UEM EDGENTA BERHAD
(5067-M)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018.

THE FIGURES HAVE NOT BEEN AUDITED.

I(A). CONDENSED CONSOLIDATED INCOME STATEMENT

			INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
			Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
			30/9/2018	**30/9/2017**	**30/9/2018**	**30/9/2017**
			RM'000	RM'000	RM'000	RM'000
1	(a)	**Revenue**	**528,327**	**523,114**	**1,535,251**	**1,448,454**
	(b)	Cost of sales	(448,920)	(437,833)	(1,264,219)	(1,196,741)
	(c)	Gross profit	79,407	85,281	271,032	251,713
	(d)	Other income	9,801	14,440	30,902	38,196
	(e)	Expenses	(60,361)	(57,545)	(180,087)	(173,362)
	(f)	Finance costs	(7,428)	(13,408)	(21,709)	(31,760)
	(g)	Share of results of associates	3,673	3,274	15,191	12,526
	(h)	Share of results of joint ventures	-	71	-	182
	(i)	**Profit before tax**	**25,092**	**32,113**	**115,329**	**97,495**
	(j)	Income tax	(7,145)	(8,418)	(32,249)	(26,360)
	(k)	Zakat	-	-	-	(80)
	(l)	**Profit for the period from continuing operations**	**17,947**	**23,695**	**83,080**	**71,055**
	(m)	Profit for the period from discontinued operation	-	25,402	-	38,872
	(n)	**Profit for the period**	**17,947**	**49,097**	**83,080**	**109,927**
		Attributable to:				
	(o)	Owners of the parent				
		- continuing operations	17,555	22,926	80,511	70,017
		- discontinued operation	-	15,795	-	23,359
			17,555	38,721	80,511	93,376
	(p)	Non-controlling interests	392	10,376	2,569	16,551
		Profit for the period	**17,947**	**49,097**	**83,080**	**109,927**
2		**Earnings per share based on 1(o) above (Note 25):**				
		Basic				
		- from continuing operations	2.11 sen	2.76 sen	9.68 sen	8.42 sen
		- from discontinued operation	Nil sen	1.90 sen	Nil sen	2.81 sen
			2.11 sen	4.66 sen	9.68 sen	11.23 sen

The condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2017.

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I(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/9/2018	**30/9/2017**	**30/9/2018**	**30/9/2017**
	RM'000	RM'000	RM'000	RM'000
Profit for the period	17,947	49,097	83,080	109,927
Continuing operations				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations, representing total other comprehensive income/(loss) from continuing operations	4,814	(3,562)	(3,007)	(1,702)
Discontinued operation				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	-	7,999	-	1,874
Tax impact on translation of foreign operations	-	(1,256)	-	(528)
Net gain on hedge of net investment	-	(12,357)	-	(4,505)
Tax impact on hedge of net investment	-	3,427	-	1,228
Total other comprehensive loss from discontinued operation	-	(2,187)	-	(1,931)
Total other comprehensive income/(loss) for the period, net of tax	4,814	(5,749)	(3,007)	(3,633)
Total comprehensive income for the period	22,761	43,348	80,073	106,294
Attributable to:				
Owners of the parent				
- continuing operations	22,300	19,385	77,500	68,451
- discontinued operation	-	15,061	-	22,319
	22,300	34,446	77,500	90,770
Non-controlling interests	461	8,902	2,573	15,524
Total comprehensive income for the period	22,761	43,348	80,073	106,294

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2017.

Remarks to Condensed Consolidated Income Statement:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/9/2018	**30/9/2017**	**30/9/2018**	**30/9/2017**
	RM'000	RM'000	RM'000	RM'000
Profit before tax from continuing operations is arrived at after (crediting)/charging:				
Interest income	(1,985)	(3,913)	(5,995)	(9,337)
Accretion of interest on concession receivable	(4,771)	(4,784)	(14,059)	(14,237)
Dividend from short term investment	(385)	(167)	(2,112)	(300)
Loss/(gain) on disposal of property, plant and equipment	5	57	5	(487)
Net foreign exchange (gain)/loss	(118)	(215)	(329)	415
Net reversal of impairment on trade receivables	(700)	(1,799)	(406)	(3,079)
Fair value loss on derivatives	-	1,721	-	1,896
Interest expense	7,302	9,977	20,637	27,434
Depreciation and amortisation	16,894	15,025	49,818	45,944

Other than the above, there were no other impairment/(write back of impairment) of assets, (gain)/loss on investments, write down of inventories and/or reversal of write down, reversal of provision for costs of restructuring or exceptional items.

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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at end of current quarter	As at preceding financial year end	As at beginning of preceding financial year
		30/9/2018	31/12/2017	1/1/2017
		RM'000	RM'000	RM'000
	ASSETS			
1	Non-current assets			
	Property, plant and equipment	190,621	193,447	227,769
	Land held for property development	477	477	1,115
	Prepaid land lease payments	3,004	3,063	3,150
	Intangible assets	720,650	734,411	964,528
	Investment in joint ventures	-	-	2,393
	Investment in associates	60,155	51,283	32,753
	Other investments	272	272	272
	Trade and other receivables	139,384	141,736	141,685
	Deferred tax assets	16,422	14,523	51,573
		1,130,985	1,139,212	1,425,238
2	Current assets			
	Property development costs	-	-	128,307
	Inventories	178,770	168,701	36,533
	Trade and other receivables	997,435	994,555	1,256,385
	Short term investments	106,755	183,425	42,375
	Derivative financial instruments	-	-	491
	Cash, bank balances and deposits*	443,006	520,082	640,010
		1,725,966	1,866,763	2,104,101
	Total assets	**2,856,951**	**3,005,975**	**3,529,339**

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

		As at end of current quarter	As at preceding financial year end	As at beginning of preceding financial year
		30/9/2018	**31/12/2017**	**1/1/2017**
		RM'000	RM'000	RM'000
	EQUITY AND LIABILITIES			
3	Equity attributable to Owners of the Parent			
	Share capital	268,074	268,074	207,906
	Share premium	-	-	60,168
	Capital reserve	313,856	313,856	313,856
	Other reserves	(14,841)	(12,803)	78,149
	Retained earnings	853,569	1,014,229	708,785
		1,420,658	1,583,356	1,368,864
4	Non-controlling interests	18,456	18,476	168,929
	Total equity	1,439,114	1,601,832	1,537,793
5	Non-current liabilities			
	Retirement benefit obligations	3,700	3,700	3,857
	Defined benefit pension plan	1,842	1,904	6,541
	Provisions	1,886	1,395	17,272
	Borrowings	435,843	442,539	761,122
	Trade and other payables	50,774	51,272	30,333
	Derivative financial instruments	-	-	5,530
	Deferred tax liabilities	50,932	49,008	51,581
		544,977	549,818	876,236
6	Current liabilities			
	Retirement benefit obligations	430	430	261
	Provisions	2,041	1,784	17,585
	Borrowings	107,994	117,222	228,577
	Trade and other payables	750,591	720,275	831,862
	Derivative financial instruments	-	-	1,409
	Income tax payable	11,804	14,614	35,616
		872,860	854,325	1,115,310
	Total liabilities	1,417,837	1,404,143	1,991,546
	Total equity and liabilities	**2,856,951**	**3,005,975**	**3,529,339**
7	**Net assets per ordinary share attributable to Owners of the Parent (RM)**	**1.71**	**1.90**	**1.65**

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2017.

* Cash, bank balances and deposits

Included in the cash, bank balances and deposits of the Group is an amount of RM20,272,623 (2017: RM13,898,872) 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.

III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine months to 30/9/2018 RM'000	Nine months to 30/9/2017 RM'000
Cash flows from operating activities		
Cash receipts from customers	1,638,338	1,489,830
Cash payments to suppliers	(826,115)	(766,033)
Cash payments to employees and for expenses	(677,540)	(702,827)
Cash generated from operations	134,683	20,970
Interest paid	(18,152)	(23,746)
Income tax paid	(36,499)	(41,808)
Cash flow from discontinued operation	-	73,949
Net cash flow generated from operating activities	**80,032**	**29,365**
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	82	289
Investment in associates	-	(21)
Net advances to joint ventures	-	303
Net proceeds from withdrawal of short term investments	79,400	18,111
Interest received	5,517	7,175
Dividend received from associate	4,800	2,400
Settlement of remaining consideration for the acquisition of subsidiaries	-	(22,510)
Purchase of property, plant and equipment	(33,813)	(63,631)
Cash flow from discontinued operation	-	(4,329)
Net cash flow generated from/(used in) investing activities	**55,986**	**(62,213)**
Cash flows from financing activities		
Proceeds from issuance of ordinary shares to non-controlling interests	-	15,814
Repayment of finance lease	(807)	(122)
Drawdown of borrowings	52,511	325,694
Repayment of borrowings	(70,138)	(57,095)
Dividend paid to shareholders of the Company	(191,274)	(124,744)
Dividend paid to non-controlling shareholders of subsidiaries	(1,620)	-
Net placement of fixed deposits	(3,176)	(58,369)
Cash flow from discontinued operation	-	(19,611)
Net cash flow (used in)/generated from financing activities	**(214,504)**	**81,567**
Net (decrease)/increase in cash and cash equivalents	**(78,486)**	**48,719**
Net foreign exchange difference	(1,622)	(4,121)
Cash and cash equivalents as at beginning of financial period	488,798	512,161
Cash and cash equivalents as at end of financial period (a)	**408,690**	**556,759**

	As at 30/9/2018 RM'000	As at 30/9/2017 RM'000
(a) Cash and Cash Equivalents comprise the following amounts:		
Cash on hand and at banks	187,661	226,078
Fixed deposits with licensed banks	255,345	349,239
Cash, bank balances and deposits	443,006	575,317
Add: Cash and cash equivalents of disposal group	-	137,401
Less: Fixed deposits on lien	(11,060)	(14,817)
Less: Fixed deposits pledged	(23,097)	(141,142)
Less: Cash and fixed deposit restricted in usage	(159)	-
	408,690	**556,759**

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2017.

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	Attributable to owners of the parent						
	Non-distributable			Distributable			
	Share capital	**Capital reserve**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Nine months to 30 September 2018							
Balance as at 1 January 2018	268,074	313,856	(12,803)	1,014,229	1,583,356	18,476	1,601,832
Profit for the period	-	-	-	80,511	80,511	2,569	83,080
Other comprehensive loss	-	-	(3,011)	-	(3,011)	4	(3,007)
Total comprehensive (loss)/income for the period	-	-	(3,011)	80,511	77,500	2,573	80,073
Dividends to:							
- shareholders of the Company	-	-	-	(241,171)	(241,171)	-	(241,171)
- non-controlling shareholders of a subsidiary	-	-	-	-	-	(1,620)	(1,620)
Put options granted to non-controlling interests of a subsidiary	-	-	973	-	973	(973)	-
Balance as at 30 September 2018	268,074	313,856	(14,841)	853,569	1,420,658	18,456	1,439,114

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY (CONT'D)

	Attributable to owners of the parent							
	Non-distributable				Distributable			
	Share capital RM'000	Share premium RM'000	Merger relief reserve RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Nine months to 30 September 2017								
Balance as at 1 January 2017	207,906	60,168	313,856	78,149	708,785	1,368,864	168,929	1,537,793
Profit for the period	-	-	-	-	93,376	93,376	16,551	109,927
Other comprehensive income	-	-	-	(2,606)	-	(2,606)	(1,027)	(3,633)
Total comprehensive income for the period	-	-	-	(2,606)	93,376	90,770	15,524	106,294
Dividends paid:								
- shareholders of the Company	-	-	-	-	(124,744)	(124,744)	-	(124,744)
- non-controlling shareholders of subsidiaries	-	-	-	-	-	-	(3,555)	(3,555)
Dilution of interest in a subsidiary	-	-	-	-	12,542	12,542	3,272	15,814
Balance as at 30 September 2017	207,906	60,168	313,856	75,543	689,959	1,347,432	184,170	1,531,602

The condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2017.

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The notes to the condensed consolidated interim financial statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2017.

1. First time adoption of Malaysian Financial Reporting Standards ("MFRS")

These condensed consolidated interim financial statements, for the period ended 30 September 2018, have been prepared in accordance with MFRS 134 Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2017, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These condensed consolidated interim financial statements are part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2018. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2017.

The transition from FRS to MFRS has not had a material impact on the financial statements of the Group.

2. Significant accounting policies and application of MFRS

The audited financial statements of the Group for the year ended 31 December 2017 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2017 except as discussed below:

(a) Business combination

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

<u>Acquisition before date of transition</u>
The Group has elected to apply for MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

(i) the classification of former business combinations under FRS is maintained;
(ii) there is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
(iii) the carrying amount of goodwill recognised under FRS is not adjusted.

(b) Revenue from contracts with customers

MFRS 15 Revenue from Contracts with Customers establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 differs from previous revenue recognition guidance including FRS 118 Revenue, FRS 111 Construction Contracts and the related interpretations under FRS.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group has assessed the effects of applying the standard on the financial statements and concluded that the adoption of the Standard has had no material impact on the financial statements of the Group.

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

2. **Significant accounting policies and application of MFRS (cont'd.)**

(c) Financial instruments

MFRS 9 introduces new requirements with impacts mainly relating to classification and measurement of financial instruments, impairment assessment based on the expected credit loss model and hedge accounting.

Classification and measurement
MFRS 9 establishes three primary measurement categories for financial assets: Amortised cost, Fair Value Through Profit or Loss ("FVTPL") and Fair Value Through Other Comprehensive Income ("FVOCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

Financial assets will be measured at amortised cost if the assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows which represent solely payments of principal and interest. Financial assets will be measured at FVOCI if the assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual cash flows represent solely payments of principal and interest. Financial assets which are neither held at amortised cost nor at FVOCI will be measured at FVTPL.

Investments in equity instruments are always measured at FVTPL with an irrevocable option at inception to present changes in FVOCI (provided the instrument is not held for trading). A debt instrument such as loans, advances and financing and investment securities are measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For financial liabilities, the standard is similar to most of the FRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch.

The changes in classification above have had no material impact on the Group's financial position or performance.

Impairment
MFRS 9 introduces expected credit losses ("ECL") model on impairment that replaces the incurred loss impairment model as used in FRS 139. The ECL model requires impairment to be recognised on initial recognition including expected future credit losses whilst the incurred loss impairment model only requires recognition of credit losses incurred as at reporting date. The impairment requirements apply to financial assets measured at amortised cost and FVOCI, lease receivables and certain loan commitments as well as financial guarantee contracts, which include loans, advances and financing and investment securities.

Allowance for impairment are made based on a three-stage approach which reflects the change in credit quality of the financial instrument since initial recognition.

The Group has applied the simplified approach and record lifetime expected losses on all trade receivables. The Group has concluded based on its assessment that the impact from the initial application of this standard is not material.

Hedge accounting
Under MFRS 9, the general hedge accounting requirements have been simplified for hedge effectiveness testing and permit hedge accounting to be applied to a greater variety of hedging instruments and risks. The adoption of this standard has had no material impact to the Group's financial statements in this regard.

3. **Audit report in respect of the 2017 financial statements**

The audit report on the Group's financial statements for the financial year ended 31 December 2017 was not qualified.

4. **Seasonal or cyclical factors**

The Group's operations are not materially affected by any seasonal or cyclical factors.

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

5. Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence in the current period.

6. Material changes in estimates used

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

7. Debt and equity securities

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 30 September 2018 except as follows:-

In 2017, the Company had established the Islamic Commercial Papers ("ICPs") and Islamic Medium Term Notes ("IMTNs") under an Islamic Commercial Papers Programme ("ICP Programme") and Islamic Medium Term Notes Programme ("IMTN Programme") respectively, which have a combined aggregate limit of up to RM1,000.0 million in nominal value and a sub-limit of RM300.0 million in nominal value for the ICP Programme under the Shariah Principle of Murabahah via a Tawarruq Arrangement.

On 26 April 2018, the Company completed the issuance of RM50.0 million in nominal value of Islamic Commercial Papers ("ICP") with a tenor of 12 months under the ICP Programme.

The proceeds raised was utilised to redeem the outstanding ICPs amounting to RM50.0 million on the said ICP Programme which was issued on 26 April 2017 and matured on 26 April 2018.

8. Dividend

The amount of dividend paid by the Company since 31 December 2017 was as follows:-

	RM'000
In respect of the financial year ended 31 December 2017:	
Single-tier special dividend of 18.00 sen per ordinary share, on 831,624,030 ordinary shares, paid on 18 April 2018	149,692
Single-tier second interim dividend of 5.00 sen per ordinary share, on 831,624,030 ordinary shares, paid on 17 May 2018	41,582
In respect of the financial year ending 31 December 2018:	
Single-tier interim dividend of 6.00 sen per ordinary share, on 831,624,030 ordinary shares, paid on 31 October 2018	49,897

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

9. Operating Segments

Operating Segment information for the current financial period ended 30 September 2018 is as follows:

By operating segment

	Consultancy	Healthcare Services	Infra Services	Property and Facility Solutions	Property Development	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
External revenue	87,940	709,310	597,983	133,655	6,363	-	-	**1,535,251**
Inter-segment revenue	1,997	3,477	18,715	13,647	-	116,805	(154,641)	**-**
Total Revenue	89,937	712,787	616,698	147,302	6,363	116,805	(154,641)	**1,535,251**
Results								
EBITDA	18,473	79,333	78,219	19,258	(3,870)	69,522	(96,337)	**164,598**
Depreciation and amortisation	(1,129)	(18,433)	(9,468)	(2,102)	(115)	(15,961)	(2,610)	**(49,818)**
EBIT	17,344	60,900	68,751	17,156	(3,985)	53,561	(98,947)	**114,780**
Interest income	634	1,131	2,325	54	361	1,490	-	**5,995**
Interest expense	-	(396)	-	(5,986)	-	(14,255)	-	**(20,637)**
Share of results of associates	65	10,518	-	4,608	-	-	-	**15,191**
Profit/(loss) before tax	18,043	72,153	71,076	15,832	(3,624)	40,796	(98,947)	**115,329**
Income tax	(4,086)	(12,922)	(12,678)	(1,798)	88	2,253	(3,106)	**(32,249)**
Profit/(loss) for the period	13,957	59,231	58,398	14,034	(3,536)	43,049	(102,053)	**83,080**

Notes:
a. EBITDA – Earnings Before Interest, Tax, Depreciation and Amortisation
b. EBIT – Earnings Before Interest and Tax

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

9. **Operating Segments (cont'd)**

Operating Segment information for the financial period ended 30 September 2017 is as follows:

By operating segment

	Continuing Operations								Discontinued Operation	
	Consultancy	**Healthcare Services**	**Infra Services**	**Property and Facility Solutions**	**Property Development**	**Others**	**Elimination**	**Total**	**Consultancy**	**Group**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue										
External revenue	102,582	672,988	555,040	111,419	6,425	-	-	**1,448,454**	1,082,107	**2,530,561**
Inter-segment revenue	7,844	383	19,529	10,812	-	24,165	(62,733)	**-**	-	**-**
Total Revenue	110,426	673,371	574,569	122,231	6,425	24,165	(62,733)	**1,448,454**	1,082,107	**2,530,561**
Results										
EBITDA	13,337	79,833	69,895	18,926	(587)	(31,243)	(1,333)	**148,828**	84,893	**233,721**
Depreciation and amortisation	(1,068)	(16,894)	(9,095)	(710)	(117)	(15,451)	(2,609)	**(45,944)**	(22,767)	**(68,711)**
EBIT	12,269	62,939	60,800	18,216	(704)	(46,694)	(3,942)	**102,884**	62,126	**165,010**
Interest income	366	1,255	673	33	1,063	5,947	-	**9,337**	3,351	**12,688**
Interest expense	(3)	(233)	-	(5,893)	-	(21,305)	-	**(27,434)**	(5,136)	**(32,570)**
Share of results of associates	879	8,324	-	3,323	-	-	-	**12,526**	-	**12,526**
Share of results of joint ventures	182	-	-	-	-	-	-	**182**	2,721	**2,903**
Profit/(loss) before tax	13,693	72,285	61,473	15,679	359	(62,052)	(3,942)	**97,495**	63,062	**160,557**
Income tax	(3,570)	(10,847)	(11,431)	(3,131)	(41)	2,266	394	**(26,360)**	(24,190)	**(50,550)**
Zakat	-	-	-	(80)	-	-	-	**(80)**	-	**(80)**
Profit/(loss) for the period	10,123	61,438	50,042	12,468	318	(59,786)	(3,548)	**71,055**	38,872	**109,927**

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

10. Material events subsequent to the end of the current financial period

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature that have arisen since 30 September 2018 to the date of this announcement which would substantially affect the financial results of the Group for the nine months ended 30 September 2018 that have not been reflected in the condensed financial statements.

11. Changes in the composition of the Group

There were no significant changes in the composition of the Group for the current period including business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinued operations except for the following:-

a) Restructuring of UEMS Pte Ltd as a direct 97.46% subsidiary of Edgenta (Singapore) Pte Ltd ("Edgenta Singapore"), a wholly-owned subsidiary of the Company, on 10 August 2018 via the transfer of shares by way of distribution-in-specie from Asia Integrated Facility Solutions Pte Ltd ("AIFS"), a wholly-owned subsidiary of Edgenta Singapore.

b) AIFS and Asia Facility Solutions Pte Ltd ("AFS"), a subsidiary of AIFS were placed under members' voluntary liquidation on 22 November 2017 and Final Meetings had been held on 27 September 2018 and the Returns by the Liquidator relating to the Final Meetings of both AIFS and AFS was lodged with Accounting and Corporate Regulatory Authority of Singapore (ACRA) on 27 September 2018. Pursuant to Section 308(5) of the Singapore Companies Act (Cap.50), AIFS and AFS shall be dissolved and cease to be the subsidiaries of the Company upon expiration of three (3) months after the said lodgement date.

c) On 1 November 2018, International Business Link Inc, a wholly-owned subsidiary of Opus Group Berhad, which in turn is a wholly-owned subsidiary of the Company, had been struck off from the British Virgin Islands' Registry of Corporate Affairs.

12. Capital commitments

There are no material capital commitments except as disclosed below:

	As at 30/9/2018 RM'000	**As at 31/12/2017 RM'000**
Approved and contracted for	33,598	75,302
Approved but not contracted for	42,746	44,177

13. Income tax

	Individual Quarter		**Cumulative Quarter**	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/9/2018 RM'000	**30/9/2017** RM'000	**30/9/2018** RM'000	**30/9/2017** RM'000
Current income tax				
- Malaysian income tax	7,230	6,365	25,775	22,860
- Foreign tax	2,220	2,450	6,837	6,750
(Over)/under provision in prior years				
- Malaysian income tax	(497)	494	(497)	(2,502)
- Foreign tax	-	-	18	185
	8,953	9,309	32,133	27,293
Deferred tax				
- Relating to origination and reversal of temporary difference	(1,808)	(891)	116	(933)
Income tax expense	**7,145**	**8,418**	**32,249**	**26,360**

The Group's effective tax rate for the current quarter and period are higher than the statutory tax rate mainly due to expenses disallowed for tax purposes and losses recorded at certain subsidiaries.

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

14. Status of corporate proposals announced but not completed as at the date of this announcement

There is no corporate proposal announced but not completed as at the date of this announcement.

15. Borrowings and debt securities

Details of Group borrowings and debt securities as at 30 September 2018 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Borrowings						
Domestic	335,107	-	335,107	63,968	-	63,968
Foreign						
- Singapore Dollar	100,736	-	100,736	14,159	-	14,159
- Taiwan Dollar	-	-	-	29,867	-	29,867
TOTAL	**435,843**	**-**	**435,843**	**107,994**	**-**	**107,994**

Details of Group borrowings and debt securities as at 31 December 2017 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Borrowings						
Domestic	341,600	-	341,600	60,573	-	60,573
Foreign						
- Singapore Dollar	100,939	-	100,939	28,155	-	28,155
- Taiwan Dollar	-	-	-	28,494	-	28,494
TOTAL	**442,539**	**-**	**442,539**	**117,222**	**-**	**117,222**

16. Derivatives

There are no outstanding derivatives as at 30 September 2018 (31 December 2017: RM Nil).

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17. Fair value hierarchy

There were no transfers between any levels of the fair value hierarchy that took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

18. **Material litigation**

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement except as disclosed below:

a) Rimbunan Melati Sdn Bhd ("RMSB") vs. EK Integrated Construction Sdn Bhd ("EKICSB")

On 26 January 2017, RMSB, a 55% owned subsidiary of Faber Development Holdings Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, filed a Writ of Summons and Statement of Claims against EKICSB pertaining to the breach of EKICSB's obligation as the main contractor for piling and building works for the development of 191 units of 3 storey houses of Phase 3, Laman Rimbunan, Kepong ("Project"). Upon completion, severe cracks were discovered by RMSB at the Project. RMSB claims that EKICSB had breached its obligations by refusing/neglecting/defaulting in carrying out the required rectification works. RMSB is claiming the amount of RM10,954,030.06 (plus costs and interests thereon) to be paid by EKICSB for the losses and costs incurred by RMSB in carrying out the rectification works itself/ by appointment of third parties.

In the case management fixed on 28 February 2017, EKICSB filed its application to stay this proceeding pending conclusion of its arbitration claim against RMSB (note that on 2 December 2016, EKICSB served a Notice to Arbitrate against RMSB for RM4,018,030.02 being the amount which EKICSB failed to claim in the Construction Industry Payment and Adjudication Act (CIPAA) proceeding initiated by them against RMSB earlier on 2 February 2016. RMSB replied to the Notice to Arbitrate on 20 December 2016 requesting for the consolidation of the disputes arising from the Piling and Building Contract to be heard before a single arbitrator. However, this proposal was rejected by EKICSB vide their letter dated 22 December 2016). After exchanges of written submissions between the parties, EKICSB's application for stay was heard on 21 April 2017 whereby the Court gave its view that it has no discretion to grant an order to direct the dispute under this proceeding to be consolidated under Section 10(2) of the Arbitration Act 2005 with the ongoing arbitration claim initiated by EKICSB. The Court informed RMSB that it may file an application to the Court for a declaration that the disputes to be consolidated and be heard by a single and same arbitrator. On 8 June 2017, RMSB filed an application for a declaration to consolidate and hear the disputes by a single and same arbitrator. The Court fixed the case management of this application on 13 July 2017. On 13 July 2017, EKICSB filed its affidavit in reply. The court directed RMSB to file the affidavit in reply by 25 July 2017.

The matter was fixed for case management on 7 August 2017 and hearing for the application was fixed on 15 August 2017. On 15 August 2017, the court allowed RMSB's application to transfer this application for declaration proceeding from the Shah Alam High Court (where it was filed due to e-filing system migration downtime at KL High Court then) to KL High Court. The case and the relevant files in relation thereto were transferred from the Shah Alam High Court to the Kuala Lumpur High Court on 11 September 2017. The case was then fixed for Case Management on 20 September 2017 at the Kuala Lumpur High Court and later postponed to 9 October 2017 wherein on the said date the Registrar of the High Court informed the parties that the case is pending consent from the Judge to transfer to the Construction Court. Vide a letter dated 12 October 2017, RMSB had been informed that the case has been transferred to the Construction Court and was fixed for Case Management on 20 October 2017. In the Case Management of 20 October 2017, the Court fixed the hearing of this case on 12 December 2017. The parties were directed to file their written submissions by 6 December 2017.

On 12 December 2017 the Court granted an order for RMSB to issue a letter to Pertubuhan Akitek Malaysia ("PAM") to inform PAM to appoint the same and single arbitrator currently hearing the arbitration claim initiated by EKICSB to also hear the dispute under this proceeding as applied by RMSB and that EKICSB will leave it to PAM to decide on the said appointment. RMSB's solicitor had properly issued the said letter to PAM on 15 December 2017 and a preliminary meeting with PAM was fixed on 11 January 2018 to obtain further directions from the Arbitrator. In the meeting of 11 January 2018, the Arbitrator informed the parties that he has no discretion to consolidate both disputes under the building and piling contract but will hear the matters separately. Further thereto, the Arbitrator issued a letter dated 20 January 2018 confirming his appointment as arbitrator for the piling dispute as well and fixed a preliminary meeting on 25 April 2018 for further directions. On 25 April 2018, the Arbitrator had rescheduled the hearing of this Arbitration to 5, 6, 7, 20, 21 & 22 June and 18, 19 & 20 July 2018.

The hearing dates on 5, 6, 7, 20, 21 & 22 June and 18 July 2018 were later vacated and the hearings were resumed on 19 & 20 July 2018 with RMSB's witnesses' testimonies and were concluded accordingly. The Arbitrator gave further directions, as follows:

i) the parties are to finalise the notes of proceedings by 24 August 2018;
ii) the parties are to submit their written submissions by 28 September 2018;
iii) the parties are to submit their replies by 29 October 2018; and
iv) the Decision date will be fixed thereafter.

However as at 29 August 2018, EKICSB's solicitor has not prepared the draft for RMSB's solicitor's perusal and has written to the Arbitrator to request for an extension. Vide a letter dated 3 September 2018, the Arbitrator has given further revised directions as follows:

i) Common notes of proceedings to be distributed by 12 Sept 2018;
ii) Simultaneous submissions of written submissions by the parties on 12 Oct 2018;
iii) Simultaneous replies to written submissions by 12 Nov 2018.

Filing of the written submissions was later postponed to 5 November 2018 and thereafter to 12 November 2018. For RMSB's counterclaim, EKICSB has filed their Statement of Defence on 8 October 2018. RMSB was originally required to file the Reply to the Statement of Defence by 22 October 2018, however this date was later postponed to 30 October 2018 and was filed accordingly on the said date. The parties were also directed to file Bundle of Documents by 12 November 2018 and the same was filed accordingly.

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

18. **Material litigation (cont'd)**

b) Edgenta PROPEL Berhad ("Edgenta PROPEL") vs. Hartajaya-Benteng Timur-Amr Jeli JV Sdn Bhd ("HBT") vs. Government of Malaysia (Jabatan Kerja Raya/JKR/Third Party)

Edgenta PROPEL, a wholly-owned subsidiary of the Company, filed a Writ of Summons and Statement of Claims against HBT on 23 March 2012 for the payments of RM16,117,148.72 (unpaid certified amount by HBT) and RM6,409,889.46 (unpaid uncertified amount by HBT) in respect of works done by Edgenta PROPEL for HBT for the construction of a new road from Seremban-Port Dickson Highway to FR5 (Exit 5) and pavement works from Pasir Panjang to Linggi, Negeri Sembilan. On 2 April 2015 the Parties agreed to record a consent judgment, among others, for HBT to pay Edgenta PROPEL the amount of RM4,000,000 for the works done and that the amount of RM17,472,961.82 will be subject to assessment of damages.

The assessment of damages proceedings fixed on 7 and 8 March 2017 were later postponed to 20 April 2017 for case management due to the demise of Edgenta PROPEL's witness pursuant to a traffic accident.

In the Case Management dated 20 April 2017, Edgenta PROPEL's solicitors informed the Court of the demise of its witness and the replacement witness was identified. This case was fixed for decision on 29 August 2017 whereby it was decided that HBT shall pay Edgenta PROPEL RM17,472,961.82 with interest of 5% per annum calculated from 2 April 2015 until full realisation and costs of RM15,000.00. A Sealed Order was obtained on 19 September 2017. On 8 November 2017, Edgenta PROPEL's solicitors had issued a Notice Pursuant to Sections 465(1)(e) and 466(1)(a) of the Companies Act 2016 to demand for the payment of RM23,761,840.41(being the amount due and payable from the decision dated 29 August 2017 and interest calculated up to 8 November 2017) for HBT to pay the said amount within twenty-one (21) days from the date of receipt of the said notice failing which Edgenta PROPEL may initiate winding up proceedings against HBT accordingly.

On 22 November 2017, HBT filed a Notice of Application together with an Affidavit in Support to set aside the assessment of damages judgment. On 19 December 2017, Edgenta PROPEL filed its Affidavit in Reply to the aforesaid Affidavit in Support. The court directed for HBT to file its reply to Edgenta PROPEL's Affidavit in Reply by 28 December 2017. A further case management was fixed on 4 January 2018 wherein the Court directed HBT to file an Affidavit in Reply (by their previous solicitor) within 2 weeks and fixed the hearing on 12 February 2018. On that date, the parties submitted their respective written submissions to the Court and the Court scheduled the matter for Clarification/Decision on 15 March 2018. HBT's solicitors informed the Court that they are in the midst of negotiating a settlement with JKR and hope that JKR will make some payments to them to enable them to settle the matter with Edgenta PROPEL. The Court informed the parties to try and settle this matter before the Clarification/Decision date fixed on 15 March 2018.

On 15 March 2018, the Court delivered its decision wherein HBT's application to set aside the decision of the Assessment of Damages Proceeding dated 29 August 2017 was dismissed with cost of RM5,000 to be made payable to Edgenta PROPEL. HBT later filed a Notice of Appeal to the Court of Appeal on 5 April 2018 and the appeal has been fixed for Case Management on 25 June 2018. In the Case Management, the Court of Appeal scheduled the matter for a further Case Management on 1 August 2018 pending the grounds of judgment from the High Court. On 1 August 2018, the Court of Appeal fixed a further Case Management date on 19 September 2018 as the grounds of judgment was not ready from the High Court. The Court of Appeal will only proceed to fix a hearing date upon receipt of the grounds of judgment from the High Court.

Meanwhile on 4 July 2018, Edgenta PROPEL via its solicitor has issued a Notice under S.465 of the Companies Act 2016 demanding for the payment of RM24,339,100.39 as at 4 July 2018 due and payable from HBT to be made within 21 days from the date of the notice.

HBT's solicitor issued a letter dated 9 July 2018 which was received by Edgenta PROPEL's solicitor on 12 July 2018, requesting for the winding up action to be put in abeyance pending the conclusion of their application in the Court of Appeal. Pursuant to the advice received from Edgenta PROPEL's solicitors on 13 July 2018 and further internal discussions thereafter, Edgenta PROPEL's Management has via its solicitor on 24 July 2018 counter proposed to HBT for payment of all or part of the RM4,000,000.00 undisputed figure pursuant to the Consent Order dated 2 April 2015 if HBT wishes for the winding up proceeding to be put in abeyance. 3 August 2018 was the deadline given to HBT to respond but Edgenta PROPEL's solicitor only received a letter from HBT's solicitor on 16 August 2018 proposing for a meeting to be fixed between the parties to discuss a possible settlement.

The parties met together with their respective solicitors on 13 September 2018 to discuss the possible settlement. HBT informed Edgenta PROPEL's representatives and solicitors that they are unable to pay any sum and are relying entirely on their claim against JKR. HBT further suggested Edgenta PROPEL to assist them in their case against JKR in order for them to obtain a decision against JKR to enable them to pay Edgenta PROPEL.

In the Case Management of 19 September 2018, the Court of Appeal rescheduled the matter to 9 October 2018 pending the grounds of judgment from the Senior Assistant Registrar ("SAR") who had conducted the assessment of damages. The Court of Appeal will only proceed to schedule a hearing date upon receipt of the grounds of judgment from the SAR. The Case Management on 9 October 2018 was later postponed to 5 December 2018 as the grounds of judgment from the SAR has not been obtained.

On 19 October 2018, Edgenta PROPEL's representatives, HBT's representatives and both parties' solicitors had a further meeting to deliberate on the way forward in the event Edgenta PROPEL proceeds to intervene in HBT's appeal against JKR. Edgenta PROPEL indicated in the meeting that in any event, the proceeds payable to Edgenta PROPEL shall not be less than the amount certified by HBT for the works done and HBT tentatively agreed to this.

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

18. Material litigation (cont'd)

b) Edgenta PROPEL Berhad ("Edgenta PROPEL") vs. Hartajaya-Benteng Timur-Amr Jeli JV Sdn Bhd ("HBT") vs. Government of Malaysia (Jabatan Kerja Raya/JKR/Third Party) (cont'd)

A written opinion from Edgenta PROPEL's solicitors was received on 15 November 2018 wherein based on the last meeting with HBT, the solicitors are of the opinion that it is prudent for Edgenta PROPEL to proceed as intervener in HBT's appeal against JKR due to HBT's poor financial status. By intervening in the said proceeding, Edgenta PROPEL could at least secure its claim for the amount intended to be recouped by entering into an agreement with HBT for the proceeds from the decision of the appeal against JKR.

19. Contingent liabilities

Other than as disclosed in Note 18 above, there are no other significant contingent liabilities as at the date of this announcement.

20. Detailed analysis of the performance between the current quarter and the immediate preceding quarter

	Current quarter	Immediate preceding quarter	Variance	Variance
	30/9/2018	**30/6/2018**		
	RM'000	RM'000	RM'000	%
Revenue:				
Consultancy	22,154	30,353	(8,199)	(27.0)
Healthcare Services	251,114	230,618	20,496	8.9
Infra Services	216,879	229,036	(12,157)	(5.3)
Property and Facility Solutions	37,583	52,259	(14,676)	(28.1)
Property Development	597	3,868	(3,271)	(84.6)
	528,327	**546,134**	**(17,807)**	**(3.3)**
Profit Before Tax:				
Consultancy	1,178	8,779	(7,601)	(86.6)
Healthcare Services	21,213	22,047	(834)	(3.8)
Infra Services	21,329	28,795	(7,466)	(25.9)
Property and Facility Solutions	2,082	6,798	(4,716)	(69.4)
Property Development	(991)	(515)	(476)	92.4
Others/Elimination	(19,719)	(18,175)	(1,544)	8.5
	25,092	**47,729**	**(22,637)**	**(47.4)**

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

20. Detailed analysis of the performance between the current quarter and the immediate preceding quarter (cont'd)

The Group's revenue for the current quarter of RM528.3 million was RM17.8 million or 3.3% lower than the immediate preceding quarter's RM546.1 million due to the following:

- Property and Facility Solutions ("PFS") Division recorded lower revenue by RM14.7 million mainly due to one-off installation revenue from energy performance contracting projects in the immediate preceding quarter, thereafter these projects only contribute recurring maintenance revenue.
- Infra Services ("IS") Division recorded lower revenue by RM12.2 million mainly due to less volume of work done for pavement and civil works for expressways.
- Consultancy Division recorded lower revenue by RM8.2 million mainly due to slower progress for consultancy work for East Malaysia project.
- Property Development ("PD") Division recorded lower revenue from fewer units sold.
- Mitigating the decrease, Healthcare Services ("HS") Division recorded higher revenue by RM20.5 million mainly due to contributions from projects in Singapore and Taiwan, coupled with more works done for healthcare-concession business in Malaysia.

The Group recorded profit before tax ("PBT") of RM25.1 million for the current quarter which decreased RM22.6 or 47.4% million as compared to RM47.7 million in the preceding quarter due to the following:

- PFS division recorded lower PBT by RM4.7 million in line with lower revenue.
- IS Division recorded lower PBT by RM7.5 million in line with lower revenue.
- Consultancy Division recorded lower PBT by RM7.6 resulting from the lower revenue.
- HS Division recorded lower PBT by RM0.8 million despite increased revenue mainly due to lower share of results from associates, coupled by weaker margins due to stiff competition in its non-concession business and increasing operating costs.

21. Detailed analysis of the performance for the current quarter and period

	Current year quarter	Preceding year corresponding quarter	Variance	Variance	Nine months to	Nine months to	Variance	Variance
	30/9/2018	**30/9/2017**			**30/9/2018**	**30/9/2017**		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue:								
Continuing operations:								
Consultancy	22,154	32,644	(10,490)	(32.1)	87,940	102,582	(14,642)	(14.3)
Healthcare Services	251,114	228,039	23,075	10.1	709,310	672,988	36,322	5.4
Infra Services	216,879	220,291	(3,412)	(1.5)	597,983	555,040	42,943	7.7
Property and Facility Solutions	37,583	35,913	1,670	4.7	133,655	111,419	22,236	20.0
Property Development	597	6,227	(5,630)	(90.4)	6,363	6,425	(62)	(1.0)
	528,327	523,114	5,213	1.0	1,535,251	1,448,454	86,797	6.0
Discontinued operation:								
Consultancy	-	379,514	(379,514)	(100.0)	-	1,082,107	(1,082,107)	(100.0)
	528,327	**902,628**	**(374,301)**	**(41.5)**	**1,535,251**	**2,530,561**	**(995,310)**	**(39.3)**

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

21. **Detailed analysis of the performance for the current quarter and period (cont'd)**

	Current year quarter	Preceding year corresponding quarter	Variance	Variance	Nine months to	Nine months to	Variance	Variance
	30/9/2018	**30/9/2017**			**30/9/2018**	**30/9/2017**		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Profit Before Tax:								
Continuing operations:								
Consultancy	1,178	2,029	(851)	(41.9)	18,043	13,693	4,350	31.8
Healthcare Services	21,213	23,303	(2,090)	(9.0)	72,153	72,285	(132)	(0.2)
Infra Services	21,329	21,346	(17)	(0.1)	71,076	61,473	9,603	15.6
Property and Facility Solutions	2,082	6,960	(4,878)	(70.1)	15,832	15,679	153	1.0
Property Development	(991)	3,918	(4,909)	>(100.0)	(3,624)	359	(3,983)	>(100.0)
Others/Elimination	(19,719)	(25,443)	5,724	(22.5)	(58,151)	(65,994)	7,843	(11.9)
	25,092	**32,113**	**(7,021)**	**(21.9)**	**115,329**	**97,495**	**17,834**	**18.3**
Discontinued operation:								
Consultancy	-	34,671	(34,671)	(100.0)	-	63,062	(63,062)	(100.0)
	25,092	**66,784**	**(41,692)**	**(62.4)**	**115,329**	**160,557**	**(45,228)**	**(28.2)**

Continuing operations

The Group's revenue for the current quarter of RM528.3 million was higher by RM5.2 million as compared to RM523.1 million in the corresponding quarter last year. The Group recorded revenue of RM1,535.3 million for the nine-month period, which is RM86.8 million higher as compared to RM1,448.5 million in the corresponding period last year mainly due to the following:

- IS Division registered higher revenue by RM42.9 million mainly due to higher civil and pavement works done for expressways.
- HS Division recorded higher revenue by RM36.3 million, mainly due to new contracts secured in Taiwan and Singapore, offset by lower revenue contributed from Malaysia operations.
- PFS Division recorded higher revenue by RM22.2 million, mainly due to new contracts secured for facilities management and township management projects, as well as contribution from new energy performance contracting projects.
- However, Consultancy Division recorded lower year-to-date revenue by RM14.6 million, mainly due to lower consultancy works done in the current period after the completion of LRT extension project.

The Group's current quarter PBT of RM25.1 million was lower by RM7.0 million as compared to RM32.1 million in the corresponding quarter last year. Conversely, the Group recorded higher PBT of RM115.3 million for the nine-month period, with an increase of RM17.8 million compared to RM97.5 million in the corresponding period last year mainly due to:

- IS Division recorded higher PBT by RM9.6 million, mainly riding on the higher revenue.
- Lower interest expenses of RM6.8 million mainly from the settlement of Commodity Murabahah Term Financing-i and Murabahah Term Facility A.
- Consultancy Division recorded higher PBT by RM4.4 million despite lower revenue due to provisions made for doubtful debts in the prior period and income received from short term investments, alongside better margins from increased use of in-house staff and reduced dependency on external consultants.
- However, PD Division benefited from compensation received in the corresponding period last year resulting in lower PBT by RM4.0 million.

Discontinued operation

The disposal of the Group's entire 61.2% equity interest in Opus International Consultants Limited has been completed on 4 December 2017.

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

22. Economic profit ("EP") statement

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/9/2018	**30/9/2017**	**30/9/2018**	**30/9/2017**
	RM'000	RM'000	RM'000	RM'000
Net operating profit after tax computation:				
Earnings before interest and tax	26,736	68,301	114,780	165,010
Adjusted tax	(6,417)	(16,392)	(27,547)	(39,602)
Net operating profit after tax	**20,319**	**51,909**	**87,233**	**125,408**
Economic charge computation:				
Average invested capital	1,579,871	1,972,678	1,579,871	1,972,678
Weighted average cost of capital ("WACC")	8.1%	7.1%	8.1%	7.1%
Economic charge	**31,992**	**35,015**	**95,977**	**105,045**
Economic (loss)/profit	**(11,673)**	**16,894**	**(8,744)**	**20,363**

The EP statement is as prescribed under the Government Linked Companies transformation program and is disclosed on a voluntary basis. EP measures the value created by a business during a single period reflecting how much return a business makes over its cost of capital.

(a) Performance of the current quarter ended 30 September 2018 against the corresponding quarter last year:

Economic loss ("EL") of RM11.7 million is lower by RM28.6 million as compared to the preceding year corresponding quarter's EP of RM16.9 million mainly due to lower earnings before interest and tax recorded and higher WACC for the current quarter.

(b) Performance of the current period ended 30 September 2018 against corresponding period last year:

EL of RM8.7 million is lower by RM29.1 million as compared to the preceding year corresponding period's EP of RM20.4 million mainly due to lower earnings before interest and tax recorded and higher WACC during the period.

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

23. Prospects for the current financial year

Overall Prospects

For the nine-month period up to 30 September 2018, UEM Edgenta Berhad ("UEMEd" or the "Company") recorded growth of 18.3% in its profit before tax ("PBT") to RM115.3 million as compared to the same period in 2017, on the back of growth in revenue of 6.0% to RM1,535.3 million.

Moving forward, UEMEd expects to continue the growth momentum till end of the financial year ending 2018, both in terms of driving revenue as well as profit margins via operational improvement programmes, training and innovation.

Prospects by Segment

(i) Consultancy

UEMEd's Consultancy Division remains focused on delivering its existing projects. The Company expects to sustain its profit margin for the remainder of the current financial year.

(ii) Healthcare Services

Healthcare Services Division has recorded higher revenue during the nine-month period up to 30 September 2018 mainly due to new contracts and works secured across Taiwan and Singapore in the third quarter; however, profitability of the division has moderated on the back of increased operating costs and competition. To this end, the Company will protect its market share and improve margins via an increased use of technology and mechanisation, cross-selling and sharing of best practices between its concession and commercial businesses.

(iii) Infra Services

UEMEd's Infra Services Division will sustain the growth in revenue and PBT that it has delivered for the nine-month period up to 30 September 2018, by driving operational improvements. One key initiative is the transformation of UEMEd's current delivery model from an input/resource-based contracting model into an outcome-based model, and the Company is in the midst of implementing the first phase of its "Performance-Based Contracting" ("PBC") in the second half of 2018.

As a game changer in the expressway and road maintenance industry, the implementation of PBC will contribute towards UEMEd's significant track record and deployment of technology. With improved cost efficiency as well as service delivery, the roll-out of PBC will put the Company on a strong footing to capitalise on growth opportunities in the infrastructure space.

(iv) Property and Facility Solutions

The Property and Facility Solutions Division has recorded a muted financial performance in the third quarter, resulting in lower profitability for the nine-month period up to 30 September 2018. For the remaining period of the financial year ending 2018, the Company will be focused on closing all opportunities it is currently pursuing and work on improving its margin.

24. Profit forecast

The Group did not issue any profit forecast in the current period.

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

25. Earnings per share ("EPS")

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/9/2018 RM'000	**30/9/2017** RM'000	**30/9/2018** RM'000	**30/9/2017** RM'000
Profit attributable to Owners of the Parent:				
- from continuing operations	17,555	22,926	80,511	70,017
- from discontinued operation	-	15,795	-	23,359
Total profit attributable to Owners of the Parent	17,555	38,721	80,511	93,376
Weighted average number of ordinary shares in issue ('000)	831,624	831,624	831,624	831,624
Basic earnings per share for:				
- Profit from continuing operations	2.11 sen	2.76 sen	9.68 sen	8.42 sen
- Profit from discontinued operation	Nil sen	1.90 sen	Nil sen	2.81 sen
- Profit for the period	**2.11 sen**	**4.66 sen**	**9.68 sen**	**11.23 sen**

By Order of the Board

Kuala Lumpur
29 November 2018

Chiew Siew Yuen (MAICSA 7063781)
Company Secretary