

**UEM EDGENTA BERHAD**  
(5067-M)  
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019.

THE FIGURES HAVE NOT BEEN AUDITED.

**I(A). CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2019	31/3/2018	31/3/2019	31/3/2018
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
1 (a) <b>Revenue</b>	<b>515,876</b>	<b>460,790</b>	<b>515,876</b>	<b>460,790</b>
(b) Cost of sales	(415,956)	(372,839)	(415,956)	(372,839)
(c) Gross profit	99,920	87,951	99,920	87,951
(d) Other income	8,850	9,452	8,850	9,452
(e) Expenses	(60,326)	(54,633)	(60,326)	(54,633)
(f) Finance costs	(7,112)	(7,203)	(7,112)	(7,203)
(g) Share of results of associates	4,704	6,941	4,704	6,941
(h) <b>Profit before tax</b>	<b>46,036</b>	<b>42,508</b>	<b>46,036</b>	<b>42,508</b>
(i) Income tax	(12,561)	(12,005)	(12,561)	(12,005)
(j) <b>Profit for the period</b>	<b>33,475</b>	<b>30,503</b>	<b>33,475</b>	<b>30,503</b>
Attributable to:				
(k) Owners of the parent	32,664	29,551	32,664	29,551
(l) Non-controlling interests	811	952	811	952
<b>Profit for the period</b>	<b>33,475</b>	<b>30,503</b>	<b>33,475</b>	<b>30,503</b>
2 <b>Earnings per share based on 1(k) above (Note 26):</b>				
Basic	3.93 sen	3.55 sen	3.93 sen	3.55 sen

The condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2018.

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**I(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2019 <b>RM'000</b>	Preceding year corresponding quarter 31/3/2018 <b>RM'000</b>	Three months to 31/3/2019 <b>RM'000</b>	Three months to 31/3/2018 <b>RM'000</b>
Profit for the period	33,475	30,503	33,475	30,503
<i>Other comprehensive loss to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations, representing total other comprehensive loss for the period, net of tax	<u>(4,358)</u>	<u>(7,054)</u>	<u>(4,358)</u>	<u>(7,054)</u>
<b>Total comprehensive income for the period</b>	<b><u>29,117</u></b>	<b><u>23,449</u></b>	<b><u>29,117</u></b>	<b><u>23,449</u></b>
<b>Attributable to:</b>				
Owners of the parent	28,374	22,570	28,374	22,570
Non-controlling interests	<u>743</u>	<u>879</u>	<u>743</u>	<u>879</u>
	<b><u>29,117</u></b>	<b><u>23,449</u></b>	<b><u>29,117</u></b>	<b><u>23,449</u></b>

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2018.

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**Remarks to Condensed Consolidated Income Statement:**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2019	31/3/2018	31/3/2019	31/3/2018
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit before tax is arrived at after (crediting)/charging:				
Interest income	(2,041)	(1,965)	(2,041)	(1,965)
Accretion of interest on concession receivable	(4,519)	(4,656)	(4,519)	(4,656)
Dividend from short term investment	(434)	(1,038)	(434)	(1,038)
Gain on disposal of property, plant and equipment	(5)	-	(5)	-
Net foreign exchange loss/(gain)	441	(187)	441	(187)
Interest expense	6,342	6,619	6,342	6,619
Depreciation and amortisation	19,563	16,657	19,563	16,657

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
		31/3/2019	31/12/2018
		<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
1	Non-current assets		
	Property, plant and equipment	203,531	185,033
	Right-of-use assets	30,548	-
	Land held for property development	477	477
	Prepaid land lease payments	2,954	2,976
	Intangible assets	710,375	731,927
	Investment in associates	65,987	61,235
	Other investments	272	272
	Trade and other receivables	131,187	128,339
	Contract assets	12,252	20,088
	Deferred tax assets	16,264	12,963
		<b>1,173,847</b>	<b>1,143,310</b>
2	Current assets		
	Inventories	158,750	156,778
	Trade and other receivables	799,216	768,269
	Contract assets	207,019	179,758
	Tax recoverable	28,056	23,032
	Short term investments	56,640	107,178
	Cash, bank balances and deposits*	475,739	496,293
		<b>1,725,420</b>	<b>1,731,308</b>
3	Asset held for sale	3,073	3,073
	Total assets	<b>2,902,340</b>	<b>2,877,691</b>

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

	As at end of current quarter	As at preceding financial year end
	31/3/2019	31/12/2018
	<b>RM'000</b>	<b>RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
4	Equity attributable to Owners of the Parent	
	268,074	268,074
	313,856	313,856
	(4,710)	(1,018)
	887,531	921,397
	<b>1,464,751</b>	<b>1,502,309</b>
5	14,604	14,459
	<b>1,479,355</b>	<b>1,516,768</b>
6	Non-current liabilities	
	3,516	3,516
	1,045	1,759
	2,141	1,872
	408,949	408,005
	22,879	-
	13,743	4,552
	51,488	48,552
	<b>503,761</b>	<b>468,256</b>
7	Current liabilities	
	940	940
	1,620	1,620
	127,805	124,460
	7,871	-
	757,846	740,199
	1,120	14,368
	22,022	11,080
	<b>919,224</b>	<b>892,667</b>
	<b>1,422,985</b>	<b>1,360,923</b>
	<b>2,902,340</b>	<b>2,877,691</b>
8	<b>Net assets per ordinary share attributable to Owners of the Parent (RM)</b>	
	<b>1.76</b>	<b>1.81</b>

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2018.

\* Cash, bank balances and deposits

Included in the cash, bank balances and deposits of the Group is an amount of RM20,604,041 (2018: RM20,419,681) 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.

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**III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Three months to 31/3/2019 <b>RM'000</b>	Three months to 31/3/2018 <b>RM'000</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	497,658	463,995
Cash payments to suppliers	(292,121)	(287,934)
Cash payments to employees and for expenses	(244,031)	(210,815)
Cash used in operations	(38,494)	(34,754)
Interest paid	(2,887)	(3,298)
Income tax paid	(6,266)	(9,525)
<b>Net cash flows used in operating activities</b>	<b>(47,647)</b>	<b>(47,577)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	168	-
Withdrawal from short term investments	51,150	-
Placement of short term investments	-	(9,100)
Interest received	1,975	2,123
Purchase of property, plant and equipment	(21,305)	(11,071)
<b>Net cash flows generated from/(used in) investing activities</b>	<b>31,988</b>	<b>(18,048)</b>
<b>Cash flows from financing activities</b>		
Capital repayment to non-controlling interests of a subsidiary	(3,375)	-
Repayment of finance lease	(269)	(41)
Drawdown of borrowings	3,102	778
Repayment of borrowings	(2,059)	(2,027)
Net withdrawal/(placement) of fixed deposits	697	(1,020)
<b>Net cash flows used in financing activities</b>	<b>(1,904)</b>	<b>(2,310)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(17,563)</b>	<b>(67,935)</b>
Net foreign exchange difference	(1,329)	(2,074)
Cash and cash equivalents as at beginning of financial period	462,845	488,798
<b>Cash and cash equivalents as at end of financial period (a)</b>	<b>443,953</b>	<b>418,789</b>
	As at 31/3/2019 <b>RM'000</b>	As at 31/3/2018 <b>RM'000</b>
<b>(a) Cash and Cash Equivalents comprise the following amounts:</b>		
Cash on hand and at banks	280,971	169,449
Fixed deposits with licensed banks	194,768	280,847
Cash, bank balances and deposits	475,739	450,296
Less: Fixed deposits on lien	(10,897)	(10,492)
Less: Fixed deposits pledged	(19,772)	(19,682)
Less: Cash and fixed deposit restricted in usage	(1,117)	(1,333)
	<b>443,953</b>	<b>418,789</b>

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2018.

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**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
<b>Three months to 31 March 2019</b>							
Balance as at 1 January 2019	268,074	313,856	(1,018)	921,397	1,502,309	14,459	1,516,768
Profit for the period	-	-	-	32,664	32,664	811	33,475
Other comprehensive loss	-	-	(4,290)	-	(4,290)	(68)	(4,358)
Total comprehensive (loss)/income for the period	-	-	(4,290)	32,664	28,374	743	29,117
Dividends payable to shareholders of the Company	-	-	-	(66,530)	(66,530)	-	(66,530)
Put options granted to non-controlling interests of a subsidiary	-	-	598	-	598	(598)	-
Balance as at 31 March 2019	<u>268,074</u>	<u>313,856</u>	<u>(4,710)</u>	<u>887,531</u>	<u>1,464,751</u>	<u>14,604</u>	<u>1,479,355</u>

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

	← 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
<b>Three months to 31 March 2018</b>							
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	-	-	-	29,551	29,551	952	30,503
Other comprehensive loss	-	-	(6,981)	-	(6,981)	(73)	(7,054)
Total comprehensive (loss)/income for the period	-	-	(6,981)	29,551	22,570	879	23,449
Dividends payable to shareholders of the Company	-	-	-	(191,274)	(191,274)	-	(191,274)
Put options granted to non-controlling interests of a subsidiary	-	-	607	-	607	(607)	-
Balance as at 31 March 2018	268,074	313,856	(19,177)	852,506	1,415,259	18,748	1,434,007

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 2018.

**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 2018.

**1. Basis of preparation**

These condensed consolidated interim financial statements 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.

These financial statements have also been prepared on a historical cost basis except as disclosed in the audited financial statements for the year ended 31 December 2018.

**2. Significant accounting policies**

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 2018 except for standards and IC interpretation effective for financial periods beginning on or after 1 January 2019 below:

- Amendments to MFRS 9: Prepayment Features with Negative Compensation
- MFRS 16: Leases
- Amendments to MFRS 128: Long Term Interests in Associates and Joint Ventures
- Annual Improvements to MFRS Standards 2015-2017 Cycle
- Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement
- IC Interpretation 23: Uncertainty over Income Tax Treatments

The adoption of the above do not have any significant impact to the Group other than as discussed below.

MFRS 16: Leases

MFRS 16 replaces MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees is also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under MFRS 16 is substantially unchanged from accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

The Group has adopted MFRS 16 using the modified retrospective method. Accordingly, the Group has not restated the comparative information. The Group has elected to apply the standard to contracts that were previously identified as leases applying MFRS 117 and IC Interpretation 4. The Group therefore has not applied the standard to contracts that were not previously identified as containing a lease applying MFRS 117 and IC Interpretation 4.

The Group has elected to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Group has leases of certain office equipment (i.e., personal computers, printing and photocopying machines) that are considered of low value.

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

**2. Significant accounting policies (cont'd)**

MFRS 16: Leases (cont'd)

The summary of the impact (increase/(decrease)) from MFRS 16 adoption on the statement of financial position as at 1 January 2019 is as follows:

	<b>Note</b>	<b>RM'000</b>
<b>Assets</b>		
Right-of-use assets	a	<u>32,024</u>
<b>Liabilities</b>		
Lease liabilities	b	<u>32,024</u>

- a) Recognition of right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments immediately before the date of initial application.
- b) Recognition of lease liability at the date of initial application, measured at the present value of remaining lease payments, discounted at the Group's weighted average incremental borrowing rate of 4.09%.

Reconciliation of lease liabilities recognised from operating lease obligations:

	<b>RM'000</b>
Operating lease obligations as at 31 December 2018	10,342
Reasonably certain extension options	26,273
Relief option for short term leases	(1,021)
Relief option for leases of low value assets	(712)
Gross liabilities at 1 January 2019	<u>34,882</u>
Effect from discounting	<u>(2,858)</u>
Lease liabilities due to initial application of MFRS 16	<u>32,024</u>

**3. Standards issued but not yet effective**

The standards that are issued but not yet effective up to the date of authorisation of these financial statements are disclosed below. The Group intends to adopt these standards if applicable when they become effective.

	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 101 and 108 - Definition of Material	1 January 2020
Revised Conceptual Framework for Financial Reporting (The Conceptual Framework)	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

These standards are not expected to have a significant impact on the financial statements in the period of initial application.

**4. Audit report in respect of the 2018 financial statements**

The audit report on the Group's financial statements for the financial year ended 31 December 2018 was not qualified.

**5. 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)**

**6. 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 year.

**7. 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 year.

**8. 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 31 March 2019.

**9. Dividend**

The amount of dividend paid by the Company since 31 December 2018 was as follows:-

**RM'000**

In respect of the financial year ending 31 December 2018:

Single-tier second interim dividend of 8.00 sen per ordinary share,  
on 831,624,030 ordinary shares, paid on 9 May 2019

66,530

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

10. **Operating Segments**

Operating Segment information for the current financial period ended 31 March 2019 is as follows:

**By operating segment**

	<b>Asset Management</b>		<b>Infrastructure Solutions</b>			Elimination	Group
	Healthcare Support	Property and Facility Solutions	Infrastructure Services	Asset Consultancy	Others		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>							
External revenue	270,910	37,679	172,261	34,997	29	-	<b>515,876</b>
Inter-segment revenue	976	3,241	4,022	-	15,373	(23,612)	-
<b>Total Revenue</b>	<b>271,886</b>	<b>40,920</b>	<b>176,283</b>	<b>34,997</b>	<b>15,402</b>	<b>(23,612)</b>	<b>515,876</b>
<b>Results</b>							
<b>EBITDA</b>	<b>37,817</b>	<b>8,286</b>	<b>23,262</b>	<b>2,038</b>	<b>(12,442)</b>	<b>6,235</b>	<b>65,196</b>
Depreciation and amortisation	(7,375)	(1,230)	(3,407)	(1,015)	(5,650)	(886)	<b>(19,563)</b>
<b>EBIT</b>	<b>30,442</b>	<b>7,056</b>	<b>19,855</b>	<b>1,023</b>	<b>(18,092)</b>	<b>5,349</b>	<b>45,633</b>
Interest income	1,346	54	120	19	502	-	<b>2,041</b>
Interest expense	(323)	(1,432)	-	-	(4,587)	-	<b>(6,342)</b>
Share of results of associates	3,009	1,474	-	221	-	-	<b>4,704</b>
<b>Profit/(loss) before tax</b>	<b>34,474</b>	<b>7,152</b>	<b>19,975</b>	<b>1,263</b>	<b>(22,177)</b>	<b>5,349</b>	<b>46,036</b>
Income tax	(6,770)	(1,302)	(4,841)	(525)	745	132	<b>(12,561)</b>
<b>Profit/(loss) for the period</b>	<b>27,704</b>	<b>5,850</b>	<b>15,134</b>	<b>738</b>	<b>(21,432)</b>	<b>5,481</b>	<b>33,475</b>

Notes:

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

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

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

Operating Segment information for the financial period ended 31 March 2018 is as follows:

**By operating segment**

	<b>Asset Management</b>		<b>Infrastructure Solutions</b>			Elimination	Group
	Healthcare Support	Property and Facility Solutions	Infrastructure Services	Asset Consultancy	Others		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>							
External revenue	227,578	43,813	152,068	35,433	1,898	-	<b>460,790</b>
Inter-segment revenue	830	3,391	5,458	-	11,390	(21,069)	-
Total Revenue	<b>228,408</b>	<b>47,204</b>	<b>157,526</b>	<b>35,433</b>	<b>13,288</b>	<b>(21,069)</b>	<b>460,790</b>
<b>Results</b>							
<b>EBITDA</b>	29,820	7,802	23,541	7,791	(12,891)	815	<b>56,878</b>
Depreciation and amortisation	(6,611)	(155)	(3,360)	(372)	(5,291)	(868)	<b>(16,657)</b>
<b>EBIT</b>	23,209	7,647	20,181	7,419	(18,182)	(53)	<b>40,221</b>
Interest income	346	50	771	259	539	-	<b>1,965</b>
Interest expense	(130)	(1,809)	-	-	(4,680)	-	<b>(6,619)</b>
Share of results of associates	5,468	1,065	-	408	-	-	<b>6,941</b>
<b>Profit/(loss) before tax</b>	28,893	6,953	20,952	8,086	(22,323)	(53)	<b>42,508</b>
Income tax	(4,717)	(1,185)	(5,365)	(1,574)	705	131	<b>(12,005)</b>
<b>Profit/(loss) for the period</b>	<b>24,176</b>	<b>5,768</b>	<b>15,587</b>	<b>6,512</b>	<b>(21,618)</b>	<b>78</b>	<b>30,503</b>

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

**11. 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 31 March 2019 to the date of this announcement which would substantially affect the financial results of the Group for the three months ended 31 March 2019 that have not been reflected in the condensed financial statements.

**12. 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) On 6 March 2019, Faber Hotels Holdings Sdn. Bhd., a wholly-owned subsidiary of the Company, had been placed under Member's Voluntary Winding-Up pursuant to Section 439(1)(b) of the Companies Act 2016. The winding up of FHH is not expected to have a material effect on the earnings, gearing or net assets of the Group.

**13. Capital commitments**

There are no material capital commitments except as disclosed below:

	As at 31/3/2019 RM'000	As at 31/12/2018 RM'000
Approved and contracted for	18,179	47,383
Approved but not contracted for	143,689	162,511

**14. Income tax**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2019 RM'000	31/3/2018 RM'000	31/3/2019 RM'000	31/3/2018 RM'000
Current income tax				
- Malaysian income tax	10,168	6,876	10,168	6,876
- Foreign tax	2,597	2,430	2,597	2,430
Under provision in prior years				
- Foreign tax	-	18	-	18
	12,765	9,324	12,765	9,324
Deferred tax				
- Relating to origination and reversal of temporary difference	(204)	2,681	(204)	2,681
<b>Income tax expense</b>	<b>12,561</b>	<b>12,005</b>	<b>12,561</b>	<b>12,005</b>

The Group's effective tax rate excluding share of results of associates for the current quarter was higher than the statutory tax rate of 24% mainly due to deferred tax assets not recognised for tax losses at certain subsidiaries.

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

**15. 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.

**16. Borrowings and debt securities**

Details of Group borrowings and debt securities as at 31 March 2019 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
<b><u>Borrowings</u></b>						
Domestic	90,247	249,625	339,872	7,856	55,210	63,066
Foreign						
- Singapore Dollar	69,077	-	69,077	31,310	-	31,310
- Taiwan Dollar	-	-	-	33,429	-	33,429
<b>TOTAL</b>	<b>159,324</b>	<b>249,625</b>	<b>408,949</b>	<b>72,595</b>	<b>55,210</b>	<b>127,805</b>

Details of Group borrowings and debt securities as at 31 December 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
<b><u>Borrowings</u></b>						
Domestic	88,776	249,625	338,401	9,570	52,190	61,760
Foreign						
- Singapore Dollar	69,604	-	69,604	31,460	-	31,460
- Taiwan Dollar	-	-	-	31,240	-	31,240
<b>TOTAL</b>	<b>158,380</b>	<b>249,625</b>	<b>408,005</b>	<b>72,270</b>	<b>52,190</b>	<b>124,460</b>

**17. Derivatives**

There are no outstanding derivatives as at 31 March 2019 (31 December 2018: RM Nil).

**18. 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)**

**19. 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)**

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

**a) Rimbunan Melati Sdn Bhd ("RMSB") vs. EK Integrated Construction Sdn Bhd ("EKICSB") (cont'd)**

A meeting with the Arbitrator was held on 8 January 2019 with the following directions:

- i) the Arbitrator is in the midst of preparing his decision for the claim by EKICSB;
- ii) for RMSB to confirm further expert witnesses to be called for the matter being the submitting engineer, LTE Engineer or S&M Geotechnics;
- iii) for RMSB to provide soil test results before construction and locations of the bore holes super imposed with site plan;
- iv) for RMSB to provide soil consolidation report;
- v) for RMSB to provide all signed piling records;
- vi) the tentative hearing dates have been fixed on 19,20 and 21 March 2019, 30 and 31 May 2019 and 25, 26 and 27 June 2019.

On 15 March 2019 the arbitrator allowed EKICSB's claim in the arbitration commenced by EKICSB for the alleged outstanding payment under the Building Contract. The solicitors have advised RMSB to apply for a stay of execution of the said award pending disposal of the arbitration commenced by RMSB against EKICSB under the piling contract.

The arbitration between RMSB and EKICSB under the piling contract has been fixed for hearing on 2, 3, 30 and 31 May 2019 and 25 to 27 June 2019. However, the hearing on 2 and 3 May 2019 were vacated by the arbitrator to allow the parties to file further documents.

**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.

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

**19. 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)**

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.

A written opinion from Edgenta PROPEL's solicitors was received on 15 November 2018 wherein based on the last meeting with HBT, the solicitors were 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.

On 14 December 2018, Edgenta PROPEL has filed an intervener application in in the Kuala Lumpur High Court to be made as an intervener in the JKR's assessment proceeding against HBT ("Intervener Proceeding"). The Intervener Proceeding was later fixed for Case Management on 17 December 2018 and in that Case Management, the High Court had fixed the hearing date for this matter on 15 January 2019.

On the hearing date of 15 January 2019, the High Court dismissed Edgenta PROPEL's application to intervene in the assessment of damages proceedings as it takes the view that Edgenta PROPEL does not have a legal interest in the proceedings as it had already secured a judgment from another court. In this regard, the High Court takes the view that it is a better approach for Edgenta PROPEL to proceed to wind up HBT instead and for a liquidator to be appointed to manage the assets and liability of HBT including the assessment of damages proceedings between HBT and JKR.

The High Court however had allowed Edgenta PROPEL's solicitors to sit in during the assessment proceedings as a "Friend of the Court" in the event it could assist the High Court in any way. HBT's solicitors further agreed to adduce both the Consent Judgment dated 2 April 2015 and the assessment of damages certificate dated 29 August 2017 in the assessment of damages proceedings between HBT and JKR.

The High Court further exercised its discretion and ordered for each party to bear its own costs as Edgenta PROPEL had also not been paid pursuant to the Consent Judgment obtained. HBT's assessment of damages against JKR was concluded on 25 April 2019 and the Court had directed for the parties therein to file their respective written submissions by 27 June 2019. The next case management is scheduled on 27 June 2019.

On 7 March 2019, HBT's appeal to the Court of Appeal was heard and the Court of Appeal allowed HBT's appeal on condition that HBT pays the sum of RM10,000,000 into Court or a stakeholder account within 14 days. The SAR's assessment of damages would then be set aside and a fresh assessment of damages is to be conducted by a High Court Judge. In the event HBT fails to pay the sum of RM10,000,000 into Court or a stakeholder account within 14 days, the SAR's assessment of damages will remain valid. At the lapse of the 14 days, HBT failed to deposit the sum of RM10,000,000 into Court or a stakeholder account.

HBT had on 21 March 2019 filed a motion in the Court of Appeal for a stay of execution of the Order dated 7 March 2019 and another motion in the Federal Court for leave to appeal against the Court of Appeal's decision dated 7 March 2019 to the Federal Court. The Court of Appeal has scheduled HBT's motion for stay of execution on 25 July 2019. HBT's motion for leave to appeal to the Federal Court is scheduled for hearing on 1 July 2019.

**20. Contingent liabilities**

Other than as disclosed in Note 19 above, there are no other significant contingent liabilities as at the date of this announcement.

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

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

	Current quarter 31/3/2019 RM'000	Immediate preceding quarter 31/12/2018 RM'000	Variance RM'000	Variance %
<b><u>Revenue:</u></b>				
<b>Asset Management</b>				
- Healthcare Support	270,910	275,272	(4,362)	(1.6)
- Property and Facility Solutions	37,679	55,768	(18,089)	(32.4)
<b>Infrastructure Solutions</b>				
- Infrastructure Services	172,261	283,984	(111,723)	(39.3)
- Asset Consultancy	34,997	26,169	8,828	33.7
Others	29	6,160	(6,131)	(99.5)
	<b>515,876</b>	<b>647,353</b>	<b>(131,477)</b>	<b>(20.3)</b>

**Profit Before Tax:**

<b>Asset Management</b>				
- Healthcare Support	34,474	33,277	1,197	3.6
- Property and Facility Solutions	7,152	1,447	5,705	>100.0
<b>Infrastructure Solutions</b>				
- Infrastructure Services	19,975	35,228	(15,253)	(43.3)
- Asset Consultancy	1,263	(6,842)	8,105	>100.0
Others/Elimination	(16,828)	19,777	(36,605)	>(100.0)
	<b>46,036</b>	<b>82,887</b>	<b>(36,851)</b>	<b>(44.5)</b>

The Group's revenue for the current quarter of RM515.9 million was RM131.5 million or 20.3% lower than the immediate preceding quarter's RM647.4 million, mainly contributed by the below:

- **Asset Management**  
Revenue from Asset Management Segment is lower by RM22.5 million, mainly contributed by a 32.4% reduction in revenue from Property and Facility Solutions ("PFS") division due to higher revenue recognised in the preceding quarter from installation works for energy performance contracting project. The Healthcare Support ("HS") division also noted a slight reduction of revenue by 1.6% mainly due to expiry of an East Malaysia contract in December 2018.
- **Infrastructure Solutions**  
Infrastructure Solutions Segment recorded lower revenue by RM102.9 million, mainly contributed by a 39.3% reduction from Infrastructure Services ("IS") division due to less work done for expressways during the period. This is mitigated by higher revenue of RM8.8 million or 33.7% from Asset Consultancy ("AC") division from new contracts commenced during the quarter.

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

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

The Group's profit before tax ("PBT") for the current quarter of RM46.0 million was RM36.9 million or 44.5% lower than the immediate preceding quarter's RM82.9 million, contributed by the below:

- **Asset Management**  
Asset Management's PBT improved by RM6.9 million from better results by both PFS and HS divisions. PFS division registered higher PBT by RM5.7 million despite the lower revenue recorded mainly due to one-off provisions made for receivables in previous quarter. HS division recorded higher PBT by RM1.2 million or 3.6% riding on lower operational costs.
- **Infrastructure Solutions**  
Conversely, Infrastructure Solutions recorded lower PBT for the period by RM7.1 million mainly contributed by IS division which recorded lower PBT by RM15.3 million or 43.3%, in line with the lower revenue recognised. This is partly mitigated by better results from AC division, which managed to turn around its position from the preceding quarter driven by the higher revenue recorded.

**22. Detailed analysis of the performance for the current quarter**

	Current year quarter 31/3/2019 RM'000	Preceding year corresponding quarter 31/3/2018 RM'000	Variance RM'000	Variance %
<b><u>Revenue:</u></b>				
<b>Asset Management:</b>				
- Healthcare Support	270,910	227,578	43,332	19.0
- Property and Facility Solutions	37,679	43,813	(6,134)	(14.0)
<b>Infrastructure Solutions:</b>				
- Infrastructure Services	172,261	152,068	20,193	13.3
- Asset Consultancy	34,997	35,433	(436)	(1.2)
Others	29	1,898	(1,869)	(98.5)
	<b>515,876</b>	<b>460,790</b>	<b>55,086</b>	<b>12.0</b>
<b><u>Profit Before Tax:</u></b>				
<b>Asset Management:</b>				
- Healthcare Support	34,474	28,893	5,581	19.3
- Property and Facility Solutions	7,152	6,953	199	2.9
<b>Infrastructure Solutions:</b>				
- Infrastructure Services	19,975	20,952	(977)	(4.7)
- Asset Consultancy	1,263	8,086	(6,823)	(84.4)
Others/Elimination	(16,828)	(22,376)	5,548	24.8
	<b>46,036</b>	<b>42,508</b>	<b>3,528</b>	<b>8.3</b>

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

**22. Detailed analysis of the performance for the current quarter (cont'd)**

The Group's revenue for the current quarter of RM515.8 million was higher by RM55.1 million or 12.0% as compared to RM460.8 million in the corresponding quarter last year, mainly contributed by the below:

- **Asset Management**  
Revenue from Asset Management surged higher compared to prior year corresponding quarter, increasing by RM37.2 million driven by a 19.0% increase in revenue from HS division, primarily from new businesses secured during the period across regions. This is offset by revenue reduction from PFS division, mainly due to completed projects in prior period.
- **Infrastructure Solutions**  
Revenue from Infrastructure Solutions also improved by RM19.7 million due to higher volume of work done on pavement works and traffic management for expressways by IS division, slightly offset by revenue reduction by AC division from projects completed in prior period.

The Group's PBT for the current quarter of RM46.0 million was higher by RM3.5million as compared to RM42.5 million in the corresponding quarter last year, mainly contributed by the below:

- **Asset Management**  
Asset Management segment recorded improved results with RM5.8 million increase compared to prior period, on the back of increased revenue and operational cost efficiencies.
- **Infrastructure Solutions**  
Conversely, Infrastructure Solutions segment posted lower results by RM7.8 million due to lower margins from current projects by AC division, coupled by higher subcontractor costs as well as costs incurred for the new Pavement Research Centre by IS division.

**23. Economic profit ("EP") statement**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	<b>31/3/2019</b>	<b>31/3/2018</b>	<b>31/3/2019</b>	<b>31/3/2018</b>
	RM'000	RM'000	RM'000	RM'000
<b><u>Net operating profit after tax computation:</u></b>				
Earnings before interest and tax	45,633	40,221	45,633	40,221
Adjusted tax	(10,952)	(9,653)	(10,952)	(9,653)
Net operating profit after tax	<b>34,681</b>	<b>30,568</b>	<b>34,681</b>	<b>30,568</b>
<b><u>Economic charge computation:</u></b>				
Average invested capital	1,517,463	1,552,536	1,517,463	1,552,536
Weighted average cost of capital ("WACC")	7.9%	8.2%	7.9%	8.2%
<b>Economic charge</b>	<b>29,970</b>	<b>31,827</b>	<b>29,970</b>	<b>31,827</b>
<b>Economic profit/(loss)</b>	<b>4,711</b>	<b>(1,259)</b>	<b>4,711</b>	<b>(1,259)</b>

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.

EP of RM4.7 million is higher by RM6.0 million as compared to the preceding year corresponding quarter's Economic Loss of RM1.3 million mainly due to higher earnings before interest and tax recorded.

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

**24. Prospects for the next financial year**

Overall Prospects

In the first quarter of FY19, revenue and profit before tax ("PBT") grew at 12.0% and 8.3% to RM515.9 million and RM46.0 million respectively, compared to the same quarter in the preceding year.

Moving forward for the remaining period of FY19, UEMEd will build on the momentum from the first quarter via continued revenue growth and the ongoing roll-out of the Company's Continuous Improvement framework to deliver cost savings. This will prepare the businesses to face headwinds in a potentially challenging market environment for the rest of 2019.

UEMEd will continue to focus on operational and organisation excellence, as well as technology & innovation in 2019. On top of that, the Company will also develop its talent and drive performance culture, in realising its strategy and continued leadership in Asset Management & Infrastructure Solutions.

Prospects by Segment

i. Asset Management

In Q1 FY19, growth in Asset Management on a year-on-year basis was propelled by the Healthcare Support division, which delivered increase in revenue and PBT of 19.0% and 19.3% respectively, exceeding the revenue reduction in Property & Facility Solutions over the same period. Growth was evident in both the commercial and concession businesses of the Healthcare Support division.

For the remaining period of FY19, the commercial healthcare business will look to secure more business in Singapore & Malaysia, and expand its scope of services in Taiwan, while the concession business will continue to enjoy upside on revenue in Malaysia from a new public hospital that has become operational in early 2019, as well as cross-selling and sharing of best practices between the two businesses.

ii. Infrastructure Solutions

For the first quarter of FY19, revenue growth for Infrastructure Solutions was contributed by the Infrastructure Services division on the back of higher volume of pavement and traffic management work. Revenue in this division grew at 13.3%; however, PBT growth was offset by operational costs incurred for the new Pavement Research Centre ("PRC") an investment which is part of the Company's strategy to service the entire lifecycle value chain. As for the Consultancy division, its performance remains muted in Q1 FY19.

UEMEd continues to be optimistic of its prospects in the infrastructure sector, given the state and federal Governments' commitment towards implementing several key infrastructure projects.

**25. Profit forecast**

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

**UEM EDGENTA BERHAD**  
(5067-M)  
Incorporated in Malaysia

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

26. Earnings per share ("EPS")

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2019 RM'000	31/3/2018 RM'000	31/3/2019 RM'000	31/3/2018 RM'000
Profit attributable to Owners of the Parent	32,664	29,551	32,664	29,551
Weighted average number of ordinary shares in issue ('000)	831,624	831,624	831,624	831,624
<b>Basic earnings per share</b>	<b>3.93 sen</b>	<b>3.55 sen</b>	<b>3.93 sen</b>	<b>3.55 sen</b>

Kuala Lumpur  
29 May 2019

By Order of the Board  
Chiew Siew Yuen (MAICSA 7063781)  
Company Secretary