directors and employees of the Group who have access to price-sensitive information relating to the Company's listed securities or of other listed issuers that are not available to the public must not deal in such listed securities in line with the Capital Markets and Services Act 2007 which prohibits insider trading.

Directors and employees of the Group who do not have access to price-sensitive information mentioned above can deal in the securities of the Company provided that the procedures set out in the Listing Requirements are strictly adhered to. Notices on the closed period for trading in the Company's listed securities are sent to directors, principal officers and relevant employees on a quarterly basis.

Related Party Transactions

An internal compliance framework exists to ensure that the Group meets its obligations under the Listing Requirement including obligations relating to related party transactions. The Board, through the Audit and Risk Committee, reviews all related party transactions involved. A Director who has an interest in a transaction must abstain from deliberating and voting on the relevant resolution in respect of such transaction at the Board and at any general meeting convened to consider the matter.

The Recurrent Related Party Transactions entered into by the Group with its related parties in 2014 are set out on pages 261 to 266 of this Annual Report.

1.4 STRATEGIES PROMOTING SUSTAINABILITY

The Board is committed to achieving long-term sustainable growth through making continuous improvements to our products and services to enhance stakeholders' value. Our Sustainability Key Focus Areas of Economic, Social and Environment are aligned with our Vision and Mission Statement and Core Values.

This policy should be considered in conjunction with, or with reference to other internal policies and procedural documents.

Our Key Sustainability Focus Areas:

Economic	We are committed to ensuring transparency and accountability in conducting our business to meet the needs of our stakeholders in line with our Vision and Mission Statement. Our business relationships will be conducted based on our new core values which are "Teamwork, Integrity, Passion and Success".

Social	**Workplace** We continuously focus on raising employment standards for our employees in relation to their well-being, to ensure amongst others work safety and health, a good work-life balance, equity of opportunity and a merit-based approach to career development, as well as a holistic environment and competitive compensation and remuneration. **Community** We aim to be a responsible corporate citizen with key focus on Education and Human Capital development to foster the development of a progressive society. The social impact of our Corporate Responsibility activities will be managed at all stages to provide a positive contribution to society.
Environment	We placed emphasis on the environmental impact of our products and services and will continue to promote an environmentally sustainable and responsible culture across the organisation.

As a member of UEM Group, the Group is also guided by UEM Group's Corporate Responsibility Policy and Sustainability Policy.

The Sustainability Policy is available at the Company's website at www.uemedgenta.com and the Group's Corporate Responsibility activities for the year under review are disclosed on pages 064 to 073 of this Annual Report.

1.5 ACCESS TO INFORMATION AND ADVICE

The Directors have full and unrestricted access to all information pertaining to the Group's business affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties. There are matters specifically reserved for the Board's decision to ensure that the direction and control of the Group is firmly in its hands.

The Board is furnished with an agenda and a set of Board papers in advance of each Board meeting for the Directors to study and evaluate the matters to be discussed. The Board papers contain both quantitative and qualitative information and are presented in a manner which is concise and include comprehensive management reports, minutes of meetings, proposal papers and supporting documents. This will enable Directors to review, consider, and if necessary, obtain further information or research on the matters to be deliberated in order to be properly prepared at the meetings, thereby enabling informed decisions to be made.

In discharging their duties, the Directors are assured of full and timely access to all relevant information. The Directors may, if necessary, obtain independent professional advice from external consultants, at the Company's expense with consent from the Chairman or Committee Chairman, as the case may be. A copy of the report or independent advice will be made available to the Chairman and, if deemed appropriate, be circulated to all Directors for deliberation.

1.6 COMPANY SECRETARIES

The Board is supported by suitable qualified and competent Company Secretaries who are accountable to the Board through the Chairman of the Board and Committees on all governance matters.

The Company Secretaries are a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company. The Board members have unlimited access to the professional advice and services of the Company Secretaries.

The Company Secretaries assist in reviewing the Board agendas and Board papers, where applicable prior to circulation to the Board. The Company Secretaries attend and ensure that all Board and Board Committees decisions are well recorded in the minutes and subsequently communicated promptly to the Management for implementation. In addition, the Company Secretaries also facilitate the Board in conducting the annual Board Effective Assessment.

The Company Secretaries maintain up-to date knowledge of the regulatory requirements and are in a position to advise the Board and its committees on compliance matters as appropriate.

1.7 BOARD CHARTER

The Board Charter sets out the roles and responsibilities of the Board, as well as detailing the functions of the Board and the delegated authority to the Management. The Board Charter ensures that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all their dealings in respect of, and on behalf of the Company.

The Board reviews its charter regularly to test its continued applicability to the Company's current situation. The Board Charter is available on the Company's corporate website at www.uemedgenta.com

2. STRENGTHEN COMPOSITION OF THE BOARD

2.1 NOMINATION AND REMUNERATION COMMITTEE ("NRC")

The NRC comprises three (3) Non-Executive Directors, a majority of whom are Independent. The NRC is chaired by the Senior Independent Non-Executive Director.

The NRC met eight (8) times during the financial year ended 31 December 2014. The members and their attendance are as follows:-

Name of NRC Members	No. of Meetings Attended	Percentage of Attendance (%)
Datuk Ir. Abdullah Sani Abd Karim *Chairman/Senior Independent Non-Executive Director*	8/8	100
Dr. Saman @ Saimy Ismail *Member/Independent Non-Executive Director*	8/8	100
Elakumari Kantilal *Member/Non-Independent Non-Executive Director* *– Appointed as a member of NRC on 20 March 2014*	4/4*	100
Azmir Merican *Managing Director/Chief Executive Officer* *– Relinquished membership on 1 February 2014*	3/3**	100

* *Reflects the number of meetings held and attended since appointment.*
** *Reflects the number of meetings held and attended up to 1 February 2014.*

The objectives of the NRC are as follows:-

- To lead the process of overseeing the selection and assessment of Directors and contribute towards ensuring that Board composition effectively meets the needs of the Company, operating subsidiary companies and where possible, associate companies.
- To consider, in making its recommendations, candidates for directorships proposed by the Managing Director/Chief Executive Officer and within the bounds of practicability by any other senior executive or any director or shareholder and to recommend to the Board candidates for appointment to the Board and/or to fill the Board committees.
- To recommend to the Board, candidates for top key senior personnel of the Group and ensure the candidates satisfy the relevant requirements on skills, core competencies and leadership qualities.
- To set the remuneration framework and to make recommendations to the Board on all elements of the remuneration, terms of employment, reward structure and fringe benefits for Executive Directors, the Chief Executive Officer and other senior management with the aim to attract, retain and motivate individuals of requisite quality. The remuneration of Executive Directors shall link rewards to corporate and individual performance.
- To carry out any other purpose as directed and approved by the Board of the Company from time to time.

The duties and responsibilities of the NRC include the following:-

- Assesses and recommends to the Board the candidacy of Directors, appointment of Directors to Board Committees, review of Board's succession plans and training programs for the Board.
- Takes steps to ensure that women candidates are sought as part of the Board's recruitment exercise.
- To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors.
- Reviews the remuneration policies and procedures to attract and retain directors.
- Develops the criteria to assess independence of the Board's Independent Directors annually.
- Regularly examines the structure, size and composition of the Board with a view to determine the number of Directors on the Board in relation to its effectiveness and ensure in accordance with the Articles of Association, that at every AGM, one-third (1/3) of the Directors for the time being shall retire from office.
- To identify, review and subsequently recommend to the Board the potential candidates for both Executive and Non-Executive Directors and to recommend to the Board the candidates for all directorships for the Board of companies within the Group.
- Reviews annually the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board.
- Assesses annually the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director's, including Independent Non-Executive Directors, as well as the Managing Director/Chief Executive Officer, based on the process implemented by the Board. All assessments and evaluations carried out by the NRC in discharging all its functions should be properly and adequately documented.
- Recommends suitable orientation, educational and training programmes to continuously train and equip existing and new Directors.
- Facilitates and promotes the Board induction and training programmes.
- Reviews mix of Directors to ensure high standard of Board performance and succession for both Executive and Non-Executive Directors in the event of any deficiency.
- Recommends the re-election/re-appointment of Directors under the retirement by rotation provisions of the Articles of Association of the Company and the Companies Act, 1965.
- Reviews the structure and framework of the Company's succession planning so as:-
  (i) to ensure adequate candidates are emplaced for the different positions within the organisation;
  (ii) to ensure appropriate training and development programs are in place;
  (iii) to motivate staff to improve themselves in order that they can achieve their full potential; and
  (iv) to ensure retention of highly skilled and capable staff within the organisation.
- Carries out all other functions to accomplish the objectives for which the NRC was formed.

2.2 DEVELOP, MAINTAIN AND REVIEW THE CRITERIA FOR RECRUITMENT PROCESS AND ANNUAL ASSESSMENT OF DIRECTORS

Appointment of Directors

The Board has put in place adequate and effective selection process and procedures for the recruitment or appointment of new Directors and members of the Board Committees.

In assessing and making recommendations to the Board on the candidacy of Directors or appointment of Directors to Board committees, the NRC considers the candidates' competencies, commitment, contribution and performance, skills, knowledge, expertise and experience, professionalism, background, integrity and leadership qualities. In the case of candidates for the position of Independent Non-Executive Directors and the existing Independent Non-Executive Directors, the NRC also evaluates the candidates' ability to discharge such responsibilities/functions as expected from an Independent Non-Executive Director.

For the appointment of new Directors, the Company adopts the nomination process which involves identification of candidates, assessment of candidates based on the criteria, covering both qualification and experience set by the Board, meeting with the candidates, and deliberation and recommendation of suitable candidates by the NRC to the Board for approval.

The Company has also adopted an induction programme for newly appointed Directors. The induction programme aims at communicating to the newly appointed Directors, the Company's vision and mission, its philosophy and nature of business, current issues within the Company, the corporate strategy and the expectations of the Company concerning input from Directors.

Diversity lies at the heart of our values and is a distinctive element of our brand. The Board considers diversity as a priority and specifically looks not only at gender diversity, but also geographical diversity, diversity of skills and experience amount our strands.

Currently, the Board has one (1) female Non-Independent Non-Executive Director. The Board believes that while it is important to promote gender diversity, it decided not to set specific targets just to fill the quota for gender diversity as the selection criteria of a Director will be based on an effective blend of competencies, skills, extensive experience and knowledge in areas identified by the Board.

Re-Appointment and Re-Election of Directors

The Company's Articles of Association provides that one-third (1/3) of the Directors shall retire from office at every Annual General Meeting ("AGM"). The Articles also provide that all Directors shall retire from office at least once in every three (3) years. A retiring Director shall be eligible for re-election. Directors who are appointed by the Board during the financial period before an AGM are subject to re-election by the shareholders at the next AGM to be held following their appointments.

The performance of those Directors who are seeking for re-appointment or re-election at the AGM will be assessed by the NRC whereupon the recommendations will be submitted to the Board for decision on such proposed re-appointment or re-election of the Directors concerned, prior to seeking the shareholders' approval at the AGM.

The NRC is responsible for making recommendations to the Board on the appropriate size composition. In discharging its responsibilities, The NRC would take into account the following criteria in evaluating the suitability of candidates:

- competencies, commitment, contribution and performance;
- skills, knowledge, expertise and experience;
- professionalism;
- background;
- integrity;
- leadership qualities; and
- in the case of candidates for the position of Independent Non-Executive Directors, the candidates' ability to discharge such responsibilities/functions is also evaluated.

Board Effective Assessment ("BEA")

The Board conducts an annual evaluation of its activities and performance as prescribed in MCCG 2012, the Green Book on Enhancing Board Effectiveness and Listing Requirements. Through its BEA which is designed to identify the strengths and weaknesses of the Board operations and established a common understanding of the Board's roles and responsibilities with a view to maximising Board performance, the Board via NRC evaluates the overall Board's performance against criteria that the Board determines are important to its success. These include the Board's structure, operations and interaction, communication, effectiveness, roles and responsibilities. Questionnaires are sent to Directors' to obtain their feedback, views and suggestions to improve the performance of the Board and its Board Committees.

2.3 REMUNERATION POLICIES AND PROCEDURES

Directors' Remuneration

Directors' remuneration is determined at levels which enable UEM Edgenta Group to attract and retain Directors with the relevant experience and expertise needed to manage the Group effectively.

The breakdown of the remuneration of the Directors of the Company as well as subsidiary companies of the Company where they are a Board member for the financial year ended 31 December 2014, by category are shown below:-

	Executive (RM'000)	Non-Executive (RM'000)	Total (RM'000)
Fees	–	1,645	1,645
Salaries and other emoluments	901	–	901
Bonus	542	–	542
Employees Provident Fund	216	–	216
Benefits-in-kind	99	61	160
Others	247	–	247
Total	2,005	1,706	3,711

The number of Directors of the Company whose total remuneration during the year fall within the following bands are as follows:-

Range of Directors' Remuneration	Executive	Non-Executive	Total
Below RM50,000	–	1	1
RM100,001 – RM150,000	–	3	3
RM150,001 – RM200,000	–	1	1
RM250,001 – RM300,000	–	2	2
RM600,001 – RM650,000	–	1	1
RM750,001 – RM800,000	1	–	1
RM1,200,001 – RM1,250,000	1	–	1

Note: *Successive bands of RM50,000 are not shown entirely as they are not represented.*

The details of the remuneration of each Director are not disclosed as the Board is of the view that the disclosure of the remuneration bands of the Directors of the Company is sufficient to meet the objective of the MCCG 2012.

On 29 October 2014, UEM Edgenta completed the acquisition of Opus Group Berhad and Edgenta PROPEL Berhad (formerly known as Projek Penyelenggaraan Lebuhraya Berhad). With the completion of the acquisitions, UEM Edgenta is now a 70.68% subsidiary of UEM Group Berhad and is the largest Asset and Facilities Management (AFM) company in Malaysia with expertise and presence in the healthcare, infrastructure and commercial sectors. It is thus expected to bolster its revenue base by leveraging on the strength of the enlarged group.

It is therefore timely for the proposed increase of Directors' Fee to be considered in order to attract and retain current Non-Executive Directors ("NED") in view of the increase in risks, complexities and responsibilities of the NEDs of UEM Edgenta.

In view of the above, the Company would be seeking shareholders' approval at the forthcoming AGM for the increase of the Directors' fees. The new NEDs' fees in respect of financial year ending 31 December 2015 which is subject to shareholders' approval at the forthcoming AGM are as follows:-

	Proposed Directors' Fees Per Annum (RM)	
Directors' Fees	Chairman	Member
Board	210,000	108,000
Audit and Risk Committee	50,000	30,000
Others	25,000	15,000

3. REINFORCE INDEPENDENCE

3.1 ANNUAL ASSESSMENT OF INDEPENDENCE

The Board acknowledges the importance of Independent Directors who are tasked with ensuring there is proper check and balance on the Board as they will be able to provide unbiased and independent views in Board deliberations and decision making of the Board taking into account interests of the Group and the minority shareholders. In view thereof, an annual assessment is carried out via the BEA to review the independence of the Independent Directors.

The BEA for the Board and its Committees of the Company is carried out annually to maintain cohesiveness of the Board of the Company and at the same time, serves to improve the Board's effectiveness.

The BEA also covers the assessment of the independence of the Independent Directors, which takes into account how the Independent Directors have demonstrated effectiveness as an Independent Director, as per regulatory requirements and the ability of the Independent Directors to think and act independently and not to be duly influenced by the Management.

Upon completion of the BEA by the Board and Board Committees members, the results are collated and a detailed report will be presented to the NRC for assessments, evaluations and subsequently to make appropriate recommendation to the Board. All assessments and evaluations carried out by the NRC in the discharge of all its functions are properly documented.

3.2 TENURE OF INDEPENDENT DIRECTORS

The Board has also adopted the criteria that the tenure of Independent Directors should not exceed a cumulative term of nine (9) years. However, subject to the approval of the Board, such Director may continue to serve on the Board provided he is re-designated as a Non-Independent Director.

The Board may nevertheless seek the shareholders' approval in the event it retains a person as an Independent Director who has served in that capacity for more than nine (9) years and provide strong justification to the shareholders at a general meeting.

3.3 SHAREHOLDERS APPROVAL FOR THE RETENTION OF INDEPENDENT DIRECTORS

None of the Independent Directors have served for a cumulative period of more than nine (9) years during the year under review.

3.4 SEPARATION OF POSITIONS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company aims to ensure a balance of power and authority between the Chairman and the Managing Director/Chief Executive Officer. Their positions are separated and clearly defined.

The roles and responsibilities of the Chairman and the Managing Director/Chief Executive Officer are clearly defined and reviewed if there are significant changes to the Company's strategy, operations, performance or management. Each has clear scope of duties and responsibilities that ensures a more equitable distribution of accountabilities. This distinction also reinforces the check and balance proposition.

The Chairman of the Board, who is a Non-Independent Non-Executive Director, together with the other Board members, are responsible for setting the policy framework within which the Management is to work. His main responsibility is to lead and manage the work of the Board in order to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. He serves as the main liaison person between the Board and the Management. Together with the other Non-Executive and Independent Directors, he leads the discussion on the strategies and policies recommended by the Management. He also chairs the meetings of the Board and the shareholders.

The Managing Director/Chief Executive Officer is responsible for the day to day management of the business with power, discretions, and delegations authorised in the DAL.

3.5 COMPOSITION OF THE BOARD

The Board comprises of seven (7) members, of which three (3) are Independent Non-Executive Directors who account for 43% of the members. UEM Edgenta complies with the Listing Requirements of Independent Non-Executive Directors to make up at least one-third (1/3) of the Board membership. The Board is chaired by a Non-Independent Non-Executive Chairman.

The Board noted the departure from the recommendations of the MCCG 2012 that the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director.

However, the Board opined that the current composition suffices as all three (3) Independent Directors are able to exercise strong independent judgement and provide independent views and advice to all Board deliberations. Concurrently, the Chairmen of the Audit and Risk Committee and Nomination and Remuneration Committee, who are both Independent Non-Executive Directors serves as a check and balance where the Chairman of the Board is non-independent, with appropriate representations of minority interest through the Independent Non-Executive Directors.

4. FOSTER COMMITMENT

4.1 TIME COMMITMENT

To ensure effective management of the Group, the Board normally meets quarterly to review financial, operational and business performances. Additional meetings are also convened on an ad-hoc basis with formal agenda for the Board to deliberate on urgent issues that require immediate decision-making. The agenda together with the relevant board papers for each Board meeting are forwarded to the Directors in advance of the Board meeting for their study and to evaluate the matters to be discussed.

A total of twelve (12) Board meetings were held during the financial year ended 31 December 2014. The details of the Directors' attendance are as follows:-

Directors	No. of Meetings Attended	Percentage of Attendance (%)
Dato' Seri Ismail Shahudin *Non-Independent Non-Executive Chairman* *– Appointed on 1 July 2014*	5/5*	100
Azmir Merican *Managing Director/Chief Executive Officer*	11/12	92
Datuk Ir. Abdullah Sani Abd Karim *Senior Independent Non-Executive Director*	10/12	83
Robert Tan Bun Poo *Independent Non-Executive Director*	12/12	100
Dato' Izzaddin Idris *Non-Independent Non-Executive Director*	8/12	67
Elakumari Kantilal *Non-Independent Non-Executive Director*	12/12	100
Dr. Saman @ Saimy Ismail *Independent Non-Executive Director*	10/12	83
Dato' Ikmal Hijaz Hashim *Independent Non-Executive Chairman* *– Retired on 26 June 2014*	7/7**	100

* *Reflects the number of meetings held and attended since appointment.*
** *Reflects the number of meetings held and attended until his retirement.*

4.2 TRAINING AND DEVELOPMENT OF DIRECTORS

The Group acknowledges that continuous education is vital for the Board members to gain insight into the state of economy, technological advances, regulatory updates and management strategies to enhance the Board's skills and knowledge in discharging their responsibilities.

All Directors appointed to the Board, apart from attending the Mandatory Accreditation Programme accredited by Bursa Securities, have also attended other relevant training programmes and seminars organised by the relevant regulatory authorities and professional bodies to further enhance their business acumen and professionalism in discharging their duties and responsibilities.

During the year, the Directors have attended various seminars and training programmes to gain insights into the latest regulatory and industry developments in relation to the Group's businesses. Seminars and training programmes attended by the Directors during the year ended 31 December 2014 were as follows:-

DESCRIPTION
Corporate Governance
Malaysian Institute of Accountants/The Institute of Internal Auditors Malaysia.: The 2014 Audit Committee Conference – "Stepping Up for Better Governance"
KPMG/Bursa Securities Malaysia: Brief on Corporate Governance
Banking & Finance
ICLIF Leadership Governance Centre: Financial Institutions Directors' Education Programme
Compliance & Regulations
BDO Malaysia: Seminar on International Financial Reporting Standards (IFRS) Masterclass
Bernama: National GST Conference 2014
Economics
MINDA: Directors Forum – The Innovation Zone: Unleashing the Mindset
The London School of Economics and Political Science (LSE) Asia Forum – Building Asian Futures: Integration, Welfare and Growth
Bursatra Sdn Bhd: Planning Corporate Mergers and Acquisitions for Execution Excellence
Hospital Build and Infrastructure Middle East Exhibition and Congress
CIMB and Bursa Malaysia: CIMB 4th Annual Pacific Conference and Invest Malaysia Conference 2014
Agensi Inovasi Malaysia (AIM): Innovating Malaysia Conference – Return on Innovation
Khazanah Nasional Berhad – Khazanah Megatrends 2014 Forum
Budget 2015 & Transfer Pricing
Leadership
Malaysian Indian Entrepreneurs Cooperative ("KUIMB") – The Entrepreneurs' Conference 2014: Creating Tomorrow's Visionaries
Bursatra Sdn Bhd: Board Leadership and Value Systems – The Top at The Top
Bursatra Sdn Bhd: Ethics and the Board of Directors
MINDA: Innovation Governance in Practice: How Top Management Promote, Steer and Sustain Innovation
UEM Group Berhad: The Exchange, Knowledge and Ideas
MINDA: Directors Forum – "Talent and Human Capital: The Drivers and Growth and Creativity"
MINDA: Corporate Directors Onboarding Programme
Risk Management
Asian Institute of Finance: Data Protection Act 2010 and Risk Management
Bursatra Sdn Bhd: Reviewing the Risk and Control on the Quality of the Financial Statements
The Impact of Cyber Security at Board Levels

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

The Board aims to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcements of results to shareholders as well as the Chairman's Statement and the review of operations in the Annual Report. The Board is assisted by the ARC to oversee the Group financial reporting processes and the quality of its financial reporting.

The quarterly financial results and audited financial statements are reviewed by the ARC and the external auditors and approved by the Board before being released to Bursa Securities.

5.2 ASSESSMENT OF SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

The Board, through the ARC maintains a transparent and professional relationship with the Internal and External Auditors. The ARC has been explicitly accorded the authority to communicate directly with both the Internal and External Auditors. Currently, Messrs Ernst & Young provides independent and professional external auditing services to the Group.

The ARC meets up with the external auditors at least twice a year in the absence of the Managing Director/Chief Executive Officer and Management.

The Company has established policies governing the provision of non-audit services that can be provided by the external auditors. The external auditors have confirmed to the Board their independence in providing both audit and non-audit services for the year under review.

6. RECOGNISE AND MANAGE RISKS

6.1 SOUND FRAMEWORK TO MANAGE RISKS

The Board has overall responsibility for the system of Risk Management and Internal Control which includes financial controls, operational and compliance controls to ensure that shareholders' investments, customers' interests and the Company's assets are safeguarded.

The Statement on Risk Management and Internal Control as set out on pages 088 to 092 of this Annual Report provides an overview of the state of internal controls within the Group.

6.2 INTERNAL AUDIT FUNCTION

Internal Audit Department ("IAD") is established as an independent appraisal function to both assist the ARC and the Board of Directors in discharging their duties and to provide assurance to the Management and the Board of Directors that all aspects of the operations of the Company are functioning within the acceptable limits and expectations. The IAD carries out the internal audit function of the Group. The Head of the Internal Audit reports functionally to ARC and administratively to the Managing Director/Chief Executive Officer of the Company.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 CORPORATE DISCLOSURE POLICY

The Group has been transparent and accountable to its shareholders and investors and recognises the importance of timely dissemination of information to shareholders and other shareholders. The Board is also committed to ensure that the shareholders and other stakeholders are well informed of major developments of the Company and the information is communicated to the through the following channels:-

- Annual Report;
- Various disclosures and announcement to Bursa Securities including quarterly results;
- Press releases and announcements to the media;

- Dialogues and presentations at general meetings to provide overview and clear rationale with regard to the proposals tabled for approval by shareholders;
- Online investor relations on the Company's website at www.uemedgenta.com; and
- All announcement made by the Company to Bursa Securities will be posted on the Company's website at www.uemedgenta.com

7.2 LEVERAGE ON INFORMATION TECHNOLOGY FOR EFFECTIVE DISSEMINATION OF INFORMATION

The Company's website has a dedicated section that provides investors with detailed information on the Group's business, commitments and latest developments.

While the Company endeavors to provide as much information as possible to its shareholders and stakeholders, the Company is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

The Annual Report as well as those for past years are available through the Company's website and in CD-ROM format.

8. STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND SHAREHOLDERS

8.1 ENCOURAGE SHAREHOLDER PARTICIPATION AT GENERAL MEETINGS

The AGM is the principal forum for dialogue with shareholders. Shareholders are provided with an opportunity to participate in the question and answer session in which shareholders may raise questions pertaining to the business activities of the Company. The Chairman as well as the Managing Director/Chief Executive Officer and the external auditors, if so required, will respond to questions from shareholders at the AGM.

8.2 POLL VOTING

The Board encourages participation at general meetings and will endeavour to put substantive resolutions and such resolutions as mandated by Bursa Securities to vote by poll. Generally resolutions will be carries out by show of hands, except for related party transactions wherein poll will be conducted as required by the Listing Requirement and if demanded by the shareholders in accordance with the Articles of Association of the Company.

All resolutions put forth for Shareholders' approval at the 51st AGM held on 26 June 2014 were voted by a show of hands.

8.3 EFFECTIVE COMMUNICATION AND PROACTIVE ENGAGEMENT WITH SHAREHOLDERS

At the 51st AGM, all Directors were present in person to engage directly with the shareholders. The external auditors were in attendance to respond to any shareholders' queries. The Managing Director/Chief Executive Officer also shared with the shareholders the Company's responses to questions submitted in advance of the AGM by the Minority Shareholders Watchdog Group.

The Board has identified Datuk Ir. Abdullah Sani Abd Karim as the Senior Independent Non-Executive Director, to address any valid and appropriate issues raised by shareholders, via his email address at sid@uemedgenta.uemnet.com

9. DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF FINANCIAL STATEMENTS

The Directors are required to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements for the financial year ended 31 December 2014, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable Financial Reporting Standards in Malaysia have been followed and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965 and the applicable Financial Reporting Standards in Malaysia.

The Board is satisfied that it has met its obligation to present a balance and fair assessment of the Company's position and prospects in the Directors' Report on pages 102 to 105 and the Financial Statements from pages 101 to 254 of this Annual Report.

10. COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement on Corporate Governance. The Board considers that this Statement on Corporate Governance provides the information necessary to enable shareholders to evaluate how the MCCG 2012 has been applied. The Board considers and is satisfied that the Company has fulfilled its obligation under the MCCG 2012, the Listing Requirement and all applicable laws and regulations throughout the financial year ended 31 December 2014.

This Statement on Corporate Governance was approved by the Board on 6 April 2015.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In accordance with the principles set out in the Malaysian Code on Corporate Governance 2012 ("the Code"), a listed company should establish a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets. The Board of Directors ("Board") is pleased to provide this Statement on Risk Management and Internal Control pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

RESPONSIBILITY OF THE BOARD

The Board is responsible for establishing a sound risk management framework and internal control system for UEM Edgenta Berhad (formerly known as Faber Group Berhad) ("the Company") and its subsidiaries' ("the Group") to safeguard stakeholders' interests and the Group's assets as prescribed by Principle 6 of the Code.

The Board acknowledges that the system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, loss and fraud.

The Board has established an on-going process for identifying, evaluating and managing the significant risks affecting the Group. This process includes updating the system of internal controls when there are changes to the business environment or regulatory requirements. The Board has established procedures to implement the recommendations of the 'Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers' for the Group.

MAIN FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board recognises the importance of key risk management and internal control systems that sets the tone for the Group. In recognising the importance of risk management and internal control systems in the overall governance process, the Board of the Company has instituted the following:-

Board and Board Committees

- The Company has appointed seven (7) Directors on the Board comprising one (1) Managing Director/Chief Executive Officer, three (3) Independent Non-Executive Directors and three (3) Non-Independent Non-Executive Directors.

- The Board has established the Audit and Risk Committee ("ARC") and Nomination and Remuneration Committee ("NRC") with specific Terms of Reference, which have the authority to examine all matters within their scope of responsibility and report to the Board with their recommendations for the Board's decision.

- The responsibilities and functions of the Board, each of its Committees and the individual Directors are specified in their respective Terms of Reference.

Company Values

- The Group is intensifying the communication and inculcation of the new Company's values: "Teamwork, Integrity, Passion and Success" amongst its employees by implementing the guidelines for face-to-face, written and telephone communications to provide the best behavioural and communication practices when engaging with stakeholders.

Code of Conduct

- The Group has established a Code of Conduct which sets out the policies and guidelines relating to ethical standards and conduct of work required in the Group. It also contains principles and standards of good practice relating to lawful and ethical dealings in the conduct of its business. The Code of Conduct also includes a Whistle Blower Policy ("WBP"), which has been approved by the Board and applies to all employees in the Group. WBP has been formulated with a view to provide a mechanism for officers and employees of the Group to report instances of unethical behaviour, actual or suspected fraud or dishonesty or violation of the Group's Code of Conduct.

Policies and Procedures

- Written policies are established to guide how an entity, a department or an individual within the Group works or behaves and provide guidance to employees as to what their obligations are. Some policies are supported by procedures which describe the steps the employees shall take to produce an output or to complete a process. The policies and procedures also form part of the various management systems and are reviewed regularly and updated when necessary.

- The Group has implemented several management systems to standardise its management and operational processes, and to improve its efficiency. The management systems have been certified to meet international standards such as ISO 9001 for Quality Management System, ISO 14001 for Environmental Management System, OHSAS 18001 for Occupational Safety and Health Management System, ISO 13485 for Medical Devices Quality Management System and ISO 17025 for its Calibration Laboratory accreditation.

- Briefings and trainings on policies and procedures are provided to employees and contractors to ensure compliance.

Risk Management

- The Risk Management Framework ("RMF") has been revised and approved by the Board regularly to provide the foundation and organisational arrangement to ensure that risk management is integrated at all levels and work contexts, making risk consideration part of the daily routine, strategic and operational activities, business practices and decision-making process.

- Revisions to the RMF include refinements to the scope and objectives placing greater emphasis on enterprise-wide risk assessment and management, and introduction of Risk Control Effectiveness Indicators ("RCEI"), which measure the appropriateness and effectiveness of risk counter measures based on demonstrated/observed improvements on key business, operating and financial parameters. The RMF has been communicated to staff of relevant levels and will be reviewed for continuous improvement.

- The Risk Management Steering Committee ("RMSC") is chaired by the Company's Managing Director/Chief Executive Officer and consists of Head of Companies of the Group and co-opted members from the management team of the Group. The RMSC undertakes the following responsibilities:-

  – Review and recommend risk management policies and procedures;

  – Champion of risk management at strategic and operational levels;

  – Review adequacy and effectiveness of risk management process;

  – Review the consolidated risk registers; and

  – Ensure that the ARC and Board receive adequate and appropriate information for decision-making and review respectively.

- The implementation of risk management activities are undertaken at the Company and subsidiary level where half-yearly Risk Management Status Reports are produced. To facilitate the process, the Risk Management Unit has adopted the use of Automated Risk Kit ("ARK"), introduced by UEM Group Risk Management as a "one-stop" risk register to record, report and monitor information such as risk categories, risk heat maps (gross and net rating), RCEI and key mitigating action plans. Risk Management Status Reports are presented to the RMSC, ARC and Board of Directors for deliberation and approval.

Organisational Structure

- The organisational structure of the Group is clear and detailed, defining the roles, responsibilities and reporting line of the various Committees of the Board, Management of the Corporate Office and subsidiaries, departments and individuals.

- The Board appoints the Managing Director/Chief Executive Officer of the Company, Chief Operating Officer ("COO"), Chief Executive Officers ("CEO"), Chief Financial Officer ("CFO"), Chief Operating Officer of Faber Medi-Serve Sdn Bhd (now known as Edgenta Mediserve Sdn Bhd) and Heads of Companies ("HOC") of the subsidiaries within the Group.

- The organisational structure is reviewed regularly to assess its effectiveness and to ensure that it is in line with any change in business requirements.

Employee's Authority and Responsibility

- The respective Head of Departments defines the authority and responsibility of each employee as specified in the Job Description.

- The establishment of performance monitoring serves as a tool to monitor performance against the set Key Performance Indicators ("KPIs") and targets at various levels, covering key financials, customers, internal business processes and learning and growth indicators.

- The Group also continually assesses its employees' needs and organisational requirement through the Employees Engagement Survey ("EES") and focus group plan. The EES is conducted every two (2) years with action plans on identified areas of improvement.

Discretionary Authority Limits

- Clear delegation of authority is defined in the Discretionary Authority Limits ("DAL"), which sets the limit for strategic, operating and capital decisions and expenditures as well as decision authority for each level of Management within the Group, and also the Board's authority.

- The DAL is reviewed periodically to ensure effectiveness of strategic and operational executions.

Insurance on Assets

- Sufficient insurance coverage and physical safeguards on the Group assets, including its human resources are in place to ensure adequate coverage against any mishap that could result in material loss. Coverage typically includes damage to or theft of assets, liability coverage for the legal responsibility to others for accidents, bodily injury or property damage and medical coverage for the cost of treating injuries and illness, rehabilitation and death.

- Insurance coverage is reviewed regularly to ensure sufficient coverage in view of changing business environment or assets.

Business Continuity Management

- A Business Continuity Plan ("BCP") has been formalised and adopted to ensure resiliency of the critical business functions and that the effects of disruptions are minimised in the face of a disaster. As the Group strives for continuous improvement, updating, call tree exercise, desktop and crisis simulation tests of the BCP are amongst the key activities stipulated in the BCM Road Map.

Human Resources Management

- The Group places great importance on its human resources management and has established strong policies and procedures on Human Capital development and planning, recruitment, employees' retention, performance, rewards, organisational development and succession planning.

- Formal appraisals are conducted periodically, guided by the Performance Management System using the Balance Scorecard approach where strategies are translated into operational objectives and KPIs which are used as a performance measurement and recognition tool.

- Equal emphasis is also given on education, remunerations, employee welfare and organisational development, training and development including leadership development to enhance the quality, ability and competencies of the employees of the Group.

- The Group has also established a leadership development program to develop suitable employees for future leadership roles as part of its strategic action for succession planning and to ensure business continuity and prepare for business expansion.

- The Group has its own talent management framework that is linked to the succession plan to ensure the Group has a continuous pool of talent at all levels in line with the Group's growth.

Management Information System ("MIS")

- A computerised MIS is available for a more efficient and effective management and operation of budget, financial, human resource, maintenance, procurement, and corporate, operational as well as employees' performance. The system produces reports and other analytical tools used for planning, monitoring and continuous improvement.

- The MIS is available on a combination of real-time basis and/or as when updated and accessible via the client-server platform, internet/dedicated IPVPN (Internet Protocol Virtual Private Network) and the Group's intranet.

Internal Audit

- The internal audit function was outsourced to UEM Group Management Sdn Bhd ("UEMG Management"). Group Internal Audit ("GIA") from UEMG Management has been evaluating the effectiveness of risk management, control and governance processes on a regular basis since 2009. The reviews are based on the Annual Audit Plan approved by the ARC. The results of such reviews are reported regularly to the ARC. The ARC holds regular meetings to deliberate on findings and recommendations for improvements by both the internal and external auditors on the state of the internal control system, and report back to the Board. In 2014, the Group has established its own Internal Audit Department ("IAD") and the internal audit functions of the Group were jointly undertaken by IAD and the GIA auditors.

- Internal control weaknesses identified during the financial period under review have been or are being addressed by the Management. None of the weaknesses have resulted in any material loss that would require disclosure in the Group's financial statements.

Government-Linked Company ("GLC") Transformation Program

- In addition to enhancing stakeholders' value through improved financial and operational performance, the Group has conscientiously adopted the GLC Transformation Program and has been guided by the following colour-coded books:-
    - Blue Book – Intensifying Performance Management Practices
    - Green Book – Enhancing Board Effectiveness
    - Orange Book – Strengthening Leadership Development
    - Purple Book – Optimising Capital Management Practices
    - Red Book – Procurement Guidelines and Best Practices
    - Silver Book – Achieving Value Through Social Responsibility
    - Yellow Book – Enhancing Operational Efficiency and Effectiveness

ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Managing Director/Chief Executive Officer and CFO that a review on the adequacy and effectiveness of the risk management framework and internal control systems have been undertaken and they are operating adequately and effectively in all material aspects, based on the risk management and internal control systems of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide ("RPG") 5 (Revised), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 31 December 2014, and reported to the Board that nothing has come to their attention that causes them to believe that the statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

This Statement on Risk Management and Internal Control was approved by the Board on 6 April 2015.

CONCLUSION

The Board is of the view that the risk management and internal control systems are in place for the year under review and up to the date of approval of the Statement on Risk Management and Internal Control, are sound and sufficient to safeguard stakeholders' interests and the Group's assets.

AUDIT AND RISK COMMITTEE REPORT

The Board is pleased to present the Audit and Risk Committee ("ARC") Report for the financial year ended 31 December 2014.

COMPOSITION

The ARC consists of four (4) members and the Company has complied with Paragraph 15.09 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), which requires all Audit Committee members to be Non-Executive Directors, with a majority of them being Independent Directors. The members of the ARC are as follows:-

Name of ARC Members	Designation	Directorship
Robert Tan Bun Poo*^	Chairman	Independent Non-Executive Director
Datuk Ir. Abdullah Sani Abd Karim	Member	Senior Independent Non-Executive Director
Elakumari Kantilal*	Member	Non-Independent Non-Executive Director
Dr. Saman @ Saimy Ismail	Member	Independent Non-Executive Director

* *Member of the Malaysian Institute of Accountants*
^ *Member of the Malaysian Institute of Certified Public Accountants*

The trainings attended by the ARC members during the year under review are set out in the Statement on Corporate Governance.

MEETINGS

A total of eight (8) meetings were held during the financial year ended 31 December 2014 and the attendance of the ARC members are as follows:-

Name of ARC Members	No. of meetings attended	Percentage of Attendance (%)
Robert Tan Bun Poo (Chairman)	8/8	100
Datuk Ir. Abdullah Sani Abd Karim	6/8	75
Dr. Saman @ Saimy Ismail	7/8	88
Elakumari Kantilal	8/8	100

TERMS OF REFERENCE

A. Objectives

1. The objective of the ARC is to assist the Board of Directors ("Board") in discharging its responsibilities in the review of the integrity and adequacy of the Company's and its subsidiaries' internal controls and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

2. The ARC shall reinforce the independence of the external auditors, assure that they will have free rein in the audit process and provide a line of communication between the Board and the external auditors.

3. The ARC shall enhance the internal audit function by increasing the objectivity and independence of the internal auditors and provide a forum for discussion that is independent of the management. The quality of the audits conducted by the internal and external auditors of the Company shall be reviewed by the ARC.

4. The ARC shall encourage high standards of corporate disclosure and transparency. The ARC will endeavour to adopt practices aimed at maintaining appropriate standards of corporate responsibility, integrity and accountability to the Company's shareholders.

B. Composition

1. The ARC shall be appointed by the Board and shall consist of not less than three (3) members, all of whom shall be Non-Executive Directors, with a majority of the ARC members being Independent Directors. No alternate director is to be appointed as a member of the ARC.

2. At least one (1) member of the ARC:-

   (i) Must be a member of the Malaysian Institute of Accountants; or

   (ii) If he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:

      (a) He must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or

      (b) He must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or

   (iii) Fulfils such other requirements as prescribed or approved by Bursa Securities.

3. The members of the ARC shall elect a Chairman from among themselves who is an Independent Director.

4. In the event of any vacancy in the ARC resulting in the number of members being reduced to below three (3), the Board shall fill the vacancy within three (3) months.

C. Meetings

1. The ARC shall meet at least four (4) times in each financial year although additional meetings may be called at any time, at the discretion of the ARC Chairman.

2. The quorum for each meeting shall consist of at least two (2) members, both of whom shall be Independent Directors.

3. The secretary of the ARC shall attend each ARC meeting and record the proceedings of the meeting thereat.

4. The representatives of the internal audit and finance functions shall normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the ARC. However, the ARC shall meet with the external auditors without the executive Board members and employees present at least twice a year, and whenever deemed necessary.

5. A resolution in writing signed and approved by all the ARC members who may at the time be present in Malaysia and who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the ARC duly called and constituted. Any such resolution may consist of several documents in like form each signed by one or more ARC members.

D. Authority

1. The ARC shall, in accordance with a procedure to be determined by the Board and at the expense of the Company:-

   (i) Have the authority to investigate any matter within its terms of reference;

   (ii) Have the resources which are required to perform its duties;

   (iii) Have full and unrestricted access to any information pertaining to the Company;

   (iv) Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

(v) Be able to obtain independent professional or other advice and to invite outsiders with relevant experience to attend the ARC meetings (if necessary) and to brief the ARC thereof; and

(vi) Be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

2. Where the ARC is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities, the ARC shall promptly report such matter to Bursa Securities.

E. Duties and Responsibilities

The following are the main duties and responsibilities of the ARC:-

1. Oversees the Company's internal control structure to assure operational effectiveness and efficiency, reduce the risk of unreliable financial reporting, protect the Company's assets from misappropriation and encourage legal and regulatory compliance;

2. Assists the Board in identifying the principal risks in the achievement of the Company's objectives and ensuring the implementation of appropriate systems to manage these risks;

3. Reviews and recommends the risk management policy, procedures and risk management framework for the approval and acknowledgement of the Board and provide guidance on the overall risk strategy and directives for implementation and ensure that the principles and requirements of managing risk are consistently adopted throughout the Group;

4. Reviews periodically the risk management framework and risk profile and to be satisfied that the methodology employed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to minimise losses and maximise opportunities;

5. Commissions, where required, special projects to investigate, develop or report on specific aspects of the risk management processes of the Company;

6. Recommends to the Board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors;

7. Establishes policies and procedures to assess the suitability and independence of the external auditors as well as the objectivity and the effectiveness of the audit process;

8. Discusses with the external auditors before the audit commences, the nature and scope of the audit and ensures co-ordination where more than one (1) audit firm is involved;

9. Reviews with the external auditors, their evaluation of the system of internal controls and their audit report;

10. Reviews the audit representation letters, Management letter and Management's responsiveness to the external auditors' findings and recommendations;

11. Reviews the assistance and co-operation given by the Company's employees to the external and internal auditors;

12. Discusses problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss, in the absence of Management, where necessary;

13. Reviews the quarterly financial results and year-end financial statements, before the approval by the Board, focusing particularly on:-
    - any changes to the accounting policies and practices;
    - significant adjustments arising from the audit;
    - the going concern assumption; and
    - compliance with financial reporting standards and other legal requirements.

14. In relation to the internal audit function:-
    - establishes an internal audit function and identify a head of internal audit who reports directly to the ARC;
    - reviews the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
    - reviews the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal auditors;
    - reviews any appraisal or assessment of the performance of the internal audit function;
    - approves any appointment or termination of senior staff members of the internal audit function; and
    - takes cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

15. Monitors the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements contained in them;

16. Reviews any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management's integrity; and

17. Considers other matters as defined by the Board.

F. ARC Report

The Board is required to prepare an ARC Report at the end of each financial year to be included and published in the annual report of the Company. The said report should include the following:-

1. The composition of the ARC including the name, designation (indicating the Chairman) and directorship of the members (indicating whether the Directors are independent or otherwise);

2. The number of ARC meetings held during the financial year and details of attendance of each ARC member;

3. The terms of reference of the ARC;

4. A summary of the activities carried out by the ARC in the discharge of its functions and duties for that financial year of the Company; and

5. A summary of the activities of the internal audit functions.

G. Chairman of the ARC

The following are the main duties and responsibilities of the ARC Chairman:-

1. Helps the ARC fulfils the goals it sets by assigning specific tasks to members of the ARC and identifies guidelines for the conduct of the members and ensures that each member is making a significant contribution;

2. Consults with the Secretaries of the ARC on matters related to their responsibilities, rules and regulations under the terms of reference to which they are subject to and how those responsibilities should be discharged. The compliance advice should extend to embrace all laws and regulations and not merely the routine filing requirements and other administrative requirements of the Companies Act, 1965;

3. Provides a reasonable time for discussion at the meeting. Organises and presents the agenda for regular or special ARC meetings based on input from members and ensures that all relevant issues are on the agenda. In addition, the Chairman should encourage debate on the issue before the ARC;

4. Provides leadership to the ARC and ensures proper flow of information to the ARC, reviewing the adequacy and timing of documentation;

5. Secures good corporate governance and ensures that members look beyond their ARC function and accept their full share of responsibilities of governance materials in support of Management's proposals;

6. Manages the processes and workings of the ARC and ensures that the ARC discharges its responsibilities in accordance with the Terms of Reference. Appropriate procedures may involve the ARC meeting on a regular basis without the presence of Management;

7. Ensures that every ARC resolution is put to a vote to ensure that it is the will of the majority that prevails; and

8. Engages on a continuous basis with Senior Management, the Managing Director/Chief Executive Officer, internal auditors and the external auditors in order to be kept informed of matters affecting the Company.

H. ARC Members

Each ARC member will be expected to:-

1. Provide individual external independent opinions to the fact-finding, analysis and decision making process of the ARC, based on their experience and knowledge;

2. Consider viewpoints from the other ARC members; make decisions and recommendations for the best interest of the Board collectively; and

3. Keep abreast of the latest corporate governance guidelines and best practices in relation to the ARC and the Board as a whole.

SUMMARY OF ACTIVITIES OF THE ARC

In line with the terms of reference of the ARC, the following activities were carried out by the ARC during the financial year ended 31 December 2014:-

A. Financial Results and Corporate Governance

1. Reviewed the quarterly results announcements and year-end financial statements, before the approval by the Board, focusing particularly on:-
   - any changes to the accounting policies and practices;
   - significant adjustments arising from the audit;
   - the going concern assumption; and
   - compliance with financial reporting standards and other legal requirements.

2. Reviewed non-recurrent and recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations in the ordinary course of business of the Company and its subsidiaries ("the Group") to ascertain as to whether they are undertaken on an arm's length basis on normal commercial terms not more favourable to the related parties than those generally available to the public or those extended to unrelated parties and are not detrimental to the minority shareholders.

3. Reviewed the annual report and the audited financial statements of the Company prior to submission to the Board for their consideration and approval.

4. Reviewed the Circular to Shareholders in respect of the proposed shareholders' mandate for recurrent related party transactions and proposed new mandate for additional recurrent related party transactions of a revenue or trading nature.

5. Reviewed and recommended the Statement on Corporate Governance, ARC Report and Statement on Risk Management and Internal Control, to the Board for its approval.

6. Attended the relevant briefings and seminars conducted internally within UEM Group and by external parties and/or professional associations to keep abreast with the latest practice, development and updates pertaining to duties and responsibilities and functions of an ARC.

7. Review compliance with Bursa Securities' Listing Requirements, Malaysian Code on Corporate Governance and other statutory requirements.

B. Internal Audit and Risk Management

1. Reviewed the annual audit plan to ensure adequate scope and comprehensive coverage over the audit activities of the Group.

2. Reviewed the effectiveness of the audit process, resource requirements for the year and assessed the performance of the internal audit function.

3. Reviewed and deliberated on a total of thirteen (13) audit reports arising from planned and ad-hoc audit assignments.

4. Monitored the corrective actions on the outstanding audit issues to ensure that all the key risks and control lapses have been addressed.

5. Reviewed the internal audit function's audit methodology in assessing and rating risks of auditable areas and ensured that all high and critical risk areas were audited annually.

6. Reviewed the audit performance reports to monitor the performance, progress and adequacy of coverage of the internal audit function.

7. Reviewed and recommended for implementation of the Company's Risk Management Framework for the approval of the Board and deliberated on the half-yearly Risk Management Status Report to ensure the Board received adequate and appropriate information for decision-making or acknowledgement respectively.

8. Identified and or reviewed the principal risks identified by the Risk Management Steering Committee ("RMSC") and deliberated on the risk control mechanisms proposed by the RMSC to mitigate the risks.

9. Reviewed the adequacy and effectiveness of the overall risk management process.

C. External Audit

1. Reviewed with the external auditors:-

   - Their audit plan, audit strategy and scope of work for the year.

   - The results of the annual audit, their audit report and management letter together with Management's response to the findings of the external auditors.

2. Assessed the suitability and independence of the external auditors during the year and prior to the appointment of the external auditors for non-audit services.

3. Evaluated the performance and effectiveness of the external auditors and considered their re-appointment.

4. The ARC met with the external auditors on 27 February 2014 and 20 November 2014 during the year without the presence of the Managing Director/Chief Executive Officer and the Management.

INTERNAL AUDIT FUNCTION

Internal Audit Department ("IAD") is established as an independent appraisal function to both assist the ARC and Board in discharging their duties and to provide assurance to the Management and the Board that all aspects of the operations of the Company are functioning within the acceptable limits and expectations. The IAD carries out the internal audit function of the Group. The Head of the Internal Audit reports functionally to ARC and administratively to the Managing Director/Chief Executive Officer of the Company.

The activities undertaken by IAD are in conformance with the International Professional Practice Framework (IPPF) on Internal Auditing issued by the Institute of Internal Auditors.

It is the responsibility of the internal audit function to provide the ARC with independent and objective reports on the state of internal control of the various operating divisions within the Group, and the extent of compliance of the divisions with the Group's established policies and procedures as well as relevant statutory requirements.

During the year, the internal audit had carried out thirteen (13) audit assignments comprises of eight (8) planned audits and five (5) ad-hoc audits. The IAD also work closely with Group Internal Audit ("GIA") of UEM Group Berhad in audits that require specific skills and knowledge not available within the IAD. In 2014, there were a total of seven (7) audits conducted by the GIA while the rest were performed in-house by IAD and jointly by the GIA auditors. Representatives of IAD were invited to and had attended all the ARC meetings during the year.

STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RESPECT OF AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year, and of their results and cash flows for the financial year then ended.

In preparing the financial statements the Directors have:-

- Considered the provision of the Companies Act, 1965.
- Considered the application of applicable Financial Reporting Standards.
- Adopted and consistently applied appropriate accounting policies.
- Made judgement and estimates that are prudent and reasonable.

The Directors have the responsibilities to ensure that the Company and the Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure the financial statements comply with the Companies Act, 1965.

The Directors have general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

FINANCIAL STATEMENTS

DIRECTORS' REPORT
as at 31 December 2014

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its subsidiaries.

The principal activities of the subsidiaries, joint ventures and associates are described in Note 45 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year, other than the acquisition of Opus Group Berhad ("Opus") and Projek Penyelenggaraan Lebuhraya Berhad ("Propel") as further discussed in Note 17 to the financial statements. Opus and Propel provide asset development and asset management consultancy services, and infrastructure maintenance services, respectively.

RESULTS

	Group RM'000	Company RM'000
Profit net of tax	241,909	330,705
Attributable to:		
Owners of the parent	202,386	330,705
Non-controlling interests	39,523	–
	241,909	330,705

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The amounts of dividends paid by the Company since 31 December 2013 were as follows:

	RM'000
In respect of the financial year ended 31 December 2013 as reported in the directors' report of that year:	
Single tier final dividend of RM0.10 on 363,001,053 ordinary shares of RM0.25 each, declared on 28 February 2014 and paid on 22 July 2014	36,300
In respect of the financial year ended 31 December 2014:	
Single tier special interim dividend of RM0.18 on 813,501,053 ordinary shares of RM0.25 each, declared on 12 December 2014 and paid on 22 January 2015	146,430
	182,730

At the forthcoming Annual General Meeting, a single tier final dividend in respect of the financial year ended 31 December 2014, of RM0.05 on 813,501,053 ordinary shares of RM0.25 each, amounting to a dividend payable of RM40,675,053 will be proposed for shareholder's approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Seri Ismail bin Shahudin	(appointed on 1 July 2014)
Dato' Mohd Izzaddin bin Idris	
Elakumari a/p Kantilal	
Datuk Ir Abdullah Sani bin Abdul Karim	
Tan Bun Poo	
Dr. Saman @ Saimy bin Ismail	
Azmir Merican bin Azmi Merican	
Dato' Ikmal Hijaz bin Hashim	(retired on 26 June 2014)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of the Company as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

DIRECTORS' INTEREST

According to the register of Directors' shareholdings, the interests of a Director in office at the end of the year in shares in the Company and its related corporations during the year were as follows:

	Number of ordinary shares of RM0.50 each			
	1 January 2014	Acquired	Sold	31 December 2014
Related Company				
UEM Sunrise Berhad				
Dato' Seri Ismail bin Shahudin	7,032	–	–	7,032

None of the other Directors in office at the end of the financial year had any interests in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

(a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

   (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; and

   (ii) the values attributed to the current assets in the financial statements misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

OTHER STATUTORY INFORMATION (CONT'D.)

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT AND SUBSEQUENT EVENTS

The details of the significant and subsequent events are disclosed in Note 46 and Note 47 to the financial statements respectively.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 March 2015.

Dato' Seri Ismail bin Shahudin

Azmir Merican bin Azmi Merican

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Seri Ismail bin Shahudin and Azmir Merican bin Azmi Merican, being two of the directors of Faber Group Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 109 to 253 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the year then ended.

The information set out in Note 50 to the financial statements on page 254 have been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 March 2015.

Dato' Seri Ismail bin Shahudin

Azmir Merican bin Azmi Merican

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Dato' Jezilee bin Mohamad Ramli, being the officer primarily responsible for the financial management of Faber Group Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 109 to 254 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
Dato' Jezilee bin Mohamad Ramli at Kuala Lumpur
in the Federal Territory on 27 March 2015

Dato' Jezilee bin Mohamad Ramli

Before me,

Kapt. Jasni bin Yusoff (Bersara) (No: W465)
Commissioner of Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

to the members of Faber Group Berhad (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Faber Group Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 109 to 253.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 45 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 50 on page 254 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Kua Choo Kai
No. 2030/03/16(J)
Chartered Accountant

Kuala Lumpur, Malaysia
27 March 2015

INCOME STATEMENTS
for the year ended 31 December 2014

	Note	Group 2014 RM'000	Group 2013 RM'000 (Restated)	Company 2014 RM'000	Company 2013 RM'000
Revenue	3	**3,089,287**	2,699,652	**363,785**	68,625
Cost of sales	4	**(2,107,991)**	(1,816,591)	**–**	–
Gross profit		**981,296**	883,061	**363,785**	68,625
Other income	5	**76,915**	36,225	**2,981**	2,024
Administrative expenses		**(665,125)**	(553,445)	**(27,919)**	(18,723)
Selling and marketing expenses		**(6,948)**	(10,946)	**–**	–
Other expenses		**(46,962)**	(30,456)	**(6,374)**	(3,545)
Operating profit		**339,176**	324,439	**332,473**	48,381
Finance costs	6	**(14,283)**	(11,080)	**(904)**	–
Share of profit of joint ventures		**57**	2,410	**–**	–
Share of (loss)/profit of associates		**(488)**	1,394	**–**	–
Profit before tax	7	**324,462**	317,163	**331,569**	48,381
Zakat		**(3,490)**	(3,950)	**(814)**	(427)
Income tax (expense)/benefit	10	**(79,063)**	(83,363)	**(50)**	747
Profit net of tax		**241,909**	229,850	**330,705**	48,701
Profit attributable to:					
Owners of the parent		**202,386**	190,430	**330,705**	48,701
Non-controlling interests		**39,523**	39,420	**–**	–
		241,909	229,850	**330,705**	48,701
Earnings per share attributable to owners of the parent (sen)					
Basic	11	**24.9**	23.4		
Diluted	11	**24.8**	23.3		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
for the year ended 31 December 2014

	Note	Group		Company	
		2014	**2013**	**2014**	**2013**
		RM'000	**RM'000 (Restated)**	**RM'000**	**RM'000**
Profit net of tax		**241,909**	229,850	**330,705**	48,701
Other comprehensive (loss)/income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		**10,632**	28,360	**–**	–
Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods:					
Remeasurement losses on Retirement Benefit Scheme	25	**(19)**	(1,557)	**–**	–
Remeasurement (loss)/gain on Defined Benefit Pension Scheme	26	**(1,886)**	4,756	**–**	–
Tax impact on remeasurement loss/(gain)	10	**417**	(1,006)	**–**	–
		(1,488)	2,193	**–**	–
Other comprehensive income for the year, net of tax		**9,144**	30,553	**–**	–
Total comprehensive income for the year		**251,053**	260,403	**330,705**	48,701
Total comprehensive income attributable to:					
Owners of the parent		**208,822**	210,067	**330,705**	48,701
Non-controlling interests		**42,231**	50,336	**–**	–
		251,053	260,403	**330,705**	48,701

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2014

	Note	Group 2014 RM'000	2013 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	13	**188,105**	167,344
Land held for property development	14(a)	**1,115**	1,115
Prepaid land lease payments	15	**3,324**	3,411
Intangible assets	16	**474,972**	463,560
Investment in associates	18(c)	**6,070**	4,531
Investment in joint ventures	18(a)	**12,985**	38,138
Other investments	19	**272**	272
Trade and other receivables	21	**21,110**	30,997
Derivative financial instruments	23	**–**	2,807
Defined benefit pension plan	26	**890**	1,454
Deferred tax assets	32	**44,640**	45,091
		753,483	758,720
Current assets			
Property development costs	14(b)	**41,625**	71,956
Inventories	20	**43,443**	13,665
Trade and other receivables	21	**731,098**	801,784
Investment securities	22	**256,924**	261,319
Derivative financial instruments	23	**7,454**	8,971
Cash, bank balances and deposits	24	**812,001**	700,363
		1,892,545	1,858,058
Total assets		**2,646,028**	2,616,778

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2014

		Group	
	Note	2014 RM'000	2013 RM'000 (Restated)
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	33	**203,375**	90,750
Merger reserve	34	**–**	676,477
Merger relief reserve	34	**313,856**	–
Other reserves	35	**36,949**	29,559
Retained earnings	36	**605,206**	595,031
		1,159,386	1,391,817
Non-controlling interests		**201,740**	215,086
Total equity		**1,361,126**	1,606,903
Non-current liabilities			
Retirement benefit obligations	25	**6,404**	6,227
Provisions	27	**21,280**	21,511
Borrowings	28	**314,463**	163,688
Trade and other payables	31	**48,685**	96,286
Derivative financial instruments	23	**437**	–
Deferred tax liabilities	32	**3,637**	3,013
		394,906	290,725
Current liabilities			
Retirement benefit obligations	25	**106**	210
Provisions	27	**17,410**	14,660
Borrowings	28	**36,704**	40,787
Trade and other payables	31	**675,757**	648,091
Dividend payable		**146,430**	–
Income tax payable		**13,589**	15,402
		889,996	719,150
Total liabilities		**1,284,902**	1,009,875
Total equity and liabilities		**2,646,028**	2,616,778

	Note	Company 2014 RM'000	2013 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	**27,398**	972
Intangible asset	16	**16**	30
Investment in subsidiaries	17	**1,786,792**	147,882
Other investments	19	**272**	272
		1,814,478	149,156
Current assets			
Other receivables	21	**2,508**	8,575
Cash, bank balances and deposits	24	**201,856**	53,002
		204,364	61,577
Total assets		**2,018,842**	210,733
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	33	**203,375**	90,750
Merger relief reserve	34	**788,375**	–
Other merger reserve	34	**482,035**	–
Retained earnings	36	**262,876**	114,901
		1,736,661	205,651
Non-current liability			
Borrowings	28	**80,000**	–
Current liabilities			
Borrowings	28	**20,904**	–
Other payables	31	**34,847**	5,082
Dividend payable		**146,430**	–
		202,181	5,082
Total liabilities		**282,181**	5,082
Total equity and liabilities		**2,018,842**	210,733

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 December 2014

	Attributable to owners of the parent								
	Non-distributable								
	Share capital (Note 33) RM'000	Merger relief reserve (Note 34) RM'000	Merger reserve/ (deficit) (Note 34) RM'000	Other merger reserve (Note 34) RM'000	Other reserves (Note 35) RM'000	Retained earnings (Note 36) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group									
At 1 January 2014 (Restated)	90,750	–	676,477	–	29,559	595,031	1,391,817	215,086	1,606,903
Profit for the year	–	–	–	–	–	202,386	202,386	39,523	241,909
Other comprehensive income/(loss)	–	–	–	–	7,347	(911)	6,436	2,708	9,144
Total comprehensive income	–	–	–	–	7,347	201,475	208,822	42,231	251,053
Transactions with owners									
Effect of pooling-of-interest method									
– Issuance of ordinary shares	112,625	788,375	–	482,035	–	–	1,383,035	–	1,383,035
– Fair value of purchase consideration	–	–	(1,633,031)	–	–	–	(1,633,031)	–	(1,633,031)
– Set off	–	(474,519)	956,554	(482,035)	–	–	–	–	–
– Effect of selective capital repayment (Note 46(c))	–	–	–	–	–	(8,996)	(8,996)	(20,228)	(29,224)
Dilution of interest in a subsidiary	–	–	–	–	–	426	426	1,891	2,317
Share-based payment issued by a subsidiary	–	–	–	–	43	–	43	(50)	(7)
Dividends paid to:									
– Shareholders of the Company (Note 12)	–	–	–	–	–	(182,730)	(182,730)	–	(182,730)
– Non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	(37,190)	(37,190)
	112,625	313,856	(676,477)	–	43	(191,300)	(441,253)	(55,577)	(496,830)
At 31 December 2014	203,375	313,856	–	–	36,949	605,206	1,159,386	201,740	1,361,126

	Attributable to owners of the parent							
	Non-distributable							
	Share capital (Note 33) RM'000	Merger relief reserve (Note 34) RM'000	Merger reserve (Note 34) RM'000	Other reserves (Note 35) RM'000	Retained earnings (Note 36) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group								
At 1 January 2013								
As previously stated	90,750	–	–	5,126	422,181	518,057	100,000	618,057
Effects of application of pooling-of-interest method of accounting (Note a)	–	–	676,477	5,923	45,305	727,705	139,286	866,991
At 1 January 2013 (Restated)	90,750	–	676,477	11,049	467,486	1,245,762	239,286	1,485,048
Profit for the year	–	–	–	–	190,430	190,430	39,420	229,850
Other comprehensive loss	–	–	–	18,742	895	19,637	10,916	30,553
Total comprehensive income	–	–	–	18,742	191,325	210,067	50,336	260,403
Transactions with owners								
Disposal of a subsidiary	–	–	–	–	–	–	(5,467)	(5,467)
Dilution of interest in a subsidiary	–	–	–	–	203	203	207	410
Share-based payment issued by a subsidiary	–	–	–	(232)	(8)	(240)	(70)	(310)
Dividends paid to:								
– Shareholders of the Company (Note 12)	–	–	–	–	(27,225)	(27,225)	–	(27,225)
– Shareholder of a subsidiary prior to acquisition of Propel	–	–	–	–	(36,750)	(36,750)	–	(36,750)
– Non-controlling shareholders of subsidiaries	–	–	–	–	–	–	(69,206)	(69,206)
	–	–	–	(232)	(63,780)	(64,012)	(74,536)	(138,548)
At 31 December 2013 (Restated)	90,750	–	676,477	29,559	595,031	1,391,817	215,086	1,606,903

(a) This represents the effects of the application of the pooling of interest method on the acquisitions of Propel and Opus ("Acquisitions"), which assumes the combination resulting from the Acquisitions had been in place at the relevant balance sheet dates.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2014

	Share capital (Note 33) RM'000	Merger relief reserve (Note 34) RM'000	Other merger reserve (Note 34) RM'000	Retained earnings (Note 36) RM'000	Total equity RM'000
Company					
At 1 January 2014	**90,750**	**–**	**–**	**114,901**	**205,651**
Total comprehensive income	**–**	**–**	**–**	**330,705**	**330,705**
Transactions with owners					
Acquisition of subsidiaries	**112,625**	**788,375**	**482,035**	**–**	**1,383,035**
Dividends (Note 12)	**–**	**–**	**–**	**(182,730)**	**(182,730)**
	112,625	**788,375**	**482,035**	**(182,730)**	**1,200,305**
At 31 December 2014	**203,375**	**788,375**	**482,035**	**262,876**	**1,736,661**
At 1 January 2013	90,750	–	–	93,425	184,175
Total comprehensive income	–	–	–	48,701	48,701
Transactions with owners					
Dividends (Note 12)	–	–	–	(27,225)	(27,225)
At 31 December 2013	90,750	–	–	114,901	205,651

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
for the year ended 31 December 2014

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	**3,207,400**	2,845,344	**5,040**	8,873
Cash payments to suppliers	**(2,463,524)**	(2,062,187)	**–**	–
Cash payments to employees and for expenses	**(316,165)**	(333,589)	**(24,601)**	(19,773)
Cash generated from/(used in) operations	**427,711**	449,568	**(19,561)**	(10,900)
Interest paid	**(9,603)**	(8,644)	**–**	–
Taxes (paid)/refunded	**(81,073)**	(93,134)	**996**	(457)
Net cash flows generated from/(used in) operating activities	**337,035**	347,790	**(18,565)**	(11,357)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of property, plant and equipment	**6,634**	380	**10**	1
Payment of contingent consideration	**(8,935)**	–	**–**	–
Acquisition of subsidiaries, net of cash acquired	**(259,327)**	(154,923)	**(250,000)**	–
Investment in associates	**(1,560)**	(894)	**–**	–
Advances to an associate	**(960)**	–	**–**	–
Investment in joint ventures	**–**	(106)	**–**	–
Placement of investment securities	**(146,138)**	(58,055)	**–**	–
Proceeds from withdrawal of investment securities	**162,573**	–	**–**	–
Proceeds from forward hedging contract	**18,588**	3,647	**–**	–
Interest received	**19,099**	18,427	**2,360**	951
Dividend received from joint ventures	**1,904**	1,613	**–**	–
Dividends received	**–**	–	**357,305**	65,271
Purchase of property, plant and equipment	**(48,606)**	(51,480)	**(3,533)**	(161)
Purchase of intangible assets	**(9,166)**	(4,369)	**(4)**	(21)
Net cash outflow from disposal of a subsidiary	**–**	(898)	**–**	–
Net advances to related companies	**–**	–	**(2,419)**	(4,238)
Net cash flows (used in)/generated from investing activities	**(265,894)**	(246,658)	**103,719**	61,803

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2014

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000 (Restated)	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of ordinary shares to non-controlling interests	**1,646**	361	**–**	–
Capital repayment to non-controlling shareholders of a subsidiary	**(29,224)**	–	**–**	–
Repayment of shareholders' loan	**(176)**	(499)	**–**	–
Finance lease repayment	**(5,303)**	(6,075)	**–**	–
Repayment of hire purchase obligations	**–**	(51)	**–**	–
Drawdown of other secured bank loans	**193,336**	97,042	**100,000**	–
Repayment of other secured bank loans	**(22,233)**	(20,000)	**–**	–
Dividends paid	**(36,300)**	(63,975)	**(36,300)**	(27,225)
Dividends paid to non-controlling shareholders of subsidiaries	**(37,190)**	(69,206)	**–**	–
Withdrawal/(placement) of fixed deposits	**4,345**	(4,133)	**(87)**	(81)
Net cash flows generated from/(used in) financing activities	**68,901**	(66,536)	**63,613**	(27,306)
Net increase in cash and cash equivalents	**140,042**	34,596	**148,767**	23,140
Net foreign exchange difference	**2,664**	8,685	**–**	–
Cash and cash equivalents at beginning of year	**638,760**	595,479	**49,617**	26,477
Cash and cash equivalents at end of year (Note a)	**781,466**	638,760	**198,384**	49,617

(a) Cash and cash equivalents comprise of:

Cash on hand and at banks	**143,537**	182,281	**103**	1,314
Fixed deposits with licensed banks	**603,330**	458,505	**3,472**	3,387
Fixed deposits with other financial institutions	**65,134**	59,577	**198,281**	48,301
Less: Fixed deposits with maturity more than 3 months	**(3,274)**	(3,173)	**–**	–
Less: Fixed deposits pledged	**(3,902)**	(3,804)	**(3,472)**	(3,385)
Less: Fixed deposits on lien	**(13,228)**	(17,772)	**–**	–
Less: Bank overdrafts	**(10,131)**	(36,854)	**–**	–
	781,466	638,760	**198,384**	49,617

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 6, Menara UEM, Tower 1, Avenue 7, The Horizon, Bangsar South City, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.

The Company regards UEM Group Berhad and Khazanah Nasional Berhad, both incorporated in Malaysia, as its immediate and ultimate holding companies respectively.

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries, joint ventures and associates are described in Note 45.

There have been no significant changes in the nature of the principal activities during the financial year, other than the acquisition of Opus Group Berhad ("Opus") and Projek Penyelenggaraan Lebuhraya Berhad ("Propel") as further discussed in Note 17. Opus and Propel provide asset development and asset management consultancy services, and infrastructure maintenance services, respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 March 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the requirements of the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2014 as described fully in Note 2.2.

The financial statements of the Group and of the Company have also been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2014, the Group and the Company adopted the following new and amended FRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2014.

Description	Effective for annual periods beginning on or after
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities	1 January 2014
Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements 2010-2012 Cycle: FRS 13 Fair Value Measurement	Immediately
Annual Improvements 2011-2013 Cycle: FRS 1 First-time Adoption of Financial Reporting Standards	Immediately

The nature and impact of the new and amended FRSs and IC Interpretation are described below:

<u>Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities</u>

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and "simultaneous realisation and settlement". These amendments are to be applied retrospectively. These amendments have no impact on the Group, since none of the entities in the Group has any offsetting arrangements.

<u>Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities</u>

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under FRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group, since none of the entities in the Group qualifies to be an investment entity under FRS 10.

<u>Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets</u>

The amendments to FRS 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives has been allocated when there has been no impairment or reversal of impairment of the related CGU. In addition, the amendments introduce additional disclosure requirements when the recoverable amount is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by FRS 13 Fair Value Measurements.

The disclosure requirement of this amendment has been presented in Note 16.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies (cont'd.)

Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting

These amendments provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measure of hedge effectiveness. Retrospective application is required.

These amendments have no impact on the Group as the Group does not have any derivatives that are subject to novation.

IC Interpretation 21 Levies

IC 21 defines a levy and clarifies that the obligating event which gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. For a levy which is triggered upon reaching a minimum threshold, IC 21 clarifies that no liability should be recognised before the specified minimum threshold is reached. Retrospective application is required. The application of IC 21 has had no material impact on the disclosures or on the amounts recognised in the Group's and the Company's financial statements.

Annual Improvements 2010-2012 Cycle: FRS 13 Fair Value Measurement

In the 2010-2012 annual improvements cycle, the MASB issued seven amendments to six standards, which included an amendment to FRS 13 Fair Value Measurement. The amendment to FRS 13 is effective immediately and, thus, for periods beginning at 1 January 2014, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to FRS 13 has no impact to the Group.

Annual Improvements 2011-2013 Cycle: FRS 1 First-time Adoption of Financial Reporting Standards

In the 2011-2013 annual improvements cycle, the MASB issued four amendments to four standards, which included an amendment to FRS 1 First-time Adoption of Financial Reporting Standards. The amendment to FRS 1 is effective immediately and, thus, for periods beginning at 1 January 2014, and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the period presented in the entity's first FRS financial statements. This amendment to FRS 1 has no impact on the Group, since the Group is an existing FRS preparer.

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Effective for financial periods beginning on or after 1 July 2014
Amendments to FRS 119: Defined Benefit Plans: Employee Contributions
Annual Improvements to FRSs 2010-2012 Cycle
Annual Improvements to FRSs 2011-2013 Cycle

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

Effective for financial periods beginning on or after 1 January 2016

Annual Improvements to FRSs 2012-2014 Cycle
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 127: Equity Method in Separate Financial Statements
Amendments to FRS 101: Disclosure Initiative
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception
FRS 14: Regulatory Deferral Accounts

Effective for financial periods beginning on or after 1 January 2018

FRS 9: Financial Instruments

The nature and impact of the new and amended FRSs are described below:

Amendments to FRS 119: Defined Benefit Plans: Employee Contributions

The amendments to FRS 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

Annual Improvements to FRSs 2010–2012 Cycle

The Annual Improvements to FRSs 2010-2012 Cycle include a number of amendments to various FRSs, which are summarised below. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

(a) FRS 2 Share-based Payment
This improvement clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition;
- A performance target must be met while the counterparty is rendering service;
- A performance target may relate to the operations or activities of an entity, or those of another entity in the same group;
- A performance condition may be a market or non-market condition; and
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

This improvement is effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

Annual Improvements to FRSs 2010–2012 Cycle (cont'd.)

(b) FRS 3 Business Combinations

The amendments to FRS 3 clarify that contingent consideration classified as liabilities (or assets) should be measured at fair value through profit or loss at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of FRS 9 or FRS 139. The amendments are effective for business combinations for which the acquisition date is on or after 1 July 2014.

(c) FRS 8 Operating Segments

The amendments are to be applied retrospectively and clarify that:

- an entity must disclose the judgements made by management in applying the aggregation criteria in FRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar; and
- the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

(d) FRS 116 Property, Plant and Equipment and FRS 138 Intangible Assets

The amendments remove inconsistencies in the accounting for accumulated depreciation or amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amendments clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

(e) FRS 124 Related Party Disclosures

The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services.

Annual Improvements to FRSs 2011–2013 Cycle

The Annual Improvements to FRSs 2011-2013 Cycle include a number of amendments to various FRSs, which are summarised below. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

(a) FRS 3 Business Combinations

The amendments to FRS 3 clarify that the standard does not apply to the accounting for formation of all types of joint arrangement in the financial statements of the joint arrangement itself. This amendment is to be applied prospectively.

(b) FRS 13 Fair Value Measurement

The amendments to FRS 13 clarify that the portfolio exception in FRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of FRS 9 (or FRS 139 as applicable).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

Annual Improvements to FRSs 2011–2013 Cycle (cont'd.)

(c) FRS 140 Investment Property
The amendments to FRS 140 clarify that an entity acquiring investment property must determine whether:

- the property meets the definition of investment property in terms of FRS 140; and
- the transaction meets the definition of a business combination under FRS 3,

to determine if the transaction is a purchase of an asset or is a business combination.

Annual Improvements to FRSs 2012–2014 Cycle

The Annual Improvements to FRSs 2012-2014 Cycle include a number of amendments to various FRSs, which are summarised below. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

(a) FRS 5 Non-current Assets Held for Sale and Discontinued Operations
The amendment to FRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in FRS 5.

The amendment also clarifies that changing the disposal method does not change the date of classification. This amendment is to be applied prospectively to changes in methods of disposal that occur in annual periods beginning on or after 1 January 2016, with earlier application permitted.

(b) FRS 7 Financial Instruments: Disclosures
The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in FRS 7 in order to assess whether the disclosures are required.

In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.

(c) FRS 119 Employee Benefits
The amendment to FRS 119 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

(d) FRS 134 Interim Financial Reporting
FRS 134 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'.

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g. in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations

The amendments to FRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant FRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to FRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

Amendments to FRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying FRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of FRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to FRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

Amendments to FRS 101: Disclosure Initiatives

The amendments to FRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provide that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

FRS 14 Regulatory Deferral Accounts

FRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulations, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of FRS. Entities that adopt FRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in the account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Group is an existing FRS preparer, this standard would not apply.

FRS 9 Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

Effective date to be announced by the Malaysian Accounting Standard Board

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing FRS Framework for another three years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

The Group falls within the scope of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2017. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group considers that it is achieving its scheduled milestones and expects to be in position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2017.

2.4 Summary of significant accounting policies

(a) Basis of consolidation and subsidiaries

(i) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(a) Basis of consolidation and subsidiaries (cont'd.)

(i) Basis of consolidation (cont'd.)

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(ii) Potential voting rights held by the Company, other vote holders or other parties;
(iii) Rights arising from other contractual arrangements; and
iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(a) Basis of consolidation and subsidiaries (cont'd.)

(i) Basis of consolidation (cont'd.)

Business combinations (cont'd.)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Business combinations involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. Under the pooling of interest method, the results of the subsidiaries are presented as if the combination had been effected throughout the current and previous financial periods. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the common control shareholder. Any difference between the cost of consideration and the share capital of the "acquired" entity is classified as an equity and regarded as a non distributable reserve. Comparatives are presented as if the entities has always been combined since the date the entities had come under common control.

(ii) Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(b) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in an associate is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Where necessary, adjustments are made to bring the accounting policies of associates in line with those of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(b) Investment in associates (cont'd.)

Goodwill relating to associate is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of an associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

Equity accounting is discontinued when the Group's share of losses and negative reserves in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

In the Company's separate financial statements, investments in associates are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(c) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

(i) Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Investments in joint venture are accounted for in the consolidated financial statements using the equity method of accounting.

(ii) Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognises its interest in joint operation using the proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint operation with the similar items, line by line, in its consolidated financial statements. The joint operation is proportionately consolidated from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint operation.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intragroup balances, income and expenses and unrealised gains and losses on transactions between the Group and its joint operation.

The financial statements of the joint operation are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(d) Transaction with non-controlling interest

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the income statement of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity.

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(e) Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle;
(ii) Held primarily for the purpose of trading;
(iii) Expected to be realised within twelve months after the reporting period; or
(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle;
(ii) It is held primarily for the purpose of trading;
(iii) It is due to be settled within twelve months after the reporting period; or
(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(f) Intangible assets

(i) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units ("CGU") that are expected to benefit from the synergies of the combination.

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.4(w).

Goodwill and fair value adjustments which arose on acquisition of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

(ii) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(f) Intangible assets (cont'd.)

(ii) Other intangible assets (cont'd.)

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Customer relationships

Customer relationships acquired through business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied. The finite useful live of customer relationships are assessed to be 7 years. Amortisation is charged on a straight line basis and the expense is recognised in the income statement.

Software

Hospital Support Services ("HSS") software

Expenditure incurred on projects to design and develop the operating systems for the provision of the hospital support services is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Development expenditure which does not meet these criteria is expensed when incurred.

HSS software, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over the concession period of the hospital support services of fifteen (15) years, commencing 28 October 1996. Impairment is assessed whenever there is an indication and the amortisation period and method are also reviewed at least at each reporting date. HSS software of the Group had been fully amortised in 2011.

Other software and licences

Software and licences that do not form an integral part of the related hardware have been reclassified as intangible assets. Software and licences, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products between five (5) and fifteen (15) years. Impairment is assessed whenever there is an indication of impairment and amortisation period and method are also reviewed at least at each reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(g) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress is not depreciated as these assets are not available for use. Capital work-in-progress relates to the installation of new machinery.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Leasehold land	1% – 2.4%
Buildings	1.8% – 2.2%
Plant and equipment	5% – 20%
Furniture and fittings	10% – 20%
Motor vehicles	20%
Computers	20% – 33%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(h) Land held for property development and property development costs

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(h) Land held for property development and property development costs (cont'd.)

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statements by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statements over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statements is classified as progress billings within trade payables.

(i) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(i) Impairment of non-financial assets (cont'd.)

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(j) Inventories

Inventories are stated at lower of cost and net realisable value.

Consumables are stated at the lower of cost (determined on the weighted average basis) and net realisable value. Cost of inventories comprise cost of purchase of inventories.

Property held for resale is stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and include cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(k) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss consist of short term unquoted unit trust.

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are acquired principally for the purpose of selling in the near term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(k) Financial assets (cont'd.)

(i) Financial assets at fair value through profit or loss (cont'd.)

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Held-to-maturity investments

The Group and the Company do not have any financial assets classified as held-to-maturity.

(iv) Available-for-sale financial assets

Available-for-sale financial assets consist of non current unquoted share held for sale and marketable securities. Available-for-sale financial assets are financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(k) Financial assets (cont'd.)

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

(l) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(m) Consultancy contracts

Where the outcome of a consultancy contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(n) Cash and short-term deposits

Cash, bank balances and short-term deposits in the statement of financial position comprise cash at banks and on hand.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash, bank balances and short-term deposits with a maturity of three months or less, net of outstanding bank overdrafts.

(o) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(p) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(p) Financial liabilities (cont'd.)

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade and other payables, loans and borrowings and financial guarantee contracts.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(q) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(r) Leases

(i) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(r) Leases (cont'd.)

(i) As lessee (cont'd.)

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.4(x).

(s) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(t) Income tax

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(t) Income tax (cont'd.)

(ii) Deferred tax (cont'd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(u) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(v) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Long term benefits

Long term incentives are granted to eligible employees subject to meeting the pre-determined financial performance and value growth targets of the Group over a vesting period of 3 years.

Liability arising from long term incentives is measured and reviewed at each reporting date, based on the management's estimates on the achievement of the pre-determined targets, and it is recognised as an expense over the performance period of 3 years.

(iii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF").

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(v) Employee benefits (cont'd.)

(iv) Defined benefit plan

The Group's subsidiaries operate defined benefit pension schemes for its eligible employees. A liability or asset is recognised when there is a shortfall or surplus in a defined benefit pension scheme, being the difference between the fair value of the scheme assets and liabilities as determined by an independent actuary. Actuarial gains and losses are recognised in full in other comprehensive income at the time of valuation. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods. The cost of providing benefits under this plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine the current service cost) and to the current and prior periods (to determine the present value of the defined benefit obligation) and is based on actuarial advice. The current service cost is charged to profit or loss. Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if benefits have vested.

A charge representing the unwinding of the discount on the plan liabilities during the year is included in profit or loss as administrative expenses. A credit representing the expected return of the plan assets during the year is also included within administrative expenses. This credit is based on the market value of the plan assets and expected rates of return at the beginning of the year.

(v) Employee share incentive plan

Opus International Consultants Limited ("Opus IC"), a subsidiary of the Company listed on New Zealand Exchange Limited, issues equity-settled share-based payments to certain qualified senior employees under an ESOP1.

The share option under ESOP1 is measured at the fair value at the date of grant by using the Black-Scholes-Merton model. The cost of equity-settled award is recognised in profit or loss on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous reporting date is recognised in profit or loss, with a corresponding entry in equity.

When an equity-settled award is cancelled before vesting, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised in profit or loss immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised in profit or loss over the remainder of the new vesting period for the incremental fair value of any modification award, both measured on the date of modification. No reduction is recognised if the difference is negative.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(v) Employee benefits (cont'd.)

(v) Employee share incentive plan (cont'd.)

Under the terms of the ESOP1, employees may elect for Opus IC to repurchase shares issued at the time of exercising options in exchange for convertible notes issued by Opus IC. The convertible notes have a face value of the issue price and are interest bearing with semi-annual coupon payments. The notes are convertible into ordinary shares on a one for one basis at the option of Opus IC and/or the holder at any time with five business days written notice. The notes are compound financial instruments which have both a financial liability and an equity component. The financial liability component represents the interest obligations on the notes and interest is recognised on an accrual basis. All proceeds received from the issue of convertible notes have been recognised in a separate component of equity. Upon conversion to shares, the proceeds from issue of the convertible notes will be reclassified to ordinary share capital.

(w) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(w) Foreign currencies (cont'd.)

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

The principal exchange rates used for every unit of foreign currency ruling at the reporting date are as follows:

	2014	**2013**
	RM	**RM**
United States Dollars (USD)	**3.50**	3.28
United Arab Emirates Dirham (AED)	**0.95**	0.90
Indian Rupees (INR)	**0.06**	0.05
New Zealand Dollar (NZD)	**2.73**	2.70
Philippines Peso (PP)	**0.08**	0.07
South African Rand (ZAR)	**0.30**	0.31
Saudi Arabian Riyal (SAR)	**0.93**	–
Canadian Dollars (CAD)	**3.01**	3.08
Australian Dollars (AUD)	**2.87**	2.92

(x) Income recognition

Revenue recognition

(i) Revenue from services rendered

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

Asset development and management consultancy

Fees on project management services are recognised upon performance and when no significant uncertainty exists regarding the fees that will be derived from the projects.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(x) Income recognition (cont'd.)

Revenue recognition (cont'd.)

(i) Revenue from services rendered (cont'd.)

Asset development and management consultancy (cont'd.)

Revenue on consultancy contracts services are calculated as the proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Profits on consultancy contracts services are recognised as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording revenue and related costs as contract activity progresses. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Hospital support services

The Group provides hospital support services commencing 28 October 1996 in the Northern zone encompassing the states of Perlis, Kedah, Pulau Pinang and Perak, Sabah zone and Sarawak zone, respectively. The services provided are clinical waste management, cleansing, laundry and linen, facilities engineering maintenance and biomedical engineering maintenance. These services are provided as a fixed-priced contract.

Revenue from fixed-price contracts is generally recognised in the period the services are rendered.

Non-concession services – integrated facilities management

The Group provides facilities management services which include cleansing, laundry and linen, facilities engineering maintenance and infrastructure facilities to non-concession customers. These services are provided on a time and material basis or as a fixed-priced contract, with contract terms generally ranging from one (1) year to three (3) years.

Revenue from time and material contracts, typically from facilities engineering maintenance and bio-medical engineering maintenance is recognised at the contractual rates as labour hours are delivered and direct expenses incurred.

Revenue from fixed price contracts, typically for the provision of infrastructure facility services, are recognised at contractual rates when the outcome of the claims can be determined with reasonable certainty.

Infrastructure maintenance

The Group provide maintenance service and repair of civil, mechanical and electrical works on roads, infrastructure and expressways works.

Revenue for routine maintenance is recognised based on fixed sum contract, while revenue for work orders is recognised upon completion of work and acceptance by customers. Work orders revenue are based on jointly measured quantities and schedule of rates approved by customer.

Revenue for services rendered for project is recognised by reference to the certified value of services performed to date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(x) Income recognition (cont'd.)

Revenue recognition (cont'd.)

(ii) Sale of properties

Revenue from sale of property development is accounted for using the percentage of completion method as described in Note 2.4(h)(ii).

Revenue from sale of completed property units is recognised upon transfer of risk and rewards.

(iii) Management fees

Management fees for services provided to entities within the Group are recognised on an accrual basis.

(iv) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(v) Other income recognition

Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(y) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 44, including the factors used to identify the reportable segments and the measurement basis of segment information.

(z) Contingencies

A contingent liability is:

(i) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(ii) A present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(z) Contingencies (cont'd.)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statement of financial positions of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

(aa) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

(i) Revenue recognition for maintenance of civil and pavement works

The Group recognises revenue upon rendering of civil and pavement maintenance services and when services are certified by consultants representing the customers. Management applies its best judgement when determining the final amount claimable from the customers for these certified services and accordingly the amount to be recognised as revenue.

In applying the judgement, management relied on previous historical trends and experiences which validated the appropriateness of recognising approximately 90% revenue from the certified claims submitted to the customers.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Consultancy contracts

The Group recognises revenue and costs from consultancy contracts based on the percentage of completion method and after due allowance for any irrecoverable amounts. This requires an estimation of the stage of completion based on the progress of the contract work done as at year end. In making such estimation, management, amongst other factors, considers past experiences and inputs from internal and external specialists. Further details on consultancy contracts are disclosed in Note 21(d).

(ii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the 'value in use' of the CGU to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill at 31 December 2014 was RM461,287,000 (2013: RM454,859,000). Further details are disclosed in Note 16.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Significant accounting judgements and estimates (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(iii) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 21.

Amount due from a debtor in Abu Dhabi of RM23,387,000 (AED24,566,000) (2013: RM21,925,000 (AED24,566,000)) is estimated by management to be not recoverable (2013: receivable in 2015). If the amount is estimated to be receivable in 2016, trade receivables of the Group will increase by RM21,655,000 (2013: trade receivable will be further impaired by RM1,475,000).

(iv) Depreciation of property, plant and equipment

The cost of property, plant and equipment of Group is depreciated on a straight-line basis over the assets' useful lives, estimated to be within 5 to 15 years. These are common life expectancies applied within the Group's industry. Changes in the expected level of usage and technological developments would impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If the useful lives of these property, plant and equipment vary by 1 year from management's estimates, the Group's depreciation charges will vary by RM6,244,000 (2013: RM5,884,000).

(v) Property development

The Group recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group relies on past experience and the work of specialists.

As at 31 December 2014, Faber Antara development is estimated to be 13% (2013: 4%) completed.

The carrying amount of assets and liabilities of the Group arising from property development activities are disclosed in Note 14. A 10% difference in the estimated total property development revenue or costs would result in approximately 0.02% (2013: 0.13%) variance in the Group's revenue and 0.02% (2013: 0.12%) variance in the Group's cost of sales.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Significant accounting judgements and estimates (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(vi) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(vii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The deferred tax assets amounting to RM44,640,000 (2013: RM45,091,000) are mainly related to subsidiaries of which management are confident that it would be probable for the related subsidiaries to generate future taxable profits.

If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by RM6,233,000 (2013: RM3,917,000). Further details are contained in Note 32.

(viii) Pension and other post-employment benefits

The cost of the defined benefit pension scheme and other post benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected rate of returns, future salary increases, mortality rates and future pension costs. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. Further details are contained in Note 25 and Note 26.

(ix) Deferred consideration payable

Deferred consideration payable arose from the acquisition of Opus Stewart Weir ("OSW") in previous year. At each reporting period, the Group assesses the fair value of the deferred consideration payable based on the projected profitability of OSW and considering the current and projected market conditions.

The amount recognised as deferred consideration payable is the net present value of the assessed fair value, using a discount rate appropriate to the cashflow risks associated with the liability.

3. REVENUE

	Group 2014 RM'000	Group 2013 RM'000 (Restated)	Company 2014 RM'000	Company 2013 RM'000
Asset development and asset management consultancy	**1,634,939**	1,351,136	**–**	–
Integrated facilities management:				
– concession	**650,922**	617,847	**–**	–
– non-concession	**22,393**	36,034	**–**	–
Infrastructure maintenance	**762,244**	660,250	**–**	–
Sale of properties	**18,789**	34,385	**–**	–
Management fees	**–**	–	**6,480**	7,800
Dividend income:				
– subsidiaries	**–**	–	**357,305**	60,825
	3,089,287	2,699,652	**363,785**	68,625

4. COST OF SALES

	Group 2014 RM'000	Group 2013 RM'000 (Restated)
Asset development and asset management consultancy	**929,523**	740,446
Integrated facilities management:		
– concession	**525,584**	485,307
– non-concession	**17,218**	14,216
Infrastructure maintenance	**623,140**	554,573
Costs of properties sold:		
– property development costs (Note 14(b))	**11,539**	9,189
– completed property held for sale	**–**	11,342
– other incidental costs	**987**	1,518
	2,107,991	1,816,591

5. OTHER INCOME

Included in other income are:

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Dividend income from investment securities	**11,802**	8,097	**–**	–
Interest income from:				
– fixed deposits	**20,581**	18,118	**2,540**	951
– fair value gain on initial recognition of financial liabilities	**–**	922	**–**	–
License and commission fees from an associate	**811**	631	**–**	–
Rental income	**30**	504	**–**	–
Fair value gain on				
– investment securities	**238**	–	**–**	–
– step up acquisition of a joint venture to subsidiary (Note 17(a)(ii))	**1,230**	–	**–**	–
Gain on dissolution of a subsidiary	**61**	–	**–**	–
Gain on a bargain purchase (Note 17(a)(iv))	**–**	912	**–**	–
Reversal of deferred consideration payable arising from acquisition of a subsidiary (Note 31(d))	**30,752**	–	**–**	–
Liquidated and ascertained damages from subcontractors	**2,258**	–	**–**	–
Settlement of litigation (Note 48(b))	**1,300**	–	**–**	–
Realised net foreign exchange gain	**49**	493	**–**	–

6. FINANCE COSTS

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Interest expense on:				
– Loan from corporate shareholder of a subsidiary	**3**	36	**–**	–
– Bank borrowings and overdrafts	**11,803**	9,132	**904**	–
Finance lease liabilities	**584**	414	**–**	–
Commitment fees	**348**	303	**–**	–
Bank charges	**1,545**	1,195	**–**	–
	14,283	11,080	**904**	–

7. PROFIT BEFORE TAX

The following amounts have been included at arriving at profit before tax:

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Employee benefits expense (Note 8)	**1,165,435**	1,027,744	**14,462**	13,725
Non-executive directors' remuneration excluding benefits-in-kind (Note 9)	**2,021**	2,558	**785**	972
Auditors' remuneration:				
– statutory	**2,183**	2,266	**104**	88
– under/(over)provision in prior year	**15**	12	**(1)**	(3)
– others	**646**	506	**–**	–
Operating leases:				
– minimum lease payments of premises	**55,993**	48,187	**1,165**	748
– minimum lease payments of motor vehicles	**18,231**	16,334	**–**	–
– minimum lease payments of plant and machineries	**3,299**	3,021	**54**	63
Amortisation of:				
– prepaid land lease payment (Note 15)	**87**	87	**–**	–
– intangible assets (Note 16)	**4,152**	2,223	**18**	26
Depreciation of property, plant and equipment (Note 13)	**43,914**	36,912	**764**	466
Impairment of plant and equipment (Note 13)	**2,934**	2,599	**–**	–
Net loss/(gain) on disposal of plant and equipment	**2**	373	**(10)**	14
(Reversal)/provision for sinking fund (Note 27(d))	**(28)**	11	**–**	–
Provision for late delivery charges (Note 27(c))	**1,632**	–	**–**	–
Property, plant and equipment written off (Note 13)	**3,633**	574	**230**	–
Intangible assets written off	**–**	1	**–**	–
Impairment on financial asset:				
– Trade and other receivables (Note 21)				
– Non-current	**19,423**	2,902	**–**	–
– Current	**17,017**	6,047	**5,369**	2,877
Reversal of impairment on financial asset:				
– Trade and other receivables (Note 21)	**(3,538)**	(4,618)	**–**	–
Fair value loss on investment securities	**–**	1,389	**–**	–
Bad debts written off	**1,043**	279	**–**	–
Write down/(reversal of write-down) of inventories	**705**	(44)	**–**	–
Loss on disposal of a subsidiary (Note 17(b))	**–**	82	**–**	–
Impairment loss on goodwill (Note 16)	**17,893**	–	**–**	–

8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Wages and salaries	**975,038**	860,822	**11,496**	11,335
Contributions to statutory Employees Provident Fund ("EPF")	**77,832**	69,320	**1,264**	1,292
Social security contributions	**2,990**	2,601	**55**	55
Defined retirement benefit obligations (Note 25)	**264**	(760)	**–**	–
Decrease in liability for defined benefit pension plan (Note 26)	**(1,308)**	(701)	**–**	–
Expense/(income) of equity-settled share-based payment	**84**	(127)	**–**	–
Employees' service entitlements (Note 27(b))	**1,138**	2,180	**–**	–
Other benefits	**109,397**	94,409	**1,647**	1,043
	1,165,435	1,027,744	**14,462**	13,725

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration excluding benefits-in-kind amounting to RM4,674,000 (2013: RM3,835,000) and RM1,906,000 (2013: RM928,000) respectively as further disclosed in Note 9.

9. DIRECTORS' REMUNERATION

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Directors of the Company				
Executive				
Salaries and other emoluments	**901**	646	**901**	646
Bonus	**542**	162	**542**	162
Contributions to defined contribution plans	**216**	120	**216**	120
Benefits-in-kind	**99**	99	**99**	99
Others	**247**	–	**247**	–
	2,005	1,027	**2,005**	1,027
Non-Executive				
Fees	**1,645**	1,626	**785**	972
Benefits-in-kind	**61**	63	**61**	63
	1,706	1,689	**846**	1,035

9. DIRECTORS' REMUNERATION (CONT'D.)

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000 (Restated)	RM'000	RM'000
Other Directors of subsidiaries				
Executive				
Salaries and other emoluments	**1,619**	1,668	**–**	–
Bonus	**690**	736	**–**	–
Contributions to defined contribution plans	**307**	337	**–**	–
Allowances	**152**	166	**–**	–
Benefits-in-kind	**36**	41	**–**	–
	2,804	2,948	**–**	–
Non-Executive				
Fees	**376**	932	**–**	–
	376	932	–	–
Total	**6,891**	6,596	**2,851**	2,062
Total excluding benefits-in-kind	**6,695**	6,393	**2,691**	1,900
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 8)	**4,674**	3,835	**1,906**	928
Total non-executive directors' remuneration excluding benefits-in-kind (Note 7)	**2,021**	2,558	**785**	972
Total directors' remuneration excluding benefits-in-kind	**6,695**	6,393	**2,691**	1,900

9. DIRECTORS' REMUNERATION (CONT'D.)

The number of directors of the Company whose total remunerations during the year fell within the following bands is analysed below:

	No. of Directors 2014	2013
Executive directors:		
RM750,001 – RM800,000	**1**	–
RM1,000,001 – RM1,050,000	**–**	1
RM1,200,001 – RM1,250,000	**1**	–
Non-executive directors:		
Below RM50,000	**1**	–
RM50,001 – RM100,000	**–**	5
RM100,001 – RM150,000	**3**	4
RM150,001 – RM200,000	**1**	2
RM200,001 – RM250,000	**–**	–
RM250,001 – RM300,000	**2**	1
RM600,001 – RM650,000	**1**	–

10. INCOME TAX EXPENSE

Major components of income tax expense

Major components of income tax expense for the years ended 31 December 2014 and 2013 are:

	Group 2014 RM'000	Group 2013 RM'000 (Restated)	Company 2014 RM'000	Company 2013 RM'000
Income Statement				
Current income tax:				
– Malaysian income tax	**62,974**	60,807	**–**	–
– Foreign tax	**24,564**	27,461	**–**	–
	87,538	88,268	**–**	–
(Over)/under provision of income tax in prior years:				
– Malaysian income tax	**(8,580)**	(3,152)	**50**	(747)
– Foreign tax	**(1,517)**	(2,535)	**–**	–
	(10,097)	(5,687)	**50**	(747)
	77,441	82,581	**50**	(747)

10. INCOME TAX EXPENSE (CONT'D.)

Major components of income tax expense (cont'd.)

Major components of income tax expense for the years ended 31 December 2014 and 2013 are: (cont'd.)

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		(Restated)		
Income Statement (cont'd.)				
Deferred tax (Note 32):				
– Relating to origination and reversal of temporary differences	**(477)**	(3,564)	**–**	–
– Relating to changes in tax rates	**316**	989	**–**	–
– Under provision in prior years	**1,783**	3,357	**–**	–
	1,622	782	**–**	–
Income tax recognised in profit or loss	**79,063**	83,363	**50**	(747)
Statement of Other Comprehensive Income				
Deferred tax related to items recognised during the year:				
– Remeasurement (loss)/gain on Defined Benefit Pension Scheme	**(417)**	1,006	**–**	–

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year. The domestic income tax will be reduced to 24% from the current year's rate of 25%, effective year of assessment 2016. The computation of deferred tax as at 31 December 2014 has effected these changes.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Profit derived from overseas branch operations are not subject to Malaysian tax.

10. INCOME TAX EXPENSE (CONT'D.)

Reconciliation between tax expense and accounting profits

A reconciliation of income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2014 and 2013 are as follows:

	2014 RM'000	2013 RM'000 (Restated)
Group		
Profit before tax	**324,462**	317,163
Less: Zakat	**(3,490)**	(3,950)
	320,972	313,213
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	**80,243**	78,303
Share of profit of joint ventures	**(14)**	(603)
Share of (loss)/profit of associates	**122**	(349)
Income not subject to tax	**(14,946)**	(2,554)
Foreign income not subject to tax	**(162)**	(3,116)
Non-deductible expenses	**19,170**	11,689
Different tax rates in other countries	**331**	1,144
Effect of changes in tax rates on deferred tax (Note a)	**316**	989
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**–**	(24)
Deferred tax assets not recognised during the year		
– Malaysian subsidiaries	**2,317**	214
Under provision of deferred tax in prior years	**1,783**	3,357
Overprovision of income tax expense in prior years	**(10,097)**	(5,687)
Income tax expense recognised in profit or loss	**79,063**	83,363

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

Note a:

The effect of the change in tax rate includes the impact on the deferred tax asset from the progressive changes in the United Kingdom tax rate from 21% to 20% effective 1 April 2015 (2013: 24% to 21%). Both changes were enacted during the year ended 31 December 2013.

10. INCOME TAX EXPENSE (CONT'D.)

Reconciliation between tax expense and accounting profits (cont'd.)

A reconciliation of income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2014 and 2013 are as follows: (cont'd.)

	2014 RM'000	2013 RM'000
Company		
Profit before tax	**331,569**	48,381
Less: Zakat	**(814)**	(427)
	330,755	47,954
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	**82,689**	11,989
Non-deductible expenses	**6,637**	3,433
Income not subject to tax – tax exempt dividend	**(89,326)**	(15,206)
Income not subject to tax	**–**	(216)
Under/(over) provision of income tax in prior years	**50**	(747)
Income tax expense/(benefit) recognised in profit or loss	**50**	(747)

11. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year held by the Company.

	Group 2014 RM'000	Group 2013 RM'000 (Restated)
Profit attributable to owners of the parent	**202,386**	190,430

	Number of shares '000	Number of shares '000 (Restated)
Weighted average number of ordinary shares in issue	**813,501**	813,501

11. EARNINGS PER SHARE (CONT'D.)

Basic earnings per share amounts are calculated by dividing profit for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year held by the Company. (cont'd.)

	Group	
	Sen	Sen (Restated)
Basic earning per share:	**24.9**	23.4

For the purpose of calculating diluted earnings per share, the profit for the year attributable to owners of the parent has been adjusted for the dilutive effects of the potential ordinary shares of a subsidiary, Opus International Consultants Limited ("Opus IC").

	Group	
	2014 RM'000	2013 RM'000
Profit attributable to owners of the parent	**202,386**	190,430
Profit net of tax of Opus IC attributable to non-controlling interests arising from potential dilution of equity shareholding in Opus IC upon exercise of options	**(656)**	(766)
Diluted profit attributable to owners of the parent	**201,730**	189,664
	Number of shares '000	**Number of shares '000 (Restated)**
Weighted average number of ordinary shares in issue	**813,501**	813,501
	Sen	**Sen (Restated)**
Diluted earning per share:	**24.8**	23.3

The acquisition of Opus and Propel (Note 17(a)(i)) was accounted for using the pooling of interest method where the income statement of the Group reflects the results of the combining entities for the full year, irrespective of when the combination took place. In this regard, for the computation of earnings per share, the shares issued to acquire the combining entities are assumed to have been issued since the earliest financial year presented.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

12. DIVIDENDS

	Group and Company			
	Amount		Net Dividends per Ordinary Share	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**Sen**	**Sen**
Recognised during the financial year:				
Final dividend for 2012:				
10.00 sen less 25% taxation on 363,001,053 ordinary shares, of RM0.25 each, declared on 25 February 2013 and paid on 24 July 2013	**–**	27,225	**–**	7.50
Single-tier final dividend for 2013:				
10.00 sen on 363,001,053 ordinary shares of RM0.25 each, declared on 28 February 2014 and paid on 22 July 2014	**36,300**	–	**10.00**	–
Single-tier special Interim dividend for 2014:				
18.00 sen on 813,501,053 ordinary shares of RM0.25 each, declared on 12 December 2014 and paid on 22 January 2015	**146,430**	–	**18.00**	–
	182,730	27,225	**28.00**	7.50

At the forthcoming Annual General Meeting, a single tier final dividend in respect of the financial year ended 31 December 2014, of 5.00 sen on 815,501,053 ordinary shares of RM0.25 each, amounting to a dividend payable of RM40,675,053 will be proposed for shareholder's approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

13. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery, equipment, furniture, fittings, office equipment, motor vehicles and computers RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2014						
Cost						
At 1 January 2014	2,307	804	13,642	492,881	172	509,806
Acquisition of subsidiaries	–	–	–	683	–	683
Additions	–	2,209	58	59,831	762	62,860
Transfer from inventories	–	4,404	10,509	–	–	14,913
Disposals	–	–	–	(28,009)	–	(28,009)
Transfer	–	–	(4,578)	5,143	(565)	–
Written off	–	–	–	(17,514)	–	(17,514)
Exchange differences	(73)	–	(131)	(620)	–	(824)
At 31 December 2014	2,234	7,417	19,500	512,395	369	541,915
Accumulated depreciation and impairment loss						
At 1 January 2014	–	11	1,070	341,381	–	342,462
Charge for the year (Note 7)	–	11	190	43,713	–	43,914
Disposals	–	–	–	(21,373)	–	(21,373)
Written off	–	–	–	(13,881)	–	(13,881)
Impairment loss recognised in profit or loss (Note 7)	–	–	–	2,934	–	2,934
Exchange differences	–	–	113	(359)	–	(246)
At 31 December 2014	–	22	1,373	352,415	–	353,810
Net carrying amount						
At 31 December 2014	2,234	7,395	18,127	159,980	369	188,105

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group (cont'd.)	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery, equipment, furniture, fittings, office equipment, motor vehicles and computers RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2013 (Restated)						
Cost						
At 1 January 2013	1,501	–	4,979	446,317	279	453,076
Acquisition of subsidiaries	729	804	7,318	14,138	–	22,989
Additions	57	–	1,110	58,389	94	59,650
Disposals	–	–	–	(16,357)	–	(16,357)
Transfer	–	–	–	175	(175)	–
Written off	–	–	–	(5,676)	(2)	(5,678)
Disposal of a subsidiary	–	–	–	(8,451)	(24)	(8,475)
Reclassified to intangible assets (Note 16)	–	–	–	(24)	–	(24)
Exchange differences	20	–	235	4,370	–	4,625
At 31 December 2013 (Restated)	2,307	804	13,642	492,881	172	509,806
Accumulated depreciation and impairment loss						
At 1 January 2013	–	–	862	322,894	–	323,756
Charge for the year (Note 7)	–	11	163	36,738	–	36,912
Disposals	–	–	–	(15,604)	–	(15,604)
Written off	–	–	–	(5,104)	–	(5,104)
Impairment loss recognised in profit or loss (Note 7)	–	–	–	2,599	–	2,599
Disposal of a subsidiary	–	–	–	(4,765)	–	(4,765)
Exchange differences	–	–	45	4,623	–	4,668
At 31 December 2013 (Restated)	–	11	1,070	341,381	–	342,462
Net carrying amount						
At 31 December 2013 (Restated)	2,307	793	12,572	151,500	172	167,344

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company	Leasehold land RM'000	Buildings RM'000	Equipment, furniture, fittings and motor vehicles RM'000	Total RM'000
At 31 December 2014				
Cost				
At 1 January 2014	–	–	4,494	4,494
Additions	9,823	15,611	1,986	27,420
Disposal	–	–	(240)	(240)
Written off	–	–	(1,356)	(1,356)
At 31 December 2014	9,823	15,611	4,884	30,318
Accumulated depreciation				
At 1 January 2014	–	–	3,522	3,522
Charge for the year (Note 7)	–	–	764	764
Disposal	–	–	(240)	(240)
Written off	–	–	(1,126)	(1,126)
At 31 December 2014	–	–	2,920	2,920
Net carrying amount	9,823	15,611	1,964	27,398
At 31 December 2013				
Cost				
At 1 January 2013	–	–	4,555	4,555
Additions	–	–	161	161
Disposal	–	–	(222)	(222)
At 31 December 2013	–	–	4,494	4,494
Accumulated depreciation				
At 1 January 2013	–	–	3,263	3,263
Charge for the year (Note 7)	–	–	466	466
Disposal	–	–	(207)	(207)
At 31 December 2013	–	–	3,522	3,522
Net carrying amount	–	–	972	972

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(a) The net carrying amount of property, plant and equipment of the Group charged to a bank for banking facilities (Note 28(c)) are as follows:

	Group	
	2014 RM'000	2013 RM'000
Plant and equipment	**53,915**	61,608

(b) Net carrying amounts of plant and equipment held under finance lease arrangement are as follows:

	Group	
	2014 RM'000	2013 RM'000
Equipment	**11,815**	8,770

Details of the terms and conditions of the finance lease arrangement is disclosed in Note 29.

(c) During the year, the Group and the Company acquired property, plant and equipment by way of:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash payment	**48,606**	51,480	**3,533**	161
Finance lease arrangements	**8,692**	86	**–**	–
Other payables	**5,562**	8,084	**23,887**	–
	62,860	59,650	**27,420**	161

(d) During the year, impairment loss of RM2,934,000 represented the write down of certain property, plant and equipment in the integrated facilities management segment to its recoverable amount. The recoverable amount of RM36,848,000 was determined based on its market value by independent valuer. This impairment was recognised in the income statement.

14. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

Group	Land RM'000	Development expenditure RM'000	Total RM'000
At 31 December 2014			
At cost			
At 1 January 2014/31 December 2014	**830**	**6,674**	**7,504**
Accumulated impairment			
At 1 January 2014/31 December 2014	**51**	**6,338**	**6,389**
Carrying amount at 31 December 2014	**779**	**336**	**1,115**
At 31 December 2013			
At cost			
At 1 January 2013	830	6,670	7,500
Additions	–	4	4
At 31 December 2013	830	6,674	7,504
Accumulated impairment			
At 1 January 2013/31 December 2013	51	6,338	6,389
Carrying amount at 31 December 2013	779	336	1,115

14. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D.)

(b) Property development costs

Group	Land RM'000	Development expenditure RM'000	Total RM'000
At 31 December 2014			
Cumulative property development costs			
At 1 January 2014	**19,485**	**74,195**	**93,680**
Costs incurred during the year	**–**	**26,734**	**26,734**
Reversal of completed projects	**(985)**	**(72,970)**	**(73,955)**
At 31 December 2014	**18,500**	**27,959**	**46,459**
Cumulative costs recognised in income statement			
At 1 January 2014	**(259)**	**(21,465)**	**(21,724)**
Recognised during the year (Note 4)	**(438)**	**(11,101)**	**(11,539)**
Reversal of completed projects	**985**	**72,970**	**73,955**
Unsold units transferred to inventories	**(790)**	**(44,736)**	**(45,526)**
At 31 December 2014	**(502)**	**(4,332)**	**(4,834)**
Property development costs at 31 December 2014	**17,998**	**23,627**	**41,625**
At 31 December 2013			
Cumulative property development costs			
At 1 January 2013	19,485	43,328	62,813
Costs incurred during the year	–	30,867	30,867
At 31 December 2013	19,485	74,195	93,680
Cumulative costs recognised in income statement			
At 1 January 2013	(120)	(12,415)	(12,535)
Recognised during the year (Note 4)	(139)	(9,050)	(9,189)
At 31 December 2013	(259)	(21,465)	(21,724)
Property development costs at 31 December 2013	19,226	52,730	71,956

15. PREPAID LAND LEASE PAYMENTS

	Group	
	2014	2013
	RM'000	RM'000
Cost		
At 1 January/31 December	**4,320**	4,320
Accumulated amortisation		
At 1 January	**909**	822
Amortisation for the year (Note 7)	**87**	87
At 31 December	**996**	909
Net carrying amount	**3,324**	3,411
Amount to be amortised		
Not later than one year	**87**	87
Later than one year but not later than five years	**348**	348
Later than five years	**2,889**	2,976

Leasehold land with an aggregate carrying value of RM2,437,000 (2013: RM2,514,000) are pledged as securities for banking facilities (Note 28(c)).

16. INTANGIBLE ASSETS

Group	Goodwill RM'000 Note a	Customer relationship RM'000 Note b	Software RM'000 Note c	Total RM'000
Cost				
At 1 January 2013	323,814	–	51,745	375,559
Acquisitions of subsidiaries (Note 17(a)(iii) and (iv))	133,622	–	4,739	138,361
Additions	–	–	4,369	4,369
Disposal	–	–	(1,567)	(1,567)
Write off	–	–	(94)	(94)
Reclassified from property, plant and equipment (Note 13)	–	–	24	24
Exchange difference	(2,577)	–	1,099	(1,478)
At 31 December 2013 (Restated)	**454,859**	**–**	**60,315**	**515,174**
Acquisitions of subsidiaries (Note 17(a)(ii))	**2,560**	**–**	**139**	**2,699**
Additions	**–**	**4,213**	**4,953**	**9,166**
Disposal	**–**	**–**	**(743)**	**(743)**
Finalisation of goodwill from previous acquisition:				
– Reclassified from investment in joint ventures (Note 18(a))	**20,686**	**–**	**–**	**20,686**
– Additional payment	**7,820**	**–**	**–**	**7,820**
Exchange difference	**(6,745)**	**34**	**(29)**	**(6,740)**
At 31 December 2014	**479,180**	**4,247**	**64,635**	**548,062**
Accumulated amortisation and impairment				
At 1 January 2013	–	–	49,297	49,297
Amortisation during the year (Note 7)	–	–	2,223	2,223
Disposal	–	–	(1,562)	(1,562)
Write off	–	–	(93)	(93)
Exchange difference	–	–	1,749	1,749
At 31 December 2013 (Restated)	**–**	**–**	**51,614**	**51,614**
Amortisation during the year (Note 7)	**–**	**459**	**3,693**	**4,152**
Impairment loss (Note 7)	**17,893**	**–**	**–**	**17,893**
Disposal	**–**	**–**	**(743)**	**(743)**
Exchange difference	**–**	**27**	**147**	**174**
At 31 December 2014	**17,893**	**486**	**54,711**	**73,090**
Net carrying amount				
At 31 December 2014	**461,287**	**3,761**	**9,924**	**474,972**
At 31 December 2013 (Restated)	454,859	–	8,701	463,560

16. INTANGIBLE ASSETS (CONT'D.)

Company	Software RM'000
Cost	
At 1 January 2013	415
Additions	21
At 31 December 2013	436
At 1 January 2014	**436**
Additions	**4**
At 31 December 2014	**440**
Accumulated amortisation	
At 1 January 2013	380
Amortisation for the year (Note 7)	26
At 31 December 2013	406
At 1 January 2014	**406**
Amortisation for the year (Note 7)	**18**
At 31 December 2014	**424**
Net carrying amount	
At 31 December 2014	**16**
At 31 December 2013	30

16. INTANGIBLE ASSETS (CONT'D.)

(a) Goodwill

Impairment testing of goodwill

Goodwill is allocated and monitored by management across the following cash generating units ("CGU"):

	2014 RM'000	2013 RM'000
Asset development and asset management consultancy		
New Zealand	**32,270**	31,846
United Kingdom	**41,121**	41,222
Canada	**205,746**	179,921
Australia	**40,160**	59,880
Malaysia	**38,636**	38,636
Integrated facilities management	**26,982**	26,982
Infrastructure maintenance	**76,372**	76,372
	461,287	454,859

Goodwill is tested for impairment on an annual basis by comparing the carrying amount of the CGU with their respective recoverable amounts, which is based on value in use. The value in use is determined by discounting future cash flows over a period of three or five years including a terminal value. The future cash flows are based on management's future business plan, which is the best estimate of immediate future performance.

For the integrated facilities management unit, the value in use is determined by discounting cash flows covering a ten-year period over the concession period.

Key assumption used in value-in-use calculation

The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flows beyond the projection period are as follows:

	Projection period	Pre-tax discount rate		Growth rate	
		2014	2013	2014	2013
	Years	%	%	%	%
Asset development and asset management consultancy					
New Zealand	5	**12.3**	12.3	**2.5**	2.5
United Kingdom	3	**11.2**	11.2	**2.5**	2.5
Canada	3	**12.3**	12.3	**2.5**	2.5
Australia	3	**15.1**	15.1	**2.0**	2.0
Malaysia	3	**10.4**	10.4	**3.0**	3.0
Integrated facilities management	10	**11.3**	11.7	*****	*
Infrastructure maintenance	3	**10.9**	10.9	**3.0**	3.0

16. INTANGIBLE ASSETS (CONT'D.)

(a) Goodwill (cont'd.)

Key assumption used in value-in-use calculation (cont'd.)

* Future cash flows for the integrated facilities management unit are estimated covering the concession period of ten years with no terminal values.

The calculation of the value in use for the CGUs are most sensitive to the following assumptions:

(i) Budgeted gross margin
The basis used to determine the value assigned to the budgeted gross margins is the average gross margins and average growth rate achieved in the years before the budgeted year, adjusted for market and economic conditions and internal resource efficiency.

(ii) Pre-tax discount rate
The pre-tax discount rates reflect the current market assessment of the risks specific to each CGU. This reflected the management's best estimate of return on capital employed required in the Group.

(iii) Growth rate
Growth rate used to extrapolate cash flows beyond the budget period is based on published industry research for each business.

Impairment loss recognised

Asset development and asset management consultancy – Australia

Arising from the impairment testing, an impairment loss of RM17,893,000 was recognised against the carrying amount of goodwill attributable to the asset development and asset management consultancy CGU in Australia due to reduced growth and trading prospects in the current financial year. The impairment loss was recognised after determining the value in use of the CGU of RM62,483,000, calculated based on, amongst others, the key assumptions as disclosed above.

Sensitivity to changes in assumptions

Management believes that no reasonable possible change in any of the above key assumptions would cause the recoverable amount of each of the CGUs to be materially lower than its respective carrying amount, other than the Australian CGU, as follows:

Earnings before interest and tax ("EBIT") sensitivity - A decrease of 25% in EBIT will result in a further impairment in the Australian CGU by RM15,592,000.

Discount rate sensitivity - An increase of 10% in discount rate will result in a further impairment in the Australian CGU by RM6,813,000.

Growth rate sensitivity - A decrease of 10% in growth rate will result in a further impairment in the Australian CGU by RM1,247,000.

16. INTANGIBLE ASSETS (CONT'D.)

(b) Customer relationship

During the financial year, the Group via its subsidiary, Opus International Consultants Limited ("Opus IC") acquired the business of a New South Wales based survey, civil engineering and water design firm in Sydney. The total payment for the business was RM3.28 million (NZD1.2 million) in cash consideration, RM546,000 (NZD0.2 million) in shares and RM546,000 (NZD0.2 million) in deferred payment dependent on meeting certain performance criteria. This acquisition of the business resulted in the recognition of a customer relationship intangible asset of NZD1.555 million (RM4.213 million) and will be amortised over 7 years.

(c) Software

Computer software represents licences and other software assets that are not an integral part of property, plant and equipment assets. Sofware assets are recorded at cost and have finite useful life based on the term of the licence or other contractual basis. The cost is amortised over the asset's useful life.

17. INVESTMENT IN SUBSIDIARIES

	Company	
	2014	**2013**
	RM'000	**RM'000**
Unquoted shares at cost:		
– Malaysian subsidiaries	**1,977,480**	338,570
– Foreign subsidiaries	**418**	418
	1,977,898	338,988
Less: Accumulated impairment	**(191,106)**	(191,106)
	1,786,792	147,882

Further details of the subsidiaries are disclosed in Note 45.

(a) Acquisitions

Current financial year

(i) Acquisitions of Opus and Propel

On 18 April 2014, the Company entered into a conditional share sale agreement ("SSA") with UEM Group Bhd ("UEMG") to acquire:

- 100% equity interest in Opus for a total consideration of RM651 million to be settled via the issuance of 325.5 million new ordinary share of the Company at an issue price of RM2 per share; and
- 100% equity interest in Propel for a total consideration of RM500 million to be settled by a combination of cash of RM250 million and the issuance of 125 million new ordinary share of RM0.25 of the Company at an issue price of RM2 per share.

(Collectively known as "Acquisitions")

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisitions (cont'd.)

Current financial year (cont'd.)

(i) Acquisitions of Opus and Propel (cont'd.)

On 17 October 2014, all conditions precedent to the SSA have been fulfilled and/or waived rendering the Acquisitions to be completed.

The Acquisitions was accounted for using the pooling-of-interest method whereby the results of the subsidiaries acquired are presented as if the combination had been effected throughout the current and previous financial periods. The assets and liabilities acquired are accounted for based on the carrying amount from the perspective of the common control shareholder at the date of transfer.

The result, assets and liabilities of the subsidiaries that have been accounted for under the pooling-of-interest method are as follows:

	Group	
	2014 RM'000	**2013 RM'000**
Revenue	**2,420,256**	2,028,427
Profit before tax	**262,278**	210,027
Profit for the year	**202,038**	150,868
Total assets	**1,703,885**	1,658,575
Total liabilities	**838,221**	795,443

(ii) Acquisition of Stewart Weir Bennet Land Surveying Limited ("SWBL")

On 30 May 2014, the Group via its subsidiary, Opus IC acquired the remaining 50.9% of the ordinary share capital of SWBL, a British Columbia based land surveying consultancy firm, resulting in SWBL becoming a wholly owned subsidiary of the Group.

The fair values of the identifiable assets and liabilities of SWBL as at the date of acquisition were:

	RM'000
Property, plant and equipment (Note 13)	683
Intangible assets	139
Trade and other receivables	2,573
Cash and bank balances	1,175
Trade and other payables	(2,288)
Income tax recoverable	582
Deferred tax liabilities (Note 32)	(60)
Net identifiable assets	2,804
Fair value of pre-existing 50% interest in SWBL	2,682
Total consideration in cash	2,682
Goodwill on acquisition	2,560

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisitions (cont'd.)

Current financial year (cont'd.)

(ii) Acquisition of Stewart Weir Bennet Land Surveying Limited ("SWBL") (cont'd.)

The effect of the acquisition on cash flows is as follows:

	2014 RM'000
Cost of the business combination settled in cash	2,682
Less: Cash and cash equivalents of subsidiary acquired	(1,175)
Net cash outflow on acquisition	1,507

The fair value of the trade and other receivables equals to the gross amount of trade and other receivables of RM2,573,000. None of the trade and other receivables have been impaired and it is expected that the full contractual amounts can be collected.

There is no contingent liability recognised as at the acquisition date.

The acquired subsidiary has contributed the following results to the Group since acquisition:

	2014 RM'000
Revenue	7,530
Profit for the year	627

The acquisition resulted in a fair value gain of RM1,230,000 due to the remeasurement of the Group's existing investment in SWBL to its fair value.

If the acquisition of the above subsidiary had occured on 1 January 2014, the Group's revenue and profit for the year would have been RM3,091,796,000 and RM241,524,000 respectively.

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisitions (cont'd.)

Previous financial year

(iii) Acquisition of Opus Stewart Weir Limited ("OSW") and its subsidiaries

On 3 September 2013, the Group via its subsidiary, Opus IC acquired 100% of the ordinary share capital of a Canadian based land surveying, engineering and environmental consultancy firm, OSW and subsidiaries. On the same date, OSW issued Class B shares giving the Group an overall 49.9% holding in OSW. The Class B shares have no voting rights and have no rights to dividends or net assets, therefore giving the Group 100% control over OSW.

The fair values of the identifiable assets and liabilities of OSW and its subsidiaries as at the date of acquisition were:

	RM'000
Property, plant and equipment	18,258
Intangible assets	4,714
Investment in joint ventures	35,005
Trade and other receivables	82,267
Cash and bank balances	897
Income tax recoverable	711
Trade and other payables	(29,773)
Finance leases	(6,729)
Deferred tax liabilities	(1,884)
Net identifiable assets	103,466
Total consideration in cash	237,088
Goodwill on acquisition (Note 16)	(133,622)

The total cost of the business combination was as follows:

The consideration satisfied by:	
– Cash consideration	150,191
– Deferred payment (short term)	8,958
– Deferred payment (long term)	77,939
	237,088

The deferred payment is materially dependant on the three year earnings of the entity. The expected financial outcome has been estimated based on current position of OSW against observable market forecasts for Alberta. The Group's maximum possible undiscounted payment in relation to the deferred consideration is RM124.2 million (NZD48.6 million) whilst the minimum amount is zero.

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisitions (cont'd.)

Previous financial year (cont'd.)

(iii) Acquisition of Opus Stewart Weir Limited ("OSW") and its subsidiaries (cont'd.)

The effect of the acquisition on cash flows was as follows:

	2013 RM'000
The cost of the business combination settled in cash, funded through short term bank borrowings	150,191
Less: Cash and cash equivalents of subsidiary acquired	(897)
Net cash outflow on acquisition	149,294

The acquired subsidiary had contributed the following results to the Group:

	2013 RM'000
Revenue	93,414
Profit for the year	8,611

If the acquisition of the above subsidiary had occured on 1 January 2013, the Group's revenue and profit for the year would have been RM2,869,082,000 and RM237,851,000 respectively.

(iv) Acquisition of Soil Centralab Sdn Bhd ("SCL")

On 15 January 2013, Opus International (M) Berhad ("OIM"), a wholly-owned subsidiary of the Company entered into a sale of shares agreement with UEM Builders Berhad ("UEMB"), a wholly-owned subsidiary of UEM to acquire the entire equity interest in SCL, a company that carries out geotechnical investigation, instrumentation and pavement condition assessment works, at a purchase consideration of RM8 million.

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisitions (cont'd.)

Previous financial year (cont'd.)

(iv) Acquisition of Soil Centralab Sdn Bhd ("SCL") (cont'd.)

The fair values of the identifiable assets and liabilities of SCL as at the date of acquisition were:

	2013 RM'000
Property, plant and equipment	4,731
Intangible assets	25
Trade and other receivables	12,742
Cash and bank balances and short-term deposits	2,371
Trade and other payables	(10,050)
Income tax payable	(402)
Deferred tax liabilities	(505)
Net identifiable assets	8,912
Total consideration in cash	(8,000)
Gain on a bargain purchase	912

The effect of the acquisition on cash flows was as follows:

The cost of the business combination settled in cash	8,000
Less: Cash and cash equivalents of subsidiary acquired	(2,371)
Net cash outflow on acquisition	5,629

The acquired subsidiary has contributed the following full year results to the Group, which also represent the contribution had the acquisition occurred on 1 January 2013. The results of the subsidiary were as follows:

	2013 RM'000
Revenue	37,319
Profit for the year	5,979

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(b) Disposal of Fresh Linen Services (Sarawak) Sdn. Bhd. ("FLS Sarawak")

On 21 November 2013, Faber Medi-Serve Sdn. Bhd. ("FMS"), a wholly owned subsidiary of the Company entered into a share sale agreement ("SSA") with Simfoni Dua Sdn. Bhd. ("SDSB") for the disposal of 385,000 ordinary shares of RM1 each in FLS Sarawak representing 55% of FMS's equity in FLS Sarawak to SDSB for a total cash consideration of RM6,600,000.

The disposal of FLS Sarawak had the following effects on the financial position, performance and cash flows of the Group:

	At date of disposal 2013 RM'000
Property, plant and equipment	3,710
Trade and other receivables	2,584
Cash and cash equivalents	7,498
Deferred tax liabilities (Note 32)	(409)
Retirement benefit obligations (Note 25)	(219)
Trade and other payables	(895)
Tax payable	(120)
	12,149
Less: Non-controlling interest	(5,467)
Net asset disposed	6,682
Loss on disposal of a subsidiary (Note 7)	(82)
Proceeds from disposal of a subsidiary settled by cash	6,600
Less: Cash and cash equivalents of subsidiary disposed	(7,498)
Net cash outflow on disposal of a subsidiary	(898)

(c) Liquidation of subsidiaries

Two wholly owned subsidiaries of the Company, Faber Haulage Sdn. Bhd. and Intensive Quest Sdn. Bhd, completed its Members Voluntary Liquidation in prior year pursuant to Section 254(1)(b) of the Companies Act, 1965. As such, the costs of investments in these subsidiaries were written off against accumulated impairment provided in prior years.

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Summarised financial information

Summarised financial information of Opus International Consultants Limited ("Opus IC"), Healthtronics (M) Sdn. Bhd. ("Healthtronics") and Rimbunan Melati Sdn. Bhd. ("Rimbunan Melati"), which have non-controlling interests that are material to the Group, is set out below. The summarised financial information presented below is the amount before inter-company elimination. The non-controlling interests in respect of other entities within the Group are not material to the Group.

(i) Summarised statements of financial position

	Opus IC		Healthtronics		Rimbunan Melati		Total	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-current assets	**410,517**	420,571	**2,682**	2,375	**15**	2,603	**413,214**	425,549
Current assets	**549,046**	483,446	**87,328**	75,059	**34,892**	74,997	**671,266**	633,502
Total assets	**959,563**	904,017	**90,010**	77,434	**34,907**	77,600	**1,084,480**	1,059,051
Non-current liabilities	**288,464**	263,425	**320**	638	**-**	2,605	**288,784**	266,668
Current liabilities	**260,484**	278,582	**19,012**	19,902	**8,185**	13,618	**287,681**	312,102
Total liabilities	**548,948**	542,007	**19,332**	20,540	**8,185**	16,223	**576,465**	578,770
Net assets	**410,615**	362,010	**70,678**	56,894	**26,722**	61,377	**508,015**	480,281
Equity attributable to owners of the Company	**251,810**	222,514	**42,407**	34,136	**14,697**	33,756	**308,914**	290,406
Non-controlling interests	**158,805**	139,496	**28,271**	22,758	**12,025**	27,621	**199,101**	189,875

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Summarised financial information (cont'd.)

(ii) Summarised statements of comprehensive income

	Opus IC		Healthtronics		Rimbunan Melati		Total	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	**1,460,170**	1,185,735	**121,277**	115,081	**–**	18,369	**1,581,447**	1,319,185
Profit for the year	**70,520**	58,756	**23,804**	22,466	**3,511**	8,078	**97,835**	89,300
Profit attributable to owners of the Company	**43,737**	36,237	**14,282**	13,480	**1,931**	4,443	**59,950**	54,160
Profit attributable to the non-controlling interests	**26,783**	22,519	**9,522**	8,986	**1,580**	3,635	**37,885**	35,140
Other comprehensive income/(loss) attributable to owners of the Company	**5,178**	19,081	**(12)**	(131)	**–**	–	**5,166**	18,950
Other comprehensive income/(loss) attributable to the non-controlling interests	**2,762**	10,774	**(8)**	(87)	**–**	–	**2,754**	10,687
Other comprehensive income/(loss) for the year	**7,940**	29,855	**(20)**	(218)	**–**	–	**7,920**	29,637
Total comprehensive income	**78,460**	88,611	**23,784**	22,248	**3,511**	8,078	**105,755**	118,937
Total comprehensive income attributable to owners of the Company	**48,915**	55,318	**14,270**	13,349	**1,931**	4,443	**65,116**	73,110
Total comprehensive income attributable to the non-controlling interests	**29,545**	33,293	**9,514**	8,899	**1,580**	3,635	**40,639**	45,827
	78,460	88,611	**23,784**	22,248	**3,511**	8,078	**105,755**	118,937
Dividend paid to non-controlling interests	**12,072**	13,255	**4,000**	22,000	**18,000**	30,015	**34,072**	65,270

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Summarised financial information (cont'd.)

(iii) Summarised statements of cash flows

	Opus IC		Healthtronics		Rimbunan Melati		Total	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Net cash generated from operating activities	**86,932**	63,969	**15,609**	55,185	**13,468**	58,666	**116,009**	177,820
Net cash (used in)/ generated from investing activities	**(28,164)**	(179,748)	**(387)**	311	**1,337**	1,308	**(27,214)**	(178,129)
Net cash generating from/(used in) financing activities	**37,168**	33,924	**(10,000)**	(55,000)	**(40,000)**	(66,700)	**(12,832)**	(87,776)
Net increase/ (decrease) in cash and cash equivalents	**95,936**	(81,855)	**5,222**	496	**(25,195)**	(6,726)	**75,963**	(88,085)
Net foreign exchange differences	**1,664**	10,934	**–**	–	**–**	–	**1,664**	10,934
Cash and cash equivalents at beginning of the year	**101,595**	172,516	**33,691**	33,195	**54,541**	61,267	**189,827**	266,978
Cash and cash equivalents at end of the year	**199,195**	101,595	**38,913**	33,691	**29,346**	54,541	**267,454**	189,827

18. INVESTMENT IN JOINT VENTURES AND ASSOCIATES

(a) Investment in joint ventures

	Group	
	2014 RM'000	2013 RM'000 (Restated)
Joint ventures:		
Unquoted shares, at cost	**15,836**	37,037
Share of post-acquisition reserves	**(2,851)**	1,101
	12,985	38,138

18. INVESTMENT IN JOINT VENTURES AND ASSOCIATES (CONT'D.)

(a) Investment in joint ventures (cont'd.)

(i) On 30 May 2014, Opus IC acquired the remaining 50.9% equity interest in Stewart Weir Bennett Land Surveying Ltd ("SWBL") for a total cash consideration of RM2,682,000, resulting SWBL becoming a subsidiary of the Group (Note 17(a)(ii)).

(ii) On 3 September 2013, Opus IC acquired 49.9% interest in Athabaskan Resource Company Limited Partnership ("Athabaskan") and 49.1% interest in SWBL through the acquisition of Opus Stewart Weir Limited ("OSW"). The portion of the purchase price attributed to Athabaskan was RM33.3 million (NZD13.0 million) and SWBL was RM1.7 million (NZD0.7 million) respectively.

Following the finalisation of the purchase price allocation of the acquisition of OSW (Note 17(a)(iii)) within twelve months from the acquisition date, goodwill of RM20,686,000 has been reclassified from investment in Athabaskan to OSW, a subsidiary, during the year.

All joint ventures have been determined to be individually not material to the Group. Further details of the joint ventures are disclosed in Note 45.

The summarised financial information of the aggregated joint ventures, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	2014 RM'000	2013 RM'000 (Restated)
Asset and liabilities		
Current assets	**47,189**	43,150
Non-current assets	**12,373**	11,562
Total assets	**59,562**	54,712
Current liabilities	**33,828**	20,265
Non-current liabilities	**8,738**	1,496
Total liabilities	**42,566**	21,761
Net asset	**16,996**	32,951
Carrying value of Group's interest in joint venture	**12,985**	38,138
Results		
Revenue	**155,430**	54,223
Profit for the year	**3,626**	6,666
Group's share of profit for the year	**57**	2,410

18. INVESTMENT IN JOINT VENTURES AND ASSOCIATES (CONT'D.)

(b) Investment in jointly controlled operations

A subsidiary of the Group, Opus International Consultants (UK) Limited ("Opus IC UK") has a 50% interest in joint operation, working with the joint operation partner Arup on a Client Support Term Contract for road network management services for Hertfordshire County Council (HCC) in the UK, known as the HCC Joint Operation. The Group's share is included as part of the Group's statement of financial position and income statement. The following amounts represent the total assets and liabilities, income and results of the joint operation.

	2014 RM'000	2013 RM'000 (Restated)
Asset and liabilities		
Current assets, representing total assets	**16,877**	18,358
Current liabilities, representing total liabilities	**16,148**	15,054
Net Assets	**729**	3,304
Results		
Revenue	**73,737**	53,293
Expenses	**(70,317)**	(50,623)
Profit after tax	**3,420**	2,670
Proportionate interest in the joint operation's commitments	**1,710**	1,335

There are no contingent liabilities relating to Opus IC UK in the jointly controlled operation.

(c) Investment in associates

	Group	
	2014 RM'000	2013 RM'000
As at 1 January	**4,531**	2,268
Investments	**1,960**	80
Share of (loss)/profit for the year	**(488)**	1,394
Dividend received	**(50)**	(25)
Exchange differences	**117**	814
As at 31 December	**6,070**	4,531

Further details of the associates are disclosed in Note 45.

18. INVESTMENT IN JOINT VENTURES AND ASSOCIATES (CONT'D.)

(c) Investment in associates (cont'd.)

In current financial year, a subsidiary of the Group, FMS Services Sarawak Sdn. Bhd. increased its investment in One Medicare Sdn. Bhd. through the subscription of 1,960,000 new ordinary shares of RM1 each in One Medicare Sdn Bhd at a consideration of RM1,960,000.

Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information represents the amounts in the FRS financial statements of the associate and not the Group's share of those amounts.

(i) Summarised statement of financial position

	Faber Sindoori	
	2014	**2013**
	RM'000	**RM'000**
Non-current assets	**1,752**	1,423
Current assets	**13,832**	13,330
Total assets	**15,584**	14,753
Non-current liabilities	**614**	–
Current liabilities	**6,771**	7,622
Total liabilities	**7,385**	7,622
Net assets	**8,199**	7,131

(ii) Summarised statement of comprehensive income

	Faber Sindoori	
	2014	**2013**
	RM'000	**RM'000**
Revenue	**46,689**	35,084
Profit before tax from continuing operations	**2,205**	3,676
Profit for the year from continuing operations	**1,291**	2,733
Total comprehensive income	**1,291**	2,733
Dividend received from the associates during the year	**50**	25

18. INVESTMENT IN JOINT VENTURES AND ASSOCIATES (CONT'D.)

(c) Investment in associates (cont'd.)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associate

	Faber Sindoori	
	2014	**2013**
	RM'000	**RM'000**
Net assets at 1 January	**8,727**	4,447
Profit for the year	**1,291**	2,733
Dividend from associate	**–**	(49)
Net assets at 31 December	**10,018**	7,131
Interest in associates	**51%**	51%
Additional investment in associate	**–**	814
Carrying value of Group's interest in material associate	**5,109**	4,451

Aggregate information of associates that are not individually material

	2014	**2013**
	RM'000	**RM'000**
The Group's share of loss before tax from continuing operations	**1,146**	–
The Group's share of loss after tax from continuing operations	**1,146**	–

Unrecognised share of losses in associates

	2014	**2013**
	RM'000	**RM'000**
The unrecognised share of loss in associate for the year	**29**	–
Cumulative share of loss in an associate	**1,146**	–

19. OTHER INVESTMENTS

	Group/Company	
	2014	**2013**
	RM'000	**RM'000**
Equity instruments (unquoted shares in Malaysia), at cost	**1,200**	1,200
Less: Accumulated impairment losses	**(1,200)**	(1,200)
Unquoted shares, net	**–**	–
Club memberships	**272**	272
	272	272

20. INVENTORIES

	Group	
	2014	**2013**
	RM'000	**RM'000**
Cost		
Consumables	**4,981**	5,237
Properties held for sale	**38,462**	7,849
Net realisable value		
Consumables	**–**	579
Total	**43,443**	13,665

During the year, the amounts of inventories recognised as expenses in cost of sales of the Group for consumables and properties held for sale were RM77,641,000 and RM nil (2013: RM74,864,000 and RM11,342,000) respectively.

21. TRADE AND OTHER RECEIVABLES

	Group 2014 RM'000	Group 2013 RM'000 (Restated)
Current		
Trade receivables		
Third parties	**381,210**	478,427
Related companies	**70,011**	49,614
	451,221	528,041
Less: Allowance for impairment:		
Third parties	**(39,157)**	(26,757)
Related companies	**(198)**	(134)
	(39,355)	(26,891)
Retention receivables:		
Third parties	**1,445**	294
Related companies	**6,859**	3,248
	8,304	3,542
Trade receivables, net	**420,170**	504,692
Other receivables		
Amounts due from related parties:		
Associate	**1,427**	629
Holding company	**40**	54
Related company	**9**	46
	1,476	729
Deposits	**6,955**	7,285
Sundry receivables	**21,056**	25,134
	29,487	33,148
Less: Allowance for impairment:		
Sundry receivables	**(1,862)**	(1,867)
Associate	**(140)**	(84)
Related company	**(9)**	(9)
	(2,011)	(1,960)
Other receivables, net	**27,476**	31,188

21. TRADE AND OTHER RECEIVABLES (CONT'D.)

	Group 2014 RM'000	Group 2013 RM'000 (Restated)
Other current assets		
Accrued billings:		
Property development	**8,284**	26,256
Infrastructure maintenance	**124,004**	102,411
Due from customers on consultancy contracts	**114,324**	100,132
Tax recoverable	**20,712**	21,273
Prepayments	**16,128**	15,832
Other current assets	**283,452**	265,904
Total	**731,098**	801,784
Non-current		
Trade receivables		
Third parties	**24,431**	24,503
Less: Allowance for impairment:		
Third parties	**(23,466)**	(4,166)
	965	20,337
Retention receivables:		
Third parties	**10,032**	3,230
Related companies	**7,855**	7,430
Trade receivables, net	**18,852**	30,997
Other current assets		
Third parties – liquidated and ascertained damages	**2,258**	–
Total	**21,110**	30,997

21. TRADE AND OTHER RECEIVABLES (CONT'D.)

	Company	
	2014	**2013**
	RM'000	**RM'000**
Current		
Other receivables		
Amounts due from subsidiaries:	**19,445**	16,589
Deposits	**531**	268
Sundry receivables	**439**	2,558
	20,415	19,415
Less: Allowance for impairment:		
Sundry receivables	**(216)**	(216)
Subsidiaries	**(18,088)**	(12,719)
	(18,304)	(12,935)
Other receivables, net	**2,111**	6,480
Other current assets		
Tax recoverable	**389**	1,434
Prepayments	**8**	661
Other current assets	**397**	2,095
Total	**2,508**	8,575

Movements in allowance accounts:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000 (Restated)**	**RM'000**	**RM'000**
At 1 January	**33,017**	31,020	**12,935**	10,058
Charge for the year (Note 7)				
– Non-current	**19,423**	2,902	**–**	–
– Current	**17,017**	6,047	**5,369**	2,877
Acquisition of a subsidiary	**24**	3,150	**–**	–
Reversal of impairment (Note 7)	**(3,538)**	(4,618)	**–**	–
Written off	**(1,074)**	(5,540)	**–**	–
Exchange differences	**(37)**	56	**–**	–
At 31 December	**64,832**	33,017	**18,304**	12,935

21. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2013: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
		(Restated)
Neither past due nor impaired	**221,845**	198,286
1 to 30 days past due not impaired	**76,063**	102,434
31 to 60 days past due not impaired	**58,548**	65,851
61 to 90 days past due not impaired	**24,350**	87,782
91 to 120 days past due not impaired	**31,744**	54,492
More than 121 days past due not impaired	**25,924**	26,297
	216,629	336,856
Impaired	**63,369**	31,604
	501,843	566,746

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. Approximately 24% (2013: 45%) of the Group's trade receivables arose from current receivable balances with the Ministry of Health ("MOH") and losses have occurred infrequently.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM216,629,000 (2013: RM336,856,000) that are past due at the reporting date but not impaired.

These receivables are unsecured. Based on past experience, the management believes that no allowance for impairment is necessary as these debtors are generally slower in their repayment and the Group is still in active trade with these customers.

21. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables (cont'd.)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date are as follows:

Group	Individually impaired 2014 RM'000	2013 RM'000 (Restated)
Trade receivables		
– nominal amounts	**63,369**	31,604
Less: Allowance for impairment	**(62,821)**	(31,057)
	548	547

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Trade receivables (non-current)

Included in the Group's non-current trade receivables is an amount due from a debtor of a foreign subsidiary, which is non-interest bearing, unsecured and is to be paid in cash. The movement of the amount is as follows:

	2014 RM'000	2013 RM'000
Amount due from a debtor of a foreign subsidiary		
At 1 January	**21,925**	20,002
Exchange difference	**1,462**	1,923
At 31 December	**23,387**	21,925
Less: Allowance for impairment		
At 1 January	**(4,043)**	(1,264)
Charged for the year	**(19,344)**	(2,779)
At 31 December	**(23,387)**	(4,043)
Net debt	**–**	17,882

21. TRADE AND OTHER RECEIVABLES (CONT'D.)

(c) Other receivables

Amounts due from related parties/companies

Related companies refer to companies within the UEM group of companies. Amounts due from all related parties are non-interest bearing and repayable on demand. All related parties receivables are unsecured and are to be settled in cash.

During the financial year, the Company had carried out a recoverability assessment on all amounts due from related parties and resulted in the impairment of debts due from subsidiaries of RM5,369,000 (2013: RM2,877,000). These related party balances were non-interest bearing and non trade-related.

Other receivables that are impaired

At the reporting date, the Group and the Company have provided an allowance of RM1,862,000 (2013: RM1,867,000) and RM216,000 (2013: RM216,000) respectively. These mainly relate to balances due from third parties which have been long outstanding.

Further details on related party transactions are disclosed in Note 40.

(d) Other current assets

Customers on consultancy contracts

The amounts due to and from customers on consultancy contracts are analysed as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
		(Restated)
Aggregate costs incurred to date	**1,223,585**	1,082,619
Add: Attributable profits	**110,893**	99,718
	1,334,478	1,182,337
Less: Progress billings	**(1,284,664)**	(1,137,350)
	49,814	44,987
Contract revenue recognised on consultancy contracts during the year	**1,473,884**	1,185,718
Contract costs recognised on consultancy contracts during the year	**835,386**	645,034
Amounts due from customers on consultancy contracts	**114,324**	100,132
Amounts due to customers on consultancy contracts (Note 31)	**64,510**	55,145

22. INVESTMENT SECURITIES

	Group 2014 RM'000	Group 2013 RM'000 (Restated)
Current		
Fair value through profit or loss investments:		
Unquoted unit trusts:		
At cost	**237,467**	249,175
Dividend income, reinvested	**19,644**	12,882
Fair value adjustments	**(187)**	(738)
	256,924	261,319
Market value	**256,924**	261,319

Unquoted unit trusts represent special investment funds invested with licensed fund managers in the Funds approved by the Securities Commissions. The portfolio of investment authorised by the Board of Directors comprises only deposits in both Islamic and conventional instruments with financial institutions.

23. DERIVATIVE FINANCIAL INSTRUMENTS

	Group 2014 RM'000	Group 2013 RM'000 (Restated)
Current		
Forward exchange rate contract:		
– due within 12 months (net settled)	**7,454**	8,971
Non-current		
Forward exchange rate contract:		
– due 12 to 24 months (net settled)	**(410)**	2,807
Interest rate swap:		
– due 12 to 24 months (net settled)	**(27)**	–
	(437)	2,807

23. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D.)

A subsidiary of the Group, Opus IC has twenty three (2013: sixteen) forward exchange rate contracts and one (2013: nil) interest rate swap contract as at 31 December 2014. The notional principal amounts of these forward exchange contracts and interest rate swap contract are RM177.8 million (2013: RM364.3 million) and RM30.1 million (2013: nil) respectively. These are used to partially hedge the Group's foreign currency risk. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 42(f).

24. CASH, BANK BALANCES AND DEPOSITS

	Group		Company	
	2014 RM'000	**2013 RM'000 (Restated)**	**2014 RM'000**	**2013 RM'000**
Cash in hand and at banks	**143,537**	182,281	**103**	1,314
Deposits with:				
– licensed banks	**603,330**	458,505	**3,472**	3,387
– other financial institutions	**65,134**	59,577	**198,281**	48,301
	812,001	700,363	**201,856**	53,002

(a) Included in cash at bank of the Group are the amounts of RM40,182,000 (2013: RM44,598,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and Section 8A of the Housing Development Account (Control and Licensing) Sabah Act, 1978 and are restricted from use in other operations.

(b) Deposits with licensed banks of the Group amounting to RM16,502,000 (2013: RM20,945,000) are on lien for bank guarantee facilities granted to certain subsidiaries. As at 31 December 2014, the subsidiaries have utilised guarantee facilities amounting to RM13,459,000 (2013: RM18,039,000).

(c) Deposits with licensed banks amounting to RM429,250 (2013: RM415,491) are pledged to secure certain facilities granted to the Group.

(d) Deposits with licensed banks of the Company amounting to RM3,472,284 (2013: RM3,387,250) are pledged as securities for bank borrowing granted to a foreign subsidiary.

Other information on financial risks of cash, bank balances and deposits are disclosed in Note 42.

25. RETIREMENT BENEFIT OBLIGATIONS

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees. Under the Scheme, eligible employees are entitled to retirement benefits on attainment of the retirement age of 60 (2013: 60), on medical incapacity or on death. The present value of defined benefit obligation was based on the actuarial valuation report by independent actuarist dated 15 December 2014 (2013: dated 7 January 2014).

The details of the net employee benefits liability are as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
Present value of the defined benefit obligations ("PVDBO")		
At 1 January	**6,437**	6,167
Defined benefit obligations (Note 8)	**264**	(760)
Actuarial loss	**19**	1,557
Contributions paid	**(210)**	(308)
Disposal of a subsidiary (Note 17(b))	**–**	(219)
At 31 December	**6,510**	6,437
Analysis of funded and unfunded PVDBO		
PVDBO from plans that are wholly unfunded	**6,510**	6,437
Analysed as:		
Current	**106**	210
Non-current:		
Later than 1 year but not later than 2 years	**257**	106
Later than 2 years	**6,147**	6,121
	6,404	6,227
	6,510	6,437

25. RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

The details of net employee benefits expense recognised in profit or loss are as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
Current service costs	**275**	255
Past service costs	**(347)**	(1,271)
Interest cost	**336**	256
Net employee benefits expense (Note 8)	**264**	(760)

Total amount recognised in statement of comprehensive income

	Group	
	2014	**2013**
	RM'000	**RM'000**
Cumulative amount of actuarial loss recognised in statement of comprehensive income:		
At 1 January	**2,014**	589
Actuarial loss recognised in other comprehensive income	**19**	1,557
Disposal of a subsidiary	**–**	(132)
At 31 December	**2,033**	2,014
Historical experience adjustments:		
PVDBO	**6,510**	6,437
Experience adjustment (value)	**–**	68
Experience adjustment (% of PVDBO)	**0%**	0%

Principal actuarial assumptions used:

	2014	**2013**
	%	**%**
Discount rate	**5.25**	5.25
Expected rate of salary increases	**6.00**	6.00

Assumptions regarding future mortality are based on published statistics and mortality tables.

25. RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

A one percentage point change in the below key assumptions would have the following effects:

	Increase/(decrease) in PVDBO	
	2014	**2013**
	RM'000	**RM'000**
Discount rate		
Increase in one percentage point on discount rate	**(487)**	(574)
Decrease in one percentage point on discount rate	**539**	668
Salary increment rate		
Increase in one percentage point on salary increment rate	**2,065**	2,150
Decrease in one percentage point on salary increment rate	**(1,840)**	(1,885)

26. DEFINED BENEFIT PENSION PLAN

Opus IC UK, a subsidiary of the Group, has a defined benefit pension fund ("Fund"). The Fund is closed to new employees. The assets of the Fund are held in a legally separate fund from the reporting entity and the Fund exists solely to pay or fund employee benefits. The assets are funded by both the employer and employees. The Fund purchases an annuity at the time of an employee becoming entitled to a pension. The Fund is valued on an annual basis by independent actuary, Scottish Widows Plc, taking into account gains and losses. The unfunded plan to the Fund was assessed by the independent actuary as at 31 December 2014 at a net asset of RM1,084,000 (GBP200,000) (2013: RM1,627,000 (GBP270,000)) and has been taken up as an asset by the Group.

Amount recognised in the income statement and statement of comprehensive income

	Group	
	2014	**2013**
	RM'000	**RM'000**
		(Restated)
Current service cost	**268**	328
Interest cost on benefit obligation	**1,371**	1,597
Administration cost	**152**	–
Expected return on plan assets	**(1,463)**	(1,318)
Employer's contribution	**(1,636)**	(1,308)
Total, included in employee benefits expenses (Note 8)	**(1,308)**	(701)
Net actuarial loss/(gain) recognised for the year	**1,886**	(4,756)
	578	(5,457)

26. DEFINED BENEFIT PENSION PLAN (CONT'D.)

Amount recognised in statement of financial position

	Group 2014 RM'000	Group 2013 RM'000 (Restated)
Present value of defined benefit obligation	**32,694**	28,798
Fair value of plan assets	**(33,584)**	(30,252)
Defined benefit obligation	**(890)**	(1,454)

Changes in present value of defined benefit obligation

	Group 2014 RM'000	Group 2013 RM'000 (Restated)
At 1 January	**28,798**	33,741
Current service cost	**268**	328
Interest cost	**1,371**	1,597
Employees' contribution	**55**	59
Benefit paid	**(645)**	(5,566)
Actuarial loss/(gain)	**2,861**	(4,341)
Exchange differences	**(14)**	2,980
At 31 December	**32,694**	28,798

Changes in fair value of plan assets

	Group 2014 RM'000	Group 2013 RM'000 (Restated)
At 1 January	**(30,252)**	(29,900)
Expected return	**(1,463)**	(1,318)
Employer's contribution	**(1,636)**	(1,308)
Employees' contribution	**(55)**	(59)
Benefit paid	**645**	5,566
Actuarial gain	**(975)**	(415)
Administration costs	**152**	–
Exchange differences	**–**	(2,818)
At 31 December	**(33,584)**	(30,252)

The schemes assets are invested in a Group Pension Contract insured with Clerical Medical. Other than the decision to remain invested in the Group Pension Contract, the trustees and Group do not have control over asset allocation.

26. DEFINED BENEFIT PENSION PLAN (CONT'D.)

The principal assumptions used in determining defined benefit obligation of the Group are shown below:

	2014	2013 (Restated)
Discount rate	**3.6%**	4.8%
Salary escalation	**3.0%**	3.5%
Retail price inflation	**3.5%**	3.5%
Consumer price inflation	**2.0%**	2.5%

Life expectancies, assuming retirement age of 65 are as follows:

	2014 Years	2013 Years (Restated)
For a male aged 65 now	**22.5**	22.7
At 65 for a male member aged 45 now	**24.7**	24.9
For a female aged 65 now	**24.9**	25.1
At 65 for a female member aged 45 now	**27.1**	27.4

Actual return on plan assets

	2014 RM'000	2013 RM'000 (Restated)
Actual return of plan assets	**(2,438)**	(1,733)
Less: expected return on plan assets	**1,463**	1,318
Actuarial gain recognised in the other comprehensive income	**(975)**	(415)

26. DEFINED BENEFIT PENSION PLAN (CONT'D.)

A quantitative sensitivity analysis for significant assumptions as at 31 December 2014 is as shown below:

Sensitivity Level	Increase in one percentage 2014 RM'000	Increase in one percentage 2013 RM'000 (Restated)	Decrease in one percentage 2014 RM'000	Decrease in one percentage 2013 RM'000 (Restated)
Assumptions				
Discount rate	**(3,360)**	(2,889)	**3,414**	2,889
Retail price index	**1,748**	1,296	**(1,693)**	(1,296)
Consumer price index	**1,311**	1,242	**(1,256)**	(1,242)
Salary increase	**1,147**	972	**(1,092)**	(972)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit obligation at the end of the reporting period is 10 years.

27. PROVISIONS

	Group 2014 RM'000	Group 2013 RM'000 (Restated)
Due within one year:		
Provision for professional indemnity claims (Note a)	**6,848**	4,714
Provision for employee service entitlements (Note b)	**10,562**	9,946
	17,410	14,660
Due after one year:		
Provision for employee service entitlements (Note b)	**19,554**	21,389
Provision for late delivery charges (Note c)	**1,632**	–
Provision for sinking fund (Note d)	**94**	122
	21,280	21,511
Total	**38,690**	36,171

27. PROVISIONS (CONT'D.)

(a) Provision for professional indemnity claims

	Group 2014 RM'000	2013 RM'000 (Restated)
At 1 January	**4,714**	1,122
Charged to the income statement	**7,576**	3,903
Payments made	**(5,506)**	(526)
Exchange differences	**64**	215
At 31 December	**6,848**	4,714

The provision for professional indemnity claim is an assessed amount relating to a number of claims the Group may be required to pay over and above its insurance cover.

(b) Provision for employee service entitlements

	Group 2014 RM'000	2013 RM'000 (Restated)
At 1 January	**31,335**	20,496
Charged to the income statement (Note 8)	**1,138**	2,180
Acquisition of subsidiary	**186**	–
Payments made	**(2,791)**	(2,527)
Reclassification from trade and other payables	**–**	10,392
Exchange differences	**248**	794
At 31 December	**30,116**	31,335

Provision for employee service entitlements comprises provisions for retirement leave entitlements in respect of eligible employees. The provisions are in respect of both vested and unvested entitlements, and are made by reference to independent actuarial valuations by AON Consulting (NZ) Limited. The timing of such payments depends on when vesting occurs and the subsequent retirement date of the eligible employees.

27. PROVISIONS (CONT'D.)

(c) Provision for late delivery charges

	Group 2014 RM'000	Group 2013 RM'000 (Restated)
At 1 January	**–**	–
Charged to the income statement (Note 7)	**1,632**	–
At 31 December	**1,632**	–

Provision for late delivery charges is in respect of a property development project undertaken by a subsidiary. The provision is recognised for expected liquidation damages claims payable to the purchasers based on terms of the applicable sale and purchase agreements.

(d) Provision for sinking fund

	Group 2014 RM'000	Group 2013 RM'000
At 1 January	**122**	111
Fund collected	**–**	11
Reversal (Note 7)	**(28)**	–
At 31 December	**94**	122

Under the provision of the Housing Development (Control and Licensing) Act 1966 (Act 118) & Regulations and Land (Subsidiary Title) Enactment 1972 (Sabah No. 9 of 1972), the purchasers are required to contribute to the sinking fund upon the dates they take vacant possession and all the funds accumulated into the sinking fund shall be held by the vendor in trust for the purchaser.

28. BORROWINGS

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Short term borrowings				
Secured:				
Commodity Murabahah Term Financing-i ("CMTF-i") (Note (a))	**20,904**	–	**20,904**	–
Finance leases (Note 29)	**5,669**	3,757	**–**	–
	26,573	3,757	**20,904**	–
Unsecured:				
Bank overdrafts (Note (b))	**10,131**	36,854	**–**	–
Loan from a corporate shareholder of a subsidiary	**–**	176	**–**	–
	10,131	37,030	**–**	–
Total short term borrowings	**36,704**	40,787	**20,904**	–

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Long term borrowings				
Secured:				
CMTF-i (Note (a))	**80,000**	–	**80,000**	–
Term loan (Note (b))	**226,958**	157,385	**–**	–
Finance leases (Note 29)	**7,505**	6,303	**–**	–
Total long term borrowings	**314,463**	163,688	**80,000**	–
Total borrowings				
CMTF-i (Note (a))	**100,904**	–	**100,904**	–
Bank overdrafts (Note (b))	**10,131**	36,854	**–**	–
Term loan (Note (b))	**226,958**	157,385	**–**	–
Finance leases (Note 29)	**13,174**	10,060	**–**	–
Loan from a corporate shareholder of a subsidiary	**–**	176	**–**	–
	351,167	204,475	**100,904**	–

28. BORROWINGS (CONT'D.)

The remaining maturities of the loans and borrowings are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
On demand or within one year	**36,704**	40,787	**20,904**	–
More than 1 year and less than 2 years	**75,970**	49,965	**20,000**	–
More than 2 years and less than 5 years	**238,493**	113,723	**60,000**	–
	351,167	204,475	**100,904**	–

(a) Commodity Murabahah Term Financing-I ("CMTF-i")

On 17 October 2014, the Company obtained a CMTF-i facility of RM100 million to part finance the purchase consideration for the acquisition of Propel.

The facility is secured by 21,012,000 units of shariah compliant Propel's shares and is repayable by way of 10 equal semi-annual payments, or until full settlement of the financing from the date of the first drawdown on 29 October 2014. The interest is serviced semi-annually in arrears at the end of each profit period of 6 months.

The weighted average effective interest rate of facility at the balance sheet date was 5.15% per annum.

(b) Bank overdrafts and term loan

The multi-currency bank overdraft and term loans are held with various entities of HSBC and ANZ Banking Group. All bank overdrafts and term loans are unsecured and subject to a deed of negative pledge. The bank facility with HSBC and ANZ Banking Group will expire from 2015 to 2019.

The average interest rate on the bank overdrafts and term loan was 3.95% (2013: 5.88%) and 3.50% (2013: 4.06%) per annum respectively.

Interest is paid on monthly, quarterly or semi-annual basis in arrears. The principal is repayable at the maturity date of the facility.

(c) Syndicated banking facilities (secured)

A subsidiary of the Group has Syndicated Banking Facilities which comprise revolving credit, bank guarantee and combined trade facilities as follows:

	2014 RM'000	2013 RM'000
Bank guarantees	**1,216**	1,003
Bank guarantees issued for Performance Bonds to Government of Malaysia (Note 39)	**26,126**	29,650

28. BORROWINGS (CONT'D.)

(c) Syndicated banking facilities (secured) (cont'd.)

The Syndicated Banking Facilities are secured by a Debenture and a Deed of Assignment of Proceeds dated 27 December 1996 by way of the following:

(i) A first fixed charge over all sums paid or may from time to time become due and payable to the subsidiary ("the Proceeds") by the Government of Malaysia pursuant to the Concession Agreement dated 28 October 1996, all its uncalled capital, its present and future goodwill, patents, trademarks, licences and concessions and all its present and future plant, equipment and machinery, motor vehicles and furniture and fittings; and

(ii) A first floating charge over all the present and future lands undertakings and other properties and assets of the subsidiary both movable and immovable, not otherwise charged in (a)(i) above.

(d) Debt restructuring

In previous years, the Company restructured its debt due to Jeram Bintang Sdn. Bhd. which are further disclosed in Note 30.

29. FINANCE LEASES

	Group	
	2014	**2013**
	RM'000	**RM'000**
		(Restated)
Future minimum lease payments:		
Not later than 1 year	**6,367**	3,943
Later than 1 year and not later than 2 years	**4,911**	3,193
Later than 2 years and not later than 5 years	**3,037**	3,226
Total future minimum lease payments	**14,315**	10,362
Less: Future finance charges	**(1,141)**	(302)
Present value of finance lease liabilities	**13,174**	10,060
Analysis of present value of finance lease liabilities:		
Not later than 1 year	**5,669**	3,757
Later than 1 year and not later than 2 years	**4,587**	3,093
Later than 2 years and not later than 5 years	**2,918**	3,210
	13,174	10,060
Less: Amount due within 12 months (Note 28)	**(5,669)**	(3,757)
Amount due after 12 months (Note 28)	**7,505**	6,303

29. FINANCE LEASES (CONT'D.)

The Group has finance leases for various items of computer equipment and surveying equipment (see Note 13). These lease contracts expire within one to five years. The leases have terms of renewal, purchase options and escalation clauses. These terms are at the option of the specific entity that holds the lease.

These obligations are secured by a charge over the leased assets (Note 13). Other information on financial risks of finance lease are disclosed in Note 42.

The average interest rate on the finance leases was 3.86% (2013: 6.09%) per annum.

30. CHARGES RELATING TO THE BALANCE SUM DUE TO JERAM BINTANG SDN. BHD. ("JBSB")

On 30 September 2004, following the completion of its Debt Restructuring, the Company acknowledged the Balance Sum of RM51,442,000 due to JBSB.

The Balance Sum was interest free and was repayable over a period of 8 years from the date of completion of the restructuring scheme. The Balance Sum was secured as follows:

(i) assignment of dividends receivable from Faber Medi-Serve Sdn. Bhd. ("FMS") on 315,000 ordinary shares held by Intensive Quest Sdn. Bhd. ("IQSB") in FMS amounting to RM24 million by the Company;

(ii) assignment of net profits from the development of Casa Palma land amounting to RM15.330 million by Faber Union Sdn. Bhd.;

(iii) assignment of a share of the Group's portion of net profits from the joint venture in respect of the development of Taman Sri Desa land amounting to RM3.207 million by Faber Union Sdn. Bhd.;

(iv) assignment of net profits from the development of Faber Grandview land amounting to RM1.810 million by Faber Grandview Development (Sabah) Sdn. Bhd.;

(v) assignment of net profits from the development of Country View land amounting to RM7.093 million by Country View Development Sdn. Bhd.;

(vi) charge over 30,599,998 issued and paid-up ordinary shares of RM1.00 each in FMS by Faber Healthcare Management Sdn. Bhd.; and

(vii) charge over 2 issued and paid-up ordinary shares of RM1.00 each in FMS by the Company.

All Balance Sum due to JBSB was fully settled in prior years but the release of charges over the Balance Sum securities has yet to be fully completed as at the date of the financial statements.

31. TRADE AND OTHER PAYABLES

	Group 2014 RM'000	Group 2013 RM'000 (Restated)
Current		
Trade payables		
Third parties	**188,554**	257,371
Accrued costs	**103,231**	41,170
Retention payables:		
– Property development	**6,147**	1,793
– Infrastructure maintenance	**13,747**	5,682
Due to related companies	**15,514**	3,109
	327,193	309,125
Other payables		
Employee costs payable	**67,963**	95,869
Accruals	**130,473**	118,576
Refundable deposits	**3,588**	3,026
Sundry payables	**63,299**	53,803
Deferred consideration payable	**14,678**	8,547
Due to holding companies	**4,053**	4,000
	284,054	283,821
Other current liability		
Due to customers on consultancy contracts (Note 21(d))	**64,510**	55,145
Total	**675,757**	648,091
Non-current		
Trade payables		
Retention payables:		
– Property development	**1,477**	6,363
– Infrastructure maintenance	**14,906**	11,573
	16,383	17,936
Other payable		
Deferred consideration payable	**32,302**	78,350
Total	**48,685**	96,286

31. TRADE AND OTHER PAYABLES (CONT'D.)

	Company	
	2014	**2013**
	RM'000	**RM'000**
Current		
Other payables		
Accruals	**10,505**	4,806
Amount due to a subsidiary	**23,887**	–
Sundry payables	**455**	276
Total	**34,847**	5,082

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2013: 30 to 90 days).

(b) Retention payables

Retention payables are unsecured, interest-free and are expected to be paid within the terms of the relevant contracts.

(c) Amounts due to holding and related companies

Related companies refer to companies within the UEM group of companies.

Amounts due to holding and related companies are non-interest bearing and are repayable on demand. The amounts are unsecured and are to be settled in cash.

Further details on related party transactions are disclosed in Note 40.

(d) Deferred consideration payable

This amount represents the fair value of the remaining purchase consideration payable to the vendors of Opus Stewart Weir Limited ("OSW"), which is contingent on certain integration criteria being met.

31. TRADE AND OTHER PAYABLES (CONT'D.)

(d) Deferred consideration payable (cont'd.)

	Group 2014 RM'000	Group 2013 RM'000 (Restated)
At 1 January	**86,897**	–
Deferred payment, initially recognised at fair value	**–**	86,897
Fair value changes recognised in income statement (Note 5)	**(30,752)**	–
Payment	**(8,935)**	–
Exchange differences	**(230)**	–
At 31 December	**46,980**	86,897
Analysed as:		
Current	**14,678**	8,547
Non-current	**32,302**	78,350
	46,980	86,897

At the reporting date, management re-measured the fair value of the deferred consideration payable to be lower than the estimated amount at the acquisition date due to lower probability of OSW meeting the performance targets. Accordingly, the fair value change of RM30,752,000 was recognised in the income statement in the current financial year.

(e) Amount due to a subsidiary

This amount represents the remaining purchase consideration payable to a subsidiary for the purchase of completed properties.

Further details on related party transactions are disclosed in Note 40.

32. DEFERRED TAX

	Group 2014 RM'000	Group 2013 RM'000
At 1 January	**(42,078)**	(44,907)
Recognised in profit or loss (Note 10)	**1,622**	782
Acquisition of subsidiaries	**60**	2,389
Disposal of a subsidiary (Note 17(b))	**–**	(409)
Exchange differences	**(607)**	67
At 31 December	**(41,003)**	(42,078)

32. DEFERRED TAX (CONT'D.)

	Group 2014 RM'000	Group 2013 RM'000
Presented after appropriate offsetting as follows:		
Deferred tax assets	**(44,640)**	(45,091)
Deferred tax liabilities	**3,637**	3,013
	(41,003)	(42,078)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Provisions RM'000	Unused tax losses RM'000	Total RM'000
At 1 January 2014	**(42,670)**	**(15,922)**	**(58,592)**
Recognised in profit or loss	**604**	**39**	**643**
Exchange differences	**(494)**	**–**	**(494)**
	(42,560)	**(15,883)**	**(58,443)**
Less: Set off with deferred tax liabilities			**13,803**
At 31 December 2014			**(44,640)**
At 1 January 2013	(48,388)	(12,782)	(61,170)
Recognised in profit or loss	5,403	(3,140)	2,263
Disposal of a subsidiary	112	–	112
Exchange differences	203	–	203
	(42,670)	(15,922)	(58,592)
Less: Set off with deferred tax liabilities			13,501
At 31 December 2013			(45,091)

32. DEFERRED TAX (CONT'D.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (cont'd.)

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Prepayment RM'000	Total RM'000
At 1 January 2014	**13,154**	**3,360**	**16,514**
Recognised in profit or loss	**663**	**316**	**979**
Acquisition of a subsidiary	**60**	**–**	**60**
Exchange differences	**(113)**	**–**	**(113)**
	13,764	**3,676**	**17,440**
Less: Set off with deferred tax liabilities			**(13,803)**
At 31 December 2014			**3,637**
At 1 January 2013	12,631	3,632	16,263
Recognised in profit or loss	(1,209)	(272)	(1,481)
Acquisition of a subsidiary	2,389	–	2,389
Disposal of a subsidiary	(521)	–	(521)
Exchange differences	(136)	–	(136)
	13,154	3,360	16,514
Less: Set off with deferred tax liabilities			(13,501)
At 31 December 2013			3,013

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

32. DEFERRED TAX (CONT'D.)

Deferred tax assets have not been recognised in respect of the following items:

Malaysian Companies

	Group	
	2014	**2013**
	RM'000	**RM'000**
Unused tax losses	**21,189**	12,421
Unabsorbed capital allowances	**254**	177
Others	**3,489**	3,068
	24,932	15,666
Deferred tax of 25% (2013: 25%)	**6,233**	3,916

Unused tax losses

At the reporting date, the Group has tax losses of approximately RM21,189,000 (2013: RM12,421,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia is subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority. The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

Unrecognised temporary differences relating to investments in subsidiaries

At the reporting date, there is no unrecognised temporary differences (2013: nil) relating to investments in subsidiaries.

Tax consequences of proposed dividends

There are no income tax consequences (2013: nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 12).

33. SHARE CAPITAL

	Number of ordinary shares of RM0.25 each		Amount	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Group and Company				
Authorised				
At 1 January/31 December	**3,000,000**	3,000,000	**750,000**	750,000
Issued and fully paid up				
At 1 January	**363,001**	363,001	**90,750**	90,750
Issued for acquisition of subsidiaries (Note 17(a)(i))	**450,500**	–	**112,625**	–
31 December	**813,501**	363,001	**203,375**	90,750

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

34. MERGER RELIEF RESERVE

The acquisitions of Opus and Propel as disclosed in Note 17(a)(i), which was accounted for using the pooling of interest method, gave rise to the following at acquisition date:

(a) Merger deficit/reserve

This reserve represents the excess of the consideration paid over the share capital and capital reserves of both Opus and Propel at the acquisition date. This merger deficit has been fully set off against the other merger reserve and merger relief reserve in Note (b) and Note (c) below at date of acquisition.

As the combination assumes to have been effected at the relevant balance sheet dates due to the application of the pooling of interest method, it gave rise to a merger reserve of RM676,477,000 as at 31 December 2013.

(b) Other merger reserve

This reserve represents the excess of fair value of the Company's shares at the acquisition date over the issue price. This reserve has been fully set off against the merger deficit reserve for the purpose of presentation in the financial statements of the Group.

(c) Merger relief reserve

This reserve represents the excess of issue price of the Company's shares over the par value in accordance with Section 60(4)(a) of the Companies Act 1965. This reserve has been partially set off against the merger deficit reserve for the purpose of presentation in the financial statements of the Group.

35. OTHER RESERVES

	Statutory reserve RM'000	Share based payment RM'000	Foreign currency translation reserve RM'000	Capital redemption reserve RM'000	Total RM'000
Group					
At 1 January 2014	**279**	**(232)**	**20,349**	**9,163**	**29,559**
Foreign currency translation	**–**	**–**	**7,347**	**–**	**7,347**
Share-based payment issued by a subsidiary	**–**	**43**	**–**	**–**	**43**
At 31 December 2014	**279**	**(189)**	**27,696**	**9,163**	**36,949**
At 1 January 2013	279	–	(4,316)	9,163	5,126
Arising from the application of the pooling-of-interest method of accounting	–	–	5,923	–	5,923
At 1 January 2013 (Restated)	279	–	1,607	9,163	11,049
Foreign currency translation	–	–	18,742	–	18,742
Share-based payment issued by a subsidiary	–	(232)	–	–	(232)
At 31 December 2013 (Restated)	279	(232)	20,349	9,163	29,559

(a) Statutory reserve

In accordance with the United Arab Emirates ("UAE") Commercial Companies Law, 10% of profit for each year from a Limited Liability Company incorporated in the UAE is transferred to a legal reserve until such time as the reserve equals 50% of the paid-up capital. Faber L.L.C. ("FLLC") has resolved to discontinue such annual transfers since the reserve is equal to 50% of its share capital. This reserve is not available for distribution except as stipulated by UAE law.

(b) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(c) Capital redemption reserve

Capital redemption reserve arises from the redemption of redeemable preference shares in the prior year by a subsidiary in accordance with Section 61(5) of Companies Act, 1965.

36. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings under the single tier system.

37. OPERATING LEASE COMMITMENTS

The Group has entered into non-cancellable operating lease agreements for the use of premises and certain plant and machineries. These leases have an average tenure of between 3 and 5 years with no renewal or purchase option included in the contracts.

The Group also leases various plant and machinery under cancellable operating lease agreements. The Group is required to give a six-month notice for the termination of those agreements.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities and the total of future aggregate minimum sublease receipts expected to be received under non-cancellable subleases, are as follows:

	Group		Company	
	2014 RM'000	**2013 RM'000 (Restated)**	**2014 RM'000**	**2013 RM'000**
Future minimum rental payable of premises:				
Not later than 1 year	**51,768**	49,298	**1,224**	2,705
Later than 1 year and not later than 2 years	**47,972**	44,180	**1,224**	2,762
Later than 2 years and not later than 5 years	**86,434**	79,898	**102**	2,993
More than 5 years	**108,790**	56,932	**–**	–
	294,964	230,308	**2,550**	8,460
Future minimum rental payable of equipment and others:				
Not later than 1 year	**14,103**	13,659	**57**	59
Later than 1 year and not later than 2 years	**9,814**	9,446	**57**	59
Later than 2 years and not later than 5 years	**7,579**	8,093	**52**	59
More than 5 years	**183**	–	**–**	–
	31,679	31,198	**166**	177

38. CAPITAL COMMITMENTS

	Group	
	2014 RM'000	**2013 RM'000 (Restated)**
Capital expenditure		
Approved and contracted for:		
Purchase of property, plant and equipment	**23,060**	28,547
Approved but not contracted for:		
Purchase of property, plant and equipment	**37,160**	19,309

39. CONTINGENT LIABILITIES

	Group 2014 RM'000	Group 2013 RM'000 (Restated)
Secured:		
Performance bond extended to Government of Malaysia in respect of security for the due performance of the Hospital Support Services Concession Agreement dated 28 October 1996 (Note 28(c))	**26,126**	29,650
Performance bond to Western Region Municipality of Abu Dhabi for Facilities Management Services in Abu Dhabi	**2,330**	7,494
Other bank performance bonds and letter of credit	**26,798**	22,400
Bank guarantee issued to authorities	**1,762**	1,764
Total	**57,016**	61,308
Unsecured:		
Bank guarantees extended to third parties – trade related	**35,836**	38,493
Performance bond extended to third parties – trade related	**19,802**	18,563
Retention guarantee extended to third parties – trade related	**9,949**	9,282
Potential tax liability	**5,975**	5,975
	71,562	72,313

The potential tax liability is in respect of an additional assessment from the Inland Revenue Board for additional tax payable and tax penalties imposed on a subsidiary, amounting to RM5,975,000. The subsidiary is in the process of appeal against the additional assessment. No provision for income tax and tax penalties have been made by subsidiary as the Directors, with the consultation of their solicitors, believe that they have a reasonable ground and argument for the appeal.

As at reporting date, no values are ascribed on corporate guarantees provided by the Group to secure bank loans and other bank facilities granted where such loans and banking facilities are fully collateralised by charges over the property, plant and equipment and other assets and where Directors regard the value of the credit enhancement provided by the corporate guarantees as minimal.

40. RELATED PARTY DISCLOSURES

(a) Sale and purchase of goods and services

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions at terms agreed between the related parties during the financial year:

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Income received/receivable from				
Management fees from subsidiaries	**–**	–	**(6,480)**	(7,800)
Facilities management fees received from:				
– corporate shareholder of a subsidiary	**(2,912)**	(3,124)	**–**	–
– related companies	**(756,733)**	(631,155)	**–**	–
Expenses paid/payable to				
Management fee expense to a related company	**1,035**	596	**216**	216
Rendering of services				
– Immediate holding company	**6,931**	6,945	**77**	126
– Related companies	**13,496**	10,219	**38**	–
– non-controlling shareholder of a subsidiary	**5,107**	7,344	**–**	–
Rental paid to a non-controlling shareholder of a subsidiary	**–**	202	**–**	–
Rental paid to:				
– substantial shareholder	**–**	694	**–**	384
– related company	**6,459**	170	**1,017**	–
Purchase of completed properties	**–**	–	**25,434**	–

(b) Compensation of key management personnel

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly including any directors.

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Salaries and other emoluments	**8,391**	8,251	**3,269**	2,808
Contributions to defined contribution plans	**877**	791	**356**	262
	9,268	9,042	**3,625**	3,070

Included in total key management personnel compensation are:

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Directors' remuneration excluding benefits-in-kind (Note 9)	**6,695**	6,393	**2,691**	1,900

41. FINANCIAL INSTRUMENTS

Classification of financial instruments

The principal accounting policies in Note 2.4 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

2014 **Group**	**Fair value through profit or loss** **RM'000**	**Loans and receivables** **RM'000**	**Available-for-sale** **RM'000**	**Total** **RM'000**
Assets				
Other investments (Note 19)	–	–	272	272
Trade receivables, net (Note 21)	–	439,022	–	439,022
Other receivables, net (Note 21)	–	27,476	–	27,476
Cash, bank balances and deposits (Note 24)	–	812,001	–	812,001
Investments securities (Note 22)	256,924	–	–	256,924
Derivative financial instruments (Note 23)	7,454	–	–	7,454
Total financial assets	264,378	1,278,499	272	1,543,149
Total non financial assets				1,102,879
Total assets				2,646,028

	Fair value through profit or loss **RM'000**	**Financial liabilities at amortised cost** **RM'000**	**Total** **RM'000**
Liabilities			
Trade payables (Note 31)	–	343,576	343,576
Other payables (Note 31)	46,980	269,376	316,356
Derivative financial instruments (Note 23)	437	–	437
Dividend payable	–	146,430	146,430
Borrowings (Note 28)	–	351,167	351,167
Total financial liabilities	47,417	1,110,549	1,157,966
Total non financial liabilities			126,936
Total liabilities			1,284,902

41. FINANCIAL INSTRUMENTS (CONT'D.)

2013 Group	Fair value through profit or loss RM'000	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Assets				
Other investments (Note 19)	–	–	272	272
Trade receivables, net (Note 21)	–	535,689	–	535,689
Other receivables, net (Note 21)	–	31,188	–	31,188
Cash, bank balances and deposits	–	700,363	–	700,363
Investments securities (Note 22)	261,319	–	–	261,319
Derivative financial instruments (Note 23)	11,778	–	–	11,778
Total financial assets	273,097	1,267,240	272	1,540,609
Total non financial assets				1,076,169
Total assets				2,616,778

	Fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Liabilities			
Trade payables (Note 31)	–	327,061	327,061
Other payables (Note 31)	86,897	275,274	362,171
Borrowings (Note 28)	–	204,475	204,475
Total financial liabilities	86,897	806,810	893,707
Total non financial liabilities			116,168
Total liabilities			1,009,875

41. FINANCIAL INSTRUMENTS (CONT'D.)

2014 Company	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Assets			
Other investments (Note 19)	–	272	272
Other receivables, net (Note 21)	2,111	–	2,111
Cash, bank balances and deposits (Note 24)	201,856	–	201,856
Total financial assets	203,967	272	204,239
Total non financial assets			1,814,603
Total assets			2,018,842

	Financial liabilities at amortised cost RM'000	Total RM'000
Liabilities		
Other payables (Note 31)	34,847	34,847
Borrowings (Note 28)	100,904	100,904
Dividend payable	146,430	146,430
Total financial liabilities	282,181	282,181
Total non financial liabilities		–
Total liabilities		282,181

41. FINANCIAL INSTRUMENTS (CONT'D.)

2013 Company	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Assets			
Other investments (Note 19)	–	272	272
Other receivables, net (Note 21)	6,480	–	6,480
Cash, bank balances and deposits (Note 24)	53,002	–	53,002
Total financial assets	59,482	272	59,754
Total non financial assets			150,979
Total assets			210,733

	Financial liabilities at amortised cost RM'000	Total RM'000
Liabilities		
Other payables (Note 31)	5,082	5,082
Total financial liabilities	5,082	5,082
Total non financial liabilities		–
Total liabilities		5,082

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk, interest rate risk and market price risk.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group has no hedging instrument at the reporting date.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances, derivatives and non-current investments), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group controls its credit risk by the application of credit approvals, limits and monitoring procedures. Credit evaluations are performed on all customers requiring credit over a certain amount and strictly limiting the Group's associations to business partners with high credit worthiness. Trade receivables are monitored on an ongoing basis.

The Group's receivables are monitored on an ongoing basis and the status of major receivables are reported to the Board of Directors.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's net trade receivables at the reporting date are as follows:

	2014		2013	
	RM'000	**% of total**	**RM'000**	**% of total**
By country:				
Malaysia	**226,301**	**51**	270,925	51
India	**2,804**	**1**	4,074	1
United Arab Emirates	**7,391**	**2**	43,226	8
Indonesia	**2,819**	**1**	2,263	0
New Zealand	**90,053**	**21**	95,352	18
Australia	**23,796**	**5**	22,654	4
United Kingdom	**16,547**	**4**	24,183	5
Canada	**67,467**	**15**	71,889	13
US	**1,844**	**0**	1,123	0
	439,022	**100**	535,689	100

At the reporting date:

- The Group's ten largest customers account for approximately 40% (2013: 46%) of total trade receivables. The majority of these customers are government, quasi-government agency and government linked organisations.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 21. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due nor impaired is disclosed in Note 21.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	Total RM'000
2014			
Group			
Financial liabilities:			
Trade and other payables (Note 31)	**675,757**	**49,086**	**724,843**
Loans and borrowings:			
– Bank overdrafts (Note 28)	**10,131**	**–**	**10,131**
– Term loan (Note 28)	**6,437**	**234,050**	**240,487**
– CMTF-i (Note 28)	**24,879**	**89,228**	**114,107**
– Finance leases (Note 29)	**6,367**	**7,948**	**14,315**
Dividend payable	**146,430**	**–**	**146,430**
Total undiscounted financial liabilities	**870,001**	**380,312**	**1,250,313**

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. (cont'd.)

	On demand or within one year RM'000	One to five years RM'000	Total RM'000
2014			
Company			
Financial liabilities:			
Other payables (Note 31)	**34,847**	**–**	**34,847**
Dividend payable	**146,430**	**–**	**146,430**
Loans and borrowings:			
– CMTF-I (Note 28)	**24,879**	**89,228**	**114,107**
Total undiscounted financial liabilities	**206,156**	**89,228**	**295,384**
2013			
Group			
Financial liabilities:			
Trade and other payables (Note 31)	648,091	97,208	745,299
Loans and borrowings:			
– Loan from a corporate shareholder of a subsidiary (Note 28)	176	–	176
– Bank overdrafts (Note 28)	36,854	–	36,854
– Term loan (Note 28)	4,911	164,781	169,692
– Finance leases (Note 29)	3,943	6,419	10,362
Total undiscounted financial liabilities	693,975	268,408	962,383
2013			
Company			
Financial liabilities:			
Other payables (Note 31)	5,082	–	5,082
Total undiscounted financial liabilities	5,082	–	5,082

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. The foreign currencies in which these transactions are denominated are mainly New Zealand Dollar, Canadian Dollar, Australian Dollar and British Pound.

As a result of the significant investments in New Zealand, Australia, United Kingdom and Canada, the Group's statement of financial position is affected by the movements in the respective functional currencies of the investees against the Ringgit Malaysia.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the investments are located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

As and when the Group undertakes significant transactions denominated in foreign currencies, with continuing exposure over the applicable periods of settlement, the Group evaluates its exposure and the necessity to hedge such exposure, as well as the availability and cost of such hedging instruments.

The Group also holds borrowings, cash and bank balances denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances are as follows:

	Functional currency of Group Companies	
	2014	**2013**
	RM'000	**RM'000**
United Arab Emirates Dirham (AED)	**14,367**	23,253
Australian dollar (AUD)	**(71,259)**	(50,764)
British pound (GBP)	**(36,501)**	(30,588)
Euro dollar (EURO)	**(56)**	(257)
United States dollar (USD)	**(149)**	(5,663)
Canadian dollar (CAD)	**(129,104)**	(106,967)
Indonesian Rupiah (IDR)	**5,548**	3,860
	(217,154)	(167,126)

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Foreign currency risk (cont'd.)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit after tax to a reasonably possible change in the following exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group	
		2014	**2013**
		RM'000	**RM'000**
AED/RM	– strengthened 6% (2013: 8%)	**756**	1,741
AUD/RM	– strengthened 2% (2013: 8%)	**(1,200)**	(3,842)
GBP/RM	– strengthened 1% (2013: 9%)	**(275)**	(2,634)
EURO/RM	– strengthened 6% (2013: 12%)	**(3)**	(28)
USD/RM	– strengthened 7% (2013: 7%)	**(9)**	(383)
CAD/RM	– strengthened 2% (2013: 1%)	**(2,869)**	(233)
IDR/RM	– strengthened 4% (2013: 5%)	**213**	183

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

Sensitivity analysis for interest rate risk

A sensitivity analysis had been performed to determine the sensitivity of the Group's profit net of tax to a reasonably possible change in the interest rate at the reporting date.

This analysis assumes that all other variables, in particular foreign currency rate, remain constant. Based on the analysis, there is no material impact to the Group's profit net of tax.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Interest rate risk (cont'd.)

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

	Note	WAEIR %	Within 1 year RM'000	1-2 years RM'000	2-5 years RM'000	Total RM'000
At 31 December 2014						
Group						
Fixed rate						
Deposits with licensed banks and other financial institutions	24	**3.77**	**668,464**	**–**	**–**	**668,464**
Finance leases	29	**3.86**	**(5,669)**	**(4,587)**	**(2,918)**	**(13,174)**
CMTF-i	28	**5.15**	**(20,904)**	**(20,000)**	**(20,000)**	**(60,904)**
Floating rate						
Term loan	28	**3.50**	**–**	**(51,383)**	**(175,575)**	**(226,958)**
Bank overdrafts	28	**3.95**	**(10,131)**	**–**	**–**	**(10,131)**
CMTF-i	28	**5.15**	**–**	**–**	**(40,000)**	**(40,000)**
Company						
Fixed rate						
Deposits with licensed banks and other financial institutions	24	**3.54**	**201,753**	**–**	**–**	**201,753**
CMTF-i	28	**5.15**	**(20,904)**	**(20,000)**	**(20,000)**	**(60,904)**
Floating rate						
CMTF-i	28	**5.15**	**–**	**–**	**(40,000)**	**(40,000)**

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Interest rate risk (cont'd.)

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk: (cont'd.)

	Note	WAEIR %	Within 1 year RM'000	1-2 years RM'000	2-5 years RM'000	Total RM'000
At 31 December 2013						
Group						
Fixed rate						
Deposits with licensed banks and other financial institutions	24	3.32	518,082	-	-	518,082
Finance leases	29	6.09	(3,757)	(3,093)	(3,210)	(10,060)
Floating rate						
Loan from a corporate shareholder of a subsidiary	28	8.05	(176)	-	-	(176)
Term loan	28	4.06	-	(46,872)	(110,513)	(157,385)
Bank overdrafts	28	5.88	(36,854)	-	-	(36,854)
Company						
Fixed rate						
Deposits with licensed banks and other financial institutions	24	3.25	51,688	-	-	51,688

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 12 months. Interest on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Group and of the Company that are not included in the above tables are not subject to interest rate risks.

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is not exposed to equity price risk arising from its investment in quoted equity instruments.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(f) Fair value

The carrying amounts of financial assets and financial liabilities at the reporting date approximate fair values either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Determination of fair value

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Quoted prices in active markets Level 1 RM'000	Significant observable inputs Level 2 RM'000	Significant unobservable inputs Level 3 RM'000	Total RM'000
Group				
2014				
Assets measured at fair value:				
Investment securities*	**–**	**256,924**	**–**	**256,924**
Derivative financial instruments*	**–**	**7,454**	**–**	**7,454**
	–	**264,378**	**–**	**264,378**
Liabilities measured at fair value:				
Deferred consideration*	**–**	**46,980**	**–**	**46,980**
Derivative financial instruments*	**–**	**437**	**–**	**437**
	–	**47,417**	**–**	**47,417**
Group				
2013				
Assets measured at fair value:				
Investment securities**	–	261,319	–	261,319
Derivative financial instruments**	–	11,778	–	11,778
	–	273,097	–	273,097
Liabilities measured at fair value:				
Deferred consideration**	–	86,897	–	86,897

* The valuation date of these financial instruments is 31 December 2014.

** The valuation date of these financial instruments is 31 December 2013.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(f) Fair value (cont'd.)

Determination of fair value (cont'd.)

There have been no transfers between levels during the period.

The following methods and assumptions were used to estimate the fair values:

- Derivative financial instruments are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying assets and liabilities.
- Unquoted unit trusts are valued based on currently available deposits with similar terms and maturities.
- Deferred consideration is valued based on discounted cash flows method using cost of borrowing of the subsidiary.

43. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group also aims to maintain a capital structure that has an appropriate cost of capital available to the Group.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 31 December 2013.

The Group manages capital by reference to the debt to asset ratio. The Group's debt to asset ratio is as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Bank overdrafts	**10,131**	36,854	**–**	–
CMTF-i	**100,904**	–	**100,904**	–
Term loan	**226,958**	157,385	**–**	–
Finance leases	**13,174**	10,060	**–**	–
Loan from a corporate shareholder of a subsidiary	**–**	176	**–**	–
Total debt	**351,167**	204,475	**100,904**	–
Total assets	**2,646,028**	2,616,778	**2,018,842**	210,733
Debt to asset ratio	**13%**	8%	**5%**	0%

44. SEGMENT INFORMATION

(a) Business unit segments

For management purposes, the Group is organised into business units based on their products and services, and has five reportable operating segments as follows:

(i) the asset development and asset management consultancy segment is in respect of roads infrastructure, civil and building related works;

(ii) the integrated facilities management segment includes provision of hospital support services, provision of facilities management and provision of infrastructure facility services;

(iii) the infrastructure maintenance segment is in the business of maintenance and repair of civil, mechanical and electrical works on roads, and infrastructure and expressways works;

(iv) the property segment is in the business of developing residential properties; and

(v) the other segment is involved in Group-level corporate services and investment holdings.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

(b) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's five business segments operate in eight geographical areas:

(i) Malaysia – the operations in this area are principally integrated facilities management, asset development and asset management consultancy services, infrastructure maintenance, property development and investment holding.

(ii) New Zealand – the operation in this area are principally consultancy services which include asset management services, property management and asset maintenance services.

(iii) Canada – the operation in this area are principally consultancy services for land surveying, engineering and environmental consultancy.

(iv) Australia – the operations in this area are principally consultancy services for engineering, rail infrastructure, survey and road infrastructure.

(v) United Kingdom – the operations in this area are principally consultancy services for roads, survey, civil and building.

(vi) Indonesia – the operations in this area are principally asset management consultancy services and road infrastructure.

(vii) Middle East – the operation in this area are principally integrated facilities management and asset management consultacy services.

(viii) India – the operations in this area are principally integrated facilities management.

44. SEGMENT INFORMATION (CONT'D.)

At 31 December 2014	Notes	Asset development and asset management consultancy RM'000	Integrated facilities management RM'000	Infrastructure maintenance RM'000	Properties RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue								
External revenue		1,634,939	673,315	762,244	18,789	–	–	3,089,287
Inter-segment revenue	A	20,200	1,986	2,873	25,434	453,321	(503,814)	–
Total revenue		1,655,139	675,301	765,117	44,223	453,321	(503,814)	3,089,287
Results								
Segment results		173,127	78,834	102,269	5,940	424,293	(445,287)	339,176
Finance costs		(12,603)	(202)	(572)	(20)	(1,062)	176	(14,283)
Share of results of associates		–	(488)	–	–	–	–	(488)
Share of results of joint ventures		57	–	–	–	–	–	57
Profit/(loss) before tax		160,581	78,144	101,697	5,920	423,231	(445,111)	324,462
Zakat		(915)	(1,000)	–	(761)	(814)	–	(3,490)
Income tax expense		(34,445)	(16,001)	(24,880)	(3,699)	(38)	–	(79,063)
Profit/(loss) net of tax		125,221	61,143	76,817	1,460	422,379	(445,111)	241,909
Assets								
Segment assets	B	1,266,523	358,188	437,362	259,423	386,118	(61,586)	2,646,028
Liabilities								
Segment liabilities	B	620,364	199,437	217,857	44,720	282,196	(79,672)	1,284,902
Other segment information								
Capital expenditure	C	41,738	8,162	13,030	685	4,198	–	67,813
Investments in associates		–	6,070	–	–	–	–	6,070
Investments in joint ventures		12,985	–	–	–	–	–	12,985
Interest income		(6,499)	(6,007)	(1,346)	(4,189)	(2,540)	–	(20,581)
Dividend income		(8,764)	–	(3,038)	–	–	–	(11,802)
Impairment loss on goodwill (Note 16)		17,893	–	–	–	–	–	17,893
Impairment of plant and equipment (Note 13)		–	2,934	–	–	–	–	2,934
Depreciation (Note 7)		24,657	11,553	6,746	194	764	–	43,914
Amortisation	D	3,797	268	155	1	18	–	4,239
Non cash (income)/expense other than impairment, depreciation, and amortisation	E	(29,609)	29,015	6,670	(692)	230	–	5,614

44. SEGMENT INFORMATION (CONT'D.)

At 31 December 2013 (Restated)	Notes	Asset development and asset management consultancy RM'000	Integrated facilities management RM'000	Infrastructure maintenance RM'000	Properties RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue								
External revenue		1,351,136	653,881	660,250	34,385	–	–	2,699,652
Inter-segment revenue	A	14,511	1,642	2,530	–	93,105	(111,788)	–
Total revenue		1,365,647	655,523	662,780	34,385	93,105	(111,788)	2,699,652
Results								
Segment results		136,182	111,484	82,456	9,239	72,469	(87,391)	324,439
Finance costs		(10,082)	(760)	(939)	–	–	701	(11,080)
Share of results of associates		–	1,394	–	–	–	–	1,394
Share of results of joint ventures		2,410	–	–	–	–	–	2,410
Profit/(loss) before tax		128,510	112,118	81,517	9,239	72,469	(86,690)	317,163
Zakat		(2,517)	(1,002)	–	(426)	(5)	–	(3,950)
Income tax (expense)/benefit		(35,889)	(25,134)	(20,753)	(2,341)	754	–	(83,363)
Profit/(loss) net of tax		90,104	85,982	60,764	6,472	73,218	(86,690)	229,850
Assets								
Segment assets	B	1,309,946	480,995	348,629	302,146	223,241	(48,179)	2,616,778
Liabilities								
Segment liabilities	B	614,394	208,875	181,049	59,215	7,240	(60,898)	1,009,875
Other segment information								
Capital expenditure	C	44,859	3,460	15,455	63	182	–	64,019
Investments in associates		–	4,531	–	–	–	–	4,531
Investments in joint ventures		38,138	–	–	–	–	–	38,138
Dividend income		(8,097)	–	–	–	–	–	(8,097)
Interest income		(8,173)	(3,422)	(1,746)	(3,823)	(954)	–	(18,118)
Impairment of plant and equipment (Note 13)		–	2,599	–	–	–	–	2,599
Depreciation (Note 7)		17,486	13,369	5,482	109	466	–	36,912
Amortisation	D	2,041	112	129	2	26	–	2,310
Non cash expenses/(income) other than impairment, depreciation, and amortisation	E	925	2,698	(177)	(777)	343	–	3,012

44. SEGMENT INFORMATION (CONT'D.)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2014 RM'000	2013 RM'000
Inter-segment assets	**(61,586)**	(48,179)

The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2014 RM'000	2013 RM'000
Inter-segment liabilities	**(79,672)**	(60,898)

C Capital expenditure consist of:

	2014 RM'000	2013 RM'000
Property, plant and equipment	**62,860**	59,650
Intangible assets – software	**4,953**	4,369
	67,813	64,019

D Amortisation consist of:

	2014 RM'000	2013 RM'000
Prepaid land lease payments	**87**	87
Intangible assets	**4,152**	2,223
	4,239	2,310

44. SEGMENT INFORMATION (CONT'D.)

E Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2014 RM'000	2013 RM'000 (Restated)
Fair value gain on initial recognition of financial liabilities	5	**–**	(922)
Fair value gain on:			
– investment securities	5	**(238)**	–
– step up acquisition of a joint venture to subsidiary	5	**(1,230)**	–
Gain on dissolution of a subsidiary	5	**(61)**	–
Gain on a bargain purchase	5	**–**	(912)
Reversal of deferred consideration arising from acquisition of a subsidiary	5	**(30,752)**	–
Liquidated and ascertained damages from subcontractors	5	**(2,258)**	–
Loss on disposal of a subsidiary	7	**–**	82
(Reversal)/provision for sinking fund	7	**(28)**	11
Net loss on disposal of plant and equipment	7	**2**	373
Provision for late delivery charges	7	**1,632**	–
Property, plant and equipment written off	7	**3,633**	574
Impairment on financial assets:			
– Trade and other receivables			
– Non-current	7	**19,423**	2,902
– Current	7	**17,017**	6,047
Reversal of impairment on financial assets:			
– Trade and other receivables	7	**(3,538)**	(4,618)
Bad debts written off	7	**1,043**	279
Write down/(Reversal of write-down) of inventories	7	**705**	(44)
Defined retirement benefit obligations	8	**264**	(760)
		5,614	3,012

44. SEGMENT INFORMATION (CONT'D.)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue	
	2014	**2013**
	RM'000	**RM'000**
		(Restated)
Malaysia	**1,627,547**	1,505,297
United Arab Emirates	**2,139**	9,050
India	**–**	303
New Zealand	**779,065**	735,894
Australia	**174,540**	195,848
Canada	**372,091**	152,030
United Kingdom	**133,585**	101,230
Indonesia	**320**	–
Consolidated	**3,089,287**	2,699,652

	Non-current assets	
	2014	**2013**
	RM'000	**RM'000**
		(Restated)
Malaysia	**282,754**	268,360
United Arab Emirates	**1**	23
India	**15**	109
New Zealand	**62,357**	45,478
Australia	**50,464**	67,504
Canada	**242,852**	240,862
United Kingdom	**41,577**	40,340
Indonesia	**25**	18
Others	**6,798**	15,677
Consolidated	**686,843**	678,371

44. SEGMENT INFORMATION (CONT'D.)

Geographical information (cont'd.)

Non-current assets information presented above consist of the followings items as presented in the consolidated statement of financial position:

	2014 RM'000	2013 RM'000
Property, plant and equipment	**188,105**	167,344
Land held for property development	**1,115**	1,115
Prepaid land lease payments	**3,324**	3,411
Intangible assets	**474,972**	463,560
Investment in associates	**6,070**	4,531
Investment in joint ventures	**12,985**	38,138
Other investments	**272**	272
	686,843	678,371

Information about major customers

Revenue from a major customer amounted to RM650,922,000 (2013: RM617,847,000), arising from sales by the integrated facilities management – concession segment.

45. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Details of subsidiaries, joint ventures and associates are as follows:

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2014 %	Effective proportion of ownership interest 2013 %	Principal activities
Subsidiary of the Company:					
Faber Hotels Holdings Sdn. Bhd.	Malaysia	95,279,551	**100**	100	Investment holding
Faber Development Holdings Sdn. Bhd.	Malaysia	28,260,006	**100**	100	Investment holding
Faber Facilities Sdn. Bhd.	Malaysia	200,000	**100**	100	Investment holding and provision of facilities management services
Faber Healthcare Management Sdn. Bhd.	Malaysia	2	**100**	100	Investment holding
TC Parking Sdn. Bhd.	Malaysia	20,002	**100**	100	In members' liquidation

45. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONT'D.)

Details of subsidiaries, joint ventures and associates are as follows: (cont'd.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2014 %	2013 %	Principal activities
Subsidiary of the Company (cont'd.):					
Renown Alliance Sdn. Bhd.	Malaysia	2	**100**	100	In members' liquidation
Projek Penyelenggaraan Lebuhraya Berhad	Malaysia	70,000,000	**100**	100	Maintenance and repair of civil, mechanical and electrical works on roads, infrastructure and expressways and industrial cleaning services
Opus Group Berhad	Malaysia	89,822,472	**100**	100	Investment holding
Faber LLC (b)	Emirates of Dubai	AED600,000	**75**	75	Facilities management services in United Arab Emirates
Merlino Enterprises Sdn. Bhd.	Malaysia	450,000	**100**	100	In members' liquidation
Sate Yaki Sdn. Bhd.	Malaysia	5,000,000	**60**	60	In members' liquidation
Subsidiary of Faber Healthcare Management Sdn. Bhd.:					
Sehat Technologies Sdn. Bhd.	Malaysia	500,000	**–**	51	Liquidated in current year
Faber Medi-Serve Sdn. Bhd. (c)	Malaysia	54,000,010	**100**	100	Provision of hospital support services
Subsidiary of Faber Medi-Serve Sdn. Bhd.:					
Cermin Cahaya Sdn. Bhd.	Malaysia	2	**100**	100	Provision of cleansing services
Healthtronics (M) Sdn. Bhd.	Malaysia	3,000,000	**60**	60	Provision of biomedical and electronic engineering maintenance services
Fresh Linen Services (Sabah) Sdn. Bhd.	Malaysia	3,000,000	**60**	60	Provision of laundry processing activities
FMS Services Sabah Sdn. Bhd.	Malaysia	100,000	**100**	100	Investment holding
FMS Services Sarawak Sdn. Bhd.	Malaysia	100,000	**100**	100	Investment holding

45. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONT'D.)

Details of subsidiaries, joint ventures and associates are as follows: (cont'd.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2014 %	2013 %	Principal activities
Associate of FMS Services Sabah Sdn. Bhd.:					
Sedafiat Sdn. Bhd. (b)	Malaysia	100,000	**40**	40	Provision of hospital support services
Associate of FMS Services Sarawak Sdn. Bhd.:					
One Medicare Sdn. Bhd. (b)	Malaysia	5,000,000	**40**	40	Provision of hospital support services
Subsidiary of Faber Development Holdings Sdn. Bhd.:					
Faber Union Sdn. Bhd.	Malaysia	97,000,000	**100**	100	Property development
Rimbunan Melati Sdn. Bhd.	Malaysia	5,000,000	**55**	55	Property development
Faber Grandview Development (Sabah) Sdn. Bhd.	Malaysia	4,500,000	**100**	100	Property development
Faber Heights Management Sdn. Bhd.	Malaysia	2	**100**	100	Property management
Country View Development Sdn. Bhd.	Malaysia	11,200,000	**100**	100	Property development and provision of facilities management services
Subsidiary of Mutiara Unik (M) Sdn. Bhd.:					
Jiwa Unik Sdn. Bhd.	Malaysia	100,000	**–**	51	Struck-off in current year
Subsidiary of Faber Facilities Sdn. Bhd.:					
Faber Facilities Management Sdn. Bhd.	Malaysia	1,000,000	**100**	100	Facilities management services
Faber Star Facilities Management Limited (b)	India	Rs3,57,10,770	**100**	100	Facilities management in India
General Field Sdn. Bhd.	Malaysia	2	**100**	100	Provision of energy performance management services

45. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONT'D.)

Details of subsidiaries, joint ventures and associates are as follows: (cont'd.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2014 %	2013 %	Principal activities
Associate of Faber Facilities Sdn. Bhd.:					
Faber Sindoori Management Services Private Limited (b)	India	Rs9,23,780	**51**	51	Facilities management in India
Subsidiary of Renown Alliance Sdn. Bhd.:					
Belaire Investments (Proprietary) Ltd (a)	South Africa	Rand100	**-**	100	De-registered in current year
Subsidiary of Projek Penyelenggaraan Lebuhraya Berhad:					
Aquatrans Sdn. Bhd.	Malaysia	100,000	**100**	100	Undertaking of water projects
Subsidiary of Opus Group Berhad:					
Builders Credit & Leasing Sdn. Bhd.	Malaysia	600,000	**100**	100	Investment holding
International Business Link, Inc. (a)	The British Virgin Islands	US$1	**100**	100	Investment holding
PL Management International Phils., Inc.	Philippines	5,220,000 Peso	**-**	100	Dissolved on 15 August 2014
Opus International Limited (a)	United Kingdom	GBP0.50	**100**	100	Dormant
Opus International (NZ) Limited (a)	New Zealand	NZD200	**100**	100	Investment holding
Opus International (M) Berhad	Malaysia	15,000,000	**100**	100	Management of the planning, design and construction of infrastructure projects and provision of facilities management services

45. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONT'D.)

Details of subsidiaries, joint ventures and associates are as follows: (cont'd.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2014 %	Effective proportion of ownership interest 2013 %	Principal activities
Subsidiary of Opus International (M) Berhad:					
Opus Management Sdn. Bhd.	Malaysia	1,000,000	**100**	100	Management of the planning, design and construction of infrastructure projects, provision of facilities management services and provision of technical and administrative support services to related parties of the Group
Pengurusan Lantas Berhad	Malaysia	5,000,000	**100**	100	Provision of technical management support services for the planning, design and construction of projects
Pengurusan LRT Sdn. Bhd.	Malaysia	5,000,000	**100**	100	Provision of project management services
Opus International India Pte Ltd (b)	India	Rs4,60,000	**100**	100	Provision of asset development and asset management services
Soil Centralab Sdn. Bhd.	Malaysia	1,000,000	**100**	100	Geotechnical investigation, instrumentation and pavement condition assessment works
Opus Consultants JLT (a)(d)	Emirates of Dubai	AED100,000	**81**	–	Engineering consultancy services
Joint Venture of Opus International (M) Berhad:					
Opus Middle East LLC (a)(d)	Emirates of Dubai	–	**39**	–	Professional engineering services
Subsidiary of Opus International (NZ) Limited:					
Opus International Consultants Limited (a)	New Zealand	NZD54,784,556	**61**	62	Multidisciplinary infrastructure consultancy providing asset development and asset management solutions

45. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONT'D.)

Details of subsidiaries, joint ventures and associates are as follows: (cont'd.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2014 %	2013 %	Principal activities
Subsidiary of Opus International Consultants Limited:					
Opus International Consultants (Canada) Limited (a)	Canada	CAD800	**61**	62	Engineering consultancy services
Opus International Consultants Sdn. Bhd. (a)	Malaysia	300,000	**61**	62	Technical consultancy services
Opus International Consultants (OPC) Limited (a)	New Zealand	Not called/ paid up	**61**	62	Consultancy services
Opus International Pty Limited (a)	Australia	A$10,000	**61**	62	Holding company
Opus International Consultants (Pte) Limited (a)	Singapore	S$1,000,000	**61**	62	Dormant
Opus International Consultants Holdings (UK) Limited (a)	United Kingdom	GBP20,120,000	**61**	62	Holding company
Opus International Consultants Inc. (a)	United States of America	US$10	**61**	62	Engineering consultancy services
Opus Stewart Weir Limited (formerly known as Stewart Weir & Co Limited) (a)	Canada	CAD33,103,036.60	**61**	62	Land surveying, engineering and environmental consultancy
Opus International Consultants (Samoa) Limited	Samoa	Nil	**61**	–	Engineering consultancy services
Opus International Consultants (Fiji) Limited (a)	Fiji	NZ$2	**61**	–	Engineering consultancy services
Joint Venture of Opus International Consultants Limited:					
NZ Water and Environment Training Academy (a)	Not applicable	–	**31**	31	Providing water services training
Total Bridge Services (a) (f)	Not applicable	–	**15**	16	Providing engineering services
Marlborough Roads	Not applicable	–	**15**	–	Providing engineering services
Capital Journeys	Not applicable	–	**15**	–	Providing engineering services

45. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONT'D.)

Details of subsidiaries, joint ventures and associates are as follows: (cont'd.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2014 %	2013 %	Principal activities
Jointly Controlled Operation of Opus International Consultants Limited:					
HCC Joint Operation (a)	Not applicable	–	**31**	31	Providing road network management services
Subsidiary of Opus International Consultants Holdings (UK) Limited:					
Evans Grant Group Ltd (a)	United Kingdom	GBP1	**–**	62	Struck-off in current year
Veryards Holdings Limited (a)	United Kingdom	GBP1	**–**	62	Struck-off in current year
The Joynes Pike Group Limited (a)	United Kingdom	GBP6	**61**	62	Dormant
Opus International Consultants (UK) Ltd (a)	United Kingdom	GBP7,200,000	**61**	62	Engineering consultancy services
Opus HCL Limited (a)	United Kingdom	GBP1	**–**	62	Struck-off in current year
Opus International Consultants (Projects) Limited (a)	United Kingdom	GBP217,100	**61**	62	Engineering consultancy services
Opus Structural Surveys Limited (formerly known as Structural Survey Direct Limited) (a)	United Kingdom	GBP100	**61**	62	Civil and building consultancy services
Tower Surveys Limited (a)	United Kingdom	GBP100	**61**	62	Survey consultancy work
Opus Joynes Pike Limited (a)	United Kingdom	GBP6	**-**	62	Struck-off in current year
Subsidiary of Opus Stewart Weir Ltd:					
Steward Weir Wood Buffalo Holdings Ltd (a)	Canada	CAD100	**61**	62	Holding company
Stewart Weir Consulting Inc (a)	Canada	CAD100	**61**	62	Holding company
USW Gamma Industrial Services Ltd (a)	Canada	CAD2	**61**	62	Survey consulting
Stewart Weir Australia Pty Ltd (a)	Australia	AUD100	**61**	62	Survey consulting
USW Surveys Limited (a)	Canada	CAD10	**61**	62	Dormant
Opus Stewart Weir (BC) Limited (a) (formerly known as SWBL)	Canada	CAD100	**61**	30	Survey consulting

45. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONT'D.)

Details of subsidiaries, joint ventures and associates are as follows: (cont'd.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2014 %	2013 %	Principal activities
Joint Venture of Opus Stewart Weir Ltd:					
Athabaskan Resources Company Limited Partnership (a)	Canada	CAD100	**31**	31	Survey consulting
Subsidiary of Evans Grant Group Ltd:					
Evans Grant Opus Ltd (a)	United Kingdom	GBP1	**–**	62	Struck-off in current year
Evans Grant (Fareham) Limited (a)	United Kingdom	GBP1	**–**	62	Struck-off in current year
Evans Grant (Alton) Limited (a)	United Kingdom	GBP1	**–**	62	Struck-off in current year
Office Network Engineering Limited (a)	United Kingdom	GBP1	**–**	62	Struck-off in current year
Subsidiary of Opus International Consultants (Canada) Limited:					
Opus DaytonKnight Consultants Limited (a)	Canada	CAD100	**61**	62	Engineering consultancy services
Subsidiary of Opus International Consultants Sdn Bhd:					
Kejuruteraan Opus Sdn. Bhd. (a)	Malaysia	2	**61**	62	Dormant
Subsidiary of Opus International Pty Limited:					
Opus International Consultants (Australia) Pty Limited (a) (f)	Australia	AUD2,134	**61**	62	Engineering consultancy services
Opus Rail Pty Limited (a)	Australia	AUD1	**61**	62	Rail infrastructure consultancy
Asia Pacific Rail Pty Limited (a)	Australia	AUD300	**–**	62	Struck-off in current year
Opus International Consultants (PCA) Pty Limited (a)	Australia	Not called/ paid up	**61**	62	Road infrastructure and other related design work civil and building design related work

45. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONT'D.)

Details of subsidiaries, joint ventures and associates are as follows: (cont'd.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2014 %	Effective proportion of ownership interest 2013 %	Principal activities
Subsidiary of Opus International Consultants (PCA) Pty Limited:					
Opus International Consultants (NSW) Pty Limited (a)	Australia	AUD1,174.94	**61**	62	Engineering consultancy services
Subsidiary of The Joynes Pike Group Limited:					
Reach UK Limited (a)	United Kingdom	GBP1	**–**	62	Struck-off in current year

(a) Audited by member firms of Ernst & Young Global in respective countries
(b) Audited by firms other than Ernst & Young
(c) Faber Medi-Serve Sdn. Bhd. is 43% owned by Faber Group Berhad and 57% owned by Faber Healthcare Management Sdn. Bhd.
(d) Opus Consultants JLT is 50% owned by Opus International (M) Berhad and 50% owned by Opus International Consultants Limited
(e) Opus Middle East LLC is 25% owned by Opus International (M) Berhad and 25% owned by Opus International Consultants Limited
(f) Financial year ended other than 31 December

46. SIGNIFICANT EVENTS

(a) On 26 October 2009, Faber Medi-Serve Sdn. Bhd. ("FMS") had submitted a Letter of Intent to the Ministry of Health ("MOH") to extend the Concession Agreement ("CA") which will be expiring on 28 October 2011, as per the terms of the CA. In the interim, FMS had attended a series of Service Level Improvement Workshops conducted by the MOH between February 2010 and March 2010 formulating new proposed scopes, standards and performance monitoring for the new Hospital Support Services ("HSS") concession. In 2010, FMS continued its commitment in the HSS concession by continuing to invest substantial amounts of capital expenditure and human development so as to improve its service delivery. Subsequently, on 30 June 2010, FMS had submitted the financial proposal to the MOH in relation to the CA extension. FMS received a letter acknowledging receipt of FMS letter dated 26 October 2009 from Unit Kerjasama Awam Swasta ("UKAS") on 26 October 2010.

On 19 September 2011, FMS received request from UKAS for the submission of Request for Proposal ("RFP") and FMS had submitted the RFP to UKAS on 3 October 2011, accordingly. Subsequently, on 27 October 2011, UKAS issued a letter to FMS for an extension of the Concession Agreement for a six-month period effective from 28 October 2011, subject to the prevailing terms and conditions of the Concession Agreement. Through a letter dated 13 February 2012, FMS was requested by UKAS to submit the HSS Addendum No 1 to the RFP, detailing and clarifying on the technical and commercial proposals submitted earlier. FMS had complied to the request and submitted the HSS Addendum No 1 on 23 February 2012.

Pursuant to a letter dated 27 April 2012 received from UKAS, FMS shall in the interim continue with the existing Concession until the signing of a new CA for the privatisation of HSS with the MOH. On 2 July 2012, FMS has signed an interim concession agreement with the MOH covering a contract period from 28 October 2011 till the execution date of the new CA, where FMS shall continue its services based on the same terms and conditions of the CA.

46. SIGNIFICANT EVENTS (CONT'D.)

(a) On 25 January 2013, FMS received 3 letters all dated 23 January 2013, from UKAS, which state the following:-

(i) For Northern Region of Peninsular Malaysia
That the Government of Malaysia in principle had agreed for FMS to implement the new concession in relation to the Privatisation of the HSS for the Northern Region of Peninsular Malaysia (Perak, Pulau Pinang, Kedah and Perlis) for a period of ten (10) years with the new service fee at an increase of 5.8% from the 2011 Peninsular Malaysia service fee and a further RM16.572 million per annum for the Sustainability Programme, subject to the terms and conditions of the Privatisation of the HSS to be negotiated between the Government and FMS;

(ii) For Sabah Zone
That the Government of Malaysia in principle had agreed that the new concession in relation to the Privatisation of the HSS for the Sabah Zone is to be implemented by a new Consortium Company of which FMS will hold 40% equity interest and another 60% equity interest will be held by 1Care Consortium Sdn. Bhd.. The new concession will be for a period of ten (10) years with the new service fee (including the Sustainability Programme) at an increase of 7.8% from the 2011 Sabah service fee, subject to the terms and conditions of the Privatisation of the HSS to be negotiated between the Government and the Consortium Company; and

(iii) For Sarawak Zone
That the Government of Malaysia in principle had agreed that the new concession in relation to the Privatisation of the HSS for the Sarawak Zone is to be implemented by a new Consortium Company, of which FMS will hold 40% equity interest and another 60% equity interest will be held by another consortium company through Metrocare Services Sdn. Bhd. and the joint venture between Simfoni Dua Sdn. Bhd. and Perbadanan Pembangunan Ekonomi Sarawak. The new concession will be for a period of ten (10) years with the new service fee (including the Sustainability Programme) at an increase of 8.1% from the 2011 Sarawak service fee, subject to the terms and conditions of the Privatisation of the HSS to be negotiated between the Government and the Consortium Company.

On 22 February 2013, FMS acquired the following:-

(i) 2 ordinary shares of RM1.00 each in Segi Operasi Sdn. Bhd. ("SOSB"), representing its entire issued and paid-up share capital, for a cash consideration of RM2.00; and

(ii) 2 ordinary shares of RM1.00 each in Segi Kirana Sdn. Bhd. ("SKSB"), representing its entire issued and paid-up share capital, for a cash consideration of RM2.00.

On 27 February 2013, SOSB had entered into a Joint Venture Agreement ("JVA") with FMS, 1Care Consortium Sdn. Bhd. and Sedafiat Sdn. Bhd. ("SSB") for the purpose of carrying out the HSS to the hospitals operated by the MOH throughout the state of Sabah, via the Joint Venture Company ("JVC"), SSB. On 28 March 2013, SOSB had changed its name to FMS Services (Sabah) Sdn. Bhd..

On 27 February 2013, SKSB had entered into a JVA with FMS, Metrocare Services Sdn. Bhd. and One Medicare Sdn. Bhd. ("OMSB") for the purpose of carrying out the HSS to the hospitals operated by the MOH throughout the state of Sarawak, via the JVC, OMSB. On 21 March 2013, SKSB had changed its name to FMS Services (Sarawak) Sdn. Bhd..

46. SIGNIFICANT EVENTS (CONT'D.)

(a) On 11 March 2015, FMS entered into the new CA with MOH for the provision of HSS at contract hospitals in the states of Perak, Pulau Pinang, Kedah and Perlis, the development of an asset and services information system and the implementation of the Sustainability Programme for a period of ten (10) years in accordance with the terms and conditions of the new CA.

Upon execution of the new CA, the interim concession agreement dated 2 July 2012 entered into between the MOH and FMS to continue providing HSS on an interim basis pending the negotiation and finalisation of the terms and conditions of the new CA shall automatically be terminated.

On the same day, OMSB and SSB entered into new CA with the MOH for the provision of HSS at contract hospitals in the states of Sabah and Sarawak respectively.

(b) On 14 March 2013, Konsortium Prohawk Sdn. Bhd. ("KPSB") entered into a Concession Agreement with the Government of Malaysia to undertake the financing, planning, design, development, construction, landscaping, equipping, installation, completing, testing and commissioning and leasing of a Women and Children's Hospital's facilities and infrastructure and to carry out the Asset Management Services ("AMS").

On 19 May 2014, FMS entered into the AMS Agreement with KPSB to provide AMS for the hospital for RM1.03 billion over the AMS Period.

The AMS is expected to commence in the fourth quarter of 2016 and expire in the fourth quarter of 2043, subject to the completion of the construction of the Hospital.

(c) On 14 March 2013, UEM informed the Board of Directors of Opus of its intention to undertake a Proposed Selective Capital Reduction ("SCR") at a cash repayment sum of RM1.50 per Opus share pursuant to Section 64 of the Companies Act 1965, which will result in UEM becoming the sole shareholder of Opus upon completion of the Proposed SCR.

On 10 October 2013, OPUS received a revised SCR letter from UEM, informing the Board of the Revised Cash Repayment Sum of RM1.70 per Opus Share.

Under the Proposed SCR, the issued and paid-up share capital of Opus will be reduced via the cancellation of 116,896,909 Opus Shares (which includes 99,706,187 Opus Shares held by the Company), which will reduce the issued and paid-up share capital of Opus from RM119,046,699 comprising 476,186,797 Opus Shares to RM89,822,472 comprising 359,289,888 Opus Shares.

The Non-Interested Shareholders will receive a total capital repayment of RM29,224,227 which represents a cash amount of RM1.70 per Opus Share. UEM shall waive its cash entitlement to the capital repayment for 99,706,187 Opus Shares, surrendered by them for cancellation.

On 20 February 2014, the Non-Interested Shareholders of Opus approved the Proposed SCR in Opus' extraordinary general meeting and the Proposed SCR is subject to High Court's approval.

On 18 March 2014, the High Court granted an order confirming the SCR and the cash repayment sum was paid to entitled shareholders on 24 April 2014.

46. SIGNIFICANT EVENTS (CONT'D.)

(d) On 18 April 2014, the Company entered into a conditional share sale agreement ("SSA") with UEM Group Bhd ("UEMG") to acquire:

i. 100% equity interest in Propel for a total consideration of RM500 million to be settled by a combination of cash of RM250 million and the issuance of 125 million new ordinary share of RM0.25 each in the Company at an issue price of RM2 per new share; and

ii. 100% equity interest in Opus for a total consideration of RM651 million to be settled via the issuance of 325.5 million new Company's shares at an issue price of RM2 per new share.

On 17 October 2014, all conditions precedent to the SSA have been fulfilled and/or waived. On 30 October 2014, 450.5 million new Company's shares were listed.

On the same day, the Company entered into a facility arrangement with Maybank Islamic Berhad to obtain a 5-year Commodity Murabahah Term Financing-I Facility ("CMTF-i) for RM100 million to part finance the cash consideration for the acquisition of Propel.

47. SUBSEQUENT EVENTS

(a) On 26 February 2015, FMS, entered into a sale of shares agreement with SSP Medical Technologies Sdn Bhd ("SSP") for the acquisition of 1,200,000 ordinary shares of RM1.00 each in Healthronics (M) Sdn Bhd ("Healthtronics"), representing the remaining 40% of the total issued and paid-up share capital of Healthtronics from SSP for a total cash consideration of RM10,000,000 ("Proposed Acquisition"). The Proposed Acquisition was completed on 27 February 2015 and Healthtronics became a wholly-owned subsidiary of FMS.

(b) On 27 February 2015, the Company proposed to change its name from "Faber Group Berhad" to "UEM Edgenta Berhad" ("Proposed Change of Name").

The Proposed Change of Name is part of the Company's re-branding exercise, pursuant to the completion of merger with Propel and Opus and transformation of the Company into a full scale Asset and Facility Management focused business.

The use of the proposed name "UEM Edgenta Berhad" was approved and reserved by the Companies Commission of Malaysia. The Proposed Change of Name, which has been approved by the shareholders at an Extraordinary General Meeting on 27 March 2015, will take effect from the date of issuance of the Certificate of Incorporation on Change of Name of Company by the Companies Commission of Malaysia.

48. MATERIAL LITIGATIONS

(a) Sweet Home Technical Works Limited Liability Company ("Claimant") vs. Faber Limited Liability Company ("Faber LLC")

The claim is in relation to the civil, mechanical and electrical maintenance services for low cost houses at Liwa and Madinat Zayed in the Emirate of Abu Dhabi ("Contracts"). The Contracts between Faber LLC and the Claimant had ended on 15 March 2011. There was still an outstanding amount due to the Claimant for works carried out prior to the end of the Contracts' period, which was under dispute pending the hearing of the case. The claim amount is AED13,119,213.49 (approximately RM11,211,155.08), which Faber LLC disputed.

On 31 May 2012, the Al Dhafra Court decided to appoint a new panel of experts to re-evaluate the case.

On 6 January 2013, the Al Dhafra Court accepted the expert report in respect of the claim to be paid by Faber LLC to the Claimant, amounting to AED8,054,010.07 (approximately RM6,541,969.29). An appeal was made by Faber LLC which was subsequently rejected by the Abu Dhabi Cassation Court.

On 16 December 2013, the Claimant filed an additional claim of AED2,000,000.00 (approximately RM1,734,920.00). On 7 January 2014, Faber LLC filed the supporting documents for the counter claim amounting to AED8,534,028.00.

On 12 May 2014, the Al Dhafra Court rejected Faber LLC's counter claim and decided on behalf of the Claimant and requested Faber LLC to pay the amount as per the expert report of AED 1,799,748.32 (approximately RM1,583,598.55) to the Claimant together with an interest of 6 percent from 15 March 2011 till the date of payment.

On 3 June 2014, Faber LLC filed an appeal against the judgment passed by the Al Dhafra Court which was rejected. Subsequently, the Court of Appeal Al Dhafra allowed Faber LLC's appeal and set aside the judgment of the Al Dhafra directing Faber LLC to pay the sum of AED1,799,748.32 plus interests and costs to the Claimant. However, the Court of Appeal Al Dhafra rejected Faber LLC's counter claim of AED8,534,028.00 filed against the Claimant.

(b) Rimbunan Melati Sdn. Bhd. ("RMSB") vs. JPS Consulting Sdn. Bhd. ("JPS") and Tesonic (M) Sdn. Bhd. ("Tesonic") ("Defendants")

On 14 August 2013, RMSB served a Writ of Summons and Statement of Claim on both the Defendants, on jointly and severally liability basis, for damages on negligence and for breach of contract on defects and rectification work due to civil and structural design works based on the As Built Piling Works and Building Works for the works at the Project Site. RMSB also sought damages from Tesonic for negligence on services and duties as a testing specialist contractor in conducting PDA testing amounting to RM5,769,642.03 as at June 2013.

During the case management held on 3 March 2014, the parties recorded a Consent Judgement on the following terms:-

(a) JPS is to pay RM1,300,000 to RMSB as full and final settlement of the suit with no order as to costs; and

(b) RMSB is to withdraw the claim against Tesonic with no liberty to file afresh and with no order as to costs.

In view of the above, the Court directed that the hearing dates of 3 and 4 June 2014 be vacated and all experts reports filed in Court thus far be returned to the parties. RMSB has received the settlement sum of RM1,300,000 during the year as disclosed in Note 5.

48. MATERIAL LITIGATIONS (CONT'D.)

(c) SSP Medical Technologies Sdn. Bhd. ("SSP" or "Plaintiff") vs. Faber Medi-Serve Sdn. Bhd. ("FMS" or "1st Defendant") and Healthtronics (M) Sdn. Bhd. ("HMSB" or "2nd Defendant")

SSP had on 6 September 2013 served a Writ of Summons on FMS and HMSB, a 60% owned subsidiary of FMS. The Writ of Summons is in respect of the Shareholders Agreement ("SA") dated 21 May 2002 and the Agreement for Service ("AFS") dated 28 June 2002 in respect of HMSB. The Plaintiff seeks various relief including a declaration that the 1st Defendant is in breach of the SA and an order to prevent the 1st Defendant from entering into any agreement for the delivery of Bio-Medical Engineering Maintenance (BEM) and Electronic Facilities Engineering Maintenance (EFEM) services under the New Concession Agreement ("NCA") with any party other than the 2nd Defendant. The Plaintiff also filed an injunction to restrain FMS from acquiring and taking over the assets of FMS under the AFS and from entering into any agreement for the delivery of BEM and EFEM services under the NCA with any party other than HMSB.

On 4 February 2014, the Court decided that the Plaintiff's application for interlocutory injunction is academic and upon the parties' agreement the Court made no order on the application for injunction.

On 15 May 2014, FMS was served with the sealed Notice of Application to withdraw the suit with liberty to file afresh together with its supporting affidavit.

On 16 May 2014, the Court has struck out the Plaintiff's application for futher and better particulars with no order as to costs.

On 7 July 2014, the Court has struck off the Plaintiff's suit with liberty to file afresh and with costs of RM30,000 to be paid to FMS. The Court also struck off the Plaintiff's application to amend the Statement of Claim.

49. RESTATEMENT OF COMPARATIVES

During the financial year, the Company acquired Propel and Opus as disclosed in Note 17(a)(i). As the acquisitions are accounted for using the pooling of interest method, the results, assets and liabilities of the subsidiaries are presented as if the combination had been effected throughout the current and previous financial periods.

Comparatives therefore have been restated accordingly for this purpose.

50. SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2014 and 31 December 2013 into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2011 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2014 RM'000	**2013 RM'000 (Restated)**	**2014 RM'000**	**2013 RM'000**
Total retained earnings of the Company and its subsidiaries				
– Realised	**683,038**	682,020	**262,876**	114,901
– Unrealised	**39,535**	43,467	**–**	–
	722,573	725,487	**262,876**	114,901
Consolidation adjustments	**(117,367)**	(130,456)	**–**	–
Retained earnings as per financial statements	**605,206**	595,031	**262,876**	114,901

ANALYSIS OF SHAREHOLDINGS
As at 31 March 2015

SHARE CAPITAL

Authorised Share Capital	:	RM750,000,000.00 divided into 3,000,000,000 ordinary shares of RM0.25 each
Issued and Paid-up Share Capital	:	RM203,375,263.25 comprising 813,501,053 ordinary shares of RM0.25 each
Class of Shares	:	Ordinary shares of RM0.25 each
Voting Rights	:	One (1) vote per ordinary share held

DISTRIBUTION SCHEDULE FOR ORDINARY SHARES

Size of Holdings	No. of Shareholders	%	Total Shareholdings	%
Less than 100	1,009	6.50	37,297	0.00
100 to 1,000	11,221	72.25	4,011,266	0.49
1,001 to 10,000	2,721	17.52	9,875,544	1.21
10,001 to 100,000	408	2.63	12,857,073	1.58
100,001 to 40,675,051*	171	1.10	219,947,605	27.05
40,675,052 and above**	1	0.00	566,772,268	69.67
Total	**15,531**	**100.00**	**813,501,053**	**100.00**

Notes:
* Less than 5% of issued shares
** 5% and above of issued shares

30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS
As at 31 March 2015

No.	Name of Shareholder	No. of Shares Held	% of Issued Shares
1.	UEM Group Berhad	566,772,268	69.67
2.	Lembaga Tabung Haji	39,863,000	4.90
3.	AMSEC Nominees (Tempatan) Sdn Bhd AmTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	19,726,900	2.42
4.	AmanahRaya Trustees Berhad Public Smallcap Fund	15,677,500	1.93
5.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)	10,634,400	1.31
6.	UEM Group Berhad	8,195,657	1.01
7.	CIMB Group Nominees (Tempatan) Sdn Bhd AmTrustee Berhad for CIMB Islamic Dali Equity Theme Fund	7,064,800	0.87
8.	AmanahRaya Trustees Berhad Public Ittikal Sequel Fund	5,438,800	0.67

30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONT'D)

As at 31 March 2015

No.	Name of Shareholder	No. of Shares Held	% of Issued Shares
9.	AmanahRaya Trustees Berhad Public Strategic Smallcap Fund	5,409,000	0.66
10.	Affin Hwang Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Tan Ju Hong	4,501,900	0.55
11.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB PRIN)	4,496,700	0.55
12.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for The Bank of New York Mellon (Mellon Acct)	3,813,017	0.47
13.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Affin-HWG)	3,795,900	0.47
14.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd	3,672,800	0.45
15.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	3,407,507	0.42
16.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	3,339,500	0.41
17.	AmanahRaya Trustees Berhad PB Islamic Equity Fund	3,134,800	0.39
18.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for PB Asean Dividend Fund (270334)	3,014,100	0.37
19.	Citigroup Nominees (Tempatan) Sdn Bhd Bank Negara Malaysia National Trust Fund (CIMB)	2,812,500	0.35
20.	AmanahRaya Trustees Berhad Public Sector Select Fund	2,289,000	0.28
21.	AmanahRaya Trustees Berhad Public Islamic Treasures Growth Fund	2,264,300	0.28
22.	Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Small Cap Series	2,104,600	0.26
23.	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan)(CIMB Equities)	1,970,900	0.24
24.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustees Bhd for Pertubuhan Keselamatan Sosial (AFF HWG6939-403)	1,850,400	0.23
25.	AmanahRaya Trustees Berhad Public Islamic Opportunities Fund	1,823,600	0.22
26.	DB (Malaysia) Nominee (Asing) Sdn Bhd Exempt AN for Deutsche Bank AG London (Prime Brokerage)	1,810,300	0.22

30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONT'D)

As at 31 March 2015

No.	Name of Shareholder	No. of Shares Held	% of Issued Shares
27.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	1,705,000	0.21
28.	AmanahRaya Trustees Berhad Public Optimal Growth Fund	1,620,000	0.20
29.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad for Pacific Dana Aman (3717 TR01)	1,590,200	0.20
30.	Citigroup Nominees (Asing) Sdn Bhd UBS AG	1,582,700	0.19
	TOTAL	**735,382,049**	**90.40**

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2015

	Direct Interest		Indirect Interest	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**
UEM Group Berhad	574,967,925	70.68	–	–
Khazanah Nasional Berhad#	–	–	574,967,925	70.68

Note:

Deemed interested pursuant to Section 6A(4) of the Companies Act, 1965.

DIRECTORS' INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

As at 31 March 2015

Directors' Interest in Ordinary Shares in UEM Edgenta Berhad (formerly known as Faber Group Berhad)

	Direct Interest		Indirect Interest	
Name of Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
Dato' Seri Ismail Shahudin	–	–	–	–
Azmir Merican	–	–	–	–
Datuk Ir. Abdullah Sani Abd Karim	–	–	–	–
Dato' Izzaddin Idris	–	–	–	–
Robert Tan Bun Poo	–	–	–	–
Dr. Saman @ Saimy Ismail	–	–	–	–
Elakumari Kantilal	–	–	–	–

PROPERTIES HELD BY THE GROUP

Location and Address	Description of Properties	Approx. Land Area	Gross Built-Up Area (Sq. Meters)	Existing Use	Land Tenure (Expiry Date)	Building Approx. Age (Years)	Net Book Value as at 31.12.2014 (RM'000)	Last Date of Revaluation or If None; Date of Acquisition
CORPORATE								
UEM EDGENTA BERHAD (FORMERLY KNOWN AS FABER GROUP BERHAD)								
Lot 30 & 46 Armada Villa No. 6, Jalan 109F Taman Danau Desa 58100 Kuala Lumpur	Two units of three-storey bungalows	0.49 acres	1,207	Corporate Facilities	Leasehold (31.8.2108)	2	8,175	23.12.2014
Lot 32, 33 & 33A Prima Villa No. 2, Jalan 109F Taman Danau Desa 58100 Kuala Lumpur	Three units of four-storey link villas	0.24 acres	1,617	Corporate Facilities	Leasehold (6.1.2109)	1	8,947	30.12.2014
ASSET CONSULTANCY								
OPUS INTERNATIONAL CONSULTANTS LIMITED								
56 Port Road Whangarei New Zealand	Laboratory Land & Building	0.33 acres	430	Laboratory	Freehold	34	777	1.9.2012
Vivian House 21 Vivian Avenue Nottingham England	Office building	–	404	Office building	Freehold	140	1,704	17.3.2008
104 Cree Road Fort McMurray, Alberta Canada	Mobile home Land	0.10 acres	113	Crew accommodations	Freehold	15	282 705	15.12.2014 15.12.2014
SOIL CENTRALAB SDN BHD								
Suite 4801-1-05, Block 4801 CBD Perdana, Jalan Perdana 63000 Putrajaya, Selangor	Office building	–	175	Document storage	Freehold	5	304	25.2.2013
No. 3 & No. 5, Jalan P18 Kawasan Perindustrian MIEL 43650 Bandar Baru Bangi Selangor	Two adjoining units of one and a half storey semi detached factory	0.83 acres	1,303	Laboratory & office building	Leasehold (29.9.2086)	25	2,562	23.2.2013

Location and Address	Description of Properties	Approx. Land Area	Gross Built-Up Area (Sq. Meters)	Existing Use	Land Tenure (Expiry Date)	Building Approx. Age (Years)	Net Book Value as at 31.12.2014 (RM'000)	Last Date of Revaluation or If None; Date of Acquisition
HEALTHCARE SERVICES								
EDGENTA MEDISERVE SDN BHD (FORMERLY KNOWN AS FABER MEDI-SERVE SDN BHD)								
Lot No. 65 Kamunting Raya Industrial Estate Kamunting, Perak	Incineration plant with double-storey administration block plus laundry plant	5.87 acres	23,760	Incinerator for clinical waste and laundry plant	Leasehold (7.12.2097)	19	1,168	31.12.2014
Lot No. 37 Kuala Ketil Industrial Estate Mukim of Tawar District of Baling, Kedah	Laundry plant with 2-storey administration block and ancillary facilities	2.24 acres	9,058	Laundry plant	Leasehold (26.3.2056)	12	857	31.12.2014
Lot No. 131 (CL215359890) & Lot No. 132 (CL215359907) SEDCO Industrial Estate Lok Kawi, Sabah	Incineration plant with single-storey detached factory with mezzanine office	0.51 acres	2,066	Incinerator for clinical waste	Leasehold (13.12.2042)	10	412	31.12.2014
Lot 10486, Seksyen 20 Serendah, Ulu Selangor Selangor Darul Ehsan	Laundry plant with administration block and ancillary facilities	1.47 acres	5,945	Laundry plant	Freehold	4	1,160	31.12.2014
FRESH LINEN SERVICES (SABAH) SDN BHD								
Lot 34-5 Industrial Zone 4 (IZ 4) Kota Kinabalu Industrial Park Kota Kinabalu, Sabah	Laundry plant with 2-storey office and warehouse	0.96 acres	3,885	Laundry plant	Leasehold (13.12.2105)	6	887	31.12.2014
INFRA SERVICES								
EDGENTA PROPEL BERHAD (FORMERLY KNOWN AS PROJEK PENYELENGGARAAN LEBUHRAYA BERHAD)								
No. C1-16-08, Block C1 Vista Komanwel, Bukit Jalil 57700 Kuala Lumpur	Penthouse (duplex)	–	850	Staff accommodation	Freehold	2	370	19.4.2013
LMD Dengkil Office Kawasan Rehat dan Rawat Dengkil KM238, Arah Selatan Lebuhraya ELITE 43800 Dengkil, Selangor	Office Building and Warehouse Storage	–	5,000	Logistic and Machinery Depot	Leasehold	10	1,981	1.5.2005
PROPERTY DEVELOPMENT								
COUNTRY VIEW DEVELOPMENT SDN BHD								
CL 010502737 and CL 015395196 Kota Kinabalu, Sabah	Vacant land for development	7.72 acres	–	Vacant land	Leasehold 999 years (2.12.2920 and 20.8.2925)	–	1,115	2013

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

There were no proceeds raised by the Company from corporate proposals during the financial year ended 31 December 2014.

SHARE BUY-BACKS

There were no share buy-backs during the financial year ended 31 December 2014.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

No options, warrants or convertible securities were issued by the Company during the financial year ended 31 December 2014.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme for the financial year ended 31 December 2014.

SANCTIONS AND/OR PENALTIES

There were no other sanctions or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended 31 December 2014.

NON-AUDIT FEES

The non-audit fees paid or payable to the External Auditors by the Company and its subsidiaries for the financial year ended 31 December 2014 amounted to RM646,000.00.

VARIATION IN RESULTS

There was no material variation between the audited results for the financial year ended 31 December 2014 and the unaudited results previously announced by the Company.

There was no profit forecast announced during the financial year.

PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year ended 31 December 2014.

MATERIAL CONTRACTS

Other than those disclosed in the financial statements and the recurrent related party transaction section in this Annual Report, there were no material contracts including contracts to any loans entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests.

REVALUATION POLICY

The Company has not adopted a regular revaluation policy on landed properties.

RECURRENT RELATED PARTY TRANSACTIONS

The Company proposes to seek the approval of its shareholders for the renewal of mandate for recurrent related party transactions, the proposed ratification of recurrent related party transactions and the proposed new shareholders' mandate for additional recurrent related party transactions of a revenue or trading nature which is in the ordinary course of business at the forthcoming Annual General Meeting of the Company to be held on 25 May 2015. Please refer to pages 261 to 266 of this Annual Report on the disclosure of the recurrent related party transactions conducted during the financial year ended 31 December 2014 pursuant to the shareholders mandate approved at the previous Annual General Meeting.

RECURRENT RELATED PARTY TRANSACTIONS

The shareholders of UEM Edgenta Berhad, formerly known as Faber Group Berhad ("UEM Edgenta" or "the Company") had at the 51st Annual General Meeting held on 26 June 2014 granted their approval for the Company and/or its subsidiaries ("UEM Edgenta Group") to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations and are in the ordinary course of business in order to comply with Paragraph 10.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

In accordance to Practice Note 12 of the MMLR of Bursa Securities, the details of recurrent related party transactions made during the financial year ended 31 December 2014 pursuant to the shareholders' mandate are as follows:-

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2014 to 25 June 2014 (RM)	Value incurred from 26 June 2014 to 31 December 2014 (RM)	Aggregate Value of Transactions during the financial year (RM)
1	UEM Edgenta Group	UEM Group Berhad ("UEMG") and its subsidiaries ("UEMG Group")	Khazanah Nasional Berhad ("Khazanah") is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 70.68% subsidiary of UEMG. Dato' Seri Ismail Shahudin and Dato' Izzaddin Idris are Directors of UEM Edgenta and UEMG. Dato' Seri Ismail Shahudin and Dato' Izzaddin Idris do not have any equity interest in UEMG.	a) Provision of Directors and staff training and development by UEMG Group	30,883	70,681	101,564
				b) Provision of administrative and audit and tax services by UEMG Group	108,222	108,179	216,401
				c) Rental of office space in Tower 1, Avenue 7, Bangsar South and ancillary facilities from UEMG Group	1,056,063	1,294,521	2,350,584
		UEMG	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Serayin Sdn Bhd is a wholly owned subsidiary of UEMG. UEM Edgenta is a 70.68% subsidiary of UEMG. Dato' Seri Ismail Shahudin and Dato' Izzaddin Idris are Directors of UEM Edgenta and UEMG. Dato' Seri Ismail Shahudin and Dato' Izzaddin Idris do not have any equity interest in UEMG.	d) Rental of archive store in Taman Desa and ancillary facilities from UEMG Group	4,840	14,520	19,360

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2014 to 25 June 2014 (RM)	Value incurred from 26 June 2014 to 31 December 2014 (RM)	Aggregate Value of Transactions during the financial year (RM)
		UEMG	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. First Impact Sdn Bhd is a wholly owned subsidiary of UEMG. UEM Edgenta is a 70.68% subsidiary of UEMG. Dato' Seri Ismail Shahudin and Dato' Izzaddin Idris are Directors of UEM Edgenta and UEMG. Dato' Seri Ismail Shahudin and Dato' Izzaddin Idris do not have any equity interest in UEMG.	e) Rental of meeting rooms in Tower 1, Avenue 7, Bangsar South ancillary facilities from UEMG Group	–	–	–
				Total	**1,200,008**	**1,487,901**	**2,687,909**
2	UEM Edgenta Group	BIB Insurance Brokers Sdn Bhd ("BIB")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. BIB is a 30% associate of Hatibudi Nominees (Tempatan) Sdn Bhd, a wholly owned subsidiary of UEM Land Berhad, which in turn is a wholly owned subsidiary of UEM Sunrise Berhad, which in turn is a 66.06% subsidiary of UEMG. UEM Edgenta is a 70.68% subsidiary of UEMG. Dato' Izzaddin Idris is a Director of UEM Edgenta and UEM Sunrise Berhad. Dato' Izzaddin Idris does not have any equity interest in BIB.	Payment of brokerage fees (including insurance premiums) to BIB	49,767	–	49,767
3	UEM Edgenta Group	IMU Education Sdn Bhd ("IMU Education")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. IMU Education is a wholly owned subsidiary of IMU Health Sdn Bhd, which in turn is a wholly owned subsidiary of IHH Healthcare Berhad, which in turn is a 45.0% associate of Khazanah. UEM Edgenta is a 70.68% subsidiary of UEMG.	Provision of facilities maintenance services and clinical waste management services to IMU Education	242,466	239,434	481,900

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2014 to 25 June 2014 (RM)	Value incurred from 26 June 2014 to 31 December 2014 (RM)	Aggregate Value of Transactions during the financial year (RM)
4	UEM Edgenta Group	PLUS Malaysia Berhad ("PLUS Malaysia") and its subsidiaries ("PLUS Malaysia Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. PLUS Malaysia is a 51% subsidiary of UEMG. UEM Edgenta is a 70.68% subsidiary of UEMG. Dato' Izzaddin Idris is a Director of UEM Edgenta and PLUS Malaysia. Dato' Izzaddin Idris does not have any equity interest in PLUS Malaysia.	Provision of facilities maintenance services to PLUS Malaysia Group	1,481,875	1,266,368	2,748,243
5	UEM Edgenta Group	Edgenta PROPEL Berhad (formerly known as Projek Penyelenggaraan Lebuhraya Berhad) ("Edgenta PROPEL") and its subsidiaries ("Edgenta PROPEL Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. With effect from 29 October 2014, Edgenta PROPEL is a wholly owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. Dato' Seri Ismail Shahudin and Azmir Merican are Directors of UEM Edgenta and Edgenta PROPEL. Dato' Seri Ismail Shahudin and Azmir Merican do not have any equity interest in Edgenta PROPEL.	a) Provision of cleansing services by Edgenta PROPEL Group	772,976	492,084	1,265,060
				b) Provision of improvement, upgrading, development and maintenance of infrastructure facilities and projects by Edgenta PROPEL Group in Abu Dhabi, United Arab Emirates	–	–	–
6	UEM Edgenta Group	UEM Sunrise Berhad ("UEM Sunrise") and its subsidiaries ("UEM Sunrise Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Sunrise is a 66.06% subsidiary of UEMG. UEM Edgenta is a 70.68% subsidiary of UEMG. Dato' Izzaddin Idris is a Director of UEM Edgenta and UEM Sunrise. Dato' Izzaddin Idris does not have any equity interest in UEM Sunrise.	Provision of facilities maintenance services to UEM Sunrise Group	3,048,180	2,827,053	5,875,233

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2014 to 25 June 2014 (RM)	Value incurred from 26 June 2014 to 31 December 2014 (RM)	Aggregate Value of Transactions during the financial year (RM)
7	UEM Edgenta Group	Opus Group Berhad ("Opus") and its subsidiaries ("Opus Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. With effect from 29 October 2014, Opus is a wholly owned subsidiary of UEM Edgenta. UEM Edgenta is a 70.68% subsidiary of UEMG. Dato' Seri Ismail Shahudin, Dato' Izzaddin Idris and Azmir Merican are Directors of UEM Edgenta and Opus. Dato' Seri Ismail Shahudin, Dato' Izzaddin Idris and Azmir Merican do not have any equity interest in Opus.	Provision of facilities maintenance services to Opus Group	1,111,185	875,250	1,986,435
8	UEM Edgenta Group	TIME dotCom Berhad ("TdC") and its subsidiaries ("TdC Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. TdC is a 11.39% associate of Khazanah. TdC is a 31.6% associate of Pulau Kapas Ventures Sdn Bhd ("PKV") which in turn is a 30.0% associate of Khazanah. UEM Edgenta is a 70.68% subsidiary of UEMG. Elakumari Kantilal is a Director of UEM Edgenta, TdC and PKV. Elakumari Kantilal does not have any equity interest in TdC and PKV.	Provision of internet access and virtual private network services by TdC Group	8,685	25,435	34,120

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2014 to 25 June 2014 (RM)	Value incurred from 26 June 2014 to 31 December 2014 (RM)	Aggregate Value of Transactions during the financial year (RM)
9	UEM Edgenta Group's property development companies	Any related party who may wish to purchase properties developed by UEM Edgenta Group's property development companies	All Directors and Major Shareholders of UEM Edgenta are interested in this transaction. All Directors of UEM Edgenta do not have any direct and/or indirect shareholding in UEM Edgenta. All Directors and Major Shareholders of UEM Edgenta will abstain and ensure that all persons connected to them will abstain from voting on the relevant resolution. Khazanah and UEMG are Major Shareholders' of UEM Edgenta. Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEMG holds 70.68% direct shareholding in UEM Edgenta.	Sale of property units by UEM Edgenta Group's property development companies	–	–	–
10	Edgenta Mediserve Sdn Bhd (formerly known as Faber Medi-Serve Sdn Bhd) ("Edgenta Mediserve") and its subsidiaries ("Edgenta Mediserve Group")	Cenviro Sdn Bhd (formerly known as UEM Environment Sdn Bhd) ("Cenviro") and its subsidiaries	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Kualiti Alam Sdn Bhd ("Kualiti Alam") is a wholly owned subsidiary of Cenviro, which in turn is a wholly owned subsidiary of UEMG. Edgenta Mediserve is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. Dato' Seri Ismail Shahudin is a Director of UEM Edgenta, Cenviro and Kualiti Alam. Dato' Seri Ismail Shahudin does not have any equity interest in Cenviro and Kualiti Alam.	Provision of healthcare waste management services by Kualiti Alam	1,388,774	4,610,771	5,999,545

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2014 to 25 June 2014 (RM)	Value incurred from 26 June 2014 to 31 December 2014 (RM)	Aggregate Value of Transactions during the financial year (RM)
11	Edgenta Mediserve Group	SMS Kg. Likas (Sabah) Sdn Bhd ("SMS Likas")	SMS Likas holds 40% of the equity interest in Fresh Linen Services (Sabah) Sdn Bhd ("FLSBH"). FLSBH is a 60% subsidiary of Edgenta Mediserve, which in turn is a wholly owned subsidiary of UEM Edgenta. Zohari Mahur is a Director of SMS Likas and FLSBH. Zohari Mahur has 58.33% equity interest in SMS Likas.	Provision of linen processing involving washing, drying and folding of linen, linen transportation involving transportation of linen from the plant to hospitals and vice versa, and manpower supply by SMS Likas	2,539,785	2,567,091	5,106,876
12	UEM Edgenta Group	Telekom Malaysia Berhad ("TM") and its subsidiaries ("TM Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. TM is a 28.9% associate of Khazanah. UEM Edgenta is a 70.68% subsidiary of UEMG.	Provision of managed network services by TM Group	464,281	832,897	1,297,178
13	Faber Sindoori Management Services Private Limited ("Faber Sindoori"), a company incorporated in India	Apollo Hospitals Enterprise Limited ("Apollo Hospital") and its subsidiaries ("Apollo Hospitals Group"), a company incorporated in India	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Apollo Hospitals is an 11.2% associate of IHH Healthcare, which in turn is a 45.0% associate of Khazanah. UEM Edgenta is a 70.68% subsidiary of UEMG.	Provision of facilities maintenance services to Apollo Hospitals Group	7,594,273	23,712,854	31,307,127
14	Faber Sindoori	PCR Investment Ltd ("PCR Investments")	PCR Investments is the investment holding company of Dr. P.C. Reddy and his family members. Dr. P.C. Reddy and persons connected to him are major shareholders of Apollo Sindoori Hotels Limited ("ASHL") with 68.52% equity interest. ASHL holds 49% of the equity interest in Faber Sindoori. Faber Sindoori is 51% owned by Edgenta Facilities Sdn Bhd (formerly known as Faber Facilities Sdn Bhd), which in turn is a wholly owned subsidiary of UEM Edgenta.	Payment of licensee fee for the usage of the brand name "Sindoori" to PCR Investments	152,547	374,724	527,271

NOTICE OF THE 52ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 52nd Annual General Meeting of UEM Edgenta Berhad (formerly known as Faber Group Berhad) ("UEM Edgenta" or "the Company") will be held at the **Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan** on **Monday, 25 May 2015** at **9.30 a.m.** for the purpose of transacting the following businesses:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2014 together with the Directors' and Auditors' reports thereon.

2. To approve the payment of a single tier final dividend of 5.0 sen per ordinary share of RM0.25 each for the financial year ended 31 December 2014. **Ordinary Resolution 1**

3. To re-elect Dato' Seri Ismail Shahudin who is retiring in accordance with Article 70 of the Company's Articles of Association and being eligible, has offered himself for re-election. **Ordinary Resolution 2**

4. To re-elect the following Directors who are retiring in accordance with Article 65 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-
   - Robert Tan Bun Poo **Ordinary Resolution 3**
   - Dr. Saman @ Saimy Ismail **Ordinary Resolution 4**

5. To approve the payment of Directors' fees in respect of the financial year ending 31 December 2015 on a quarterly basis as follows:-
   - Directors' fees amounting to RM210,000 per annum for the Non-Executive Chairman and RM108,000 per annum for each Non-Executive Director;
   - Directors' fees amounting to RM50,000 per annum for the Non-Executive Audit and Risk Committee Chairman and RM30,000 per annum for each Non-Executive Audit and Risk Committee member; and
   - Directors' fees amounting to RM25,000 per annum for the Non-Executive Committee Chairman and RM15,000 per annum for each Non-Executive Committee member of other Committees. **Ordinary Resolution 5**

6. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 6**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without modifications:

7. **Proposed Authority to Issue and Allot Shares pursuant to Section 132D of the Companies Act, 1965**

   "**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot shares in the Company at any time and upon such terms and conditions, and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company as at the date of this 52nd Annual General Meeting ("AGM") and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next AGM of the Company." **Ordinary Resolution 7**

8. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

   "**THAT** pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of the shareholders' mandate for the Company and/or its subsidiaries ("UEM Edgenta Group") to enter into recurrent related party transactions of a revenue or trading nature ("Proposed Renewal of Shareholders' Mandate"), which are necessary for the day-to-day operations in the ordinary course of business of the UEM Edgenta Group and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, particulars which are set out in Part A of Appendix I of the Circular to Shareholders dated 30 April 2015 **AND THAT** such approval conferred by the shareholders' mandate shall continue to be in force until:-

   (a) the conclusion of the next AGM of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed; or

   (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or

   (c) revoked or varied by resolution passed by the shareholders in a general meeting,

   whichever is the earlier,

   AND FURTHER THAT the Directors of the Company and/or any of them be and are/is (as the case may be) hereby authorised to complete and do all such acts and things (including executing all such documents under the common seal in accordance with the provisions of the Articles of Association of the Company, as may be required) as they may consider expedient or necessary to give full effect to the Proposed Renewal of Shareholders' Mandate." **Ordinary Resolution 8**

9. **Proposed Shareholders' Ratification of Recurrent Related Party Transactions of a Revenue or Trading Nature**

"**THAT** pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the recurrent related party transactions of a revenue or trading nature, entered or to be entered into by the Company and/or its subsidiaries from 29 October 2014, the date of the completion of the acquisition of Opus Group Berhad and Edgenta PROPEL Berhad (formerly known as Projek Penyelenggaraan Lebuhraya Berhad), until the date of the Company's 52nd AGM, with the related parties, particulars which are set out in Part B of Appendix I of the Circular to Shareholders dated 30 April 2015, which were necessary for day-to-day operations of the Company and/or its subsidiaries and are carried out in the ordinary course of business on normal commercial terms and on terms which are not more favourable to the parties with which such recurrent transactions are to be entered into than those generally available to the public and which are not detrimental to the minority shareholders of the Company, be and are hereby approved and ratified;

AND THAT all actions taken and the execution of all necessary documents by the Directors of the Company as they had considered expedient or deemed fit in the best interest of the Company in connection with such transactions, be and are hereby approved and ratified." **Ordinary Resolution 9**

10. **Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature**

"**THAT** pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the new shareholders' mandate for the Company and/or its subsidiaries ("UEM Edgenta Group") to enter into additional recurrent related party transactions of a revenue or trading nature ("Proposed New Shareholders' Mandate"), which are necessary for the day-to-day operations in the ordinary course of business of the UEM Edgenta Group and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, particulars which are set out in Part B of Appendix I of the Circular to Shareholders dated 30 April 2015 **AND THAT** such approval conferred by the shareholders' mandate shall continue to be in force until:-

(a) the conclusion of the next AGM of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed; or

(b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act,1965 ("Act") (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier,

AND FURTHER THAT the Directors of the Company and/or any of them be and are/is (as the case may be) hereby authorised to complete and do all such acts and things (including executing all such documents under the common seal in accordance with the provisions of the Articles of Association of the Company, as may be required) as they may consider expedient or necessary to give full effect to the Proposed New Shareholders' Mandate." **Ordinary Resolution 10**

11. To transact any other business for which due notice shall have been given.

NOTICE OF ENTITLEMENT AND PAYMENT OF FINAL DIVIDEND

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the 52nd AGM of the Company, the proposed payment of a final single tier dividend of 5.0 sen per ordinary share of RM0.25 each for the financial year ended 31 December 2014 will be paid to the shareholders on 24 June 2015. The entitlement date for the proposed dividend shall be on 10 June 2015.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

(a) Shares transferred into the depositor's securities account before 4.00 p.m. on 10 June 2015 in respect of transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

CHIEW SIEW YUEN (MAICSA 7063781)
SHEIKH AZREE MOKHTAR (LS No. 0008368)
Company Secretaries

Kuala Lumpur
30 April 2015

NOTES:

1. A member of the Company entitled to attend and vote at the meeting, is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.

2. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds in the Company. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act 1991.

3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.

4. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing and in the case of a corporation shall be given under its common seal or signed on its behalf by an attorney or officer of the corporation so authorised.

5. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the Annual General Meeting or any adjournment thereof.

6. For the purpose of determining a member who shall be entitled to attend this 52nd Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the provisions under Articles 45A(b) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors ("ROD") as at 19 May 2015. Only a depositor whose name appears on the ROD as at 19 May 2015 shall be entitled to attend this 52nd Annual General Meeting or appoint a proxy(ies) to attend, speak and vote on his behalf.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

TO RECEIVE THE AUDITED FINANCIAL STATEMENTS

Agenda Item No. 1 is meant for discussion only as the provisions of Section 169(1) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item of the Agenda is not put forward for voting.

EXPLANATORY NOTES ON SPECIAL BUSINESS:-

ORDINARY RESOLUTION 7 – PROPOSED AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

The existing general mandate for the authority to issue and allot shares pursuant to Section 132D of the Act was approved by the shareholders of the Company at the 51st AGM held on 26 June 2014. The Company did not issue any new shares pursuant to this general mandate as at the date of this notice.

The proposed Ordinary Resolution 7 is a renewal of the general mandate for the authority to issue and allot shares pursuant to Section 132D of the Act. The Ordinary Resolution 7, if passed, will empower the Directors to allot and issue up to 10% of the issued and paid up share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisition(s). This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares.

ORDINARY RESOLUTION 8 – PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The proposed Ordinary Resolution 8, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions which are of a revenue or trading nature and necessary for the UEM Edgenta Group's day to day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

In addition, it will eliminate the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives or adversely affecting the business opportunities available to the UEM Edgenta Group. The shareholders' mandate is subject to renewal on an annual basis.

The details on the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature are set out in the Circular to Shareholders dated 30 April 2015, which is despatched together with the Company's 2014 Annual Report.

ORDINARY RESOLUTION 9 – PROPOSED SHAREHOLDERS' RATIFICATION OF RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The proposed Ordinary Resolution 9, if passed, will ratify all recurrent related party transaction of a revenue or trading nature entered into by the Company and/or its subsidiaries with the Related Parties, details of which are as set out in Part B of Appendix I of the Circular to Shareholders dated 30 April 2015 from the completion date of the acquisition of Opus Group Berhad and Edgenta PROPEL Berhad (formerly known as Projek Penyelenggaraan Lebuhraya Berhad) on 29 October 2014 up to the date of the 52nd AGM.

ORDINARY RESOLUTION 10 – PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Ordinary Resolution 10 is to seek shareholder's mandate in relation to recurrent related party transactions to be entered into by the Company and/or its subsidiaries.

This resolution, if passed, will enable the UEM Edgenta Group to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders of the Company.

This mandate will eliminate the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses in convening such meetings without compromising the corporate objectives or adversely affecting the business opportunities available to the UEM Edgenta Group. The shareholders' mandate is subject to renewal on an annual basis.

The details on the Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature are set out in the Circular to Shareholders dated 30 April 2015, which is despatched together with the Company's 2014 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF THE 52ND ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

a) The profile of the Directors who are standing for re-election as per Agenda Item No. 3 and 4 of the Notice of the 52nd Annual General Meeting are stated on pages 054 to 061 of the Annual Report.

b) None of the Directors has any interest in the securities of the Company as at 31 March 2015.

FORM OF PROXY

UEM EDGENTA BERHAD (5067-M)
(formerly known as Faber Group Berhad)
Incorporated in Malaysia

UEM EDGENTA
A member of **UEM Group**

Total of number of ordinary share(s) held		
CDS Account No.		
Proportion of holdings to be represented by each proxy	Proxy 1 %	Proxy 2 %

I/We ____
(block letters)

NRIC/Company No. ______________________ of ______________________
(full address)

______________________ being a member of UEM EDGENTA BERHAD (formerly known as Faber Group Berhad) ("the Company") hereby appoint ______________________

NRIC/Passport No. ______________________ of ______________________
(full address)

______________________ and/or failing him/her, ______________________

NRIC/Passport No. ______________________ of ______________________
(full address)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 52nd Annual General Meeting of the Company to be held at the **Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan** on **Monday, 25 May 2015** at **9.30 a.m.** or at any adjournment thereof.

(Please indicate your vote with an "X" in the respective boxes of each resolution. If you do not do so, the proxy will vote or abstain from voting on the resolutions at his/her discretion.)

ORDINARY RESOLUTIONS	**NO.**	**FOR**	**AGAINST**
To approve the payment of a single tier final dividend of 5.0 sen per ordinary share of RM0.25 each in respect of the financial year ended 31 December 2014	1		
To re-elect Dato' Seri Ismail Shahudin who is retiring in accordance with Article 70 of the Company's Articles of Association	2		
To re-elect Mr. Robert Tan Bun Poo who is retiring in accordance with Article 65 of the Company's Articles of Association	3		
To re-elect Dr. Saman @ Saimy Ismail who is retiring in accordance with Article 65 of the Company's Articles of Association	4		
To approve the payment of Directors' fees in respect of the financial year ending 31 December 2015, to be payable on a quarterly basis	5		
To re-appoint Messrs Ernst & Young as Auditors and to authorise the Board of Directors to fix their remuneration	6		
To empower Directors pursuant to Section 132D of the Companies Act 1965 to allot and issue shares	7		
To approve the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	8		
To approve the Proposed Shareholders' Ratification of Recurrent Related Party Transactions of a Revenue or Trading Nature	9		
To approve the Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature	10		

____
Signature of Shareholder(s)/Common Seal

Date:

Contact No.:

NOTES:

1. *A member of the Company entitled to attend and vote at the meeting, is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.*
2. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds in the Company. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act 1991.*
3. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.*
4. *The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing and in the case of a corporation shall be given under its common seal or signed on its behalf by an attorney or officer of the corporation so authorised.*
5. *The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the Annual General Meeting or any adjournment thereof.*
6. *For the purpose of determining a member who shall be entitled to attend this Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the provisions under Articles 45A(b) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors ("ROD") as at 19 May 2015. Only a depositor whose name appears on the ROD as at 19 May 2015 shall be entitled to attend this Annual General Meeting or appoint a proxy(ies) to attend and vote on his behalf.*

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 April 2015.

Fold Here

STAMP

The Share Registrar's Office
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Fold Here

GROUP DIRECTORY

CORPORATE OFFICE

UEM Edgenta Berhad
(formerly known as Faber Group Berhad)
Level 6, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 6688
Fax : +603 2725 6888
www.uemedgenta.com

ASSET CONSULTANCY

Opus Group Berhad
Level 17, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 6688
Fax : +603 2711 8057

Opus International (M) Berhad
Level 17, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 6688
Fax : +603 2711 8057

Opus International Consultants Limited
Level 9, Majestic Centre
100, Willis Street
Wellington 6011
New Zealand
Tel : +64 4 471 7243
Fax : +64 4 473 3017
www.opusinternational.com

HEALTHCARE SERVICES

Edgenta Healthcare Management Sdn Bhd
(formerly known as Faber Healthcare Management Sdn Bhd)
Level 6, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 6688
Fax : +603 2725 6888

Edgenta Mediserve Sdn Bhd
(formerly known as Faber Medi-Serve Sdn Bhd)
Level 6, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 6688
Fax : +603 2725 7265

Faber Sindoori Management Services Private Limited
Prince Tower, 7th Floor
25 & 26 College Road
Nungambakkam, Chennai – 600006
Tamilnadu, India
Tel : +91 44 4264 9404

INFRA SERVICES

Edgenta PROPEL Berhad
(formerly known as Projek Penyelenggaraan Lebuhraya Berhad)
Level 7, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 7777
Fax : +603 2725 7778

FACILITIES SERVICES

Edgenta Facilities Sdn Bhd
(formerly known as Faber Facilities Sdn Bhd)
Level 3, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 6688
Fax : +603 2725 6888

Faber L.L.C.
208 and 209, 2nd Floor
Al Nasriyah Building Baghdad Street
Al Qusais, P.O. Box 232283
Dubai, United Arab Emirates
Tel : +971 4267 4845/258 4561
Fax : +971 4267 4855/258 4560

PROPERTY DEVELOPMENT

Faber Development Holdings Sdn Bhd
Level 2, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 6688
Fax : +603 2725 6670

UEM Edgenta Berhad (5067-M)
(formerly known as Faber Group Berhad)

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