

**UEM EDGENTA BERHAD**  
Company No. 196301000166 (5067-M)  
Incorporated in Malaysia

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

THE FIGURES HAVE NOT BEEN AUDITED.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/6/2023	30/6/2022	30/6/2023	30/6/2022
	RM'000	RM'000	RM'000	RM'000
1 (a) <b>Revenue</b>	<b>719,260</b>	<b>627,677</b>	<b>1,351,036</b>	<b>1,166,886</b>
(b) Cost of sales	(621,813)	(541,683)	(1,174,241)	(1,004,265)
(c) Gross profit	97,447	85,994	176,795	162,621
(d) Other income	10,377	7,061	17,070	14,683
(e) Expenses	(81,447)	(69,542)	(141,998)	(135,134)
(f) Finance costs	(5,746)	(4,943)	(11,164)	(9,873)
(g) Share of results of associates	1,378	4,383	3,739	7,906
(h) Share of result of a joint venture	-	-	1	-
(i) <b>Profit before tax</b>	<b>22,009</b>	<b>22,953</b>	<b>44,443</b>	<b>40,203</b>
(j) Income tax	(9,462)	(12,109)	(21,075)	(19,993)
(k) Zakat	(3)	-	(3)	-
(l) <b>Profit for the period</b>	<b>12,544</b>	<b>10,844</b>	<b>23,365</b>	<b>20,210</b>
Attributable to:				
(m) Owners of the parent	12,527	10,864	23,428	20,267
(n) Non-controlling interests	17	(20)	(63)	(57)
<b>Profit for the period</b>	<b>12,544</b>	<b>10,844</b>	<b>23,365</b>	<b>20,210</b>
2 <b>Earnings per share based on 1(m) above (Note 25):</b>				
Basic	1.51 sen	1.31 sen	2.82 sen	2.44 sen

The condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2022.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/6/2023	30/6/2022	30/6/2023	30/6/2022
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	12,544	10,844	23,365	20,210
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations, representing total other comprehensive income	31,377	15,144	41,643	18,858
<b>Total comprehensive income for the period</b>	<b>43,921</b>	<b>25,988</b>	<b>65,008</b>	<b>39,068</b>
<b>Attributable to:</b>				
Owners of the parent	43,897	26,008	65,064	39,125
Non-controlling interests	24	(20)	(56)	(57)
	<b>43,921</b>	<b>25,988</b>	<b>65,008</b>	<b>39,068</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 2022.

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**Remarks to Condensed Consolidated Income Statement:**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/6/2023	30/6/2022	30/6/2023	30/6/2022
	<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	(1,383)	(598)	(2,463)	(1,417)
Accretion of interest on concession receivable	(3,644)	(3,791)	(7,656)	(8,170)
Accretion of interest on loans and receivables	(3,408)	(1,233)	(4,073)	(1,898)
Dividend from short term investment	(10)	(86)	(28)	(147)
(Gain)/loss on disposal of property, plant and equipment	(3)	(98)	4	(113)
Net foreign exchange unrealised loss	(827)	(1,145)	(494)	(997)
Net foreign exchange realised loss	(247)	215	(111)	240
(Reversal)/impairment of ECL on trade receivables	-	-	(3)	1,562
Interest expense	5,499	4,838	10,620	9,456
Depreciation and amortisation	20,519	21,556	40,409	44,395

Other than the above, there were no other significant impairment/(write back of impairment) of assets, (gain)/loss on investments, write down of inventories and/or other 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
		30/6/2023	31/12/2022
		<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
1	Non-current assets		
	Property, plant and equipment	148,597	146,355
	Investment properties	13,800	13,800
	Right-of-use assets	37,317	44,246
	Intangible assets	718,118	700,893
	Investment in associates	72,687	72,346
	Investment in a joint venture	117	116
	Other investments	232	232
	Trade and other receivables	106,310	107,366
	Contract related assets	63,845	73,656
	Deferred tax assets	12,460	12,513
		<b>1,173,483</b>	<b>1,171,523</b>
2	Current assets		
	Inventories	20,349	17,178
	Trade and other receivables	674,605	491,670
	Contract related assets	380,608	359,404
	Tax recoverable	36,346	32,184
	Short term investments	14,376	97,178
	Cash, bank balances and deposits	592,611	609,486
		<b>1,718,895</b>	<b>1,607,100</b>
	Asset of disposal group classified as held for sale	63,805	90,048
	<b>Total assets</b>	<b>2,956,183</b>	<b>2,868,671</b>

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

	As at end of current quarter 30/6/2023 <b>RM'000</b>	As at preceding financial year end 31/12/2022 <b>RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
3 Equity attributable to Owners of the Parent		
Share capital	268,074	268,074
Capital reserve	313,856	313,856
Other reserves	64,996	23,066
Retained earnings	966,057	975,894
	1,612,983	1,580,890
4 Non-controlling interests	5,113	3,141
Total equity	1,618,096	1,584,031
5 Non-current liabilities		
Retirement benefit obligations	3,353	1,046
Defined benefit pension plan	742	709
Provisions	4,484	4,280
Borrowings	323,048	331,639
Lease liabilities	21,081	28,210
Trade and other payables	15,992	10,776
Deferred tax liabilities	46,904	47,128
	415,604	423,788
6 Current liabilities		
Retirement benefit obligations	1,036	1,036
Provisions	1,620	1,620
Borrowings	210,124	127,111
Lease liabilities	12,949	12,744
Trade and other payables	642,283	665,385
Contract liabilities	29,718	30,777
Income tax payable	22,507	19,008
	920,237	857,681
Liabilities of disposal group classified as held for sale	2,246	3,171
Total liabilities	1,338,087	1,284,640
Total equity and liabilities	<b>2,956,183</b>	<b>2,868,671</b>
7 <b>Net assets per ordinary share attributable to Owners of the Parent (RM)</b>	<b>1.94</b>	<b>1.90</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 2022.

\* Cash, bank balances and deposits

Included in the cash, bank balances and deposits of the Group is an amount of RM126,930 (2022: RM125,928) 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**

	Six months to 30/6/2023 <b>RM'000</b>	Six months to 30/6/2022 <b>RM'000</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	1,242,498	1,210,447
Cash payments to suppliers	(640,418)	(572,422)
Cash payments to employees and for expenses	(733,335)	(688,499)
Cash used in operations	(131,255)	(50,474)
Interest paid	(10,511)	(9,759)
Net Income tax refund/(paid)	(21,627)	(3,856)
<b>Net cash flows used in operating activities</b>	<b>(163,393)</b>	<b>(64,089)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	51	147
Acquisition of shares in a joint venture	-	(123)
Net withdrawal/(placement) from short term investments	82,977	(4,998)
Interest received	2,856	1,702
Dividend received from associates	3,400	1,600
Purchase of property, plant and equipment	(18,444)	(6,651)
<b>Net cash flows generated from/(used in) investing activities</b>	<b>70,840</b>	<b>(8,323)</b>
<b>Cash flows from financing activities</b>		
Drawdown of borrowings	97,986	384,736
Repayment of borrowings	(25,995)	(336,149)
Repayment of lease liabilities	(5,565)	(3,008)
Dividend paid to shareholders of the Company	(33,265)	(24,949)
Issuance of shares to non-controlling interest in a subsidiary company	466	-
Capital repayment to non-controlling interests of a subsidiary	(3,600)	-
Net withdrawal/(placement) of pledged fixed deposits	1,227	(1,445)
<b>Net cash flows generated from financing activities</b>	<b>31,254</b>	<b>19,185</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(61,299)</b>	<b>(53,227)</b>
Net foreign exchange difference	16,112	7,360
Cash and cash equivalents as at beginning of financial period	593,313	554,760
<b>Cash and cash equivalents as at end of financial period (a)</b>	<b>548,126</b>	<b>508,893</b>

	As at 30/6/2023 <b>RM'000</b>	As at 30/6/2022 <b>RM'000</b>
<b>(a) Cash and Cash Equivalents comprise the following amounts:</b>		
Cash on hand and at banks	402,446	491,096
Fixed deposits with licensed banks	190,165	66,227
Cash, bank balances and deposits	592,611	557,323
Add: Cash and cash equivalents of disposal group	7,965	-
Less: Cash, bank and fixed deposits pledged and on lien	(52,450)	(48,430)
	<b>548,126</b>	<b>508,893</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 2022.

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**IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY**

	←——— Attributable to owners of the parent ———→			—————→			Total equity RM'000
	←——— Non-distributable ———→		Distributable			Non-controlling interests RM'000	
	Share capital RM'000	Capital reserve RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000		
<b>Six months to 30 June 2023</b>							
Balance as at 1 January 2023	268,074	313,856	23,066	975,894	1,580,890	3,141	1,584,031
Profit for the period	-	-	-	23,428	23,428	(63)	23,365
Other comprehensive income	-	-	41,636	-	41,636	7	41,643
Total comprehensive income for the period	-	-	41,636	23,428	65,064	(56)	65,008
Acquisition of a subsidiary	-	-	294	-	294	5,628	5,922
Capital repayment to non-controlling interests of a subsidiary	-	-	-	-	-	(3,600)	(3,600)
Dividends payable to shareholders of the Company	-	-	-	(33,265)	(33,265)	-	(33,265)
Balance as at 30 June 2023	268,074	313,856	64,996	966,057	1,612,983	5,113	1,618,096

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

	← Attributable to owners of the parent →			→	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Non-distributable Capital reserve RM'000	Other reserves RM'000				
<b>Six months to 30 June 2022</b>							
Balance as at 1 January 2022	268,074	313,856	(116)	954,022	1,535,836	3,519	1,539,355
Profit for the period	-	-	-	20,267	20,267	(57)	20,210
Other comprehensive income	-	-	18,858	-	18,858	-	18,858
Total comprehensive income for the period	-	-	18,858	20,267	39,125	(57)	39,068
Dividends payable to shareholders of the Company	-	-	-	(24,949)	(24,949)	-	(24,949)
Balance as at 30 June 2022	268,074	313,856	18,742	949,340	1,550,012	3,462	1,553,474

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 2022.

**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 2022.

**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 2022.

**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 2022 except for standards effective for financial periods beginning on or after 1 January 2023 below:

	<b>Effective for annual periods beginning on or after</b>
MFRS 17: Insurance Contracts ("MFRS 17") and amendments to MFRS 17	1 January 2023
Amendments to MFRS 108: Accounting policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112: Income Taxes	1 January 2023

The adoption of the above do not have any significant impact to the Group.

**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 16: Leases	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements	1 January 2024
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.

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

**4. Audit report in respect of the 2022 financial statements**

The audit report on the Group's financial statements for the financial year ended 31 December 2022 was not qualified.

**5. Seasonal or cyclical factors**

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

**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 period.

**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 period.

**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 30 June 2023.

**9. Dividend**

The amount of dividend paid by the Company since 31 December 2022 was as follows:

	<b>RM'000</b>
<u>In respect of the financial year ended 31 December 2022:</u>	
Single-tier interim dividend of 4.00 sen per ordinary share, on 831,624,030 ordinary shares, paid on 18 May 2023	<u>33,265</u>

No interim dividend is declared for the current financial period of 30 June 2023.

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

**10. Operating Segments**

Operating Segment information for the financial period ended 30 June 2023 is as follows:

**By operating segment**

	<b>Asset Management</b>		<b>Infrastructure Solutions</b>				<b>Group</b>
	Property and		Infrastructure	Asset	Others	Elimination	
	Healthcare Support	Facility Solutions					
	<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	756,597	99,434	434,282	43,950	16,773	-	<b>1,351,036</b>
Inter-segment revenue	655	4,500	-	-	50,341	(55,496)	-
<b>Total Revenue</b>	<b>757,252</b>	<b>103,934</b>	<b>434,282</b>	<b>43,950</b>	<b>67,114</b>	<b>(55,496)</b>	<b>1,351,036</b>
<b>Results</b>							
<b>EBITDA</b>	49,622	4,832	41,238	1,362	29,990	(37,775)	<b>89,269</b>
Depreciation and amortisation	(16,189)	(429)	(5,602)	(431)	(16,697)	(1,061)	<b>(40,409)</b>
<b>EBIT</b>	33,433	4,403	35,636	931	13,293	(38,836)	<b>48,860</b>
Interest income	630	241	326	83	1,183	-	<b>2,463</b>
Interest expense	(2,258)	(1,953)	-	(191)	(7,656)	1,438	<b>(10,620)</b>
Share of results of associates	3,667	-	-	72	-	-	<b>3,739</b>
Share of result of a joint venture	-	-	-	1	-	-	<b>1</b>
<b>Profit/(loss) before tax</b>	35,472	2,691	35,962	896	6,820	(37,398)	<b>44,443</b>
Income tax	(7,506)	(1,165)	(9,508)	(286)	(4,434)	1,824	<b>(21,075)</b>
Zakat	(3)	-	-	-	-	-	<b>(3)</b>
<b>Profit/(loss) for the period</b>	<b>27,963</b>	<b>1,526</b>	<b>26,454</b>	<b>610</b>	<b>2,386</b>	<b>(35,574)</b>	<b>23,365</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 30 June 2022 is as follows:

**By operating segment**

	<b>Asset Management</b>		<b>Infrastructure Solutions</b>			<b>Elimination RM'000</b>	<b>Group RM'000</b>
	Healthcare Support	Property and Facility Solutions	Infrastructure Solutions	Asset Consultancy	Others		
<b>Revenue</b>							
External revenue	717,032	64,791	332,359	51,720	984	-	<b>1,166,886</b>
Inter-segment revenue	545	3,982	-	-	41,868	(46,395)	-
<b>Total Revenue</b>	<b>717,577</b>	<b>68,772</b>	<b>332,359</b>	<b>51,720</b>	<b>42,853</b>	<b>(46,395)</b>	<b>1,166,886</b>
<b>Results</b>							
<b>EBITDA</b>	63,372	4,576	19,934	1,371	20,285	(24,807)	<b>84,731</b>
Depreciation and amortisation	(17,159)	(412)	(5,612)	(512)	(19,639)	(1,061)	<b>(44,395)</b>
<b>EBIT</b>	46,213	4,164	14,322	859	646	(25,868)	<b>40,336</b>
Interest income	636	207	580	100	247	(353)	<b>1,417</b>
Interest expense	(1,518)	(1,659)	(15)	-	(7,881)	1,617	<b>(9,456)</b>
Share of results of associates	6,269	1,338	-	299	-	-	<b>7,906</b>
<b>Profit/(loss) before tax</b>	51,600	4,050	14,887	1,258	(6,988)	(24,604)	<b>40,203</b>
Income tax	(8,324)	(1,014)	(4,254)	(543)	(5,356)	(502)	<b>(19,993)</b>
<b>Profit/(loss) for the period</b>	<b>43,276</b>	<b>3,036</b>	<b>10,633</b>	<b>715</b>	<b>(12,344)</b>	<b>(25,106)</b>	<b>20,210</b>

**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 30 June 2023 to the date of this announcement which would substantially affect the financial results of the Group for the period ended 30 June 2023 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 29 September 2022, Edgenta Arabia Limited ("EAL"), a wholly-owned subsidiary of the Company, had entered into a Share Purchase Agreement and Shareholders Agreement with Mohammed Ibrahim Al-Subeaei and His Sons Investment Company for the investment in MEEM for Facilities Management Company ("MEEM"). The subscription of 60% equity interest in MEEM by EAL was completed on 21 March 2023 and MEEM became a subsidiary of EAL.
- b) On 13 April 2023, Edgenta International Investments L.L.C was incorporated in the United Arab Emirates as an indirect wholly-owned subsidiary of the Company via Edgenta (Singapore) Pte. Ltd.

The above changes in the Group's composition have no material financial impact to the Group for the current period ended 30 June 2023.

**13. Capital commitments**

There are no material capital commitments except as disclosed below:

	As at 30/6/2023 <b>RM'000</b>	As at 31/12/2022 <b>RM'000</b>
Approved and contracted for	2,956	23,493
Approved but not contracted for	<u>78,343</u>	<u>92,813</u>

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

**14. Income tax**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/6/2023 RM'000	30/6/2022 RM'000	30/6/2023 RM'000	30/6/2022 RM'000
Current income tax				
- Malaysian income tax	4,193	2,897	10,584	6,208
- Foreign tax	5,758	4,707	11,746	9,335
Underprovision in prior years				
- Malaysian income tax	-	5,310	13	5,310
- Foreign tax	27	-	27	-
	<u>9,978</u>	<u>12,914</u>	<u>22,370</u>	<u>20,853</u>
Deferred tax				
- Relating to origination and reversal of temporary difference	(516)	(805)	(1,295)	(860)
<b>Income tax expense</b>	<b><u>9,462</u></b>	<b><u>12,109</u></b>	<b><u>21,075</u></b>	<b><u>19,993</u></b>

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

**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 30 June 2023 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	73,048	250,000	323,048	82,088	85,000	167,088
Foreign						
- Singapore Dollar	-	-	-	-	-	-
- Taiwan Dollar	-	-	-	43,036	-	43,036
<b>TOTAL</b>	<b><u>73,048</u></b>	<b><u>250,000</u></b>	<b><u>323,048</u></b>	<b><u>125,124</u></b>	<b><u>85,000</u></b>	<b><u>210,124</u></b>

Details of Group borrowings and debt securities as at 31 December 2022 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	81,639	250,000	331,639	25,379	52,000	77,379
Foreign						
- Singapore Dollar	-	-	-	-	-	-
- Taiwan Dollar	-	-	-	49,732	-	49,732
<b>TOTAL</b>	<b><u>81,639</u></b>	<b><u>250,000</u></b>	<b><u>331,639</u></b>	<b><u>75,111</u></b>	<b><u>52,000</u></b>	<b><u>127,111</u></b>

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

**17. Derivatives**

There are no outstanding derivatives as at 30 June 2023 (31 December 2022: 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.

**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")**

RMSB appointed EKICSB as the main contractor for piling and building works in Phase 3 of a mixed development project with 191 3-storey houses. The project is situated at Lot H.S.(D) 107003, PT 21706, Jalan Kepong, Kuala Lumpur. Two separate contracts covered Piling works vide the LoA dated 3 October 2007 (contract sum of RM5,808,790.34) and Building works vide the LoA dated 29 April 2008 (contract sum of RM50,195,455.70).

Regarding the Building Contract, EKICSB served a Notice to Arbitrate against RMSB on 2 December 2016, claiming RM4,018,030.02. The arbitrator, on 15 March 2019, granted EKICSB's claim of RM5,104,567.02 along with interest and costs ("Award").

For the Piling Contract, RMSB initiated arbitration on 24 August 2018 and sought a stay of execution for the Award during the arbitration proceeding.

EKICSB, on the other hand, filed an enforcement application on 8 May 2019 at Kuala Lumpur High Court to enforce the Award, which was allowed on 1 November 2019. Subsequently, a 50% payment was made to EKICSB on 31 December 2019, with the remaining 50% deposited into a stakeholder's account, pending the conclusion of the Piling Contract arbitration.

In the midst of these proceedings, EKICSB challenged the time-bar status of RMSB's Piling Contract arbitration, leading to a pause in the arbitration. The court, on 11 September 2020, ruled that RMSB's claim was not time-barred, allowing the Piling Contract arbitration to proceed.

EKICSB's subsequent appeals to higher courts (Court of Appeal and Federal Court) were both dismissed on 25 April 2022 and 12 January 2023, respectively.

Concurrently, the arbitrator resumed the arbitration, concluding on 26 May 2023, and directed parties to submit written submissions by 30 August 2023.

RMSB's legal team holds the view that the company is likely to prevail in its arbitration, supported by expert opinions from independent engineers who endorsed the claim.

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

On 23 March 2012, EPB initiated legal action against HBT for RM22,527,038.18 pertaining to construction works for a new road project and pavement works in Negeri Sembilan. The amount comprised RM16,117,148.72 for certified but unpaid work and RM6,409,889.46 for uncertified work.

EPB initially succeeded in recovering the certified work, but HBT's appeal to the Court of Appeal on 13 May 2013 reversed this outcome. HBT later proposed a settlement to EPB, agreeing to a payment of RM4,000,000.00, documented as a "Consent Order" on 2 April 2015.

Following a series of legal proceedings, HBT was ordered to pay EPB RM17,472,961.82 ("Assessed Damages") along with interest and costs. Despite subsequent attempts to challenge this decision, the Court of Appeal ultimately dismissed HBT's appeal on 21 May 2020.

EPB initiated winding-up proceedings against HBT on 9 July 2021, aiming to recover the total amount owed. HBT's attempts to challenge this through various legal motions were largely unsuccessful, culminating in the Court's decision to allow EPB's intervention in HBT's Judicial Management Application on 10 March 2022.

Amidst the continuous legal proceedings including appeals and applications, HBT's appeal was ultimately struck off by the Court of Appeal on 09 May 2023.

These events resulted in the winding-up of HBT on 20 October 2022. EPB has submitted proof of debt documents for the sum of RM28,147,630.41 to establish its claim as an unsecured creditor before the creditors meeting at a date to be determined by the liquidator.

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

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

**c) Ahmad Zaki Sdn Bhd ("AZSB") vs Edgenta PROPEL Berhad ("EPB")**

By way of a Letter of Award dated 5 August 2016, AZSB appointed EPB as a sub-contractor to carry out and complete the works in respect of the "Projek Mass Rapid Transit Laluan 2: Sungai Buloh-Serdang-Putrajaya (SSP) Package V202: Construction and Completion of Viaduct Guideway and other associated works from Persiaran Dagang to Jinjang, Subcontract: Protection & Relocation of Utilities (Relocation of Telecommunication Works) for the contract sum of RM87,000,000.00 ("Contract").

On 15 April 2021, EPB received a Writ and Statement of Claim dated 12 April 2021 from AZSB. AZSB claims that EPB has breached the terms of the Contract, mainly on grounds that due to EPB's delay, EPB failed to meet the completion date. Therefore, AZSB had to engage third parties to complete some of the works under the Contract. AZSB is therefore seeking reliefs amounting to RM30,882,307.58 from EPB. This consist largely of claims for Liquidated Ascertained Damages ("LAD") for the alleged delays caused by EPB.

EPB strongly denies the claims and has engaged solicitor to represent and defend the suit. The basis of EPB's defence is that various events that contributed to the delay and these were not within the control and responsibility of EPB ("Delay Events"). Furthermore, extension of time applications was made by EPB, notifying AZSB of the Delay Events. These were unreasonably rejected by AZSB, hence causing the completion date to be "at large" (there is no enforceable date for completion, and EPB only has an implied obligation to complete the works within a reasonable time). EPB also contends that it had no knowledge on the engagement of third parties to carry out the omitted scope of works. The omissions were made wrongly and unlawfully by AZSB.

EPB filed its defence and counter claim on 25 May 2021 against AZSB for RM10,597,351.90 on the basis that AZSB has breached the Sub-Contract. EPB contends that AZSB failed, neglected and/or refused to make full payment for Payment Certificates and under certified EPB's claims for work done. AZSB also failed to certify the Progress Claims that were duly submitted to AZSB for works done by EPB in accordance with the Sub-Contract.

On 12 July 2022, both AZSB and EPB has reached a settlement and recorded consent judgment before the judge on 27 July 2022. The terms of the Consent Judgment provide, amongst others, that AZSB will pay EPB the sum of RM10,199,224.52 by way of ten (10) monthly installments from 30 November 2022 to 31 August 2023 and the sum of RM361,476.88 on or by 30 September 2023. All of AZSB's claims against EPB in the Civil Suit are also withdrawn without liberty to file afresh. On 2 August 2022, a sealed copy of the consent judgement has been issued by Court.

On 30 November 2022, AZSB has defaulted on making its 1st installment payment as per Consent Judgment. On 1 December 2022, following UEM Edgenta Berhad's Board decision, a letter of demand has been issued to AZSB demanding AZSB to pay EPB the full sum of RM11,050,362.40 plus interest of 5% per annum from 1 December 2022 until the date of final realization within 5 days from 1 December 2022 ("Letter of Demand"). If AZSB failed to do so, EPB will commence winding-up proceedings against AZSB.

On 6 December 2022, AZSB has failed in making the payment to EPB as per the Letter of Demand. On 7 December 2022, EPB has issued a S466 notice to AZSB which AZSB has stated that they received it on 9 December 2022. On 30 December 2022, no payment has been made by AZSB to EPB. On 3 January 2023, EPB has filed a winding-up petition against AZSB in the High Court of Kuala Lumpur.

On 27 January 2023, EPB's winding-up petition against AZSB was withdrawn with liberty to start afresh. Pursuant to AZSB's request, EPB is willing to grant AZSB indulgence in respect of payment of the full sum. AZSB shall pay the sum of RM11,050,362.40 by way of eleven (11) monthly installments from 31 March 2023 to 31 January 2024, together with interest from the original date of payment stated in the Consent Judgment. In the event AZSB fails, neglects and/or defaults in making any of the installment payments together with interest, EPB shall be entitled to take such steps as may be necessary against AZSB, to enforce or execute the Consent Judgment.

As to date, AZSB has been adhering to the outlined instalment plan, mentioned above.

**UEM EDGENTA BERHAD**  
Company No. 196301000166 (5067-M)  
Incorporated in Malaysia

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**

	Current quarter 30/6/2023 <b>RM'000</b>	Immediate preceding quarter 31/3/2023 <b>RM'000</b>	Variance <b>RM'000</b>	Variance <b>%</b>
<b><u>Revenue:</u></b>				
<b>Asset Management</b>				
- Healthcare Support	410,138	346,459	63,679	18.4
- Property and Facility Solutions	55,374	44,060	11,314	25.7
<b>Infrastructure Solutions</b>				
- Infrastructure Services	212,717	221,565	(8,848)	(4.0)
- Asset Consultancy	24,342	19,608	4,734	24.1
Others	16,689	84	16,605	>100.0
	<b>719,260</b>	<b>631,776</b>	<b>87,484</b>	<b>13.8</b>

**Profit/(Loss) Before Tax:**

<b>Asset Management</b>				
- Healthcare Support	21,676	13,796	7,880	57.1
- Property and Facility Solutions	588	2,103	(1,515)	(72.0)
<b>Infrastructure Solutions</b>				
- Infrastructure Services	15,240	20,722	(5,482)	(26.5)
- Asset Consultancy	1,481	(703)	2,184	>(100.0)
Others/Elimination	(16,976)	(13,484)	(3,492)	25.9
	<b>22,009</b>	<b>22,434</b>	<b>(425)</b>	<b>(1.9)</b>

**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 RM719.3 million was RM87.5 million higher than the immediate preceding quarter's revenue of RM631.8 million. The detailed analysis are as follows:

- Asset Management  
The Asset Management segment saw a surge in revenue, with an increase of RM75.0 million. This growth is attributed to higher revenue generated from both domestic and international divisions of Healthcare Support ("HS") and Property and Facility Solutions ("PFS") due to higher ongoing contracts.
- Infrastructure Solutions  
The Infrastructure Solutions segment experienced a decline in revenue by RM4.1 million. This was primarily due to lower revenue from the Infrastructure Services (IS) division, which was partially offset by higher revenue generated from Asset Consultancy (AC). The decrease in IS revenue was caused by flow-over of pavement work from Q4 2022 to Q1 2023, which resulted to higher Q1 2023 revenue. Conversely, the increase in AC revenue was a result of higher consultancy work performed in the current quarter.
- Others  
The revenue generated includes both the sales of property inventories and contribution from a recently acquired subsidiary located in the Kingdom of Saudi Arabia.

The Group's profit before tax ("PBT") for the current quarter remains steady at RM22.0 million, aligning closely with the PBT of RM22.4 million from the immediate preceding quarter, contributed by the below:

- Asset Management  
The Asset Management's PBT recorded an net increase of RM6.4 million, primarily contributed by the increase in PBT for HS. Higher revenue from HS is a result of its higher revenue for both Concession and the Commercial business. We also see, lower PBT for PFS in Q2 2023 this is due to margin compression resulting from higher labour cost, global inflationary pressure and fierce competition.
- Infrastructure Solutions  
PBT for Infrastructure Solutions declined by RM3.3 million, primarily caused by lower PBT generated by IS. This is due lower revenue for the quarter. However, this decrease was partly offset by higher PBT from AC, aligning with the increase in revenue generated by that division.

**UEM EDGENTA BERHAD**  
Company No. 196301000166 (5067-M)  
Incorporated in Malaysia

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

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

	Current quarter	Preceding year corresponding quarter	Variance	Variance	Six months to	Six months to	Variance	Variance
	30/6/2023	30/6/2022			30/6/2023	30/6/2022		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
<b><u>Revenue:</u></b>								
<b>Asset Management:</b>								
- Healthcare Support	410,138	365,481	44,657	12.2	756,597	717,032	39,565	5.5
- Property and Facility Solutions	55,374	35,822	19,552	54.6	99,434	64,791	34,643	53.5
<b>Infrastructure Solutions:</b>								
- Infrastructure Services	212,717	199,290	13,427	6.7	434,282	332,359	101,923	30.7
- Asset Consultancy	24,342	26,181	(1,839)	(7.0)	43,950	51,720	(7,770)	(15.0)
Others	16,689	903	15,786	>100.0	16,773	984	15,789	>100.0
	<b>719,260</b>	<b>627,677</b>	<b>91,583</b>	<b>14.6</b>	<b>1,351,036</b>	<b>1,166,886</b>	<b>184,150</b>	<b>15.8</b>
<b><u>Profit/(Loss) Before Tax:</u></b>								
<b>Asset Management:</b>								
- Healthcare Support	21,676	26,092	(4,416)	(16.9)	35,472	51,600	(16,128)	(31.3)
- Property and Facility Solutions	588	2,262	(1,674)	(74.0)	2,691	4,050	(1,359)	(33.6)
<b>Infrastructure Solutions:</b>								
- Infrastructure Services	15,240	10,595	4,645	43.8	35,962	14,887	21,075	>100.0
- Asset Consultancy	1,481	2,639	(1,158)	43.9	896	1,258	(362)	(28.8)
Others/Elimination	(16,976)	(18,635)	1,659	8.9	(30,578)	(31,592)	1,014	3.2
	<b>22,009</b>	<b>22,953</b>	<b>(944)</b>	<b>(4.1)</b>	<b>44,443</b>	<b>40,203</b>	<b>4,240</b>	<b>10.5</b>

The Group's revenue for the current quarter of RM719.3 million was higher by RM91.6 million as compared to RM627.7 million in the corresponding quarter last year. For the six-month period, the Group recorded revenue of RM1.4 billion which is 15.8% higher than RM1.2 billion recorded for the same period last year as detailed below:

- **Asset Management**  
Revenue from Asset Management increased by RM74.2 million, contributed by higher revenue generated by both HS and PFS due to higher ongoing contracts.
- **Infrastructure Solutions**  
Revenue from Infrastructure Solutions increased by RM94.2 million mainly due to higher pavement works performed for expressways by IS. The improvement in this segment is mitigated by lower revenue generated by AC due to lesser consultancy works performed during the period.
- **Others**  
The revenue generated includes both the sales of property inventories and contribution from a recently acquired subsidiary located in the Kingdom of Saudi Arabia.

In the current quarter, the Group recorded a PBT of RM22.0 million, showing a slight decrease compared to the PBT of RM23.0 million recorded in the corresponding quarter of the previous year. However, for the six-month period, The Group's PBT amounted to RM44.4 million, showing an increase of RM4.2 million from the RM40.2 million recorded in the same period last year. The details of PBT are provided below:

- **Asset Management**  
The result of Asset Management segment shows a net decrease of RM17.5 million contributed by the decrease of PBT by both HS and PFS, due to margin compression.
- **Infrastructure Solutions**  
Infrastructure Solutions posted better results of RM36.9 million, an increase of RM20.7 million comparing to the same period last year. The increase mainly contributed by higher revenue generated by IS in the current period, partly set-off with slight decrease of PBT generated by AC due to lower revenue generated.

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

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

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/6/2023	Preceding year corresponding quarter 30/6/2022	Six months to 30/6/2023	Six months to 30/6/2022
	RM'000	RM'000	RM'000	RM'000
<b><u>Net operating profit after tax computation:</u></b>				
Earnings before interest and tax ("EBIT")	24,747	22,811	48,860	40,336
Adjusted tax	(5,939)	(5,475)	(11,726)	(9,681)
Net operating profit after tax	<b>18,808</b>	<b>17,336</b>	<b>37,134</b>	<b>30,655</b>
<b><u>Economic charge computation:</u></b>				
Average invested capital	1,362,974	1,316,777	1,362,974	1,316,777
Weighted average cost of capital ("WACC")	6.0%	6.3%	6.0%	6.3%
<b>Economic charge</b>	<b>20,445</b>	<b>20,739</b>	<b>40,889</b>	<b>41,478</b>
<b>Economic loss</b>	<b>(1,637)</b>	<b>(3,403)</b>	<b>(3,755)</b>	<b>(10,823)</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.

(a) Performance of the current quarter ended 30 June 2023 against the corresponding quarter last year

Economic loss ("EL") of RM1.6 million improved by RM1.8 million as compared to the preceding year corresponding quarter's EL of RM3.4 million mainly due to improvement in the earnings before interest and tax recorded.

(b) Performance of the current period ended 30 June 2023 against last year

EL of RM3.8 million was lower by RM7.1 million as compared to the last year's EL of RM10.8 million mainly due to higher earnings before interest and tax recorded.

23. **Prospects for the financial year**

**Overall Prospects**

Malaysia recorded 5.6% GDP growth in the first quarter of 2023. Looking ahead, Malaysia is projected to sustain moderate growth ranging between 4.0% and 5.0% throughout 2023, supported by robust domestic demand despite the challenges posed by the global economic condition and business environment.

As we approach the second half of the fiscal year 2023, the Company remains cautiously optimistic amidst the backdrop of the challenging macroeconomic environment and cost escalation due to increases in labour and material costs. To address these factors, the Company's strategic initiatives are centered around diversifying service offerings, embarking on targeted investments in high-growth markets and technology-driven solutions with financial and operational discipline.

The Company's unwavering commitment to achieving long-term competitive advantage and sustainability is exemplified through its resolute pursuit of the "Edgenta of the Future 2025" strategy. This approach revolves around harnessing technology-enabled solutions and comprehensive sustainability programs to forge value for all stakeholders. Beyond this, the Company remains steadfast in optimizing delivery models and elevating operational efficiency through structural cost transformation and synergistic cost initiatives. These combined efforts are not only growth drivers but also the bedrock of our resilience in the long run.

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

**23. Prospects for the financial year (cont'd)**

**Prospects by Segment**

i. Asset Management

The Healthcare Support ("HS") division remains committed to delivering essential services while actively seeking opportunities to elevate its position within existing markets through enhancing capabilities in providing integrated healthcare solutions offerings. With increased market competition and inflationary pressure impacting labour, energy and material costs, HS continues to deploy technology such as robotic devices and automated work order management to mitigate the impact on margin compression.

Property and Facility Solutions ("PFS") division continues to integrate technology and sustainability with facilities management, enabled by Internet of Things ("IOT")-driven real-time analytics and energy efficiency solutions such as Energy Performance Contracting and Green Building audit services in Malaysia as well as key growth markets such as Middle East by leveraging on the Company's and partners' capabilities. Simultaneously, the division is pursuing initiatives aimed at optimizing both cost and operational efficiency through resource allocation and contract renegotiation. This two-pronged approach is integral to safeguarding and preserving margin amid the dynamic and challenging business landscape.

ii. Infrastructure Solutions

Infrastructure Services ("IS") division continued to see high maintenance work for expressways and state roads. The division is also leveraging on its expertise to deliver high-quality maintenance services to capture opportunities in rural and state roads maintenance work, both in Peninsular Malaysia and the Pan Borneo area.

With its resources strengthened in East Malaysia, Asset Consultancy ("AC") division continue to deliver our on-going project in East Malaysia. Simultaneously, we forge a robust partnership with our joint venture partner, driving dynamic business expansion and active tender involvement—a pivotal facet of our overarching Pan Malaysia strategy.

**24. Profit forecast**

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

**25. Earnings per share ("EPS")**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/6/2023 RM'000	Preceding year corresponding quarter 30/6/2022 RM'000	Six months to 30/6/2023 RM'000	Six months to 30/6/2022 RM'000
Profit attributable to Owners of the Parent	12,527	10,864	23,428	20,267
Weighted average number of ordinary hares in issue ('000)	831,624	831,624	831,624	831,624
<b>Basic earnings per share</b>	<b>1.51 sen</b>	<b>1.31 sen</b>	<b>2.82 sen</b>	<b>2.44 sen</b>

Kuala Lumpur  
28 August 2023

**By Order of the Board**  
**Chiew Siew Yuen**  
**Company Secretary**  
**(SSM PC No. 201908001259)**  
**(MAICSA 7063781)**