

B. BUSINESS REVIEW



HEALTHCARE SUPPORT

We provide non-clinical healthcare support services and technology solutions to public and private healthcare institutions in Malaysia, Singapore, Taiwan and India.

KEY FOCUS AREAS

- Biomedical Engineering Maintenance Services (“BEMS”)
- Facilities Engineering Maintenance Services (“FEMS”)
- Healthcare Waste Management Services
- Linen & Laundry Services
- Housekeeping and Cleansing Services
- Portering Services
- Healthcare Technologies and Technical Service Centre
- Sustainability Programme
- Digital Healthcare Solutions

KEY INITIATIVES & RESULTS

EXPANSION OF NICHE SUPPORT SERVICES WHILE EXPLORING NEW GROWTH MARKETS

Results

- Introduced the Edgenta COVID-19 Business Solutions, focused on workplace safety & health to provide existing and potential clients with convenient access to the highest-grade solutions available in the market today to combat the coronavirus
- Proactively delivered solutions to our clients in response to the pandemic situation and needs, as well as participating in multi-stakeholder efforts such as the setting-up of low-risk quarantine centres
- Several initiatives were put in place, in line with exploring new growth markets such as promoting fleet management services to relevant stakeholders, education programmes with Universiti Malaysia Perlis, and a market study on Saudi Arabia
- Corporate drive-through & on-site COVID-19 screening services
- Signed a Memorandum of Understanding with Universiti Teknologi MARA to collaborate in developing new digital healthcare solutions
- Successful expansion of COVID-19 disinfection works in Malaysia and Singapore
- Involved in setting up a hybrid ICU, Ultraviolet Germicidal Irradiation sanitisation and isolation room renovations at the Tengku Ampuan Rahimah Hospital in Klang, Selangor

OPERATIONAL EXCELLENCE AND CONTINUOUS IMPROVEMENT IN SERVICE DELIVERY

Results

- Achieved the Gold certification under the 'LEED v4 – Building Operations and Maintenance: Existing Buildings' by the USGBC for the Sultanah Maliha Hospital in Langkawi
- Successful mobilisation of mega tender contracts in Singapore, despite COVID-19 challenges
- Advancing our Sustainability Programme with MoH Malaysia in the areas of Energy Performance, Chiller Retrofit and Solar Photovoltaic features
- Awarded the 'Clean Mark Gold' Award under the Enhanced Clean Mark Accreditation Scheme from the National Environment Agency of Singapore for the sixth year in a row
- Replacement Through Maintenance of biomedical assets such as Magnetic Resonance Imaging, Computed Tomography Scan and Positron Emission Tomography – Computed Tomography Scan equipment at MoH Malaysia hospitals
- Collaboration with General Electric for Training Centre Hub
- Launched the Facility Managers Development Programme
- Provided financial assistance to front line employees for their commitment and dedication during the COVID-19 pandemic
- Reduction of natural gas consumption at the Kuala Ketil Laundry Plant in Kedah via machine performance optimisation (9.5% annual cost savings)
- Air-cooling of selected wards using solar panel to run the heat pump in the Kepala Batas Hospital in Penang

DIGITALISING OUR HEALTHCARE ECOSYSTEM OF SOLUTIONS

Results

- Introduced *UETrack*™ 360 to offer multiple support services features in a single app for enhanced services delivery and client engagement
- Commercialisation and productisation of Computerised Maintenance and Management System known as *UETrack*™ 2.0 for the Malaysian market
- Collaborated with Meridien to develop the COVID-19 National CPRC module for MoH Malaysia to collect clinical data and produce reports, statistics and analyses for the COVID-19 Admission Sheet, COVID-19 Mortality Review and customised reports, positioning UEM Edgenta as the digital healthcare partner to MoH Malaysia. A cloud-based platform was also introduced to support the National CPRC and BBIS v2 Cloud Framework
- Launched QuickMed, a digital healthcare solution that provides clinics and hospitals with COVID-19 protocol management for services from screening, home quarantine and vaccine management using virtual consultations
- Developed Wellthily, a health and well-being platform for employees that was launched in March 2021

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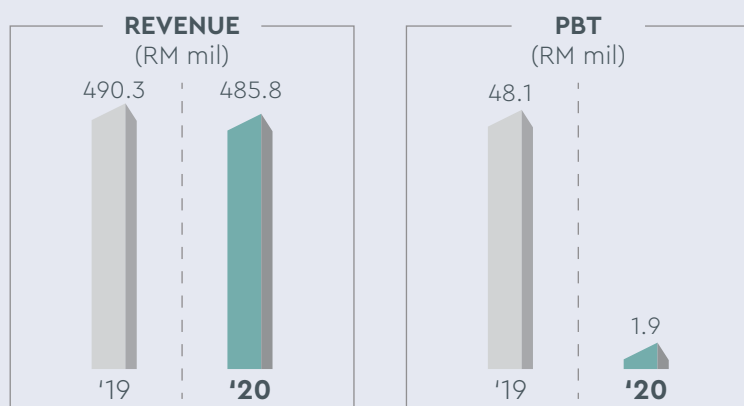
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B. BUSINESS REVIEW

FINANCIAL PERFORMANCE

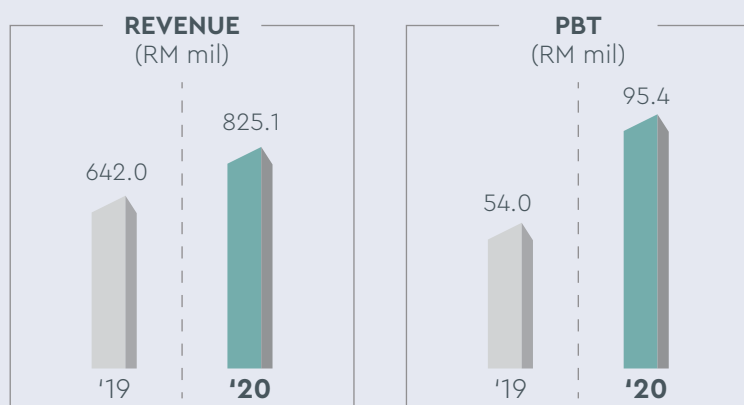
CONCESSION



Overall revenue from Healthcare Support increased by 8.9% following the commencement of new contracts won in Singapore and Taiwan. In Singapore, we enhanced our manpower in order to fulfil the increased need for portering services in hospitals while providing dormitories and disinfection services in the non-healthcare industry.

PBT was marginally lower due to margin compression and escalating COVID-19 costs in the Malaysian concession business.

COMMERCIAL



KEY CHALLENGES & MITIGATING ACTIONS

Key Challenges

- Increase in operating costs to implement COVID-19 precautionary and safety measures
- Overburdened healthcare system
- Insufficient manpower due to fear of working in the healthcare environment and embargo on foreign labour entry to Malaysia and Singapore

Mitigating Actions

- Proactive measures in managing cost while ensuring health, safety and well-being of employees
- Leverage technology-enabled capabilities, supporting the nation in combating COVID-19
- Provide MoH Malaysia and the National CPRC with a cloud-based information system to connect all hospitals and quarantine centres nationwide
- Grant income which in turn helped to defray costs in Singapore, as well as the provision of allowances/meals, among others, to help alleviate the burden of employees
- Expanded offerings on COVID-19 screening services
- Responded quickly to constantly evolving Government regulations despite limited resources and time
- Activated business continuity measures and strategic collaboration with local vendors in ensuring availability of manpower

KEY ACHIEVEMENTS

Achieved Gold certification under the **'LEED V4 – BUILDING OPERATIONS AND MAINTENANCE: EXISTING BUILDINGS'** BY THE **USBGC** FOR THE **SULTANAH MALIHA HOSPITAL** IN LANGKAWI.



Awarded the 'Clean Mark Gold' Award under the **ENHANCED CLEAN MARK ACCREDITATION SCHEME** FROM THE **NATIONAL ENVIRONMENT AGENCY OF SINGAPORE** for the sixth year in a row.

ENERGY STAR RATING OF 100 FOR THE **SULTANAH MALIHA HOSPITAL**, making it a top performer under the Energy Star Portfolio Manager.



The Penang General Hospital and the Parit Buntar Hospital in Perak **RECEIVED GOLD CLASS 1 AND GOLD CLASS 2 AWARDS** respectively at the Malaysian Society for Occupational Safety & Health ("MSOSH") Occupational Health & Safety ("OSH") Awards 2019.

ENERGY MANAGEMENT GOLD STANDARD 3-STAR

(3 Hospitals in Perak) 2020 and

ENERGY MANAGEMENT GOLD STANDARD 2-STAR

(all 29 MoH Malaysia hospitals in Perak, Penang, Kedah and Perlis) 2019 & 2020 from

ASEAN ENERGY MANAGEMENT SCHEME.

OUTLOOK



- Drive post COVID-19 economy and leverage our ecosystem of healthcare solutions in the Edgenta COVID-19 Business Solutions playbook, as well as QuickMed
- Establish adjacent revenue streams beyond traditional service offerings
- Expansion into Smart FM in Singapore, and in new growth markets such as Indonesia and GCC nations

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B. BUSINESS REVIEW



Management Discussion & Analysis

PROPERTY & FACILITY SOLUTIONS

We offer performance-based approaches, supported by technology-driven green building solutions and data-driven asset management with a focus on asset optimisation and energy solutions.

KEY FOCUS AREAS

- Development Advisory
- Design & Build Consultancy
- Energy Engineering Management
- Smart Facilities Management
- Digitisation Management
- Sanitisation and Disinfection Treatment

KEY INITIATIVES & RESULTS

PENETRATE GROWTH MARKETS AND ENGAGEMENT

Results

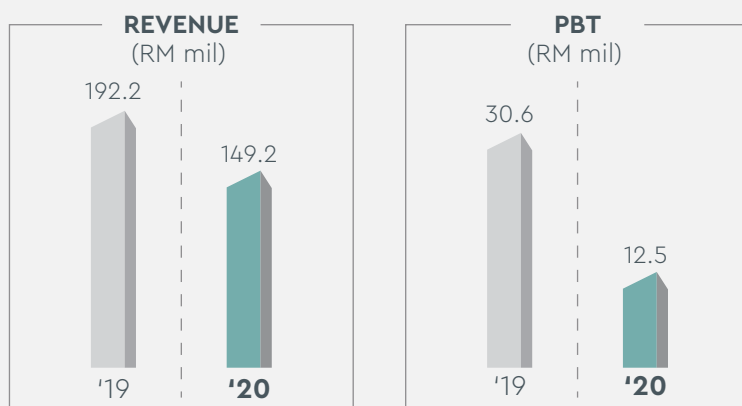
- Secured FM services contract with CIMB
- Sustainability & Asset Lifecycle Cost solutions
- Assisted SMEs in procuring lift systems, adopting the Building Management System, as well as Heating, Ventilation and Air Conditioning solutions
- Broaden income stream via solutioning in sanitisation & disinfection services to existing and new clients
- Participated and garnered industry visibility in the Malaysian Real Estate Investment Trust Forum 2020 organised by the Malaysian REIT Managers Association and the Asia Pacific Real Estate Association Panel discussion on 'How Technology and Data is Changing the Property Market'

CONTINUED DIFFERENTIATION OF SERVICE OFFERINGS VIA TECHNOLOGY APPLICATIONS AND DIGITAL PLATFORMS

Results

- Expanded business footprint into high-value commercial Integrated Facilities Management contracts including industrial based buildings, Energy Performance Contracting and technology-based solutioning
- Mobilised new contracts amid MCO and Conditional MCO ("CMCO") with CIMB and Universiti Teknologi PETRONAS
- Held a series of safety talks to enhance employees' engagement and awareness in the areas of safety and health

FINANCIAL PERFORMANCE



Revenue from Property & Facility Solutions decreased by 22.4% mainly as a result of the completion of township management contracts and projects in Dubai; and progression of Energy Performance Contract projects from the installation to maintenance phase. Together with the provision of impairment for receivables made during the year, PBT also dropped, by 59.2%.

KEY CHALLENGES & MITIGATING ACTIONS

Key Challenges

- Reduction in Facilities Management works during MCO due to project delays and client reprioritising of spend
- Disruption to scheduled work during MCO due to COVID-19 response activities
- Inconsistent service quality

Mitigating Actions

- Expanded offerings to include sanitisation and disinfection services
- Actively exploring new market opportunities and new technology-enabled services
- Constant training of employees to ensure high level of competency and service professionalism

KEY ACHIEVEMENTS



AWARDED ISO 14001:2015 ENVIRONMENTAL MANAGEMENT SYSTEMS AND ISO 45001:2018 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS

by SIRIM QAS International for Menara UEM and the Malaysian Prime Minister's Office in Putrajaya.

OUTLOOK



- Continued differentiation of service offerings via technology applications and digital platforms which also improve efficiency and profitability (commercialisation of SmartConnect solutions)
- Expand into high-value commercial Integrated Facilities Management contracts including for industrial-based buildings, engineering, procurement, and construction, and technology-based solutioning
- Penetrate into growth markets such as GCC nations via existing operating unit in Dubai (Operon Middle East)



B. BUSINESS REVIEW

INFRASTRUCTURE SERVICES

Our Infrastructure Services has over 30 years of experience in highway maintenance operations. We manage 3,500 kilometres of highways and roads in Malaysia and Indonesia.

KEY FOCUS AREAS

- Network Maintenance Services
- Pavement Products and Services
- Traffic and Safety Management Services
- Environmental and Material Testing Services

KEY INITIATIVES & RESULTS

FOCUS ON ATTAINING FURTHER LONG-TERM GROWTH OPPORTUNITIES

Results

- Made inroads into Sarawak via state road maintenance (Miri Division) and pavement projects for various Pan Borneo Sarawak Highway work packages
- Secured Selangor State Road contract for four districts in Hulu Langat, Kuala Langat, Sepang and Klang

ADAPTATION OF NEW TECHNOLOGY FEATURES

Results

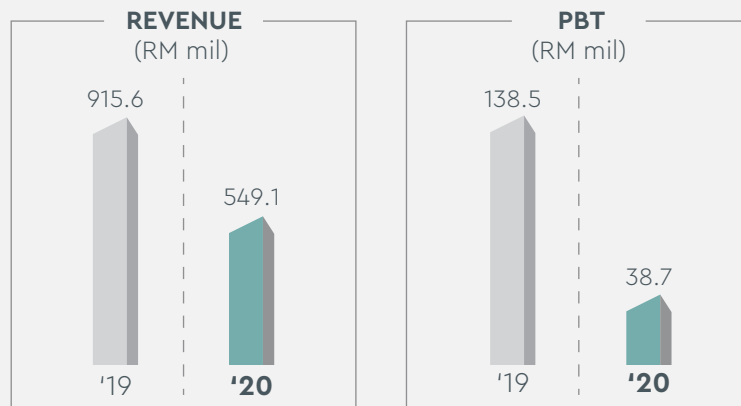
- Launched the e-PTW system aimed at transitioning from a manual system to a digitalised platform under the Project Eco Digital HSSE System
- Productisation of the RAMS with Endaya in Sarawak
- Delivered Proof of Concept for potholes detection using AI to JKR Selangor, improving productivity and safety
- Implemented Rumble Strips as a safety measure for roadworks

OPERATIONAL EFFICIENCY

Results

- Developed and implemented an Emergency Rescue Team
- Kick-started the Back-to-Basics Programme – knowledge sharing sessions on business and operations to continuously improve cost structure
- Held the Infra Ascendence e-workshop to recognise initiatives for cost control and savings
- Benchmarking exercise with PLUS to boost work efficiency for higher productivity on routine maintenance. Full implementation and cost savings to be realised from 2021 onwards
- Minimised traffic disruption and improved comfort for road users

FINANCIAL PERFORMANCE



Revenue from Infrastructure Services decreased by 40.0% due to the suspension and deferment of works, owing to reduced traffic volume as a result of the MCO. PBT also contracted, along with revenue, despite the division winning new contracts including that for the maintenance of the Sarawak State Road and pavement work packages for the Pan Borneo Sarawak Highway, as well as renewal of state road maintenance for JKR Selangor with an additional district.

KEY CHALLENGES & MITIGATING ACTIONS

Key Challenges

- Deferment of non-critical works and project delays due to the MCO and CMCO, impacting both top line and bottom line
- Announcement of 18% toll reduction, initiating programmes to drive down costs
- Slower market environment for new projects

Mitigating Actions

- Proactive measures in managing cost
- Continue delivering on existing work in hand, as well as undertaking operational excellence initiatives to improve efficiency
- Readiness to actively pursue selective tenders and submit unsolicited proposals to clients

KEY ACHIEVEMENTS

2ND PLACE WIN FOR THE SENAWANG (NORTHBOUND) REST & SERVICE AREA WASHROOMS UNDER THE 'PUBLIC LAY-BYS' CATEGORY AT THE NATIONAL-LEVEL WORLD TOILET DAY 2020 CELEBRATION

organised by the Malaysian Ministry of Housing and Local Government.



BAGGED '5 STAR' AWARDS AT THE ANNUAL PRODUCTIVITY AND INNOVATION CONFERENCE 2020

organised virtually by the Malaysia Productivity Corporation.



Infrastructure Services teams from Northern, Southern and Central Regions

RECEIVED THREE GOLD CLASS 1 AWARDS

at MSOSH OSH Awards 2019.

OUTLOOK



- As the operating environment recovers in the new normal, Infrastructure Services will undertake operational efficiency initiatives to preserve profit margins by increasing the application of digital technology solutions such as RAMS, as well as productise the innovative solutions developed by the Pavement Research Centre
- RAMS is integrated with our CnC which, is capable of providing holistic and integrated solutions for Infrastructure Services
- While protecting and preserving current contracts, Infrastructure Services seeks to expand into other states in West Malaysia as it deepens its road works competencies. It will also explore long-term growth opportunities in East Malaysia and make inroads into new adjacent sectors such as water, waste water and rail
- The business seeks to expand its value chain by undertaking road work projects with the Government. Towards enhancing this partnership, it is developing relevant skills and capabilities with an increased focus on innovation, especially in pavement materials and road solutions
- Infrastructure services is also exploring strategic partnerships and venturing into new sectors to broaden its income stream

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B. BUSINESS REVIEW



ASSET CONSULTANCY

Asset Consultancy has a distinguished track record of service excellence in asset consultancy & management, project advisory, planning & management, engineering design & consultancy and research & development.

KEY FOCUS AREAS

- Project Management
- Engineering and Technical Services
- Asset Management

KEY INITIATIVES & RESULTS

ACTIVELY PURSUE NEW MARKETS & OPPORTUNITIES

Results

- Won contracts for the construction of the Sarawak Coastal Road Network and Second Trunk Road ("CSTR") for Phase 2 as Project Management Consultant ("PMC")
- Continuation of the Independent Consultant Engineer ("ICE") contract, with additional scope of services for the Sarawak Pan Borneo Highway
- Provided consultancy expertise for Pavement Structural Overlay works at the North-South Expressway ("NSE")

OPERATIONAL EXCELLENCE

Results

- Utilising the in-house developed Smart PM, a cloud-based system to effectively manage and execute the bidding process and the execution of projects

KEY CHALLENGES & MITIGATING ACTIONS

Key Challenges

- Setback in mobilisation work for the CSTR Phase 2
- Insufficient infrastructure projects in the market, particularly in Peninsular Malaysia, as well as the cancellation of mega projects such as the Kuala Lumpur-Singapore High Speed Rail
- Lacking of skilled resources in East Malaysia to fulfil the project requirements

TECHNOLOGY INTEGRATION IN SERVICES AND OFFERINGS FOR THE ROAD SECTOR

Results

- Collaboration with the Taiping Municipal Council, Perak on a one-year Cold Central Plant Recycling Pilot Programme using 100% locally sourced reclaimed asphalt pavement on Jalan Taming Sari

RESEARCH AND TECHNOLOGY

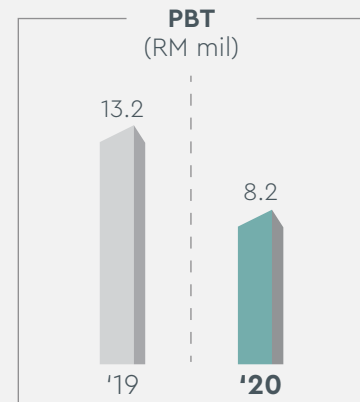
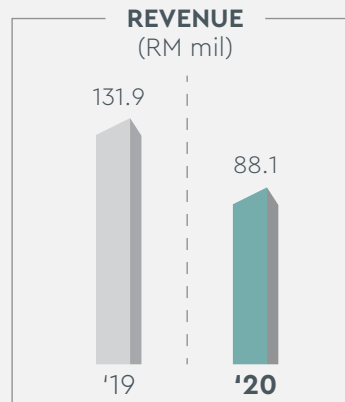
Ongoing Initiatives

- Venturing into Research and Development of green & sustainable products for Road Pavement materials
- Application of drone for slope inspection as part of the Asset Management initiative

Mitigating Actions

- Explore Pan Malaysia pipeline project for new opportunities
- Explore alternative non-engineering business in environmentally friendly and sustainable products
- Diversify service offerings for the road and rail sectors
- To support the development of local young talents in East Malaysia through the Protégé Programme, led by the Government

FINANCIAL PERFORMANCE



Revenue from Asset Consultancy was lower due to reduced work packages for Network Maintenance Management and Pan Borneo Sabah, following a reprioritisation and deferment in Government spending for big infrastructure projects in FY2020. PBT also decreased, in tandem with revenue, coupled with lower utilisation of project employees.

KEY ACHIEVEMENTS



SILVER AWARD IN THE SERVICES SECTOR CATEGORY AT MSOSH OSH AWARDS 2019.

OUTLOOK



- Actively pursue opportunities presented by the Pan Malaysia expansion strategy with a focus on East Malaysia
- Focus on delivering existing projects including the Pan Borneo Highways in Sarawak and Sabah, Pavement Structural Overlay for the NSE, as well as the CSTR
- Gearing towards stronger project delivery and asset management capability in the rail sector

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C. PERFORMANCE REVIEW

5-YEAR GROUP FINANCIAL SUMMARY

Board and Executive Leadership Team monitor a range of financial key performance indicators (KPIs), reported on a monthly and quarterly basis, to measure performance over time.

In RM Million	2016	2017	2018	2019	2020
ASSETS					
Non-current assets	1,425.2	1,139.2	1,143.3	1,229.9	1,235.5
Current assets	2,104.1	1,866.8	1,731.3	1,682.9	1,571.9
Assets held for sale	–	–	3.1	–	–
TOTAL ASSETS	3,529.3	3,006.0	2,877.7	2,912.8	2,807.4
EQUITY AND LIABILITIES					
Equity Attributable to Owners of the Parent					
Share capital	207.9	268.1	268.1	268.1	268.1
Share premium	60.2	–	–	–	–
Reserves	392.0	301.1	312.8	317.2	297.5
Retained earnings	708.8	1,014.2	921.4	986.7	935.1
Shareholder's funds	1,368.9	1,583.4	1,502.3	1,572.0	1,500.7
Non-controlling interests	168.9	18.5	14.5	12.4	8.6
Total equity	1,537.8	1,601.9	1,516.8	1,584.4	1,509.3
Non-current liabilities	876.2	549.8	468.2	443.4	398.6
Current liabilities	1,115.3	854.3	892.7	885.0	899.5
Total liabilities	1,991.5	1,404.1	1,360.9	1,328.4	1,298.1
TOTAL EQUITY AND LIABILITIES	3,529.3	3,006.0	2,877.7	2,912.8	2,807.4
Net assets per share attributable to owners of the parent (RM)	1.66	1.90	1.81	1.89	1.80
Net tangible assets per share (RM)	0.49	1.03	0.93	1.01	0.94
Current ratio (times)	1.9	2.2	1.9	1.9	1.7
Liquidity ratio (times)	0.6	0.6	0.6	0.6	0.8
Gearing ratio (times)	0.6	0.3	0.3	0.3	0.3
INCOME STATEMENTS					
In RM Million	2016	2017	2018	2019	2020
REVENUE					
- continuing operations	1,579.1	2,112.6	2,182.6	2,411.2	2,028.7
- discontinued operation	1,351.9	1,320.3	–	–	–
TOTAL REVENUE	2,931.0	3,432.9	2,182.6	2,411.2	2,028.7
Earnings before interest, taxation, depreciation and amortisation (EBITDA)					
- continuing operations	206.1	243.5	266.5	325.1	131.6
- discontinued operation	(34.2)	90.4	–	–	–
TOTAL EBITDA	171.9	333.9	266.5	325.1	131.6



In RM Million	2016	2017	2018	2019	2020
PROFIT BEFORE TAX					
- continuing operations	181.5	172.9	198.5	245.0	46.9
- discontinued operation	(67.7)	68.4	–	–	–
TOTAL PROFIT BEFORE TAX	113.8	241.3	198.5	245.0	46.9
PROFIT AFTER TAX					
- continuing operations	140.0	125.1	152.4	188.0	14.4
- discontinued operation	(93.4)	34.8	–	–	–
Sub-total	46.6	159.9	152.4	188.0	14.4
- gain on disposal of OIC	–	274.9	–	–	–
TOTAL PROFIT AFTER TAX	46.6	434.8	152.4	188.0	14.4
Attributable to:					
Owners of the parent (PATANCI)					
- continuing operations	139.0	124.6	148.4	181.8	12.9
- discontinued operation	(58.9)	18.7	–	–	–
Sub-total	80.1	143.3	148.4	181.8	12.9
- gain on disposal of OIC	–	274.9	–	–	–
Total PATANCI	80.1	418.2	148.4	181.8	12.9
Non-controlling interests	(33.5)	16.6	4.0	6.2	1.5
	46.6	434.8	152.4	188.0	14.4
EARNINGS PER SHARE (SEN)					
- continuing operations	16.8	15.0	17.8	21.9	1.5
- discontinued operation	(7.1)	2.2	–	–	–
Sub-total	9.7	17.2	17.8	21.9	1.5
- gain on disposal of OIC	–	33.1	–	–	–
	9.7	50.3	17.8	21.9	1.5
Dividend per share – gross (sen)	7	31	14	14	–
For continuing operations:					
Earnings before interest, taxation, depreciation and amortisation as a percentage of revenue (%)	13	12	12	13	6
Profit before tax as a percentage of revenue (%)	11	8	9	10	2
Profit before tax as a percentage of total equity at year end (%)	12	11	13	15	3

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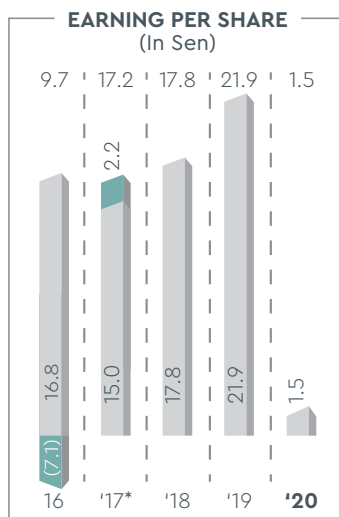
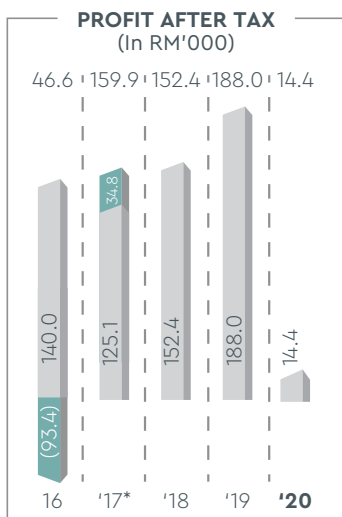
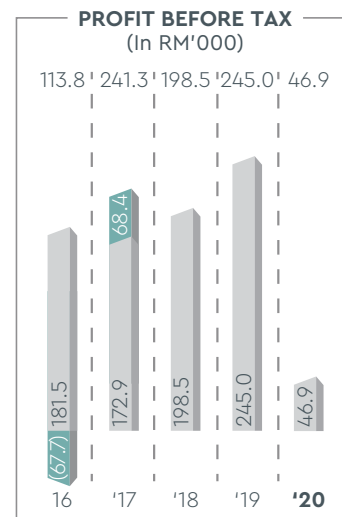
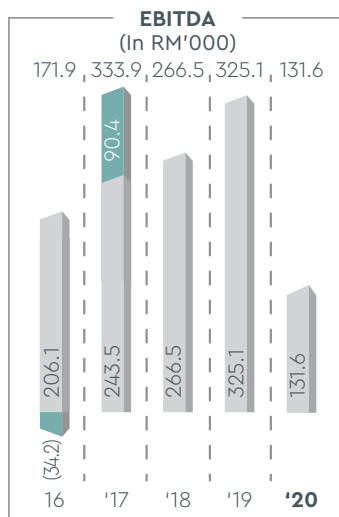
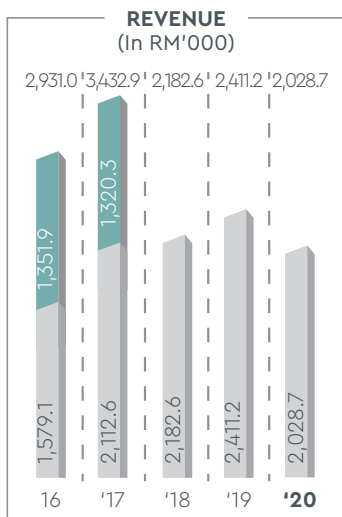
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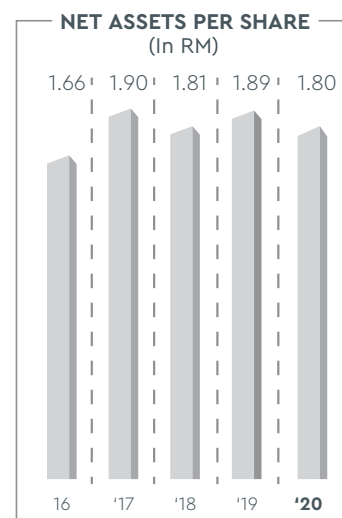
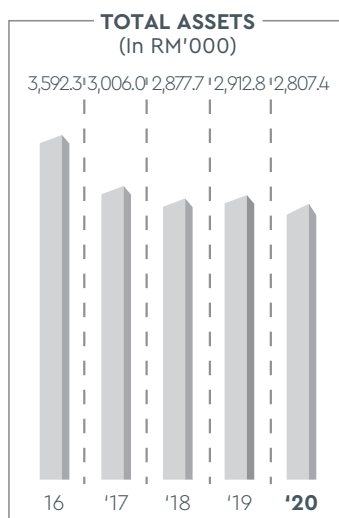
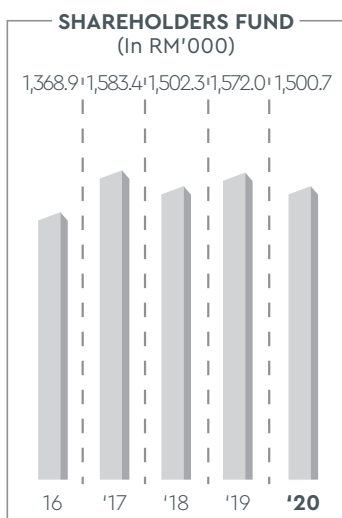
C. PERFORMANCE REVIEW

FINANCIAL HIGHLIGHTS

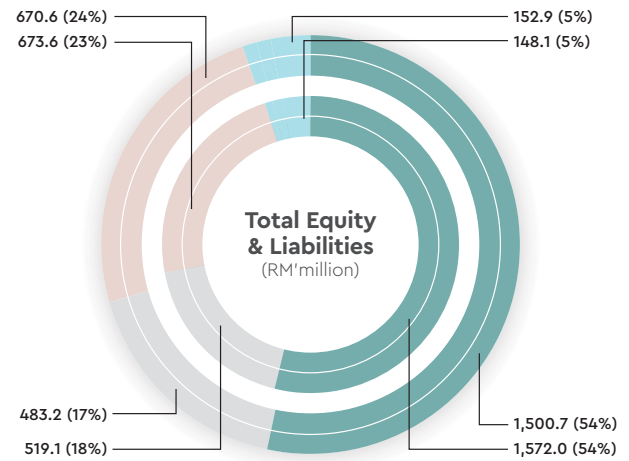
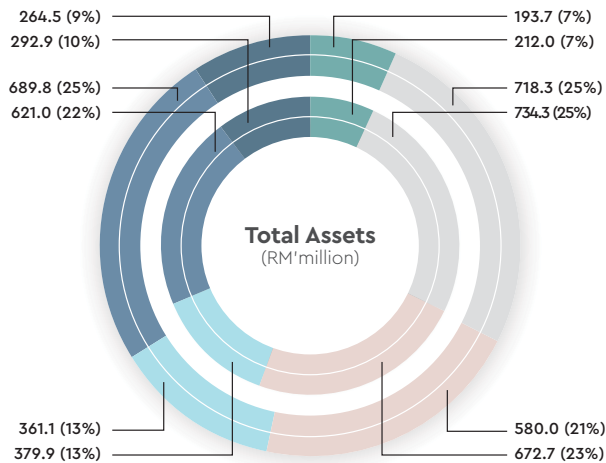
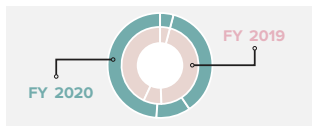


Discontinued operations

*Excluding one-off gain on disposal of Opus International Consultants Limited ("OIC") in 2017 of RM274.9 million.



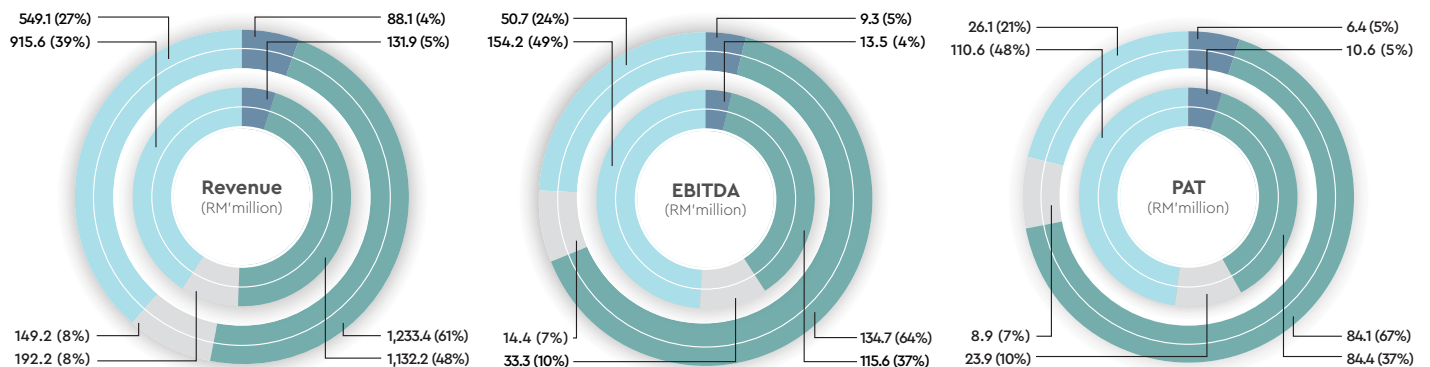
SIMPLIFIED STATEMENTS OF FINANCIAL POSITION



- Property, plant and equipment
- Cash, bank balances, deposits and short-term investment
- Contract-related assets
- Trade and other receivables
- Intangible assets
- Others

- Shareholder's fund
- Trade and other payables
- Borrowings
- Others

SEGMENTAL ANALYSIS



- Healthcare Support
- Property & Facility Solutions
- Infrastructure Services
- Asset Consultancy

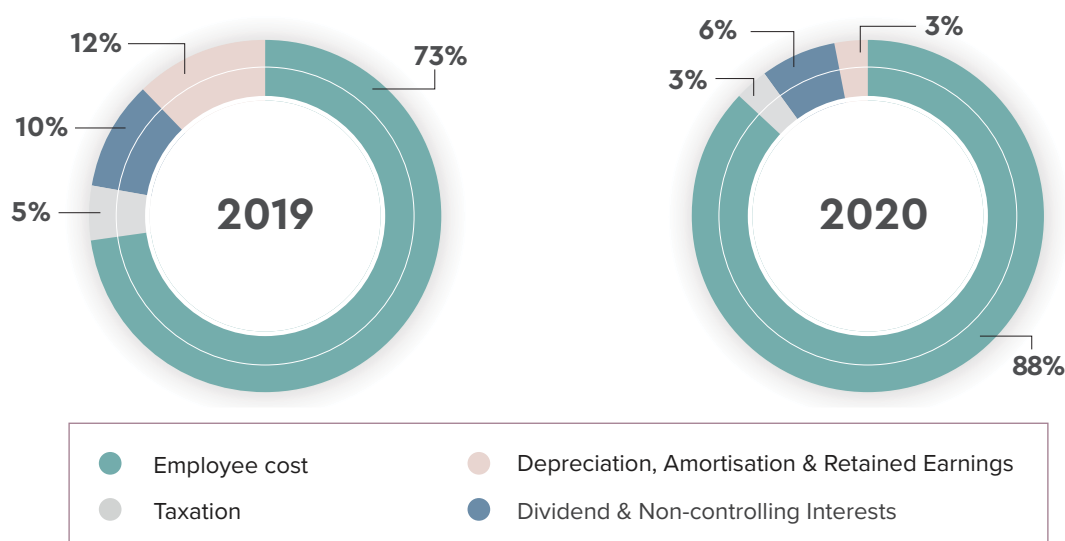
C. PERFORMANCE REVIEW

VALUE ADDED STATEMENT & VALUE DISTRIBUTION

GROUP STATEMENT OF VALUE ADDED

RM million	2019	2020
VALUE ADDED		
Revenue	2,411.2	2,028.7
Other income	60.0	53.5
Interest income	6.4	4.3
Operating expenses	(1,290.1)	(1,044.6)
Finance cost	(28.0)	(23.5)
Share of profit of associates	21.5	15.8
Value added available for distribution	1,181.0	1,034.2
DISTRIBUTION		
To Employees		
Employee cost	856.9	907.3
To Government		
Taxation	53.8	30.2
To Shareholders		
Dividend	116.4	66.5
Non-controlling interests	6.3	1.5
Retained for reinvestment and future growth		
Depreciation and amortisation	82.4	82.3
Retained earnings	65.2	(53.6)
Total distributed	1,181.0	1,034.2

DISTRIBUTION OF VALUE ADDED



GROUP QUARTERLY PERFORMANCE

STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 – SIMPLIFIED

RM million	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Revenue	501.9	448.5	482.9	595.4	2,028.7
Gross profit	70.1	43.3	52.5	106.8	272.7
Other income	9.2	31.9	7.5	9.2	57.8
Operating expenses	(56.8)	(89.2)	(72.5)	(57.3)	(275.8)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	37.2	7.2	8.3	78.9	131.6
Profit before tax	20.3	(16.3)	(15.2)	58.1	46.9
Profit after tax	12.1	(27.3)	(19.4)	49.0	14.4
Profit attributable to owners of the parent	11.2	(26.9)	(19.0)	47.6	12.9
Earning per share (sen)	1.3	(3.2)	(2.3)	5.7	1.5

STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 – SIMPLIFIED

RM million	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Revenue	515.9	595.4	587.6	712.3	2,411.2
Gross profit	99.9	113.0	90.4	163.5	466.8
Other income	8.9	6.3	9.8	41.4	66.4
Operating expenses	(60.3)	(71.5)	(73.9)	(76.1)	(281.8)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	65.2	65.7	48.7	145.5	325.1
Profit before tax	46.0	46.8	25.9	126.3	245.0
Profit after tax	33.5	34.7	17.3	102.5	188.0
Profit attributable to owners of the parent	32.7	34.4	17.3	97.4	181.8
Earning per share (sen)	3.9	4.1	2.1	11.8	21.9

C. PERFORMANCE REVIEW

INVESTOR RELATIONS

UEM Edgenta's Investor Relations continued to cultivate strong and positive relationships with the investment community and stakeholders, which comprises of analysts, fund managers, institutional investors, retail investors and media through consistent communication. Our utmost priority is to provide relevant and detailed information on our businesses to our shareholders in a timely and transparent manner. This helps the investment community to make informed decisions on investing in the Company.

With respect to shareholders, the Board takes responsibility for ensuring that satisfactory dialogue takes place. A comprehensive investor relations programme is in place to ensure effective communication with investors. This programme includes various investor relations engagement channels listed below:

INVESTOR RELATIONS ENGAGEMENT CHANNELS

Engagement Channels	Methods of Communications	Targeted Audience
Analyst & Media briefings	<ul style="list-style-type: none"> Semi-annual financial results briefing Material development & updates 	<ul style="list-style-type: none"> Institutional investors Analysts
Management meetings	<ul style="list-style-type: none"> Small group meetings One-to-one meetings 	<ul style="list-style-type: none"> Institutional investors Analysts
Operational site visits	<ul style="list-style-type: none"> Small group tours 	<ul style="list-style-type: none"> Institutional investors Retail investors Analysts
Conferences	<ul style="list-style-type: none"> Investor conferences Non-deal roadshows Industry conferences 	<ul style="list-style-type: none"> Institutional investors Retail investors Analysts
Digital, social media & financial bloggers	<ul style="list-style-type: none"> Corporate website: uemedgenta.com Enquiry channel: ir@edgenta.com Instagram: @uemedgenta LinkedIn: @uem-edgenta-berhad 	<ul style="list-style-type: none"> Institutional investors Retail investors Analysts Media
Media management	<ul style="list-style-type: none"> Media briefings Interviews Media releases and statements 	<ul style="list-style-type: none"> Media Public
Annual General Meeting & Annual Report	Reporting of financial performance which includes: <ul style="list-style-type: none"> Management discussion and analysis Business strategies 	<ul style="list-style-type: none"> All shareholders Media



ANALYST & MEDIA BRIEFINGS

UEM Edgenta hosts bi-annual Analyst & Media Briefing sessions for our half-year and full-year results announcements. In 2020, the Company held Analyst & Media Briefing sessions for the full-year FY2019 financial results update and first-half FY2020 financial results. The Investor Relations team ensures that the briefing materials, which include the financial statements to the stock exchange, an investor presentation and a press release, are made available via the Company's website.

Financial Results	Date of Announcement	Date of Analyst & Media Briefing
UEM Edgenta FY20 Results	25 February 2021	1 March 2021
UEM Edgenta 3Q20 Results	25 November 2020	
UEM Edgenta 1H20 Results	26 August 2020	28 August 2020
UEM Edgenta 1Q20 Results	21 May 2020	
UEM Edgenta FY19 Results	26 February 2020	10 March 2020

Another method of communicating updates and information to our stakeholders is via our corporate website which contains the following key segments:

Financial Performance <ul style="list-style-type: none"> Financial Highlights Key Financial Data & Ratios Financial Statements Segmental Information 	Shareholder & Dividends Information <ul style="list-style-type: none"> Share Price Ticker Share Price & Volume Interactive Stock Charts Distribution of Shareholdings Top 30 Shareholders Dividends 	Reports & Publications <ul style="list-style-type: none"> Annual General Meeting Annual Report Quarterly Reports Circulars Corporate Factsheet Corporate Presentations
Corporate Updates <ul style="list-style-type: none"> Media News & Announcements 	Investor Resources <ul style="list-style-type: none"> News Alert Investment Calculator IR Website Terms of Use IR Privacy Policy 	News Centre <ul style="list-style-type: none"> Bursa Announcements Corporate Calendar
Announcements to Bursa Malaysia and UEM Edgenta Corporate Calendar		

The Company has in place, a Corporate Disclosure Policy which outlines the Company's approach towards the determination and dissemination of confidential information, the circumstances under which the confidentiality of information will be maintained and restrictions on insider trading. The Corporate Disclosure Policy also provides guidelines to achieve consistent disclosure practices across the Company.

All Investor Relations engagements and activities are published on UEM Edgenta's corporate website at www.uemedgenta.com. This website provides information, on UEM Edgenta's disclosures, announcements to Bursa Securities, annual reports and analyst briefings or make investor relations enquiries at:



► uemedgenta.com



► ir@edgenta.com

C. PERFORMANCE REVIEW

INVESTOR RELATIONS

OUR CONDUCT AT THE ANNUAL GENERAL MEETING

The Company held its 57th Annual General Meeting (“AGM”) on 26 June 2020. Held virtually for the first time, the move to an online meeting was to ensure that the safety and health of both our shareholders, as well as key stakeholders are constantly safeguarded, and remain our main priority, especially in the midst of the COVID-19 pandemic.

During the AGM, our Chairman led the proceedings, which focused on the Company’s commendable results in FY2019. Our Board of Directors, along with key members of the senior management team also participated in the event, where they were seated in different rooms with the necessary safety procedures in place. We provided responses to questions from shareholders wherever possible; however, queries which could not be answered immediately were duly taken note of and followed up subsequent to the meeting.



Focus Areas

List of focus areas and issues discussed during engagement with investors include:



The Company’s financial performance



Strategies, prospects and future plans



New contracts secured

Below is a calendar of our investor meetings, conferences, and briefings held from January 2020 until March 2021:

Events	Date
Credit Suisse 11 th Annual ASEAN Conference, Singapore	10 January 2020
Final CFA Research Institute Challenge, Kuala Lumpur	15 February 2020
UEM Edgenta CFA Luncheon	5 March 2020
Full-Year FY19 Analyst Briefing & Press Conference, Kuala Lumpur	10 March 2020
Fund Managers Briefing hosted by RHB	28 May 2020
57 th Annual General Meeting	26 June 2020
1H FY20 Analyst & Media Briefing, Kuala Lumpur	28 August 2020
Ice Breaker Session between MD/CEO and Coverage Analysts	9 September 2020
Fund Managers Briefing hosted by Hong Leong Investment Bank	14 September 2020
Fund Managers Meeting with Manulife	9 December 2020
Full-Year FY20 Analyst Briefing & Press Conference, Kuala Lumpur	1 March 2021

MARKET PERFORMANCE AND EXPECTATION

Dividend Policy

UEM Edgenta maintains its dividend policy to distribute at least 50% and up to 80% of its PATANCI, subject to the efficiency of the Company's cash flow and future capital expenditure requirements. The dividend policy instills the Company's commitment to provide healthy returns to our shareholders.

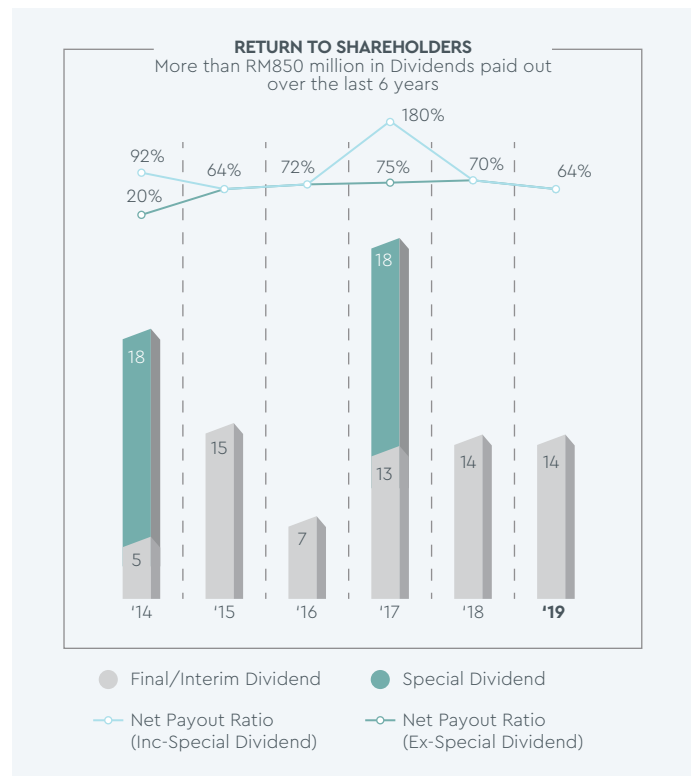
Research Coverage

In 2020, UEM Edgenta was covered by 3 research houses as summarised below:

Research House	Call	Target Price
Hong Leong Investment Bank	BUY	RM2.00
RHB Research	BUY	RM2.05
MIDF	BUY	RM3.06

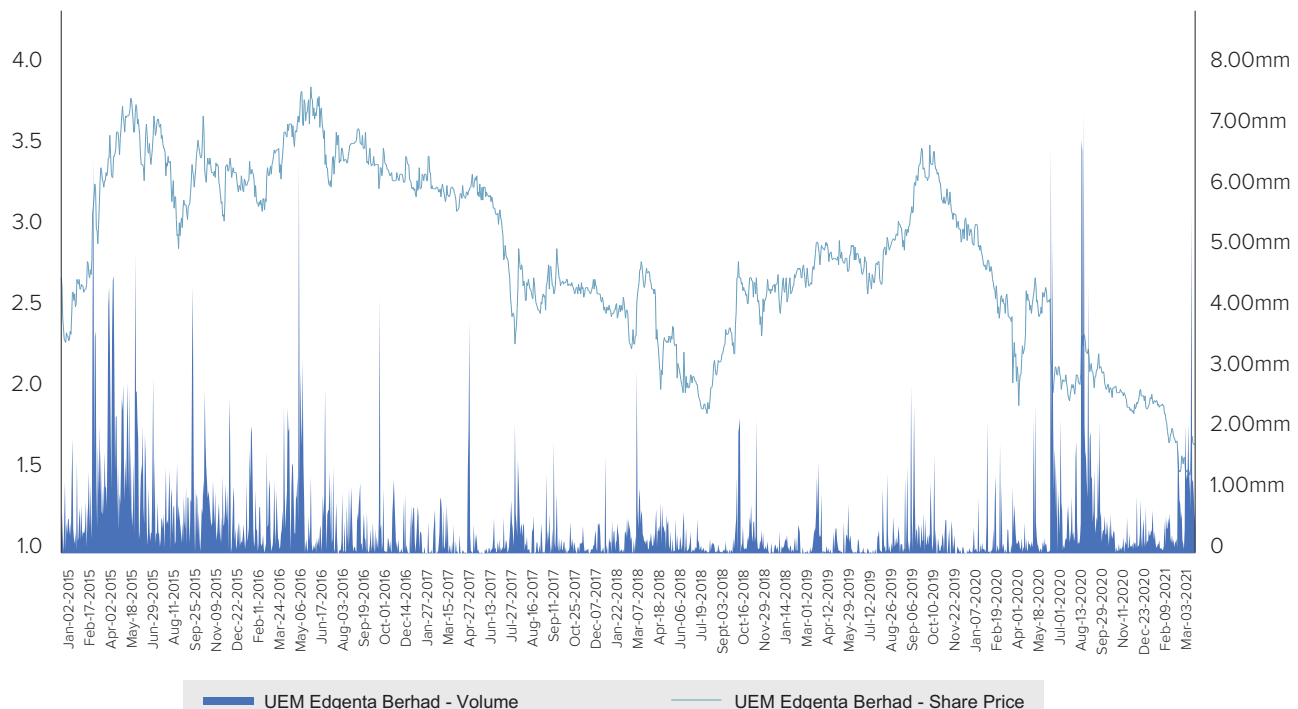
Note:

Analyst recommendations as at 3 March 2021 (post Full-Year FY2020 results announcement)



SHARE PRICE MOVEMENT AND VOLUME TRADED

PERIOD: 2 JANUARY 2015 TO 3 MARCH 2021



LEADERSHIP AND GOVERNANCE

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CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DR. AZMIL KHALID

Independent Non-Executive Chairman

SYAHRUNIZAM SAMSUDIN

 Managing Director/Chief Executive Officer
(Appointed on 1 July 2020)
DATO' MOHD IZANI GHANI

Non-Independent Non-Executive Director

DATO' NOORAZMAN ABD AZIZ

Non-Independent Non-Executive Director

ROBERT TAN BUN POO

Independent Non-Executive Director

ELAKUMARI KANTILAL

Non-Independent Non-Executive Director

DATO' GEORGE STEWART LABROOY

Independent Non-Executive Director

EMILY KOK

Independent Non-Executive Director

ROWINA GHAZALI SETH

Independent Non-Executive Director

JUNIWATI RAHMAT HUSSIN

 Independent Non-Executive Director
(Resigned on 31 March 2020)
DATO' AZMIR MERICAN

 Managing Director/Chief Executive Officer
(Resigned on 21 April 2020)

AUDIT COMMITTEE

ROBERT TAN BUN POO

Chairman

ELAKUMARI KANTILAL

Member

EMILY KOK

Member

NOMINATION AND REMUNERATION COMMITTEE

ROWINA GHAZALI SETH

Chairman

(Redesignated on 31 March 2020)
DATO' MOHD IZANI GHANI

Member

DATO' GEORGE STEWART LABROOY

Member

(Appointed on 31 March 2020)
JUNIWATI RAHMAT HUSSIN

Chairman

(Resigned on 31 March 2020)

BOARD GOVERNANCE AND RISK COMMITTEE

DATO' GEORGE STEWART LABROOY

Chairman

TAN SRI DR. AZMIL KHALID

Member

DATO' NOORAZMAN ABD AZIZ

Member

ROWINA GHAZALI SETH

Member

BOARD INVESTMENT COMMITTEE*

Effective from 19 January 2021
DATO' NOORAZMAN ABD AZIZ

Chairman

TAN SRI DR. AZMIL KHALID

Member

EMILY KOK

Member

*Ad-hoc Board Committee

AUDITORS

ERNST & YOUNG PLT (AF: 0039)

 Chartered Accountants
 Level 23A Menara Milenium
 Jalan Damanlela
 Pusat Bandar Damansara
 50490 Kuala Lumpur

SHARE REGISTRAR

BOARDROOM SHARE REGISTRARS SDN. BHD.

 11th Floor, Menara Symphony
 No. 5, Jalan Prof. Khoo Kay Kim
 Seksyen 13
 46200 Petaling Jaya
 Selangor Darul Ehsan
 Tel : +603 7890 4700
 Fax : +603 7890 4670

PRINCIPAL BANKERS

 Ambank Berhad
 CIMB Bank Berhad
 HSBC Amanah Malaysia Berhad
 Malayan Banking Berhad
 Public Bank Berhad
 RHB Bank Berhad
 Bank Islam Malaysia Berhad

BOARD TENDER COMMITTEE

ELAKUMARI KANTILAL

Chairman

ROBERT TAN BUN POO

Member

(Appointed on 31 March 2020)
EMILY KOK

Member

DATO' GEORGE STEWART LABROOY

Member

(Relinquished membership on 31 March 2020)

COMPANY SECRETARY

CHIEW SIEW YUEN

 SSM PC No.: 201908001259
 MAICSA 7063781

REGISTERED OFFICE

 Level 17, Menara UEM
 Tower 1, Avenue 7
 The Horizon, Bangsar South City
 No. 8, Jalan Kerinchi
 59200 Kuala Lumpur
 Tel : +603 2725 6688
 Fax : +603 2725 6888

PRINCIPAL SOLICITORS

 Wong & Partners
 Christopher & Lee Ong
 Shearn Delamore & Co.
 Lee Hishammuddin Allen & Gledhill
 Sanjay Mohan
 Rahman Rohaida

STOCK EXCHANGE LISTING

 Main Market of Bursa Malaysia Securities Berhad
 Stock Name/Code: EDGENTA/1368
 Stock Sector: Industrial Products & Services

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BOARD OF DIRECTORS

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|--------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| <p>1 Tan Sri Dr. Azmil Khalid
Independent Non-Executive Chairman</p> <p>BGRC BIC</p> | <p>4 Dato' Noorazman Abd Aziz
Non-Independent Non-Executive Director</p> <p>BIC BGRC</p> | <p>7 Dato' George Stewart LaBrooy
Independent Non-Executive Director</p> <p>BGRC NRC</p> |
| <p>2 Syahrulizam Samsudin
Managing Director/Chief Executive Officer</p> | <p>5 Robert Tan Bun Poo
Independent Non-Executive Director</p> <p>AC BTC</p> | <p>8 Emily Kok
Independent Non-Executive Director</p> <p>AC BTC BIC</p> |
| <p>3 Dato' Mohd Izani Ghani
Non-Independent Non-Executive Director</p> <p>NRC</p> | <p>6 Elakumari Kantilal
Non-Independent Non-Executive Director</p> <p>BTC AC</p> | <p>9 Rowina Ghazali Seth
Independent Non-Executive Director</p> <p>NRC BGRC</p> |



Legend

	Chairman of Board Committee		Member of Board Committee
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Board Committee

AC Audit Committee	NRC Nomination and Remuneration Committee	BGRC Board Governance and Risk Committee	BTC Board Tender Committee	BIC Board Investment Committee*
* Ad-hoc Board Committee				

BOARD OF DIRECTORS' PROFILE



TAN SRI DR. AZMIL KHALID

Independent Non-Executive Chairman



Nationality: **Malaysian**



Age: **60**



Gender: **Male**



Appointed to the Board
on **24 May 2019**



Board Committee
Membership:

- **Member of Board Governance and Risk Committee**
- **Member of Board Investment Committee**

Qualification:

- Doctorate of Science (Honorary), University of Hertfordshire, England
- Master of Business Administration, California State University, Dominguez Hills, United States of America
- Bachelor of Science in Civil Engineering, University of Hertfordshire, England, and Northrop University, Los Angeles, United States of America

Present Directorship(s) in other Public Companies and Listed Issuers:

- UEM Sunrise Berhad (Listed Company)
- Reach Energy Berhad (Listed Company)

Tan Sri Dr. Azmil began his career with a United Kingdom company, Tarmac National Construction. Upon his return to Malaysia, he worked for Trust International Insurance and Citibank NA.

He was the President and Chief Executive Officer of both The AlloyMtd Group and ANIH Berhad from April 2011 to August 2017. He joined MTD Capital Bhd in 1993 as General Manager of Corporate Planning and held the position of Group Managing Director and Chief Executive Director in March 1996 before assuming the position as Group President and Chief Executive Officer of The MTD Group from April 2005 to April 2011. He was also the President and Chief Executive Officer of MTD Capital Bhd's listed subsidiary namely, MTD ACPI Engineering Berhad and was also the Chairman of MTD Walkers PLC, a foreign subsidiary of MTD Capital Bhd listed on the Colombo Stock Exchange in the Republic of Sri Lanka.

He is the Chairman of the Board of Reach Energy Berhad and Cenviro Sdn. Bhd.



SYAHRUNIZAM SAMSUDIN

Managing Director/Chief Executive Officer



Nationality: **Malaysian**



Age: **47**



Gender: **Male**



Appointed to the Board
on **1 July 2020**



Board Committee
Membership:

Nil

Qualification:

- Bachelor of Laws (LLB), The Australian National University
- Bachelor of Commerce (BCom) in Accounting and Finance, The Australian National University
- Member of Harvard Club of Malaysia
- Member of the Institute of Marketing Malaysia

Present Directorship(s) in other Public Companies and Listed Issuers:

- Edgenta PROPEL Berhad
- Opus Group Berhad

Prior to his appointment, Syahrudin was the Chief Executive Officer of Touch 'n Go Sdn. Bhd. ("TNG"). In the last 5 years, he was instrumental in transforming TNG into a mobility and digital payments champion for the country with over 13 million users across multiple platforms. He has deep industry and operational experience in manufacturing and assembly, engineering and oil and gas during his tenure as President/COO of Scomi Engineering. In addition to this role, he has also helmed the positions of Chief Strategy Officer and Chief Financial Officer at Scomi Group Berhad.

Syahrudin began his career as a returning PETRONAS scholar serving in the Corporate Planning and Development Division and later became the founding shareholder and COO of PETRONAS' first IT Outsourcing company. He is a passionate technophile that harnesses the power of digitalisation to improve a company's growth trajectory, process efficiencies and cost competitiveness as a means of building sustainability and shareholder value.

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BOARD OF DIRECTORS' PROFILE



DATO' MOHD IZANI GHANI

Non-Independent Non-Executive Director



Nationality: **Malaysian**



Age: **53**



Gender: **Male**



Appointed to the Board
on **22 October 2019**



Board Committee
Membership:

- **Member of
Nomination and
Remuneration
Committee**

Qualification:

- Bachelor of Science (Economics) specialising in Accounting and Finance, London School of Economics and Political Science, United Kingdom
- Fellow member of Association of Chartered Certified Accountants (ACCA)
- Member of Malaysian Institute of Accountants (MIA)
- Member of Chartered Institute of Islamic Finance Professionals (CIIF)

Present Directorship(s) in other Public Companies and Listed Issuers:

- UEM Sunrise Berhad (Listed Company)
- UEM Group Berhad
- UEM Builders Berhad
- Cement Industries of Malaysia Berhad
- PLUS Expressways International Berhad
- PLUS Malaysia Berhad
- Projek Lebuhraya Usahasama Berhad
- Yayasan UEM

Dato' Mohd Izani was appointed as an Executive Director of UEM Group Berhad ("UEM Group") on 1 January 2019 and subsequently re-designated as the Managing Director on 1 August 2019.

He has over 28 years of investment and management experience. Prior to joining UEM Group, Dato' Mohd Izani was the Executive Director, Investments at Khazanah Nasional Berhad ("Khazanah") where he oversaw its Turkey Regional Office. He was formerly Khazanah's Chief Financial Officer where under his leadership, the Government's strategic investment arm issued many landmark sukuk transactions including exchangeable and Social Impact Sukuk. He had also previously served at Putrajaya Holdings Sdn. Bhd. and Renong Group.



DATO' NOORAZMAN ABD AZIZ

Non-Independent Non-Executive Director



Nationality: **Malaysian**



Age: **65**



Gender: **Male**



Appointed to the Board
on **2 October 2018**



Board Committee
Membership:

- **Chairman of Board Investment Committee**
- **Member of Board Governance and Risk Committee**

Qualification:

- Bachelor of Science (Finance), Louisiana State University, United States of America
- Practising member of the Chartered Institute of Islamic Finance Professionals (CIIF)
- Member of the Australian Institute of Company Directors (AICD)
- Member of Institute of Corporate Directors Malaysia (ICDM)

Present Directorship(s) in other Public Companies and Listed Issuers:

- UEM Sunrise Berhad (Listed Company)
- Kumpulan Perangsang Selangor Berhad (Listed Company)
- Hong Leong Financial Group Berhad (Listed Company)
- PLUS Malaysia Berhad
- Yayasan UEM

Dato' Noorazman Abd Aziz is currently the Chairman of UEM Sunrise Berhad. He also serves as Chairman of the Board of Trustees of Yayasan UEM, the philanthropic arm of UEM Group, and Chairman of the Board of Trustees of International Centre for Education in Islamic Finance (INCEIF).

He has over 37 years of experience in banking & finance, investments and capital markets having served as Executive Director, Investments in Khazanah Nasional Berhad, Managing Director of Fajr Capital Ltd. (a Khazanah investee company) and held key positions in Citigroup, Bank Islam Malaysia Berhad, Kuala Lumpur Stock Exchange and Labuan Offshore Financial Services Authority (LOFSA), to name a few.

In 2005, Dato' Noorazman was named as the winner of the first Asian Banker Achievement Award for Islamic Finance. He is a member of the Investment Panel of Kumpulan Wang Persaraan (Diperbadankan) and also sits on the Advisory Boards of Ancora Fund Management Co. in Indonesia, Creador Sdn. Bhd. and Vynn Capital Sdn. Bhd.

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BOARD OF DIRECTORS' PROFILE



ROBERT TAN BUN POO

Independent Non-Executive Director



Nationality: **Malaysian**



Age: **70**



Gender: **Male**



Appointed to the Board
on **9 May 2013**



Board Committee
Membership:

- **Chairman of Audit Committee**
- **Member of Board Tender Committee**

Qualification:

- Bachelor of Commerce, University of Newcastle, Australia
- Member of the Malaysian Institute of Accountants
- Member of Malaysian Institute of Certified Public Accountants ("MICPA")
- Member of Malaysian Institute of Taxation
- Fellow Chartered Accountant of the Institute of Chartered Accountants, Australia

Present Directorship(s) in other Public Companies and Listed Issuers:

- RCE Capital Berhad (Listed Company)
- Amcorp Properties Berhad (Listed Company)
- AmMetLife Takaful Berhad
- AmInvestment Bank Berhad

Robert Tan is currently in accounting practice providing auditing, due diligence, liquidation, advisory and other related services.

He was a Senior Partner with Deloitte and has more than 41 years of audit experience in serving both private and public companies, locally and internationally, in industries which included banking, insurance, construction and property development, manufacturing and engineering.

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

Robert Tan was a council member of MICPA and served as a member in the Accounting and Auditing Technical Committee, Financial Statements Review Committee and Investigation Committee of MICPA. He currently serves as a Board member of the Auditing & Assurance Standards Board of Malaysian Institute of Accountants.



ELAKUMARI KANTILAL

Non-Independent Non-Executive Director



Nationality: **Malaysian**



Age: **64**



Gender: **Female**



Appointed to the Board
on **22 October 2001**



Board Committee
Membership:

- **Chairman of Board Tender Committee**
- **Member of Audit Committee**

Qualification:

- Master of Science in Finance and Accounting, University of East Anglia, United Kingdom
- Bachelor of Accounting, Universiti Kebangsaan Malaysia
- Executive Education from IMD Switzerland
- Harvard's Premier Business Management Programme
- Member of the Malaysian Institute of Accountants

Present Directorship(s) in other Public Companies and Listed Issuers:

- TIME dotCom Berhad (Listed Company)
- Danajamin Nasional Berhad

Elakumari started her career with the Malaysian Government in 1981 and held various positions in the Accountant General's Office, Ministry of Agriculture and Ministry of Finance ("MOF"). During her stint in MOF, she was involved in the monitoring and restructuring of companies, including debts of non-performing companies held by MOF (Inc).

Elakumari was actively involved in the establishment of Khazanah Nasional Berhad ("Khazanah") whilst in MOF. She was in Khazanah since its establishment in 1994 and progressed from the position of Senior Manager to Director in the Investment Division from 2004 until 2017. During her tenure in Khazanah, she undertook investments, divestments, corporate and strategy restructuring and reorganisation, monitoring and management for value creation of companies in the property, telecommunication, infrastructure and services sectors.

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BOARD OF DIRECTORS' PROFILE



DATO' GEORGE STEWART LABROOY

Independent Non-Executive Director



Nationality: **Malaysian**



Age: **70**



Gender: **Male**



Appointed to the Board
on **1 December 2017**



Board Committee
Membership:

- **Chairman of Board Governance and Risk Committee**
- **Member of Nomination and Remuneration Committee**

Qualification:

- Bachelor of Engineering (Hons), University of Sheffield, United Kingdom
- Post Graduate Diploma in Business Studies, University of Sheffield, United Kingdom
- Member of the Institute of Engineers, Malaysia

Present Directorship(s) in other Public Companies and Listed Issuers:

Nil

Dato' Stewart currently serves as Executive Chairman of Area Management Sdn. Bhd., the manager of the AREA Industrial Development Fund 1 which develops high grade industrial projects and estates in Malaysia.

An esteemed and renowned property professional, he has over 44 years of experience in industrial design, manufacturing, operations management, property development, REIT and funds management. He is a prominent speaker on the subject of real estate investment trusts and has presented numerous papers at conferences globally.

Dato' Stewart was the Chief Executive Officer and Executive Director of Axis REIT Managers Bhd until December 2015. Axis REIT was the first Shariah compliant listed Industrial REIT in the world and the first REIT to be listed on Bursa Malaysia in August 2005. During that time, he worked to establish REITs as an important component of the capital markets in Malaysia. He spearheaded the formation of the Malaysian REIT Managers Association where he served as its Chairman for 5 years and is currently serving as its Honorary Secretary. He is also a Board Member of the Asia Pacific Real Estate Association (APREA).

He was instrumental in the establishment of Alpha REIT, Malaysia's first unlisted Islamic REIT focused on Education assets, where he serves as Chairman of Alpha REIT Managers Sdn. Bhd., the manager of Alpha REIT.



EMILY KOK

Independent Non-Executive Director



Nationality: **Malaysian**



Age: **54**



Gender: **Female**



Appointed to the Board
on **30 March 2018**



Board Committee
Membership:

- **Member of Audit Committee**
- **Member of Board Tender Committee**
- **Member of Board Investment Committee**

Qualification:

- Master of Entrepreneurial Studies & Enterprise Innovation, Swinburne University of Technology, Australia
- Bachelor of Science (Hons) in Mathematical and Information Sciences, La Trobe University, Australia

Present Directorship(s) in other Public Companies and Listed Issuers:

Nil

Emily comes from a diverse background of venture capital, private equity, management and entrepreneurship. A visionary entrepreneur, she has co-founded several businesses including Rentwise Sdn. Bhd., Malaysia's only homegrown, privately held independent lessor specialising in operating leases of IT equipment to the corporate sector. She was CEO and Chairman of Rentwise Sdn. Bhd. from 2006 to 2011. Other businesses Emily has co-founded are in the IT, financial services and FMCG space.

Emily has more than 12 years in direct investment, a significant part of that with 3i Group plc as Vice President for the Asia Pacific region from 1998 to 2003, where she was part of the pioneering team in establishing 3i's investment presence in Asia. Her portfolio ranged from new technology to brick and mortar in both B2B and B2C verticals.

She was on the Board of eALCAdvisors, an Asian regional company in digital lead generation for the financial services sector; Egraphon Technologies, a Singapore application development company designing interactive Front-End Sales processes for the financial and medical industries; and The Company of Extraordinary, a Singapore food-based company with import/export activities and a café.

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BOARD OF DIRECTORS' PROFILE



ROWINA GHAZALI SETH

Independent Non-Executive Director



Nationality: **Malaysian**



Age: **59**



Gender: **Female**



Appointed to the Board
on **1 August 2018**



Board Committee
Membership:

- **Chairman of Nomination and Remuneration Committee**
- **Member of Board Governance and Risk Committee**

Qualification:

- Bachelor of Science Degree in Computer Science, Northern Illinois University, United States

Present Directorship(s) in other Public Companies and Listed Issuers:

- Velesto Energy Berhad (Listed Company)
- Hong Leong Islamic Bank Berhad

Rowina began her career at SHELL in the Information Technology Division in 1985, then assumed various local and global positions in SHELL's upstream, downstream and business operations. She rose to senior positions, including as SHELL Malaysia's General Manager Corporate Affairs and Director of SHELL Business Services Sdn. Bhd.

As a senior member of SHELL's management, she has more than 30 years' experience in the Oil & Gas industry, in all aspects of strategic government relations, external and reputation management.

Her last position was Director, Government Affairs at SHELL Malaysia, building the function from inception and pioneering the lead role.

Notes:

- **Family Relationship with Director and/or Major Shareholder**
None of the Directors have any family relationship with any other Director and/or major shareholder of UEM Edgenta.
- **Conflict of Interest**
None of the Directors have any conflict of interest with UEM Edgenta.
- **Conviction of Offences**
None of the Directors have been convicted for offences within the past 5 years other than traffic offences, if any.
- **Public Sanction/Penalty**
None of the Directors have any public sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2020.



COMPANY SECRETARY'S PROFILE



CHIEW SIEW YUEN

Head, Secretarial, UEM Edgenta Berhad



Nationality: **Malaysian**



Age: **41**



Gender: **Female**



Date of Appointment
on **23 July 2014**

Qualification:

- Associate Member of Malaysian Institute of Chartered Secretaries and Administrators

Present Directorship(s) in other Public Companies and Listed Issuers:

Nil

Working Experiences:

- July 2014 – Present: Head, Secretarial, UEM Edgenta Berhad
- 2006 – June 2014: Assistant Vice President, Group Company Secretarial, CIMB Investment Bank Berhad

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EXECUTIVE LEADERSHIP

1



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Leadership

1 Syahrulizam Samsudin
Managing Director/Chief Executive Officer

2 Hillary Chua Pei Sum
Chief Financial Officer

3 Rais Imran
Chief Strategy Officer

4 Razman Ismail
Chief People Officer

5 Chua Yong Howe
Chief Digital Officer

6 Low Chee Yen
Head, Healthcare Support (Commercial)
Chief Executive Officer,
UEMS Pte. Ltd.

7 Dr. Nik Fawaz Nik Abdul Aziz
Head, Healthcare Support (Concession)
Managing Director,
Edgenta Mediserve Sdn. Bhd.

8 Kenny Lim
Head, Property & Facility Solutions

9 Shariman Yusuf Mohamed Zain
Head, Infrastructure Services
Managing Director,
Edgenta PROPEL Berhad

10 Ir. Dr. Tony Chan
Chief Operating Officer
Opus International (M) Berhad



UEM Edgenta's Executive Leadership sets the strategy and direction for the Company, driving business performance and synergies across the organisation. It is responsible for protecting and enhancing our brand and corporate reputation.

YEARS
44

The average age of our Executive Leadership Team members

EXECUTIVE LEADERSHIP PROFILE

1
SYAHRUNIZAM SAMSUDIN


Managing Director/
Chief Executive Officer,
UEM Edgenta Berhad

Date of Appointment:
1 July 2020

Nationality: **Malaysian**

 Age 47	 Gender Male	 Ethnicity Malay
----------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------



Please refer to his profile in the Board of Directors' Profile on page 103.

2
HILLARY CHUA PEI SUM


Chief Financial Officer,
UEM Edgenta Berhad

Date of Appointment:
15 October 2020

Nationality: **Malaysian**

 Age 45	 Gender Female	 Ethnicity Chinese
----------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------

Academic/Professional Qualification:

- Bachelor of Commerce (Accounting and Finance), Distinction, University of Southern Queensland, Australia
- Chartered Accountant of the Malaysian Institute of Accountants
- Certified Practising Accountant of CPA Australia

Present Directorship(s) in Listed Entity/Other Public Companies:

- Opus International (M) Berhad
- Opus Group Berhad
- Edgenta PROPEL Berhad

Working Experiences:

- October 2020 – Present: Chief Financial Officer, UEM Edgenta Berhad
- November 2018 – October 2020: Head of Corporate Development, Group Enterprise Axiata Business Services Sdn. Bhd.
- July 2016 – June 2018: Group Chief Financial Officer, OCK Group Berhad
- August 2012 – June 2016: Chief Financial Officer, Altel Communications Sdn. Bhd.
- April 2012 – August 2012: Assistant Vice President - Group Strategy and Analysis, Axiata Berhad
- November 2008 – March 2012: Head of Budgeting and Forecast (Management Accounts), Maxis Berhad
- August 2007 – November 2008: Assistant Vice President - Strategic Planning & Analytics, Citibank Berhad
- November 2002 – April 2007: Manager - Planning & Analysis, American Express Australia Limited (Australia)
- June 1999 – November 2002: Senior Associate - Audit and Business Advisory Service Division, PricewaterhouseCoopers (Malaysia)



3

RAIS IMRAN

Chief Strategy Officer,
UEM Edgenta Berhad

Date of Appointment:
22 February 2021

Nationality: **Malaysian**

 Age 38	 Gender Male	 Ethnicity Malay
----------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------

Academic/Professional Qualification:

- Master's in Engineering (Chemical), Cornell University, USA
- Bachelor of Science (Chemical Engineering), Cornell University, USA
- Dean's Certificate in Engineering Management, Cornell University, USA

Present Directorship(s) in Listed Entity/ Other Public Companies:

Nil

Working Experiences:

- February 2021 – Present: Chief Strategy Officer, UEM Edgenta Berhad
- 2020 – 2021: Principal and Core Member of Principle Investment and Private Equity and Industrial Goods Practice Area, The Boston Consulting Group
- 2013 – 2019: Various senior leadership positions at Sapura Energy Berhad including Strategic Business, Office of the President and Group CEO, as well as Head, Corporate Finance & Investor Relations
- 2011 – 2013: Senior Consultant and Core Member of Upstream Oil & Gas Industry Practice Area, The Boston Consulting Group
- 2008 – 2010: Senior Executive, Group Technology and R&D Management, PETRONAS
- 2007 – 2008: Petroleum Economist, PETRONAS Carigali Sdn. Bhd.

4

RAZMAN ISMAIL

Chief People Officer,
UEM Edgenta Berhad

Date of Appointment:
1 November 2019

Nationality: **Malaysian**

 Age 50	 Gender Male	 Ethnicity Malay
----------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------

Academic/Professional Qualification:

- Bachelor's Degree in Management majoring in Human Resources, Universiti Sains Malaysia
- Associate Qualification in Islamic Finance ("AQIF") by Islamic Banking & Finance Institute Malaysia ("IBFIM")
- Certified Assessor for CUBIKS, SHL Assessment Tool and Harrison Assessment Psychometric Tool

Present Directorship(s) in Listed Entity/ Other Public Companies:

Nil

Working Experiences:

- November 2019 – Present: Chief People Officer, UEM Edgenta Berhad
- July 2014 – September 2019: Chief Human Resources Officer, Bank Islam Malaysia Berhad
- January 2007 – June 2014: Director, Group Human Resources, CIMB
- September 2004 – December 2006: Manager, Recruitment and Scholarship, Bank Negara Malaysia
- January 2003 – August 2004: Principal Consultant, IBM Malaysia
- May 1995 – December 2002: Senior Consultant, PwC Malaysia

5

CHUA YONG HOWE

Chief Digital Officer,
UEM Edgenta Berhad

Date of Appointment:
18 January 2021

Nationality: **Malaysian**

 Age 43	 Gender Male	 Ethnicity Chinese
------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------

Academic/Professional Qualification:

- Master's in Business Administration (MBA) from University of Strathclyde, United Kingdom
- Bachelor's Degree in Information Technology from Charles Sturt University, Australia
- Executive Education in Leading Digital Business Transformation, IMD Business School, Switzerland
- Executive Education in Competing on Business Analytics and Big Data, Harvard Business School, USA
- Certified Practitioner in Projects IN Controlled Environments ("PRINCE2")
- Certified Practitioner in Information Technology Infrastructure Library ("ITIL")

Present Directorship(s) in Listed Entity/ Other Public Companies:

Nil

Working Experiences:

- January 2021 – Present: Chief Digital Officer, UEM Edgenta Berhad
- November 2018 – January 2021: Country Managing Director (Malaysia & Singapore), Eureka AI
- February 2013 – October 2018: Practice Leader - Analytics Advisory (Asia), DXC Technologies
- February 2011 – February 2013: Consulting Manager (Malaysia), Accenture
- August 2009 – January 2011: Business Manager (EMEA), China Telecom Europe
- January 2007 – July 2009: Senior Service Analyst (UK), Centrica
- September 2003 – September 2005: Solution Architect (Malaysia), Hewlett Packard
- March 2001 – August 2003: Head of Technical Support (Malaysia), Smart Global Network
- February 2000 – February 2001: User Experience Specialist (Malaysia), e1000.com

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EXECUTIVE LEADERSHIP PROFILE

6
LOW CHEE YEN


Head, Healthcare Support (Commercial),
Chief Executive Officer,
UEMS Pte. Ltd.

Date of Appointment:
1 February 2019

Nationality: **Malaysian**

 Age 41	 Gender Female	 Ethnicity Chinese
----------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------

Academic/Professional Qualification:

- Bachelor of Economics (Economics and Finance), Distinction, RMIT University, Australia
- Chartered Financial Analyst

Present Directorship(s) in Listed Entity/Other Public Companies:
Nil

Working Experiences:

- February 2019 – Present: Head, Healthcare Support (Commercial), CEO, UEMS Pte. Ltd.
- August 2018 – January 2019: CEO (designate), UEMS Pte. Ltd.
- September 2014 – November 2018: Head of Corporate Development, Planning and Strategy, UEM Edgenta Berhad
- June 2013 – September 2014: General Manager, Group Chief Operating Officer's Office, UEM Group Berhad
- 2005 – 2013: Associate Director, Group Strategy and Strategic Investment (Private Equity), CIMB Group Holdings Berhad
- 2001 – 2005: Senior Associate, KPMG Advisory Services, Malaysia

7
**DR. NIK FAWAZ
NIK ABDUL AZIZ**


Head, Healthcare Support (Concession),
Managing Director,
Edgenta Mediserve Sdn. Bhd.

Date of Appointment:
1 January 2020

Nationality: **Malaysian**

 Age 43	 Gender Male	 Ethnicity Malay
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Academic/Professional Qualification:

- Master's in International Health Management from Imperial College Business School, United Kingdom
- Bachelor of Medicine and Bachelor of Surgery ("MbChB"), University of Manchester, United Kingdom
- Bachelor of Science in Medical Science, University of St. Andrews, Scotland
- Former Committee Member for the Malaysian Society for Quality in Health
- Registered Practitioner, Malaysian Medical Council
- Registered Member, Chartered Institute of Managers, United Kingdom
- Registered Member, General Medical Council, United Kingdom

Present Directorship(s) in Listed Entity/Other Public Companies:
Nil

Working Experiences:

- January 2020 – Present: Head, Healthcare Support (Concession), Edgenta Mediserve Sdn. Bhd.
- June 2018 – December 2019: Chief Operating Officer, Healthcare Support (Concession), Edgenta Mediserve Sdn. Bhd.
- August 2016 – May 2018: Chief Executive Officer, Cardiac Vascular Sentral Kuala Lumpur Sdn. Bhd.
- May 2014 – August 2016: Head of Medical Affairs and Quality, Parkway Pantai-Malaysia Operations (Subsidiary of IHH Healthcare Berhad)
- January 2013 – July 2014: Chief Operating Officer, Pantai Hospital Batu Pahat
- July 2012 – December 2012: Head of Business Development Unit, Imaging and Facilities and Maintenance, Pantai Hospital Kuala Lumpur
- February 2011 – June 2012: Head of Business Development, Prince Court Medical Centre Sdn. Bhd.
- February 2005 – February 2011: Medical Practitioner with National Health Service (NHS), United Kingdom

Declaration

- **Family Relationship with Director and/or Major Shareholder**
None of the Key Senior Management has any family relationship with any Director and/or major shareholder of UEM Edgenta
- **Conflict of Interest**
None of the Key Senior Management has any conflict of interest with UEM Edgenta
- **Conviction of Offences**
None of the Key Senior Management has been convicted for offences within the past five years other than traffic offences, if any
- **Public Sanction/Penalty**
None of the Key Senior Management has any public sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2020
- None of the Key Senior Management holds any share in the Company as at 31 December 2020



8

KENNY LIM WEI HSIEN

Head, Property & Facility Solutions
UEM Edgenta Berhad

Date of Appointment:
10 June 2019

Nationality: **Malaysian**

Age 49	Gender Male	Ethnicity Chinese
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Academic/Professional Qualification:

- Master of Business Administration from Victoria University, Australia
- Bachelor's in Mechanical Engineering (Hons.) from University of Warwick, United Kingdom
- Member of the Malaysian Institute of Property & Facility Managers ("MIPFM")

Present Directorship(s) in Listed Entity/ Other Public Companies:

Nil

Working Experiences:

- June 2019 – Present: Head, Property & Facility Solutions, UEM Edgenta Berhad
- August 2018 – May 2019: Chief Executive Officer, ISS Facility Services Malaysia
- July 2016 – July 2018: Managing Director, RNA Engineering & Trading
- April 2012 – May 2016: Sales Director, Service Business, KONE
- April 2010 – March 2012: Country Manager, Service, Schneider Electric
- April 2008 – March 2010: General Manager, Pre-Sales, Patimas Computers Berhad
- August 2007 – March 2008: Service Operations Manager, Asia-Pacific & Japan, Lenovo
- September 2004 – August 2007: Service Operations Manager, Emerson Network Power
- August 1995 – August 2004: Business Manager, Project & Service Manager, R&D Engineer, Daikin Malaysia Sdn. Bhd.

9

SHARIMAN YUSUF MOHAMED ZAIN

Head, Infrastructure Services
Managing Director,
Edgenta PROPEL Berhad

Date of Appointment:
17 March 2020

Nationality: **Malaysian**

Age 46	Gender Male	Ethnicity Malay
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Academic/Professional Qualification:

- Bachelor of Economics (Accounting & Finance) (Hons), London School of Economics & Political Science ("LSE"), United Kingdom

Present Directorship(s) in Listed Entity/ Other Public Companies:

Edgenta PROPEL Berhad

Working Experiences:

- March 2020 – Present: Head, Infrastructure Services, Managing Director, Edgenta PROPEL Berhad
- January 2019 – March 2020: Head, Client Solutions, UEM Edgenta Berhad
- 2011 – 2017: Country Division Lead/ Chief Executive Officer of the Mobility Division, Siemens, Malaysia
- 2007 – 2011: Various senior leadership positions in Siemens Malaysia including Head of Strategies and Business Development, Head of Airport Logistics, Deputy Head of Mobility and also short posting to HQ in Germany in 2010
- 2006 – 2007: Vice President, CEO's Office, Powertek Berhad
- 2002 – 2006: Director of Market Development, General Electric International Inc.
- 2001 – 2002: Head of Strategic Marketing, Siemens Malaysia Sdn. Bhd.
- 1999 – 2001: Senior Management Consultant with Deloitte Consulting's Asia Pacific Manufacturing Sector
- 1996 – 1999: Business Service Executive in the Retail Business Unit, Shell Malaysia Trading Sdn. Bhd., Malaysia

10

IR. DR. TONY CHAN

Chief Operating Officer,
Opus International (M) Berhad

Date of Appointment:
2 May 2018

Nationality: **Malaysian**

Age 46	Gender Male	Ethnicity Chinese
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Academic/Professional Qualification:

- Doctor of Philosophy (PhD) in Water & Environmental Engineering, Loughborough University, UK
- Bachelor of Engineering in Civil Engineering (Hons.), Loughborough University, UK
- Qualified Professional Engineer (Ir.) registered with Board of Engineers Malaysia ("BEM")
- Corporate Member of Institutions of Engineers Malaysia ("M.I.E.M")
- Chartered Member of Institution of Civil Engineers, United Kingdom (CEng)
- Fellow of the Chartered Management Institute, United Kingdom ("FCMI")
- Member of Institution of Civil Engineers ("MICE") United Kingdom, and ICE Representative of Malaysia
- Honorary Member of ASEAN Federation of Engineering Organisations ("MAFEO")
- Certified Asia Leaders Programme in Infrastructure Excellence ("ALPINE"), SMU, Singapore
- Qualified United Nations Dialogue Facilitator
- Certified Person for Project Risks & Construction Safety under Construction Skills Certification Scheme ("SCSS"), United Kingdom

Present Directorship(s) in Listed Entity/ Other Public Companies:

- Opus International (M) Berhad
- Pengurusan Lintas Berhad
- Opus Group Berhad

Working Experiences:

- September 2020 – Present: Industry Panel Advisor for Civil Engineering Faculty, SEGi University & Colleges
- May 2018 – Present: Chief Operating Officer, Opus International (M) Berhad
- 2015 – 2018: Group General Manager, Engineering & Technical, MMC Corporation Berhad
- 2013 – 2015: Country Head & Business Strategy, ATKINS Singapore
- 2012 – 2013: Regional Head of Water Sector, ATKINS Singapore
- 2010 – 2012: Business Development Manager, Water & Infrastructure, Mott MacDonald, Singapore
- 2007 – 2010: MWRI Egypt, Millennium Development Goal Specialist, World Bank
- 2006 - 2007: International Development Consultant, Mott MacDonald Group, United Kingdom
- 2003 – 2006: Flood Risk Management Consultant, ATKINS Ltd., United Kingdom
- 2000 – 2003: Urban & Infrastructure Consultant, SSP Sdn. Bhd., Malaysia
- 1998 – 2000: Assistant Professor in Construction Materials, Loughborough University, United Kingdom

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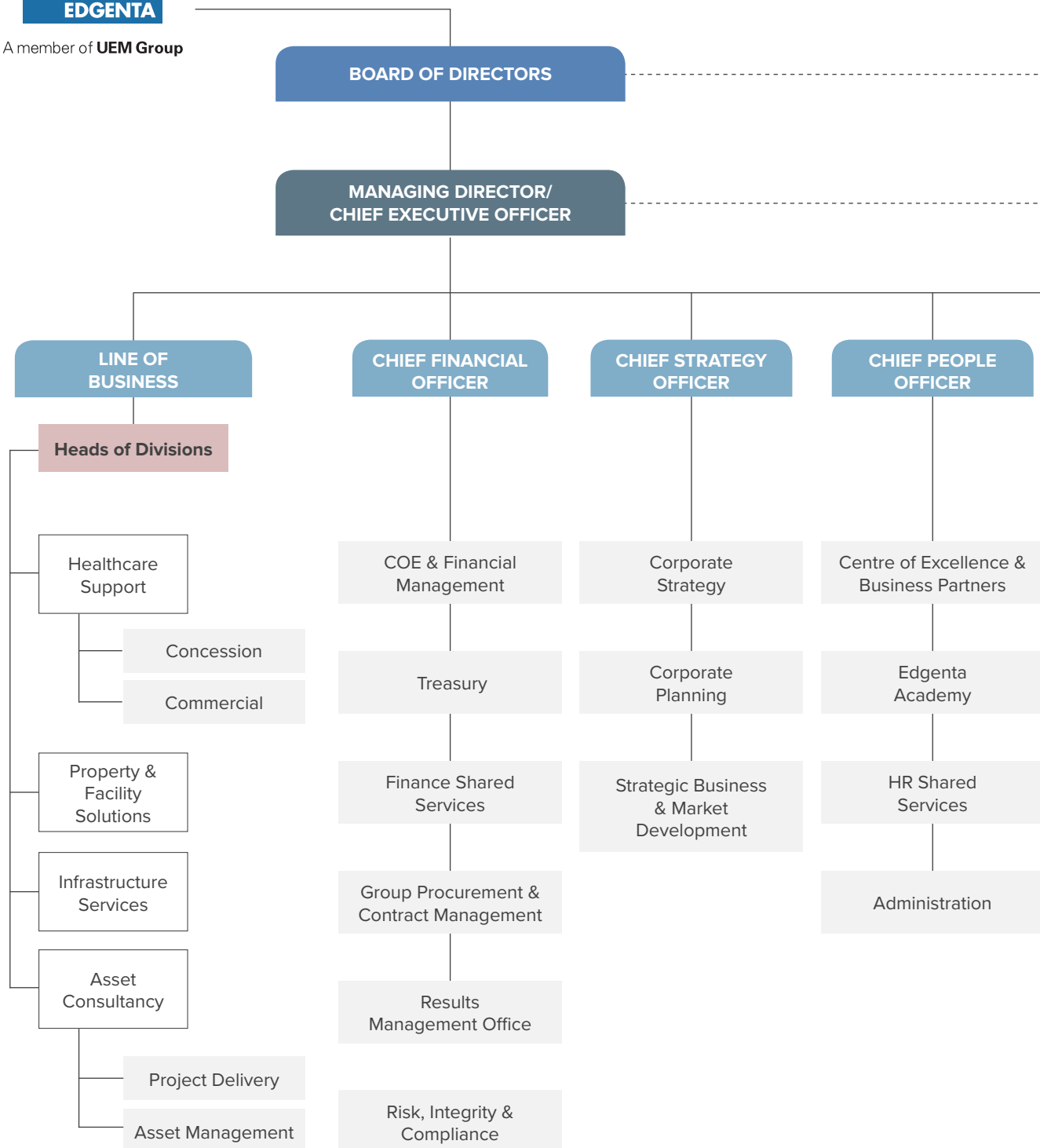
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ORGANISATION STRUCTURE

As at 31 March 2021



A member of UEM Group



Leadership



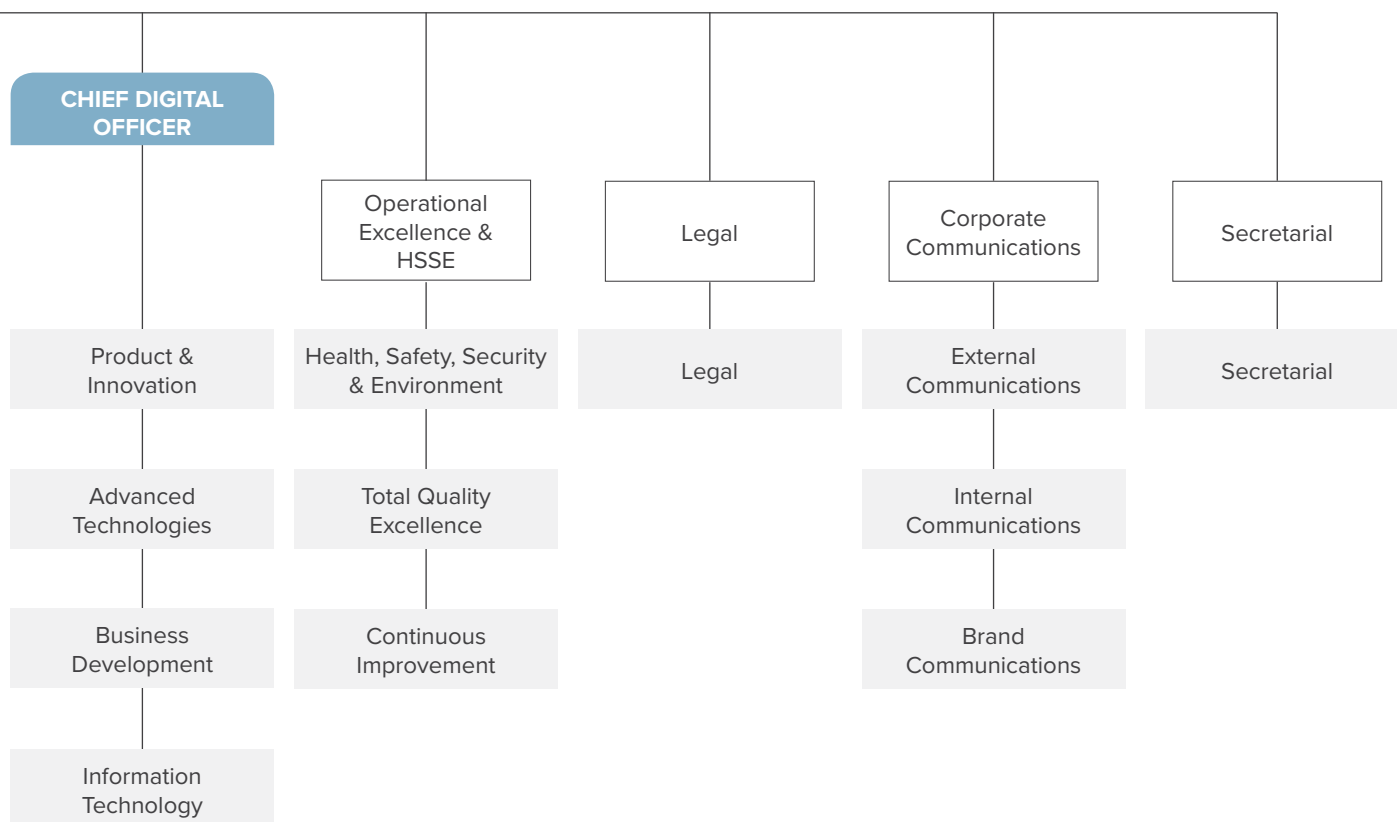
Line of Business



Board Committees

- Nomination and Remuneration Committee
- Board Tender Committee
- Board Governance and Risk Committee
- Board Investment Committee (Ad-hoc Committee)
- Audit Committee

Internal Audit



CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Statement is to be read together with the Corporate Governance Report (“CG Report”), which provides details on how the Company has applied each Practice as set out in the Malaysian Code on Corporate Governance 2017. The CG Report is available on the Company’s website at www.uemedgenta.com.

This Report sets out, amongst other things, our approach to governance in practice, how the Board works, how it has spent its time during the year. The Board recognises the importance of the application of the Malaysian Code on Corporate Governance 2017 (“the Code”), effective stewardship and strong corporate values that contribute to the success of the Company. The values your Board believes in are demonstrably embedded throughout the organisation. Your Company is headed by an effective Board that is collectively responsible for its long-term success and ensures that it operates effectively and efficiently and remains committed to maintaining strong momentum in pursuit of excellence in the way your Company is governed. Your Board is satisfied that each Board member is able to devote sufficient time to the Company.

This Corporate Governance Overview Statement (“Statement”) provides a summary of the Company’s corporate governance practices during the financial year under review, guided by the following three (3) key principles:-

Board Leadership and Effectiveness

Effective Audit and Risk Management

Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

A Strengthened Governance Framework

The Board is ultimately responsible to shareholders for the direction, management, performance and long-term success of the Company. It sets the Group’s strategies and objectives, as well as oversees and monitors the performance, internal controls, risks and its management, policies, governance and viability of the Company.

In discharging its roles and responsibilities, the Board is guided by the Board Charter and the Discretionary Authority Limits (“DAL”) which outlines the duties and responsibilities of the Board, as well as matters that the Board may delegate to the Board Committees, the Managing Director/Chief Executive Officer and Management. The Board Charter can be found online at uemedgenta.com/about-us/corporate-governance.

The Board’s main roles and responsibilities among others are as follows:-

Establishing, reviewing and adopting the **strategic plans** and direction for the Group.

Overseeing the conduct of the **Group’s business** to evaluate whether the business is being properly managed.

Identifying **principal risks** and ensuring the implementation of appropriate systems to manage these risks.

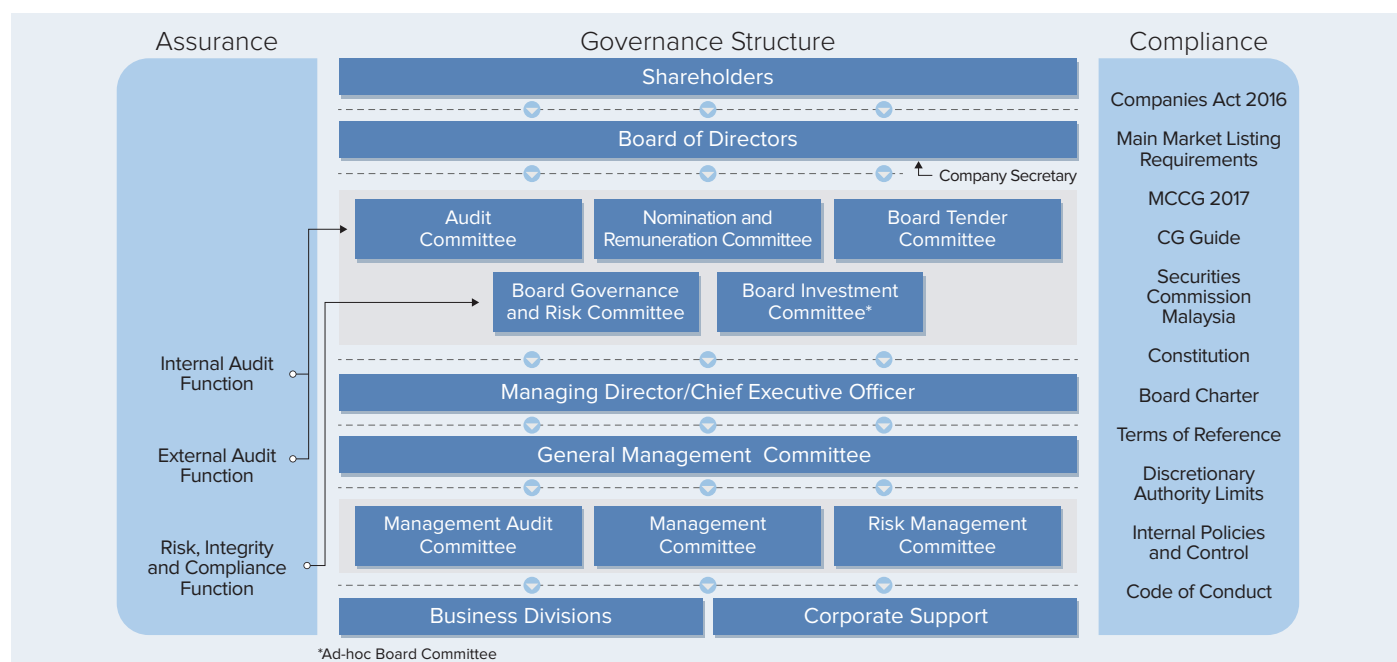
Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management.

Developing and implementing an **investor relations programme** or Corporate Disclosure Policy for the Group.

Reviewing the adequacy and the integrity of the **Group’s internal control systems and management information systems**, including system for compliance with applicable laws, regulations, rules, directives and guidelines.



The Board approved the formalisation of the following Corporate Governance Structure to guide the governance practices and authority of decision-making across the Company.



In order to ensure responsibilities are effectively discharged, the Board is assisted by five (5) Board Committees. These committees operate within defined terms of references, which can be obtained from our website at uemedgenta.com/about-us/corporate-governance. Each committee chair reports to the Board on the committee's activities following each committee meeting. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

Audit Committee

Assist the Board in the oversight responsibilities by reviewing and monitoring the integrity and adequacy of the Group's internal controls, financial and non-financial reporting process and management information systems, including related party transactions and systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Board Governance and Risk Committee

Undertake governance and compliance duties and responsibilities in addition to the oversight of risk management matters, monitor the exercise of Integrity & Governance Unit and overseeing the overall issue of corruption, fraud, malpractice & unethical conduct within the organisation.

Nomination and Remuneration Committee

Assist the Board on the nomination of Directors and Senior Management, assessing the effectiveness of the Board and Board Committees and recommending remuneration packages and assessing the performance of Managing Director/Chief Executive Officer and Senior Management.

Board Tender Committee

Reinforce corporate governance, integrity and transparency in the procurement process and contract management.

Board Investment Committee

(Ad-hoc Committee established on 19 January 2021)

Assist the Board on all matters in respect of acquisitions and divestments of business/investments.

The Board is supported by a Company Secretary, who advises the Board on all governance matters and ensures that Board procedures are followed. The Company Secretary also ensures that effective communication flows between the Board and its Committees and between Senior Management and the Non-Executive Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MEETING ATTENDANCE FOR FINANCIAL YEAR 2020

Members	Board	Audit Committee	Nomination and Remuneration Committee
	BOD	AC	NRC
Tan Sri Dr. Azmil Khalid Independent Non-Executive Chairman BGRC	14/14	–	–
Syahrulizam Samsudin Managing Director/Chief Executive Officer <i>(Appointed on 1 July 2020)</i>	7/7	–	–
Dato' Mohd Izani Ghani Non-Independent Non-Executive Director NRC	14/14	–	18/18
Dato' Noorazman Abd Aziz Non-Independent Non-Executive Director BGRC	13/14	–	–
Robert Tan Bun Poo * [^] Independent Non-Executive Director AC BTC	14/14	6/6	–
Elakumari Kantilal * Non-Independent Non-Executive Director BTC AC	14/14	6/6	–
Dato' George Stewart LaBrooy Independent Non-Executive Director BGRC NRC	14/14	–	14/14 <i>(Appointed on 31 March 2020)</i>
Emily Kok Independent Non-Executive Director AC BTC	13/14	6/6	–
Rowina Ghazali Seth Independent Non-Executive Director NRC BGRC	14/14	–	18/18 <i>(Redesignated on 31 March 2020)</i>
Juniwati Rahmat Hussin Independent Non-Executive Director <i>(Resigned on 31 March 2020)</i> NRC	3/4	–	4/4 <i>(Resigned on 31 March 2020)</i>
Dato' Azmir Merican Managing Director/Chief Executive Officer <i>(Resigned on 21 April 2020)</i>	5/5	–	–

* Member of the Malaysian Institute of Accountants

[^] Member of the Malaysian Institute of Certified Public Accountants

Board Tender
Committee

BTC

Board Governance and
Risk Committee

BGRC

–

5/5

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5/5

5/5

–

(Appointed on
31 March 2020)

6/6

–

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5/5

(Relinquished membership
on 31 March 2020)

5/6

–

–

5/5

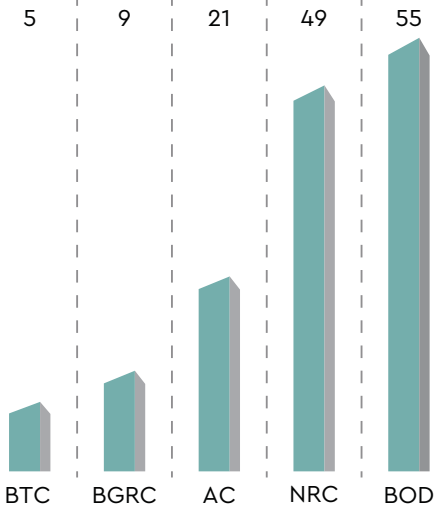
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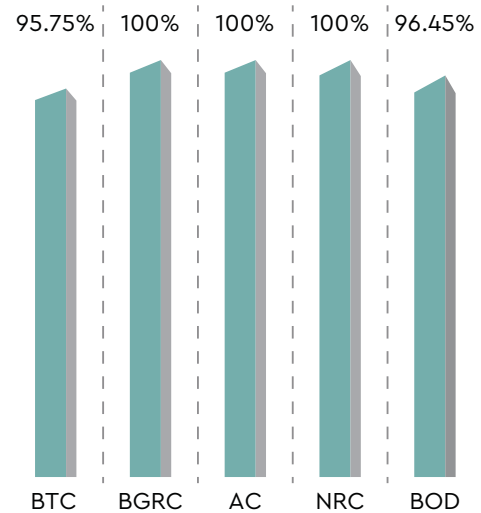
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TOTAL MEETING HOURS



AVERAGE MEETING ATTENDANCE



Legend



Chairman of Board Committee



Member of Board Committee

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Focus Areas

The Board is responsible for ensuring that the Company is appropriately managed and achieves the strategic objectives that it sets. For the financial year end, the Board discharged its responsibilities through an annual programme of meetings which was planned ahead in the fourth quarter of 2019. The annual Board meeting calendar is then communicated to the Directors prior to the commencement of the new financial year. Special meetings are convened as and when required.

The following are the board activities during the financial year under review:-

Strategic Plans and Direction

- Reviewed and approved:-
 - The Annual Operating Plan, Corporate Scorecard and Managing Director/Chief Executive Officer Scorecard.
 - The divestment of Operon Asset Advisory Sdn. Bhd., an associate of the Company.
 - The forward plan for Edgenta Environmental & Material Testing Sdn. Bhd.
 - The rationalisation of Property & Facility Solutions' Corporate Structure.

Health, Safety and Environment

- Reviewed the Health, Safety and Environment Report on quarterly basis.

Overseeing the conduct of the Group's business

- Reviewed and approved:-
 - The new organisation structure.
 - The revised Discretionary Authority Limits.
 - The establishment of Edgenta Management Committee for the Company during the transition period in the absence of Managing Director/Chief Executive Officer.

Risk Management

- Reviewed the recommendation from BGRC and approved the following:-
 - Risk Management Status Report on quarterly basis.
 - Revision of the Whistleblowing procedures.
 - Integrity & Compliance Reports.
 - Integrity & Compliance Plan.
 - Third Party Risk Management Framework.

Financial Statements

- Reviewed the recommendation from AC and approved the quarterly financial results and audited financial statements.
- Met up with the External Auditors for the presentation of their reports.

Succession Planning for Senior Management

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Reviewed and approved the appointment of the following Senior Management:- <ul style="list-style-type: none"> - Managing Director/Chief Executive Officer - Chief Financial Officer - Chief Digital Officer - Chief Strategy Officer - Head of Infrastructure Services - Head of Legal - Head of Internal Audit | <ul style="list-style-type: none"> • Reviewed and approved:- <ul style="list-style-type: none"> - The confirmation of Chief People Officer. - The strategies for Succession Plan. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



Governance/Compliance

- Reviewed and formalised the Remuneration Policy for Non-Executive Directors.
- Reviewed and adopted:-
 - The Corporate Governance Structure of the Company.
 - The revised Corporate Disclosure Policy.
 - The Policy on Reporting of Beneficial Ownership.

Human Resource

- Reviewed and approved the following:-
 - New Human Resources Policies.
 - Revised Total Remuneration Benefits.
 - Revised Incentive Plan for Infrastructure Services.
 - Revised Performance Management Framework.
 - New core values of the Company.

Nomination and Remuneration Committee (“NRC”)

The main responsibilities of the NRC is to assist the Board on the nomination of Directors and Senior Management, assessing the effectiveness of the Board and Board Committees and recommending remuneration packages and assessing the performance of Managing Director/Chief Executive Officer and Senior Management.

Among the key activities undertaken by the NRC during the financial year under review were as follows:-

Board Composition and Succession Planning

- Reviewed the mix of Directors to ensure high standard of Board performance and succession for both Executive and Non-Executive Directors in the event of any deficiency.
- Reviewed the composition of the Board and Board Committees of UEM Edgenta Berhad.
- Reviewed the Board composition for the subsidiaries/associate companies of UEM Edgenta Berhad.
- Examined the structure, size and composition of the Board with a view to determine the number of Directors on the Board in relation to its effectiveness and ensure that at every annual general meeting, one-third (1/3) of the Directors for the time being shall retire from office.
- Recommended the re-election/re-appointment of Directors under the retirement by rotation provisions of the Constitution of the Company and the Companies Act, 2016.

Recruitment and Appointment of Directors

- Assessed and recommended to the Board the candidacy of director, appointment of directors to Board committees, and reviewed Board's succession plans and training programmes for the Board.
- Reviewed the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board.

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CORPORATE GOVERNANCE OVERVIEW STATEMENT

Remuneration of Directors

- Reviewed and recommended to the Board the remuneration of Executive Directors and Non-Executive Directors in all its forms and to review the Group's remuneration policies and procedures which should be disclosed in the Annual Report.

Board Effectiveness Evaluation

- Assessed the Directors annually, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director including his/her time commitment to effectively discharge his/her role as a director, character, experience and integrity. All assessments and evaluations carried out by the NRC in the discharge of all its functions were properly documented.

Recruitment/Appointment and Succession Planning of Senior Management

- Reviewed the character, experience, integrity, competence and time commitment to effectively discharge the roles of Managing Director/ Chief Executive Officer and Chief Financial Officer.
- Reviewed and recommended:-
 - The proposed succession plans.
 - The appointment of the Senior Management, including the appointment of Head of Infrastructure Services through internal transfer.
 - The renewal of employment contract of Senior Management.
 - The confirmation of Senior Management.

Remuneration for UEM Edgenta Group

- Reviewed and recommended:-
 - The 2019 Performance Bonus of the Managing Director/Chief Executive Officer and Senior Management.
 - The proposed 2019 Bonus Pool and proposed annual increment, market adjustment and promotion increment for year 2020.
 - The 2019 Corporate Scorecard and Managing Director/Chief Executive Officer's Scorecard.
 - The proposed 2020 Corporate Scorecard and Managing Director/ Chief Executive Officer's Scorecard.
 - The revised Annual Increment Distribution Matrix.
 - The proposed Incentive Plan for Infrastructure Services.
 - The proposed 2021 Corporate Scorecard and Managing Director/ Chief Executive Officer's Scorecard.
- Reviewed and approved the revised Total Remuneration Benefits.

Governance/Policy

- Reviewed and recommended:-
 - The new organisation structure.
 - The revision to Discretionary Authority Limits for People Matters.
 - The Pre-Screening Employment Policy.
 - The establishment of Edgenta Management Committee.
 - The revised Performance Management Framework.
 - The new core values of the Company.



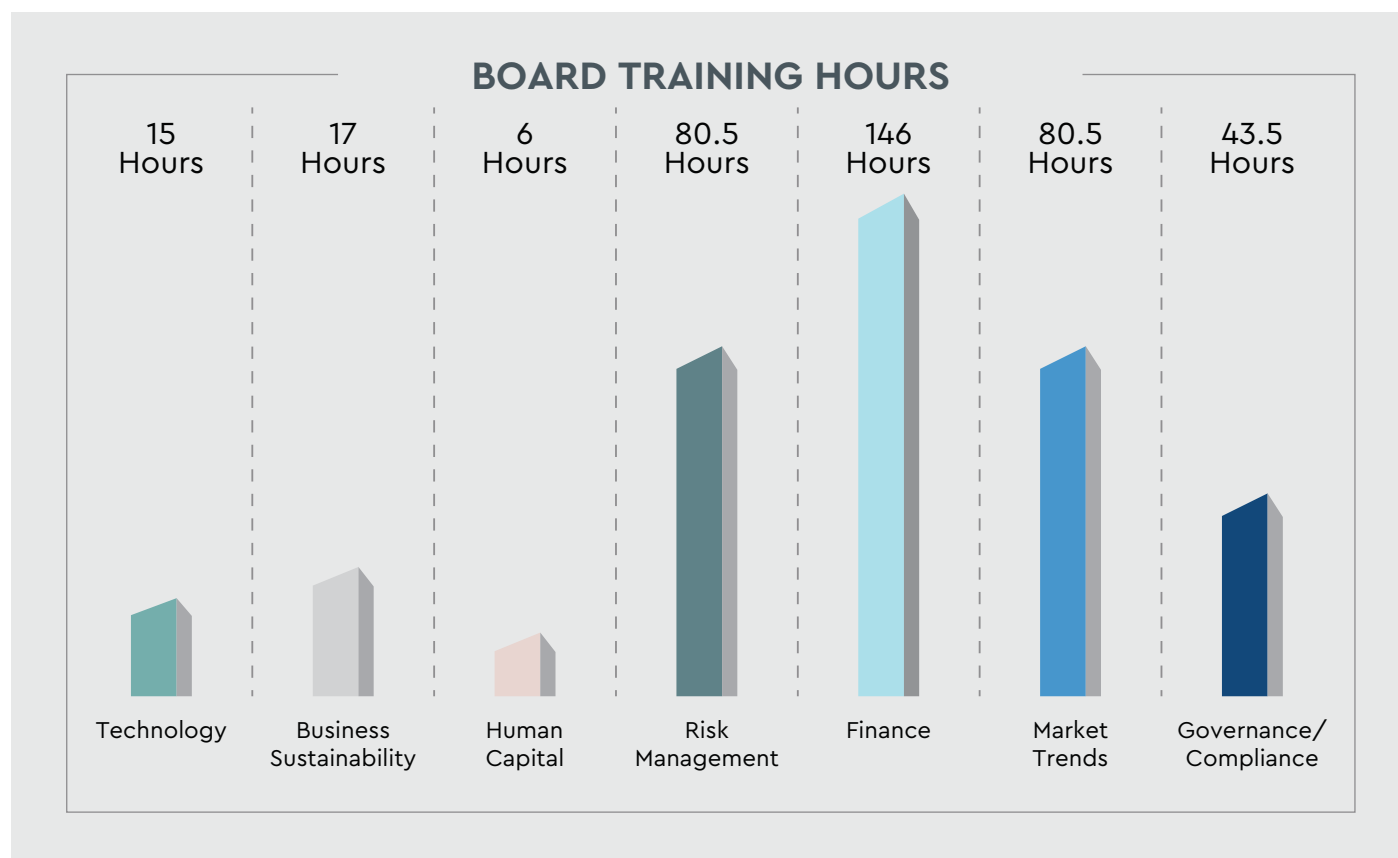
Directors' Continuing Education Programmes

In order to discharge their responsibilities effectively, continuous education is vital to gain insights into the state of economy, technological advances, regulatory updates and management strategies. Therefore, a specific budget has been allocated for Directors' training.

The Board's training needs are assessed and identified through the Board Evaluation Assessment. In addition to individual Director's recommendations on appropriate trainings that will enhance Board effectiveness, the Board is also regularly updated on the availability of external training courses for their consideration by the Company Secretary and the Edgenta Academy team.

Besides formal training programmes, the Board is also kept abreast on regulatory updates from the Bursa Malaysia Berhad, Securities Commission Malaysia and the Companies Commission of Malaysia by the Company Secretary. On 21 September 2020, the Risk, Integrity and Compliance Department had invited a guest speaker from Malaysian Anti-Corruption Commission to share on the Corporate Malaysia's New Norm arising from the implementation of the Section 17A of the Malaysian Anti-Corruption Commission Act.

During the year under review, the Directors have attended various seminars and training programmes to gain insights into the latest regulatory and industry developments in relation to the Group's businesses.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD COMPOSITION

Ensuring the Right Composition

The Board currently has nine (9) members, comprising an Independent Non-Executive Chairman, one (1) Executive Director, three (3) Non-Independent Non-Executive Directors and four (4) Independent Non-Executive Directors. One third (1/3) of the Board comprises of Independent Non-Executive Directors, in compliance with Paragraph 15.02(1) of the Listing Requirements.


















For year 2020, the Company had 55.56% Independent Non-Executive Directors and 33.33% Women Directors on Board.

Board Diversity





Board Mix of Skills and Experience

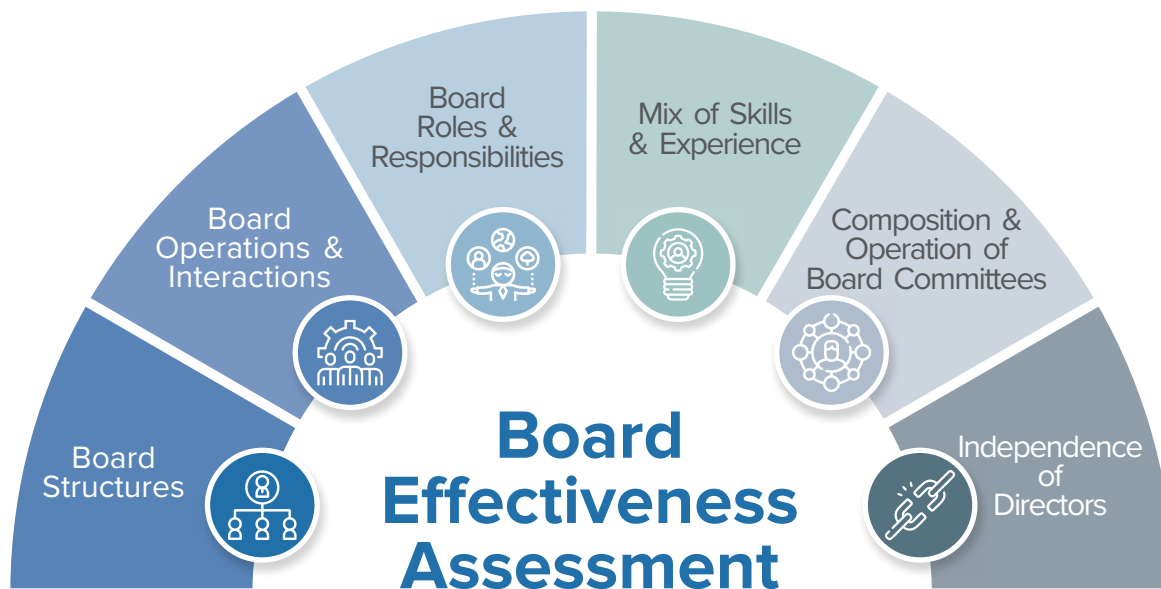
 Accounting/Financial/ Banking 89%	 Information & Communications Technology/Infrastructure 44%
 Asset Management 44%	 Leadership Experience 100%
 Consultancy & Project Management 67%	 Legal 33%
 Corporate Finance/ International Experience 78%	 Merger & Acquisition 89%
 Engineering 33%	 Property Development/ Property Management 78%
 Entrepreneurial Experience 56%	 Public Relations and Communications 56%
 Government Relations 44%	 Risk/Audit 100%
 Healthcare 22%	 Strategic Planning & Regulatory Experience 89%
 Human Capital Developer 56%	

The profile of each Director is set out on pages 102 to 110 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Effectiveness Assessment

The Board Effectiveness Assessment ("BEA") is an exercise performed annually. The evaluation process involved an online questionnaire which covered key topics and included forward looking elements as follows:-



Based on the results of the BEA, the Board Criteria Matrix was updated. The Board Criteria Matrix is considered an important tool in ensuring the diversity of the Board in terms of experience and expertise. With this matrix, the Board is able to identify any gaps in Board composition and use these gaps as criteria for selection of new Board members.

For the FY2020 evaluation, the Board had considered the engagement of an external independent expert. However, in view of COVID-19, the Board had agreed that the engagement of independent experts is put on hold and would be revisited in year 2021.

For the financial year under review, the BEA was facilitated by the Company Secretary via an online portal. A summary of the key issues raised was then collated and presented in a report to the NRC and the Board.

The results of the FY2020 evaluation did not indicate any material weaknesses or shortcomings identified that warrant specific action plan to address the same. The results of BEA indicated that the performance of the Board, Board Committees and individual Directors had been effective in their overall discharge of functions, roles and duties. The level of independence demonstrated by the Independent Directors are satisfactory.

The results also revealed that the Board is satisfied that the Managing Director/Chief Executive Officer and Chief Financial Officer of the Company have the character, experience, integrity, competence and time to effectively discharge their roles accordingly.

REMUNERATION

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

In August 2020, the NRC had conducted a review of the Board Remuneration Framework with the view to determine its competitiveness and sufficiency to attract, retain and motivate individuals to serve on the Board of UEM Edgenta Group. In this respect, the Board approved the recommendation by the NRC to maintain the existing Directors' Remuneration Framework.



The Remuneration Policy for Non-Executive Directors was reviewed by the NRC and approved by the Board on 8 December 2020, to strengthen the Company's commitment to attract and retain talented and well-qualified Directors. The policy is available at the Company's website at www.uemedgenta.com.

The Non-Executive Directors are paid a fixed base fee on a quarterly basis. With the recommendation from the NRC, the Board as a whole determines the remuneration for Non-Executive Director with directors concerned abstaining from deliberation or voting on decision in respect of their remuneration. The aggregate amount of Directors' fee to be paid to Non-Executive Directors is subject to the approval of the shareholders at general meeting.

The Directors' Remuneration Framework are as follows. Details of the quantum of the individual directors' remuneration on named basis are as set out in the CG Report under Practice 7.1.

Directors' Fees	Proposed Directors' Fee per annum (RM)	
	Chairman	Member
Board	210,000	108,000
Audit Committee	50,000	30,000
Other Board Committees	25,000	15,000

The benefits payable and accorded to the Directors for FY2020 are:-

No.	Description	Directors' benefits						
(a)	Allowance will be paid to Directors for the following:- (i) Attending meetings with Government representatives on behalf of the Company; or (ii) Handling operational issues such as site visits to advise operating companies.	RM1,000 per day						
(b)	Meeting allowance for ad-hoc or temporary Board Committees established for specific purposes.	<table><tr><th colspan="2">Per Meeting</th></tr><tr><td>Chairman of Committee</td><td>Member of Committee</td></tr><tr><td>RM2,000</td><td>RM1,000</td></tr></table>	Per Meeting		Chairman of Committee	Member of Committee	RM2,000	RM1,000
Per Meeting								
Chairman of Committee	Member of Committee							
RM2,000	RM1,000							
(c)	Car allowance for Chairman of UEM Edgenta	RM3,400 per month						
(d)	Medical benefits for Board members <i>Where a Director sits on several boards within the UEM Group of Companies, he will be entitled to claim medical benefits from one (1) company only.</i>	(i) Medical coverage of RM7,000.00 per annum, inclusive of outpatient, clinical, specialist and dental; and (ii) Hospitalisation of RM100,000.00 per annum including room and board at RM500.00 per day						
(e)	Training and Development of Directors	A training budget is allocated for Directors to attend relevant training programmes and seminars to enhance their knowledge and skills in discharging their duties.						
(f)	Directors' & Officers' Liability Insurance	Directors are covered by Directors' and Officers' Liability Insurance maintained throughout the financial year to indemnify directors and officers against any liability incurred by them in the discharge of their duties while holding office as directors and officers of the Company.						
(g)	Subsistence allowance for business travel	<ul style="list-style-type: none">Peninsular & East Malaysia – RM150 per dayOverseas – USD125 per day						

The Board proposed for the discontinuation of Directors' benefit for item (a). Accordingly, the Company would be seeking shareholders' approval at the forthcoming Annual General Meeting for the payment of Directors' benefits for items (b) and (c) of the above table.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

The Audit Committee ("AC") led by Mr. Robert Tan Bun Poo assists the Board in its oversight of the Company's financial reporting, and in fulfilling its fiduciary responsibilities relating to internal controls. This includes risk management, maintenance of financial and accounting records and setting policies as well as financial reporting practices of the Group. It also reviews related party transactions, conflict of interest situations that may arise within the Group and the provision of non-audit services by the External Auditors.

The AC comprises of three (3) members, all of whom are Non-Executive Directors, with a majority of them being Independent Directors.

Kindly refer to page 122 for the AC's membership and composition and the AC Report for the summary of work carried out by the AC during the financial year 2020.

The duties and responsibilities of the AC are set out in its Terms of Reference which is available at the Company's website at www.uedgenta.com.

The Board, through the AC maintains a transparent and professional relationship with the Internal and External Auditors. The AC has been explicitly accorded the authority to communicate directly with both the Internal and External Auditors.

Currently, Messrs Ernst & Young PLT provides independent and professional external auditing services to the Group. The AC conducts yearly assessment on the suitability and independence of the External Auditors.

For the year under review, the External Auditors have confirmed to the Board their independence in providing their services.

The AC meets up with the External Auditors at least twice a year in the absence of the Managing Director/Chief Executive Officer and Management. The External Auditors were also present at Board Meetings for the presentation of their reports.

The Board is satisfied with the outcome of the assessment of the External Auditors on their suitability and independence, and will be recommending for their re-appointment at the forthcoming annual general meeting, subject to the approval of the shareholders.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Effective Risk Management and Internal Control Framework

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

The Board discharges its risk governance and oversight functions via the Board Governance and Risk Committee ("BGRC") who undertake governance and compliance duties and responsibilities in addition to the oversight of risk management matters and reviews the effectiveness of risk management framework to manage the overall risk exposure to the Group, monitor the exercise of Integrity & Governance Unit and overseeing the overall issue of corruption, fraud, malpractice & unethical conduct within the organisation.

While the BGRC is responsible for assessing and monitoring the efficacy of the risk management controls and measures taken, the AC is responsible for the review of the adequacy and effectiveness of the internal controls through the work performed by the Internal Audit function.

For the year under review, the BGRC comprises four (4) members with a majority being Independent Non-Executive Directors, and operates within defined terms of reference.

The Statement on Risk Management and Internal Control as set out on pages 138 to 147 of this Annual Report provides an overview of the state of internal controls within the Group.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

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

- Annual Report;
- Various disclosures and announcement to Bursa Securities including quarterly results;
- Analyst briefings, press releases and announcements to the media;
- Dialogues and presentations at general meetings to provide overview and clear rationale with regard to the proposals tabled for approval by shareholders;
- Online investor relations on the Company's website at www.umedgenta.com; and
- All announcement made by the Company to Bursa Securities will be posted on the Company's website at www.umedgenta.com.

The summary of engagements with stakeholders are available on page 94 of this Annual Report.

Shareholders may forward any concerns/queries to Investor Relations at ir@edgenta.com and all relevant and appropriate issues raised will be addressed accordingly.

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

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

The Company has in place, the Corporate Disclosure Policy which outlines the Company's approach towards the determination and dissemination of confidential information, the circumstances under which the confidentiality of information will be maintained and restrictions on insider trading. The Corporate Disclosure Policy also provides guidelines in order to achieve consistent disclosure practices across the Group.

The Annual Report 2020 was presented based on Integrated Reporting. The Company has fully adopted integrated reporting based on a globally recognised framework.

CONDUCT OF GENERAL MEETINGS

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

With the Code which came into effect on 26 April 2017, Notice of AGM has been given to shareholders at least 28 days prior to the meeting.

For the AGM held on 26 June 2020, the Notice of AGM was given to shareholders on 28 May 2020. The meeting which was conducted in its entirety via live streaming and online remote voting at the Broadcasting venue at Menara UEM, was attended by all directors. Besides the Directors, the Senior Management and External Auditors were also in attendance to respond to shareholders queries.

This Corporate Governance Overview Statement was approved by the Board on 23 March 2021.

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AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee (“AC”) Report which provides insights on how the AC discharge its function and duties for the financial year ended 31 December 2020.

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

COMPOSITION

The composition of the AC and meeting attendance for financial year 31 December 2020 are available in pages 122 to 123 of the Corporate Governance Overview Statement.

SUMMARY OF WORK OF THE AC

During the year, the Chairman of AC met the Internal Audit team regularly and had pre-meeting discussions of their activities and reports.

In line with the terms of reference of the AC, the following works were carried out by the AC during the financial year ended 31 December 2020:-

A. FINANCIAL STATEMENTS AND CORPORATE GOVERNANCE

1. Reviewed the quarterly and annual financial statements of the Company and of the Group; and recommended them for Board’s approval, focusing particularly on:
 - a. appropriateness and relevance of accounting policies and practices adopted and their application;
 - b. any significant non-recurrent or unusual year-end transactions made or events occurred during the year;
 - c. any significant changes to the basis of preparation of the financial statements or new accounting standards adopted during the year which impacted the result or financial position of the Group;
 - d. the going concern assumption used in the preparation of the financial statement;
 - e. significant accounting matters highlighted which included financial reporting issues, estimates or judgements made by Management, unusual events or transactions, and how these matters are addressed; and
 - f. compliance with financial reporting standards and other regulatory requirements.
2. Reviewed recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations in the ordinary course of business of the Company and its subsidiaries to ascertain as to whether they are undertaken on an arm’s length basis on normal commercial terms not more favourable to the related parties than those generally available to the public or those extended to unrelated parties and are not detrimental to the minority shareholders.

3. Reviewed the Circular to Shareholders in respect of the proposed shareholders' mandate for recurrent related party transactions and proposed new mandate for additional recurrent related party transactions of a revenue or trading nature.
4. Reviewed and recommended the Corporate Governance Overview Statement, Corporate Governance Report, AC Report and Statement on Risk Management and Internal Control, to the Board for its approval.

B. INTERNAL AUDIT

1. Reviewed and approved the Internal Audit Plan Year 2020, including changes for adequacy and appropriateness of coverages. The above included the risk-based planning methodology, high-level review scope and its manpower requirement for the proposed audit activities.
2. Reviewed the scope, functions, competency and resources of the Internal Audit Department ("IAD") to ensure that it had the necessary independence and authority expected by the professional standards and applicable guidelines to carry out its work professionally and with impartiality and propriety.
3. Reviewed and deliberated the internal audit reports (planned and ad-hoc) and ensured that appropriate recommendations were discussed and agreed with Management and that timely remedial actions were taken by Management on gaps or lapses of controls or procedures identified by IAD.
4. Discussed with Internal Audit, their follow-up on corrective action taken by Management on audit issues to ensure that all the key risks and control lapses have been addressed on timely manner.
5. Reviewed and approved the IAD Scorecard.
6. Assessed and approved the appointment of new Head of Internal Audit.

C. EXTERNAL AUDIT

1. Reviewed with the External Auditors:
 - a. The audit plan, audit methodology and scope of work, especially on areas identified for audit focus for the year;
 - b. Their comments and issues arising from their annual audit, their audit report and management letter of comments on the group internal control;
 - c. The key audit matters highlighted for inclusion in the audit report and the audit process in addressing them; and
 - d. The Group's financial reporting process including consolidation.
2. Assessed the objectivity, suitability and independence of the External Auditors in carrying out their audit during the year.
3. Evaluated the performance of the External Auditors and recommended their re-appointment to the Board of Directors.
4. Reviewed with the External Auditors on 19 November 2020 and 22 February 2021 without the presence of the Managing Director/Chief Executive Officer and Management, on any concerns/issues affecting their audit, the results of audit, including the level of cooperation rendered by Management in respect of their access to financial information and accounting records.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The Group has established its own IAD to provide independent and objective assurance to the AC and the Board that the established internal controls, risk management and governance processes are adequate and operating effectively and efficiently as well as complied with the relevant internal rules and regulations.

The IAD activities and practices is closely guided by the International Professional Practice Framework (IPPF) on Internal Auditing issued by the Institute of Internal Auditors.

The information on the resources, objectivity and independence of the Head of Internal Audit and internal auditors are provided in the Corporate Governance Report in accordance with Practice 10.2 of the Malaysian Code on Corporate Governance 2017.

The AC reviews and approves the IAD's manpower requirements to ensure the function is adequately resourced with competent and proficient internal auditors. The total cost incurred for the internal audit function for financial year ended 31 December 2020 is approximately RM1,478,000, comprising mainly salaries, training and traveling expenses for audit assignments.

ACTIVITIES

The IAD implements a risk-based audit methodology in establishing its annual audit plan. The audit plan 2020 which was approved by the AC on 20 February 2020, had considered the Group's identified risks and focused of auditable areas where the risks would have most impacted the business objectives of the Group. Among the focus areas are on operational risks, financial risks, information technology risks as well as the order book risks.

The scope of the planned audit assignments for financial year 2020 covered the following:

1. Governance related – Compliance with the requirements of Section 17A of Malaysian Anti-Corruption Commission Act 2018.
2. Operational audits in Infrastructure Services, Healthcare Support and Property & Facility Solutions.
3. Quarterly review on Related Party Transactions/Recurrent Related Party Transactions.

During the year, AC had reviewed and deliberated on a total of thirteen (13) internal audit reports in relation to the audits carried out, together with the audit recommendations made by IAD and the Management Responses to those recommendations. Representatives of IAD attended all the planned AC meetings during the year to brief the AC on audit results and significant matters raised in the detailed IAD reports. The Heads of Divisions, where required, were also invited to the AC Meeting to provide further explanations on the audit observations highlighted. Where appropriate, the AC had directed Management to rectify and improve control and workflow procedures based on Group Internal Audit's recommendations.

The AC, at all its quarterly meetings, also reviewed the implementation status of the corrective actions arising from the audit recommendations to ensure that the key risks and control lapses were addressed in a timely manner.

For the purpose of evaluating the performance of the IAD, the AC had at its meeting on 19 March 2020, reviewed, deliberated and approved the IAD's Performance Scorecard criteria for financial year 2020.

In addition to the above, AC had at its meeting on 19 November 2020 reviewed the results of self-assessment on disclosure compliance on Internal Audit Function Effectiveness based on the observations highlighted by Bursa Malaysia Securities Berhad on its thematic review conducted on 40 Public Listed Companies.

ADDITIONAL COMPLIANCE INFORMATION

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF FINANCIAL STATEMENTS

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

The Directors consider that, in preparing the financial statements for the financial year ended 31 December 2020, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia have been followed and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the applicable MFRS, IFRS and the requirements of the Companies Act 2016 in Malaysia.

The Board is satisfied that it has met its obligation to present a balanced and fair assessment of the Group's position and prospects in the Directors' Report on pages 176 to 180 and the Audited Financial Statements from pages 187 to 311 of this Annual Report.

NON-AUDIT FEES

RM'000	Company	Group
Statutory audit fees paid/payable to external auditor	153	1,223
Non-audit fees paid/payable to external auditors	37	196

The Company engaged the external auditor for the following non-audit works:

- Review of Statement on Risk Management and Internal Control
- Tax compliance and advisory services

MATERIAL CONTRACTS

Other than those disclosed in the financial statements and the recurrent related party transaction section in this Annual Report, there were no material contracts including contracts to any loans entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests.

UTILISATION OF PROCEEDS

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

On 24 April 2020, the Company completed the issuance of RM50.0 million in nominal value of ICP with a tenor of 12 months under the ICP Programme. The proceeds raised was utilised to redeem the outstanding ICPs amounting to RM50.0 million on the said ICP Programme which was issued on 26 April 2019 and matured on 24 April 2020.

A summary of the transactions and utilisation of the proceeds is outlined below:

Issuance Date	Type	Maturity Date	Nominal Value (RM million)	Proceeds Utilisation
26 April 2019	ICPs	April 2020	50	For Shariah-compliant general corporate purposes.
24 April 2020	ICPs	April 2021	50	For Shariah-compliant general corporate purposes.
26 April 2017	IMTNs	April 2022	250	For Shariah-compliant general corporate purposes.

REVALUATION POLICY

The Company has not adopted a regular revaluation policy on landed properties.

RECURRENT RELATED PARTY TRANSACTIONS

The Company proposes to seek approval of its shareholders for the renewal of mandate for recurrent related party transactions and the proposed new shareholders' mandate for additional recurrent related party transactions of a revenue and trading nature which is in the ordinary course of business at the forthcoming Annual General Meeting of the Company to be held in 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In accordance with the practice set out in the Malaysian Code on Corporate Governance 2017, a listed company should establish an effective risk management and internal control framework. The Board of Directors ("Board") is pleased to provide this Statement on Risk Management and Internal Control pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

RESPONSIBILITY OF THE BOARD

The Board acknowledges the importance of maintaining a sound framework in managing risks to safeguard the shareholders' investments and the Group's assets.

The Board is constantly and actively identifying the Group's level of risk tolerance, assessing and monitoring the key business risks. These include updating the internal control systems of the Group.

The Board however, acknowledges that the system of internal control is designed to manage and reduce the risk of not achieving business objectives and only provide reasonable and not absolute assurance of effectiveness against material misstatement of management and financial information and records or against financial losses or fraud.



MAIN FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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

GENERAL MANAGEMENT COMMITTEE

- The General Management Committee ("GMC") is chaired by the MD/CEO and comprises the senior management team members from respective divisions.
- The key role of the GMC is to drive strategic execution, deliberate and resolve the Group's key strategic and operational issues in a timely manner and keep track of key business developments.
- The GMC also serves as a platform to monitor the Group's strategic direction and for members to report on their respective business and operation plans to the MD/CEO, highlight issues and devise solutions/corrective plans, as well as to address other matters as directed by the Board and/or the MD/CEO.



BOARD AND BOARD COMMITTEES

- For the financial year under review, there are nine (9) Directors on the Board comprising one (1) Managing Director/Chief Executive Officer ("MD/CEO"), five (5) Independent Non-Executive Directors and three (3) Non-Independent Non-Executive Directors.
- The Board has established the Audit Committee ("AC"), Board Governance and Risk Committee ("BGRC"), Nomination and Remuneration Committee ("NRC"), Board Tender Committee ("BTC") and Board Investment Committee ("BIC") with specific Terms of Reference, which governs the authority to examine all matters within its scope of responsibilities and report to the Board with its recommendations for the Board's decision.

With effect from 1 January 2020, the then Audit and Risk Committee has been separated into the Audit Committee and Risk Committee, and the Risk Committee has been renamed as Board Governance and Risk Committee.

The Board has also established the Board Investment Committee on 19 January 2021.

- The responsibilities and functions of the Board, each of its committees and the individual directors are specified in its respective Terms of Reference and Board Charter.



RISK MANAGEMENT COMMITTEE

- The Board has delegated the Governance of Risk Management to the Risk Management Committee (“RMC”) to assist the Board in ensuring sound and robust Risk Management Framework (“RMF”) to achieve the Group’s strategic objectives, safeguard shareholders’ investments and its assets. The Terms of Reference was established and endorsed by the Board to govern its responsibilities and activities.
- The RMC is chaired by the Group’s MD/CEO and consists of Heads of Companies of the Group and co-opted members from the management team of the Group. The RMC undertakes the following responsibilities:
 - Review and recommend risk management policies and procedures for the approval or acknowledgement of the BGRC and Board;
 - Act as Primary Champion of risk management at strategic and operational levels;
 - Review the ongoing adequacy and effectiveness of the risk management process;
 - Review the consolidated risk registers to identify significant risks and whether these are adequately managed; and
 - Ensure that the BGRC and Board receive adequate and appropriate information for review and decision-making respectively.
- The RMC is assisted by the Risk, Integrity & Compliance Department (“RICD”), which is primarily responsible for the implementation of RMF and operationalisation of risk management processes and practices. A Charter, which defines RICD’s responsibilities, scope and authority for the Group, has been established and endorsed by the Board.

COMPANY VALUES

The Group is intensifying the communication and inculcation of the Group’s values: FIRST (Future Focused, Imagine New Ways, Respect for All, Solutioning Mindset and True to our Word) amongst its employees through descriptions of key behaviours and rollout via leaders and supervisors.

POLICIES AND PROCEDURES

Written policies are established to guide how a department or an individual within the Group works or behaves and provides guidance to employees as to what their obligations are. Some policies are supported by procedures which describe the steps the employees shall take to produce an output or to complete a process. The policies and procedures also form part of the various management systems and are reviewed regularly and updated when necessary. Briefings and trainings are frequently held to enhance employees’ awareness on the policies and procedures.

The Group has dedicated teams to carry out Quality Assurance/Quality Control, and Health, Safety and Environment activities. Those teams monitor compliance to the established internal Policies and Procedures, International Management System Standards (ISO 9001 – Quality Management System, ISO 45001:2018 – Occupational Quality Health & Safety Management System, ISO 14001 – Environmental Management System, ISO 13485 – Medical Devices Quality Management System ISO/IEC 17025 – Laboratory Management System), contracts and relevant legal requirements.

UEM Edgenta has established a HSSE Management System to inculcate a strong HSSE culture and sustainable performance. The HSSE Management System comprises HSSE rules, SOPs and processes. This also includes introducing an enhanced UEM Edgenta HSSE Management System (“MS”) Manual which

seeks to make the HSSE execution simpler and more aligned within the Group.

Subsidiaries within the Group have implemented several internationally accredited Management Systems to standardise its management and operational processes and to further improve its efficiency. The following subsidiaries have been awarded with various MS certifications:

Edgenta PROPEL Berhad

- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018

Opus International (M) Berhad

- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018

Edgenta Mediserve Sdn. Bhd.

- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018
- ISO 13485:2016/
EN ISO 13485:2012

Edgenta Environmental & Material Testing Sdn. Bhd.

- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018
- ISO/IEC 17025:2017

Edgenta GreenTech Sdn. Bhd.

- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018

These certifications reflect the Group’s commitment in ensuring the quality deliverables to customers, safeguard safety and health of employees and safeguard the environment.

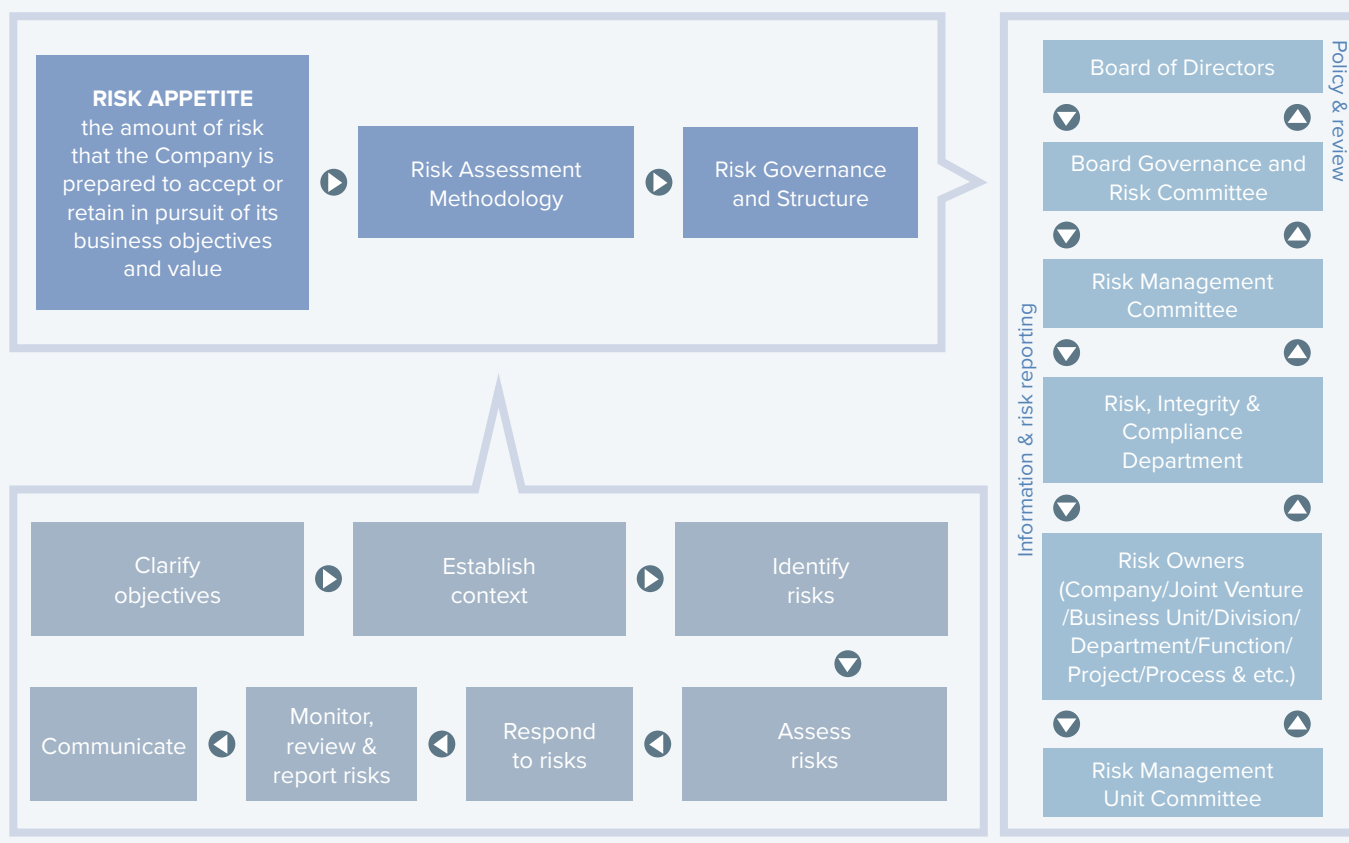
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

Risk Management Framework

- The RMF provides the foundation and organisational arrangement for managing risk across the Group. It illustrates how risk management is embedded in the organisational systems and integrated at all levels and work contexts, making risk consideration part of our day-to-day decision-making and business practices.
- Principally aligned with ISO:31000, the RMF includes scope and objectives, emphasis on enterprise-wide risk assessment and management, and Risk Control Effectiveness Indicators ("RCEI"), which measure the appropriateness and effectiveness of risk countermeasures based on demonstrated/observed improvements on key business, operating and financial parameters.
- The RMF aims to:
 - Establish common risk language, modus operandi and direction with regard to risk management.
 - Convey the Group policy and attitude to risk management.
 - Set the policy, methodology, scope and application of risk management.
 - Detail the process for escalating and reporting risks.
 - Establish the roles and responsibilities for managing risk.
 - Facilitate open communication between management and the Board with respect to risk; encourage proactive decision making; and
 - Build an appropriate culture of integrity and risk awareness.

KEY FEATURES OF RISK MANAGEMENT FRAMEWORK



- The RMF has been communicated to employees of relevant levels and will be reviewed for continuous improvement.



Risk Management Approach


- The Group adopts a formal and structured approach for the risk assessment process.
- The methodology comprises sequential steps of risk management activities that are interrelated and iterative. The process applied to the whole of a business (enterprise level) or to any part of a business (divisions, departments, functions, business units, projects, processes).
 - a. Set/clarify business objectives:
Understanding of what the objectives are for the Company and its group of companies.
 - b. Establish context:
Establish the context and boundaries within which the Group operates.
 - c. Identify risks:
Risk(s) are those internal or external factors which could affect/influence the achievement of business objectives either positively or negatively.
 - d. Assess risks:
Prioritise risks by evaluating the potential impact on business objectives if a risk were to materialise together with the likelihood of occurrence.

The Group adopts the following risk rating matrix to articulate the relationship between risk impact and likelihood.

RISK RATING					
Likelihood	Risk Impact				
	Insignificant	Minor	Moderate	Major	Catastrophic
Certain	Medium	Significant	Significant	High	High
Likely	Medium	Medium	Significant	Significant	High
Possible	Low	Medium	Medium	Significant	High
Unlikely	Low	Medium	Medium	Significant	Significant
Remote	Low	Low	Medium	Medium	Significant

- e. Respond to risks:

The Group adopts the **4Ts** (Take, Treat, Transfer & Terminate) strategy in responding to the identified risks and qualify these according to the acceptable levels.




TAKE
Intentionally taking risk due to inherent/unavoidable risk or to pursue/sustain higher returns, with informed approval by appropriate level



TREAT
Mitigation plans established to reduce the likelihood & impact



TRANSFER
Transfer the risk by moving the risk to third party but accountability still resides with Risk Owners



TERMINATE
Avoidance by not to proceed or continue with a particular activity or seeking alternative means to achieve objective

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

f. Monitor, review and report risks:

Risk events and trends to be continually scanned, assessed and monitored and similarly risk responses are monitored continuously to ensure that risk responses are operating as designed and expected.

g. Communicate:

Communication is required for an effective risk management programme. Changing business conditions continuously alters the risk profile of an entity, hence, frequent and explicit conversations about risk is vital to maintain continued awareness and management of key risks.

Risk Identification Process

Risks are those internal or external factors which could affect/influence the achievement of business objectives either positively or negatively.

- Risk waterfall is used to systematically identify the 1st, 2nd and 3rd order effects of each risk event; link some of the events into cascades:

a. 1st Order Effects:

Effects that have a direct impact on financial performance.

b. 2nd Order Effects:

Effects that have an indirect impact on financial performance; they influence another element in the industry or value chain consequently altering the dynamics in the marketplace.

c. 3rd Order Effects:

Effect of macroeconomic that affects the entire economy.

WATCH FOR INDEPENDENT & CASCADING RISK DRIVERS





Summary of Risk Management Activities

Risk management activities that were undertaken at both the Company and subsidiary levels to instil a proactive risk management culture and ownership are as follows:

- Periodic risk awareness briefing, risk identification and mitigating action plans workshops are conducted as continuous efforts to inculcate proactive risk-aware culture within the Group.
- Risk Management Status Reports are produced quarterly at the minimum and are presented to the RMC, BGRC and Board for deliberation and approval.
- Quarterly review and monitoring implementation of risk action plans by the Risk Management team.
- Identification and reporting of emerging risks and mitigation plans to the RMC, BGRC and Board for deliberation and approval.
- Provides Risk Management consultation and advisory services to projects, investment and potential business leads.

INTEGRITY & COMPLIANCE

Integrity & Compliance are the foundation and values in our day-to-day decision-making and business practices.

A BGRC was set up on 1 January 2020 to undertake the integrity & governance activities in addition to the oversight of risk management & compliance matters. The BGRC is chaired by an Independent and Non-Executive Director.

UEM Edgenta has the following existing Integrity & Compliance related Framework, Policy & Procedures in relation to integrity & compliance practices:

- **Code of Conduct**
The UEM Edgenta Code of Conduct expresses our commitment to build trust in our business ecosystem, and it outlines ethical behaviour standards in our business activities, accompanied by important policy statements.
- **Code of Conduct for Business Partners**
The UEM Edgenta Code of Conduct for Business Partners sets the expectations for our dealings with this key stakeholder group.
- **Compliance Framework**
The Framework aims to establish and embed the culture of ethics and integrity, consistent with the values of the organisation and promote the culture of commitment to lawful and ethical behaviour.

Whistleblowing Policy and Procedures

This Policy and Procedures is to provide an avenue for all employees of UEM Edgenta, third parties employed or engaged by UEM Edgenta, and members of the public to disclose any improper conduct or unethical behaviour, actual or suspected fraud and/or abuse and to provide protection for those who report such allegations.

Third-Party Risk Management Framework

This framework is to safeguard the interests of stakeholders by ensuring that third-party risks is adequately and properly managed to mitigate the impact on reputation, operations, and financials of UEM Edgenta.

Anti-Bribery & Anti-Corruption ("ABAC") Guide

UEM Edgenta takes a zero-tolerance approach to bribery and corruption and is committed to adhering to the highest standards of ethical behaviour in the conduct of all its business dealings and relationships. This is an essential guide to manage bribery and corruption risk.

Investigation Procedure

The procedure has established a consistent process to ensure that alleged violations of UEM Edgenta Code of Conduct, policies and procedures, and applicable rules and regulations are assessed and investigated properly, that outcomes are recorded uniformly and in a timely manner, and that any necessary corrective action and/or external reporting is executed appropriately.

Conflict of Interest Declaration Procedure

This procedure serves as a guide to making declaration on possible conflict of interest and actions to be taken therefrom.

Whistleblowing Reporting Channel

UEM Edgenta is committed to the highest standards of professionalism, honesty, integrity, accountability and ethical behaviours in the conduct of its business and operations.

A Whistleblowing Policy has been formulated to enable employees of UEM Edgenta and members of the public a platform to report any improper conduct with the Company, in writing via a prescribed Whistleblowing Lodgement Form to the Chairman of the Board, or Chairman of BGRC or email to the Whistleblowing Committee via whistleblowing@edgenta.com.

A Whistleblowing Committee was established to ensure investigation is conducted when needed, reviews the investigation report and decides on the next course of action based on the nature of the violation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ORGANISATIONAL STRUCTURE

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

The Board appoints the MD/CEO of the Group, Chief Financial Officer, Chief Strategy Officer, Chief People Officer, Chief Digital Officer, and Heads of Divisions within the Group, as well as mission-critical positions.

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

OPERATING PLANS AND STRATEGIES

The Group undertakes a comprehensive annual budgeting and forecasting exercise to ensure that the development of business plans for respective business divisions are in line with the Group's 5-year operating plan, short-term and long-term strategic plans.

Each business division is responsible for carrying out a comprehensive analysis and identify the strategic priorities as part of the formation process of the Group annual operating plan, 5-year operating plan and strategic plan. It also includes the establishment of Key Performance Indicators ("KPIs") which is deliberated and approved by the Board.

The approved annual operating plan, 5-year operating plan and strategic plans are then cascaded to the senior management team across the Group's business divisions for planning and execution.

The Group monitors the business performance of respective business divisions through its KPI and measures it against the approved annual operating plan, 5-year operating plan and strategic plan on a regular basis in the management reports. The management reports, analyses and highlights variances against the plan after taking into consideration the macroeconomic sentiments and associated business risks. Similar reports and results are reviewed by the Board on a quarterly basis.

The management is responsible for identifying and executing any mitigation actions, where necessary.

EMPLOYEE'S AUTHORITY AND RESPONSIBILITY

UEM Edgenta's internal controls are realised and the responsibility of each employee as specified in the Job Description.

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

DISCRETIONARY AUTHORITY LIMITS

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

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

PROCUREMENT

In line with UEM Edgenta's Digital Transformation Initiatives, we have established new SOPs for procurement aligned to the Oracle System functions encompassing eight (8) key areas, namely, Procurement Strategy & Performance, Category Management, Vendor Management, Sourcing, Purchasing Admin, Contract Management, Master Data Management, and Inventory Management.

The potential risks pertaining to these key areas are mitigated through procedural governance and compliance monitoring of the SOP users.

The SOPs will be reviewed periodically and updated as and when required to ensure continuous improvement of internal controls and taking into consideration any additional process improvement required.

The provisions for Integrity & Compliance (i.e. Code of Conduct for Business Partner, Business Partners Letter of Declaration), HSSE Management Requirements are incorporated accordingly in the procurement terms and conditions to create awareness on our anti-bribery, anti-corruption, safety and accountability policies amongst our suppliers and contractors at the early stage of engagement with these stakeholders.

INSURANCE ON ASSETS

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

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

BUSINESS CONTINUITY MANAGEMENT (“BCM”)

BCM is defined as an all-rounded management process that recognises possible threats to a company and the effects to business operations it may cause, and offers an outline for building organisational flexibility with the aptitude of an effective response that protects the interest of its key stakeholders, reputation, brand and value-creating actions.



Diagramme 1 – The integrated solution for BCM

UEM Edgenta will continue to deliver effective BCM programme as part of efforts to enhance organisational resilience.

HUMAN RESOURCES MANAGEMENT

UEM Edgenta’s internal controls are realised and supported by a formal organisational structure. This official structure is made of defined lines of authority, responsibility and accountability. These lines of authority, responsibility and accountability are continuously and transparently updated and improved to demonstrate good governance.

Talent acquisition policies and guidelines are established within UEM Edgenta and its subsidiaries to ensure that the right candidates with the right competencies are selected to fill available positions at the right time. Potential candidates are subjected to a structured recruitment process which involves multiple behavioural interviews and assessments. For critical positions, the hiring process also involves pre-employment background screening which includes checks on education records, credit records, criminal records and directorship to minimise the risk of exposure of the Company.

To ensure that we are able to develop a capable, agile and competitive workforce, employees are provided with structured internal training, mobility opportunities and external development programmes. Technical skills training is also prioritised through the development of a technical competency framework and subsequent development interventions. These interventions are tied back to Individual Development Plan of our employees.

As a member of UEM Group Berhad, UEM Edgenta is also guided by UEM Group’s Performance Management Policy. The existing performance management system has been refined and updated via the Align Collaborate Execute (“ACE”) System to monitor and manage employees’ performance. People managers are continuously coached and trained to ensure a robust performance management.

MANAGEMENT INFORMATION SYSTEM (“MIS”)

In the era of IR4.0, the Group is increasingly investing in tools and solutions that allow processes, people and technology to be integrated into a single integrated network for data collection, data analysis, the evaluation of organisation development, and performance improvement. The Group has embraced cloud computing via a partnership with Microsoft to use the Azure cloud platform to host, deploy and manage systems and applications.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

With cloud computing, the Group does not have to deploy extensive hardware, configure and manage networks and infrastructure in IoT deployments. As a result, this has helped to speed up development processes while cutting down on development cost. The investment in cloud computing also offers the Group the ability to better oversee and manage a variety of its core business operations.

Processes and policies surrounding cloud computing are in place to ensure the integrity and safety of data of both the Company and users.

DISASTER RECOVERY PLANNING

Disaster Recovery Planning for the Group is a subset of BCM. Data, systems and applications that are stored in the cloud ensures it is backed up and protected in a secure and safe location. Being able to access company's data again quickly allows us to conduct business as usual, minimising any downtime and loss of productivity.

INTERNAL AUDIT

The Group has established its own Internal Audit Department ("IAD") to carry out internal audit function of the Group. IAD reports functionally to the Audit Committee ("AC") and administratively to the MD/CEO. The IAD regularly reviews the Group's systems of internal controls and evaluates the adequacy and effectiveness of the controls, risk management and governance processes implemented by the management. The reviews conducted are based on the risk-based Annual Audit Plan approved by the AC. The results of audit reviews, including status of management action plans to address gaps identified in the governance processes, risk management processes and controls during the engagements are reported regularly to the AC for deliberation.

The Group has also established a Management Audit Committee ("MAC") to ensure effective actions are taken to address internal control weaknesses and proper closures of all audit issues and areas for improvement highlighted by the IAD. The MAC is chaired by the MD/CEO and holds its meetings regularly.

Internal control weaknesses and areas for improvement regarding risk management and governance identified during the financial period under review have been or are being addressed by the management. None of the weaknesses have resulted in any material loss that would require disclosure in the Group's financial statements.

OUR SUSTAINABILITY COMMITMENT

We provide the Asset Management and Infrastructure Solutions segments with solutions built on technology and knowledge of our people. We are determined to preserve the economic value and benefits of critical infrastructure and other assets under our care, making it sustainable for our future generations.

In undertaking our sustainability commitment, UEM Edgenta and its subsidiaries are guided by its Sustainability and Corporate Responsibility Policies. Both the mentioned policies are accessible in the Company's website at www.uemedgenta.com.

The Group also adopts Bursa Malaysia's Sustainability Reporting Guide & Toolkits and the Global Reporting Initiatives ("GRI") Standards to report its Economic, Social and Governance ("ESG") performance on material matters of our businesses and value chain in the annual report which is accessible in the Company's website at www.uemedgenta.com.

ASSURANCE FROM MANAGEMENT

The Board has received assurance from the MD/CEO and Chief Financial Officer that a review on the adequacy and effectiveness of the risk management framework and internal control system has been undertaken and the Group's risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditor has performed limited assurance procedures on this Statement on Risk Management and Internal Control in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants (“MIA”) for inclusion in the Annual Report of the Group for the year ended 31 December 2020, and reported to the Board that nothing has come to their attention that causes them to believe that the statement is not prepared, in all material respects, in accordance with the disclosure required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

This Statement on Risk Management and Internal Control was approved by the Board on 23 March 2021.

CONCLUSION

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

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CORPORATE INTEGRITY AND ETHICAL BUSINESS CONDUCT

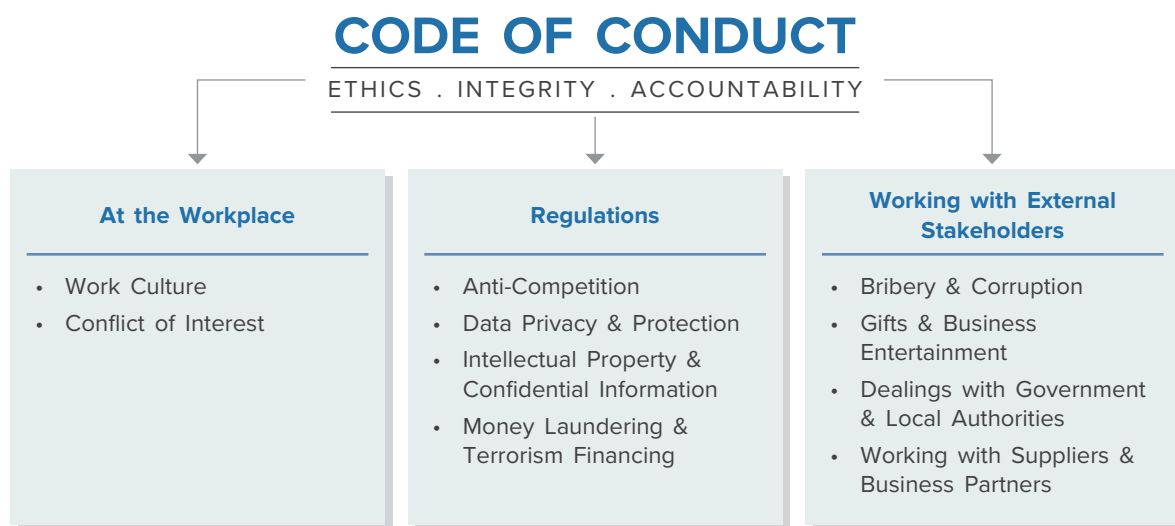
At UEM Edgenta, we envision the inculcation of a culture and belief in our DNA which is anchored on shared values across all our businesses and operations, as the foundation of our daily work. As we strive towards becoming a Technology-Enabled Solutions Company with a focus on healthcare by 2025, upholding these values and presenting ourselves with integrity, ethics and accountability are essential components which we must harness at both a professional and personal level. As a public listed company, we are adamant that all our business undertakings and proceedings are in strict adherence to good corporate governance practices.

The Board continuously ensures that UEM Edgenta's Anti-Bribery & Anti-Corruption ("ABAC") Guide is appropriately maintained and updated. As a yardstick in terms of ABAC, we are guided by the following legal & regulatory requirements that relates to the ABAC Guide:

- The Malaysian Anti-Corruption Commission ("MACC") Act 2009;
- The Guidelines on Adequate Procedures issued by the Prime Minister's Department;
- The Guideline for the Management of Integrity & Governance Unit issued by MACC; and
- Directive of The Prime Minister No. 1 Series 1 issued in October 2018.

UEM Edgenta has the following existing Framework, Policy & Procedures in place to curb bribery and corruption:

CODE OF CONDUCT



CODE OF CONDUCT FOR OUR BUSINESS PARTNERS





OUR CORE VALUES



- Whistleblowing Policy & Procedure and Whistleblowing Channel Email your concern to whistleblowing@edgenta.com; or in writing using the prescribed Whistleblowing Lodgement Form to:
 - Chairman of the Board chairman@edgenta.com
 - Chairman of the Board Governance and Risk Committee chairmanBGRC@edgenta.com

ABAC GUIDE



In 2020, UEM Edgenta undertook the following initiatives to enhance our ABAC measures & efforts:-

- Hosted a knowledge sharing session with MACC officers for the Board of Directors and key management team, as well as a separate session held for our employees
- Conducted Gap Analysis on the Guidelines on Adequate Procedures with regards to MACC's TRUST Principles
- Conducted a corruption risk assessment
- Organised workshops on integrity and compliance
- Implemented an e-learning programme on integrity and compliance
- Practiced a Third Party Due Diligence process
- Reviewed and revised existing policies and procedures including the ABAC Guide
- The due process of awarding Letters of Declaration to business partners are incorporated in our Code of Conduct for Business Partners to ensure transparency in dealing with UEM Edgenta and its group of companies
- Instilling a culture of integrity and compliance at the workplace through educational and awareness sessions such as engagement sessions and periodic communications

UEM Edgenta is committed towards addressing any violations to the Code of Conduct, as well as any applicable law, regulations or policies. We have put in place several procedures to mete out specific and appropriate disciplinary actions against any unethical or improper practices. Material whistleblowing cases are reported to the Board of Directors ensuring a supervisory overview of the ethical environment within UEM Edgenta.

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SUSTAINABILITY STATEMENT

Our Commitment to Sustainability

At UEM Edgenta, sustainability means managing and operating a responsible business alongside securing profits and driving long-term value creation. Our approach to sustainability is focused on striking a balance between our economic aspirations and our commitment to environmental, social and governance responsibilities.

As we transition towards becoming a leading technology-enabled solutions company, we will continue to focus on achieving triple bottom line goals based on the globally recognised Environmental, Social and Governance (“ESG”) parameters, from the previous emphasis on Economic, Environmental and Social (“EES”). The ESG principles are enshrined in our core values in which we commit to treating our colleagues and stakeholders with respect.

Our switch to ESG reporting is premised on the growing importance of advocating governance among stakeholders. Under this approach, we also place added emphasis on integrity and transparency by the Board and management.



environmental

We are committed to the development of a circular economy through our various services as we believe the systemic approach will significantly impact businesses, society and the environment. We aim to become a climate-positive company and to achieve this, we will continue to promote the use of renewable energy and adopt a disciplined approach to monitor and reduce our emissions. We share our commitment towards becoming climate-positive with our employees, clients, partners and suppliers through driving resource efficiency and empowering them with cutting-edge technologies to improve operational and energy efficiencies. Our environmentally-conscious consumption practices through minimising single-use plastics and striving for excellence in waste management is part of our zero waste target across our operations, as well as other relevant areas of our value chain.



social

We take the view that all the services that we provide should ultimately benefit people and the communities we operate in. In extending our social impact outreach, we engage in various philanthropic activities and programmes that leave a meaningful imprint on society. HSSE remains crucial to our operations. In our relentless pursuit to achieve a 'Goal Zero' culture through HSSE leadership, we strive to strengthen our safety culture with a strong focus on caring for people and ensuring leadership commitment. Our pioneering efforts in employing technology and mechanisation in delivering our solutions is a key focus to inspire valuable and sustainable outcomes. Our emphasis in science, technology, engineering and mathematics, as well as advancing efforts in digitising our operations through data engineering and Artificial Intelligence reflect our core philosophy in employing new approaches to achieve our sustainable goals.



governance

Having orderly checks and balances to ensure that our operations are effective, ethical and have the interests of our stakeholders in mind are essential in instilling good governance. Hence, we place great importance to having effective Board of Directors drawn from a good mix of industry experts, with relevant industry experiences and possessing objective mindsets. Our Board ensures that we create an ethos of integrity and accountability, and that good governance practices are upheld at all times as we continue to create value for our broad range of stakeholders.

Our sustainability efforts today are guided by the UNSDGs. We have identified four UNSDGs that have material impact on our businesses and stakeholders:



Good health & well-being



Decent work & economic growth



Gender equality



Industry, innovation and infrastructure

Guided by these UNSDGs, we will constantly strive to care for all our stakeholders, delivering assurance and peace of mind. We envision becoming an industry leader with sustainability as our hallmark of excellence and corporate citizenry, building positive and impactful relationships for the long-term.

SUSTAINABILITY GOVERNANCE

Sustainability at UEM Edgenta is overseen by our Board of Directors who uphold the highest principles of integrity, transparency and accountability in setting our strategic direction and ensuring sustainability is embedded in all aspects of our operations. Concurrently, our management incorporates sustainability considerations in daily decision-making, as well as in developing and executing strategies. The principles of ESG are enshrined in our core values, FIRST, in which we commit to 'treating our colleagues and stakeholders with respect'.

MATERIAL MATTERS

Our sustainability efforts are driven by 11 material matters that have been identified by our management. By focusing on these matters, we are able to better manage our stakeholders' expectations and create long-term value for them in a manner that is consistent with our business strategies and objectives. In the following pages, we disclose our approach to 10 of the material matters, as one of them – 'Technology-based Operational Excellence' is sufficiently explained in the main section of this integrated report. We describe initiatives undertaken to build sustainable value and outcomes. Underlining our commitment towards sustainability, the material matters have been categorised under the three ESG pillars.

For more information on these material matters, please refer to 'Our Material Matters' on pages 64 to 69 of this report.

SUSTAINABILITY INITIATIVES

The following sections in the subsequent pages disclose the sustainability activities we conducted during the year, in accordance with our categorisation under ESG.

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SUSTAINABILITY STATEMENT



environmental: caring for the planet

Environmental issues are among the most pertinent global challenges today, and call for multi-stakeholder collaboration to overcome. We recognise the role we can and should play to mitigate climate change, as well as contribute towards the sustainable use of resources through responsible waste management.



CARBON EMISSIONS

We undertake energy efficiency programmes in our own premises, as well as those of our customers, both to reduce cost and contribute towards climate change mitigation. The Malaysian Government has committed to reducing the country's carbon emissions by 45% by year 2030 from the 2005 baseline. In order to achieve this, all parties – corporations, Government bodies, as well as individuals – need to play our role.

ENERGY PERFORMANCE CONTRACTS

We offer EPC to help customers reduce their carbon emissions at zero capital expenditure with positive operating expense. The EPC covers:

- Retrofitting of existing lighting systems to LED lighting to reduce energy consumptions
- Installation and optimisation of air-conditioning and mechanical ventilation systems. This includes the replacement of inefficient chillers with high-efficiency chillers with variable speed drives.
- Installation of photovoltaic solar panels. To date, this has been undertaken for two clients, namely:
 - The Malaysian Prime Minister's Office – powered with 641 kW solar system
 - The Tun Hussein Onn Memorial – powered with 10 kW solar system

Through the EPC programme, we have implemented energy efficiency solutions in 28 GBI-rated buildings nationwide. Collectively, these solutions have brought about 81.4 million kWh of energy savings per annum which translates to over RM55 million in energy bill savings for our clients since 2017.

GBI PROGRAMME ACHIEVEMENTS:

- 27%** reduction in electricity consumption
- 78%** reduction in chemical oxygen demand
- 11%** reduction in water consumption
- 9** tonnes of recyclable waste diverted from landfills



SMARTCONNECT

DIGITAL FACILITIES MANAGEMENT

Our Property & Facility Solutions division has developed a holistic digital FM platform called SmartConnect which enables real-time monitoring of energy consumption on all floors within a building and benchmark the consumption against the Building Energy Index. All critical building support systems are connected to the platform, allowing for the collection of data and monitoring of energy usage. SmartConnect is a progressive system that rides on AI which allows advanced Energy Management on the digital platform with machine learning for prescriptive analytics.



Digitalisation of the facilities management ecosystem



Automation for enhanced efficiency, comfort and security



Harnessing big data for autonomous operations

BUNDLED FEATURE

1. Asset Management
 - Asset and Area Management
 - Inventory Management
2. Facilities Management
 - Scheduled Maintenance
 - Corrective Maintenance
 - Mobile Workforce
3. Client Management
 - Client Portal
 - Dashboard Reporting
4. Workforce Management
 - Auto Assign
 - Geotracking

ASSET-LOT INTERFACE

1. Chiller
2. Air Compressor Monitoring System
3. Energy Monitoring System
4. Production Monitoring System
5. Boiler Monitoring System
6. Effluent Treatment Monitoring System
7. File System Monitoring
8. Feedback Management System
9. Toilet Demand Inspection System
10. Indoor Air Quality Monitoring

ADDITIONAL BUNDLED FEATURES

1. Smart Notification
2. Predictive Analytics

AUTONOMOUS BUILDING

1. Prescriptive Analytics
2. Artificial Intelligence
3. Machine Learning
4. Inventory
5. Mining Machine
6. Production Process Automation



YEAR 1



YEAR 3



YEAR 5

SUSTAINABILITY STATEMENT



THE WORLD'S FIRST LEED V4 HOSPITAL

The Sultanah Maliha Hospital in Langkawi, which is managed by our Healthcare Support division, was awarded the Gold certification under the 'Leadership in Energy and Environmental Design LEED v4 – Building Operations and Maintenance: Existing Buildings' by the USGBC.

This makes the facility as the first Government-owned facility in the world to receive LEED v4 certification in this category. The hospital is also the world's first and only healthcare facility to receive the award. Through technology-driven retrofitting and refurbishment works completed at the hospital, we have helped the MoH Malaysia to achieve monthly savings of up to 74,381 kWh, equivalent to over 55 tonnes of carbon emission.

EMISSIONS REDUCING INITIATIVES AT UEM EDGENTA

While helping clients better manage their energy, we also ensure greater efficiency within our premises. To date, we have achieved the following:

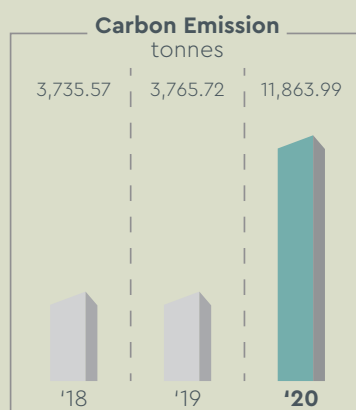
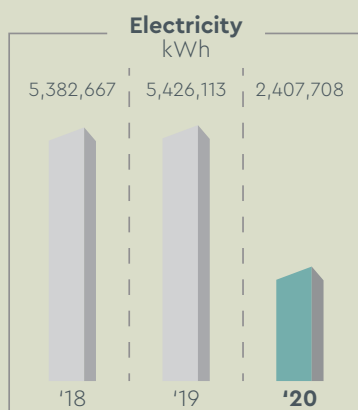
Installed photovoltaic solar panels on the roof of Menara UEM which reduced our electricity consumption by approximately 21% from FY2018 to FY2020.



Leveraged Artificial Intelligence and machine learning with a group of data scientists stationed at our CnC to provide data insights to optimise energy consumption.



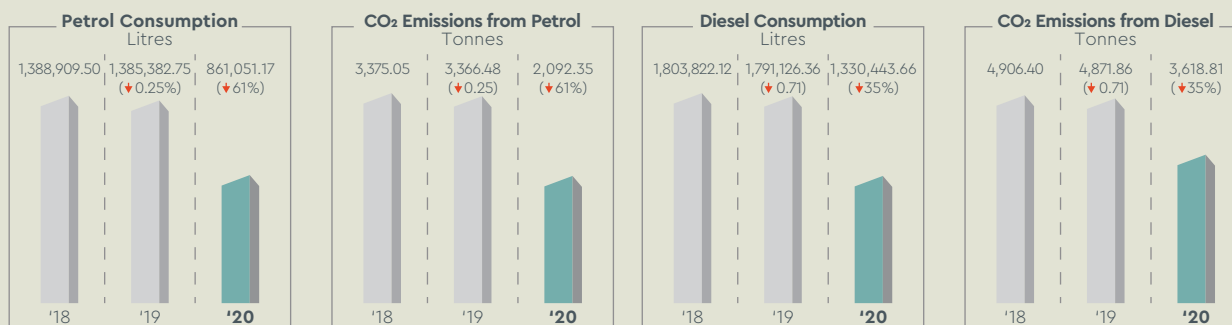
EMISSIONS PERFORMANCE



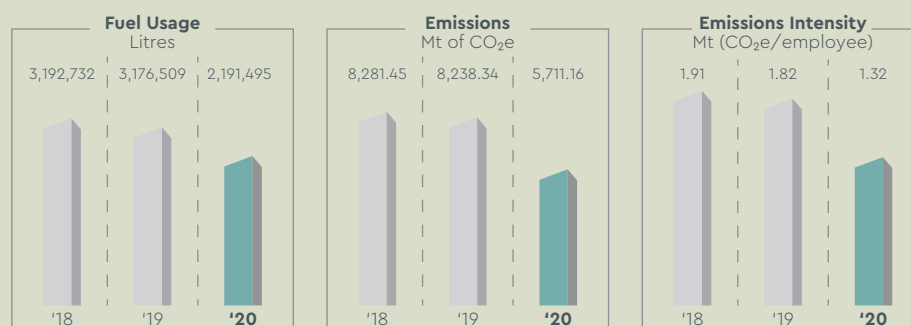
We monitor fuel consumption of vehicles used in daily operations, as well as in vehicles under the Car Allowance Scheme. Both consumption and emissions decreased significantly from 2019 to 2020 due to the reduction of vehicles used as a result of the pandemic, as well as the implementation of GPS monitoring which prevents speeding and idling.

The increase in electricity consumption over the years is due to the inclusion of more premises and more levels in Menara UEM in our calculations.

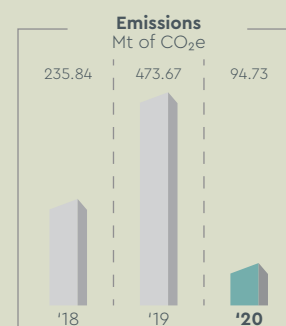
FUEL TYPE AND CONSUMPTION TRACKING



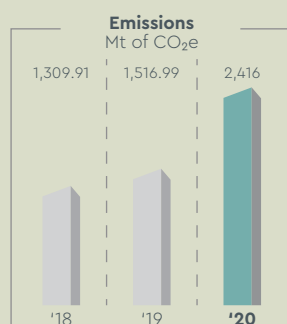
EMISSIONS FROM FUEL (DIESEL & PETROL) USAGE



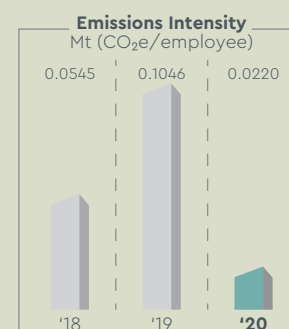
EMISSIONS FROM FLIGHTS



EMISSIONS FROM WATER USAGE IN PREMISES



Reported emissions from water consumption has been increasing significantly because we have started to monitor consumption at more of our premises. From 10 premises in 2018, we reported on 12 premises in 2019 and 14 premises in 2020.



Emissions from flights decreased significantly from 2019 to 2020 due to the pandemic, as well as border closures.

SUSTAINABILITY STATEMENT



WASTE MANAGEMENT

A key initiative undertaken to reduce waste is through the development of recycled pavement products and services by our Pavement Research Centre. Pavement recycling leads to: (i) conservation of energy; (ii) preservation of the environment; (iii) reduced cost of construction; and (iv) conservation of aggregates and binders.

Future Initiatives

We have been working on two types of reclaimed asphalt pavement, namely:



Hot Mix Asphalt Recycling, typically contains

30% – 60%

recycled asphalt which is mixed with virgin material, i.e. aggregates and bitumen, and is suitable for all types of mixes.



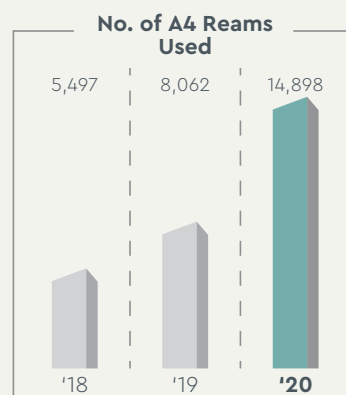
Cold Central Plant Recycling (“CCPR”), uses

100% Reclaimed Asphalt Pavement.

No heating is required but the pavement is suitable only for Dense Bituminous Macadam and Asphaltic Concrete Binder Course layer.

We are also in collaboration with the Taiping Municipal Council, Perak on a one-year Cold Central Plant Recycling Pilot Programme using 100% locally sourced reclaimed asphalt pavement on Jalan Taming Sari.

PAPER CONSUMPTION

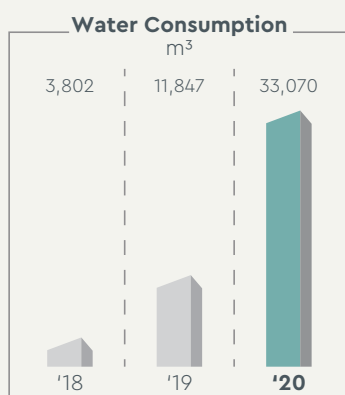


In 2020, we broadened our paper usage count beyond Menara UEM as we included additional work sites into our reporting.



WATER USAGE

We recognise that water is an increasingly scarce commodity, and have put in place various programmes to reduce our consumption. Our reported water consumption has been increasing significantly because we have gradually included more of our premises in our monitoring and reporting processes. As noted below for emissions from water usage, we now monitor consumption in nine premises as opposed to five premises in 2018, and seven premises in 2019.



SUSTAINABILITY STATEMENT



social: caring for our communities

We believe in creating a positive impact on all the lives that we touch, particularly our employees and local communities. During the year, much of our resources were focused on helping our stakeholders to cope with the challenges brought about by the pandemic.

OUR PEOPLE, OUR HEROES

Given the nature of what we do, many UEM Edgenta employees were at the front lines serving to protect our nation and people from COVID-19. Employees from Healthcare Support joined forces with other healthcare workers nationwide to lead the charge in fighting the pandemic. Meanwhile, employees from our other businesses continued to work hard to keep the nation's roads and highways well-functioning, and our buildings properly maintained.

The work of our highway maintenance teams continued to be exemplary, inspiring numerous instances of actions that went beyond the call of duty to be shared by highway users online.

In recognition of the immense services from all our essential front line employees, as well as to help them cope with emotional challenges, we took the following steps to enhance their safety and well-being:

Financial Support

- One-off special recognition
- Free meals
- Free COVID-19 screening
- Appreciation vouchers
- Transportation subsidy
- Free masks, PPE, sanitisers & workplace sanitisation
- Back-to-school programme for their children

Emotional & Mental Support

- Mental health awareness programme
- Online depression anxiety and stress skill assessment
- Counselling services
- Appreciation certificates & talks



PEOPLE DEVELOPMENT

Recognising we are only as good as our people, a great deal of emphasis is placed on continuous learning and development. In 2017, we conceptualised Edgenta Academy to develop the Company's institutional capabilities through the development of industry standards in Asset Management and Infrastructure Solutions while designing impactful programmes to enhance the capabilities, skills and knowledge of our employees. In 2019, the UEM Edgenta Learning Centre ("UELCC") was established to host learning and development programmes for our employees.

In 2020, despite the pandemic, we pushed ahead with our employee development agenda. Edgenta Academy was operationalised, and focused on the development of leadership, soft skills and technical skills. With its opening, we trained more people in 2020 than in the past two years. We also saw increased participation in our leadership and soft skills programmes as we aimed for a more holistic development of our people.

NUMBER OF EMPLOYEES TRAINED (and % of total workforce)

2018	2019	2020
3,500	3,617	3,878
(82%)	(83%)	(93%)

PARTICIPATION IN THE DIFFERENT TRAINING PROGRAMMES

	2019	2020	Change (%)
Leadership Development	415	743	79.0%
Soft Skills/Behavioural Programmes	908	1,810	99.3%
Technical/Functional Training	10,161	7,846	-22.8%
Total	11,484	10,399	

We also successfully transitioned our employees to learn on digital platforms for better learning experiences and to enable them to access their learning anytime, anywhere and on any device. Leveraging the digital contents developed and curated by Edgenta Academy, we moved from zero digital learning in 2019 to a split of almost 50-50 between online learning participation and face-to-face participation in 2020.

SUSTAINABILITY STATEMENT

PARTICIPATION IN FACE-TO-FACE AND DIGITAL LEARNING PROGRAMMES

	2019	2020	PERCENTAGE IN 2020
Face-to-face learning	11,484	5,191	50.2%
Digital learning	0	5,145	49.8%
Total	11,484	10,336	

Meanwhile, to support the development of our digital contents, UELC has been equipped with computer-generated imagery recording capabilities.

Another key achievement was the completion of technical competencies for critical positions in the Property & Facility Solutions division, as well as for mechanical and electrical engineering and civil engineering positions in Infrastructure Services. The complete competencies consist of a dictionary that gives the description of each competency level which is compulsory to be acquired by the incumbents of critical positions.

Our budget for training increased by 18.1% Year-on-Year, reflecting our commitment to developing our people. Nevertheless, through the digitalisation of our learning contents and programmes, we achieved greater cost efficiency and were able to train more people at a lower cost.

TRAINING BUDGET AND UTILISATION

Items	2018	2019	2020
Approved training budget	RM12,880,597.38	RM6,824,000	RM8,062,141
Budget utilisation	52%	81%	27%
Employees trained	82%	83%	93%
Average cost/pax	RM1,907	RM1,525	RM558

Employee development will continue to be high on the agenda in 2021, supported by the commitment from the management. Hence, we have set the following minimum learning hours to be fulfilled by all employees:

Employee Grade	Minimum Learning Hours
Executive to Top Management	16 hours per year
Non-Executives	4-8 hours per year (based on different grades)



DIVERSITY & INCLUSIVITY

We are an equal opportunity employer and hire based on the qualifications, as well as the experience of candidates and their performance during the interview and assessment sessions. Our main criteria in recruitment is getting the right candidate with the right competencies for the role. We believe that diversity enriches the organisation by broadening our perspective, which is why we also place importance on gender equity. We seek to attract and retain the best talent – irrespective of cultural background or gender – and provide everyone the same salaries and benefits for the same job, as well as the same opportunities for career advancement.



Diversity at UEM Edgenta is reflected in the following statistics:

- Of our total 21,798 employees, 33.2% are Malaysian; 27.2% Taiwanese; 28.4% Indian; 7.1% Singaporean and the remaining 4.1% from more than 20 other countries.
- Women make up 52.8% of our total workforce, and 35.8% of top management.



Along with our diverse pool of talent, we seek to ensure everyone is treated with respect and dignity. Principles of inclusivity are enshrined in our Code of Conduct, which expressly prohibits employees from engaging in any unwelcome verbal, visual, psychological, physical or other conduct that is intimidating, offensive, abusive or hostile to other employees. Should any form of harassment or discrimination be observed, we strongly urge our employees to report the incident. Various channels have been made available for the purpose. Reports made are dealt with by the Risk Integrity & Compliance and Human Resource teams.

SUSTAINABILITY STATEMENT



INTERNAL STAKEHOLDER MANAGEMENT

We realise that engaged employees are more invested in a company, more productive and generally more motivated to contribute towards the achievement of the company's goals. We therefore seek to create a culture at UEM Edgenta in which everyone feels valued and their contributions recognised. This is achieved not only through formal performance evaluations, but in the day-to-day interactions between employees at all levels, including the leadership and senior management teams.

Because of the unusual circumstances in 2020, with most employees working from home for most of the year, there has been added emphasis on keeping everyone connected. The management, in particular, have made an extra effort to engage with their teams on various virtual platforms and, where possible, in real-life activities. These have ranged from small group sessions across departments so that voices are heard, to large-scale townhalls and events to ensure proper cascading of important organisational updates.

COVID-19 CARELINE



While the management engages regularly with employees via sessions such as townhalls, the need to demonstrate the Company's appreciation and care inspired a new channel of communication. In June 2020, in the thick of pandemic containment efforts, we set up the *PrihatinLine*, an open platform for our front liners to communicate directly with the management on any issues related to work or their well-being.

EMPLOYEE ENGAGEMENT SURVEY

UEM Edgenta conducts an Employee Engagement Survey every two years to gauge how effective we are in connecting with employees. Feedback from the survey is analysed to understand key areas that need to be addressed, guiding the development of action plans to further improve the employee experience.

Based on the last survey conducted in 2019, several activities were planned and carried out in 2020. Highlights are presented in the table below.

ENTERPRISE-WIDE ACTION PLANS	DIVISION SPECIFIC ACTION PLANS
Talent & Staffing <ul style="list-style-type: none"> Vacancies to be published internally Promotion criteria to be made available Brand, Culture & Values <ul style="list-style-type: none"> Develop new Core Values & Culture Transformation Programme Career Opportunities <ul style="list-style-type: none"> Succession Management for Mission Critical Positions and Identification of Operational Critical roles Performance Management <ul style="list-style-type: none"> Performance Management System framework to be revised and communicated across the whole organisation Guide on key performance indicator cascading further down the organisation 	<ul style="list-style-type: none"> Townhall sessions & leadership roadshows – where leadership shared the division's performance with all employees Continuous engagement between MD/CEO and employees from across business divisions through sessions, programmes and site visits Launch of Buddy Programme – under the Facility Manager's Leadership Programme Distributed new lanyards and ID tags, as well as face masks with the UEM Edgenta logo and flag in conjunction with the Malaysian National Day Launch of Rewards Programme to recognise performance Facility Manager/Skip Level Meetings – where senior management hold smaller engagement sessions with employees Hari Raya Aidilfitri greeting video from top management to all employees & to thank front line employees working during the MCO Distribution of PETRONAS fuel cards to participants of the "Cost Saving Initiative" Engagement Sessions with all employees on Return-to-Work initiatives after the MCO Online farewell for employees whose contracts had ended, as well as those who had retired or resigned

FINANCIAL AID

- Under our annual *zakat* funds management programme, we provided financial assistance to 1,157 employees in the *Asnaf Miskin* category.
- We also provided special tokens of gratitude totalling approximately RM1.3 million to more than 4,000 of our essential front liners in Healthcare Support as a sign of appreciation for their contributions towards the fight against COVID-19.



HEALTH & SAFETY

At UEM Edgenta, safety is a non-negotiable priority. Nothing is more important to us than to keep our people safe at all times. While putting in place robust safety frameworks and providing all the necessary training, we also seek to create a culture of safety where every employee takes responsibility for his/her own safety as well as that of others. In 2018, we introduced the concept of 'Goal Zero' where we strive towards zero work-related accidents, injuries or illnesses not just among our employees, but also employees of our partners and contractors across the supply chain. Our ultimate goal is for everyone to go home safe to their loved ones at the end of every working day.

To promote a safe work environment, we have in place a HSSE Policy which is supported by a HSSE Management System comprising HSSE Rules, SOPs and processes. To manage and monitor our safety performance, we have also implemented a HSSE Management Information System.

In 2018, we launched a 3-year HSSE Master Plan, themed 'Safety Focused', which outlined 25 major projects to further enhance our safety ecosystem. The management took the lead in driving these projects by conducting site visits and demonstrating visible leadership in inculcating a safety culture. Their involvement, and the numerous programmes organised to reinforce safety messages as well as to equip our people with the skills to carry out their functions safely, brought about a positive mindset change within the Company. This contributed to our best safety performance in 2020.

KEY ACHIEVEMENTS IN 2020



378 days

without fatal incident as at 31 December 2020*

* From 19 December 2019 until 31 December 2020

60 days

without needle prick incident as of 31 December 2020



1.7 injury rate

compared to 2.8 in 2019

112,347 employees

engaged at different safety touchpoints



KEY HIGHLIGHTS IN 2020

Improved compliance, evidenced by **reduced number of incidents**



New e-PTW system

as part of HSSE's digital ecosystem which generated positive reviews from clients



HSSE's skill pool are **excited & motivated**



COVID-19 Response Tools

rated commendable by CIDB and DOSH auditors.

SAFETY AMID COVID-19



The pandemic reinforced our safety & health imperative and inspired the establishment of a COVID-19 Resource Centre in our internal company portal. All communications related to COVID-19 by the Company is housed in this resource centre for easy reference by employees. We also launched the Gensuite Digital HSSE Management System, a new virtual platform that enhances the effectiveness of our incidence reporting procedures. With Gensuite, we are also able to track and monitor all COVID-19 cases digitally via a Pandemic Data Access module.

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SUSTAINABILITY STATEMENT

EDGENTA HEALTH & SAFETY AWARD 2020

To promote a culture of safety, we organise an annual awards ceremony recognising the efforts of employees who have demonstrated commitment to enhancing health and safety across the organisation through continuous improvement projects and initiatives.

In 2020, three teams were recognised for innovative safety projects, as described below:

1. Contactless Toolbox Talk (CBCT)

Using videos instead of physical meetings, CTBT reduces the need for large gatherings at toolbox talk sessions, promoting physical distancing. 38 videos posted on HSSE's YouTube channel garnered 39,000 views.

2. Safety Enhancement for Signboard Stand for Expressway

Introducing three signboard stands in signage installation – HANGER (at bridge parapets), NJB (at the median concrete barrier) and PASAK BUMI (at the verge without guardrail) – employees exposure at the mainlines is reduced, significantly enhancing safety.

3. UEM Edgenta Vendor ID Pass

Vendors need to pass our HSSE screening process in order to be issued the pass. Hence, by making it compulsory, compliance with HSSE rules and regulations set for contractors will increase.

SAFETY INITIATIVES IN 2020

Initiative	Description
Safety Day 2020, themed 'Comply with Quality'	The virtual event involved employees from over 60 locations including Malaysia, Singapore, Taiwan and the United Arab Emirates.
Property & Facility Solutions Safety Talks Series	The talks were held in several locations throughout the Klang Valley.
HSSE & Quality Excellence Convention 2020	More than 100 HSSE practitioners from across Malaysia gathered at this event, joined by 11 key senior management members, to discuss operational and HSSE topics.
Innovation Garage ("IG") Initiatives	In 2020, the HSSE team in IG rolled out our first new electronic e-PTW system as part of the HSSE digital ecosystem. The team also rolled out a number of projects to improve visibility for static night work and to enhance remote surveillance of traffic management works. It also introduced new vehicle lightbars to improve visibility whilst patrolling highways; temporary rumble strips to reduce vehicle speed at static work sites; and audible buzzers & LED flashers to prevent rear-end incidents.
Handover of Basic Maintenance Checklist to representative of Logistics & Machinery Unit	The checklist ensures that all UEM Edgenta-owned machinery are regularly maintained and comply with industry standards to provide the best service to our clients at minimal cost.
Continuous Improvement Suggestion Programme	The programme encourages employees to submit and implement improvement ideas in the areas of safety, quality, delivery, cost, sustainability and morale towards achieving cost savings for the Company.



CONTRACTOR SAFETY

Various programmes in the Infrastructure Services division are run with our contractors to ensure they observe all our HSSE policies and procedures in order to keep their employees safe. Other than talks on safety and health conducted in partnership with DOSH, the following events were organised in 2020.

Initiative	Description
Contractor Engagement & Development	The event gathered over 50 Infrastructure Services contractors and employees nationwide to discuss ways to improve safety at their operations, as well as create a work culture driven by health and safety.
Launch of <i>Projek Perintis</i>	An initiative to propel subcontractors towards achieving a 5-Star Rating in the Contractor HSSE Performance Ranking and to create a cohesive ecosystem focused on HSSE excellence.

SAFETY PERFORMANCE

A key accomplishment was to achieve zero fatalities throughout 2020. We also saw a decrease in the Company's injury rate from 2.8 in 2019 to 1.7 in 2020. However, our lost time injury increased from 27 to 51 cases, most of which involved slips, trips and falls involving our people at the Healthcare Support and Infrastructure Services businesses. In response, an Offline Problem Solving Team has been established, and our 2021 HSSE programme will focus on early intervention of any unsafe act/condition.

Initiative	2016	2017	2018	2019	2020
Injury Rate	1.1	1.7	2.2	2.8	1.7
Lost Time Injury Incidents	28	31	46	27	51
Number of Fatalities	5	12	3	6	0
Occupational Diseases	0	1	0	0	0

GOING FORWARD

We have drafted our HSSE 2021-2023 Master Plan themed 'Quality Talk, Quality Tick'. Among the key challenges to be managed are ongoing rear-end incidents and needle prick injuries, as well as emerging issues related to emotional well-being. A total of 16 projects have been identified on Safety, Health, HSSE Digital System & Innovation, ESG and Productisation & Governance parameters. Progress in each project will be continuously monitored.

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SUSTAINABILITY STATEMENT



COMMUNITY ENGAGEMENT

All our operations are ultimately geared towards enhancing the quality of life. This has placed people and communities at the heart of UEM Edgenta, and drives us to perform to the best of our ability as we recognise that what we do, and how we do it, affects many lives around us. By extension of serving the community through our operations, we believe in playing our role in creating greater social equity and filling the gaps in communities that are marginalised or underserved.

Our Corporate Responsibility Policy outlines our priorities and strategic focus areas in managing engagements with our stakeholders, including communities. This Policy is supported by adequate controls, including SOPs and guidelines to ensure our commitment towards achieving triple bottom line goals are aligned with global expectations relating to ESG.

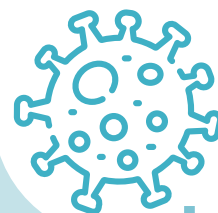
We focus on three areas in which we believe we could have the greatest impact, namely:

- Education – particularly Science, Technology, Engineering and Mathematics (“STEM”) initiatives which serve as a foundation for broad-based innovation in key areas of life
- Science, Technology and Innovation
- Community Development – assisting B40 communities

COVID-19 CARE

Due to the social restrictions imposed in 2020, some of our ongoing community programmes had to be postponed. However, UEM Edgenta more than compensated by giving our all to national efforts to combat the pandemic, as well as to provide financial and other forms of relief to society. Our contributions included the following:

1. Developed the Epidemic Management System for MoH Malaysia and the National Crisis Preparedness & Response Centre. This cloud-based healthcare information system connects all hospitals and quarantine centres nationwide for efficient administration of critical resources.
2. Donated 30 ventilators and 30 patient monitoring systems to MoH Malaysia for front line use.
3. Built hybrid ICUs with MoH Malaysia to help meet demand for ICU beds.
4. Provided vital biomedical equipment and logistics capabilities to MERCY Malaysia and the Malaysian Red Crescent Society to support COVID-19 patient care efforts in Sabah.
5. Provided financial assistance to all our essential front line employees in the Healthcare Support division and aid in their safety & well-being during the pandemic.
6. Organised ‘Happy Staff, Happy Customer’ events at three hospitals to celebrate front line employees who went beyond the call of duty in supporting our clients during the pandemic.
7. Launched ‘PrihatinLine’, an open communications platform for our essential service front liners to engage directly with the management.



CSR INITIATIVES IN 2020

In addition, we delivered 24 community outreach programmes in 2020. These included active participation, sponsorships and donations through budgeted resources and available corporate *zakat* funds.

Key initiatives during the year included:



Refurbishment of SK Bota Kiri, Perak. In addition to the physical time and effort of our volunteers, we donated new whiteboards and durable roller shutters for classrooms and laboratories, as well as new industrial air conditioning units for the school's main hall. We also performed sanitisation and disinfection works throughout the school's classrooms, offices and canteen area.



In the vicinity of Menara UEM in Pantai Dalam Kuala Lumpur, we donated aid relief packs to 700 *Asnaf*-registered families, Sanitised and disinfected mosques and suraus, as well as supplied face masks and hand sanitisers.



Collaborated with MERCY Malaysia and Malaysian Red Crescent Society to support the Sabah MATCH Hub COVID-19 Emergency Relief Project by contributing biomedical equipment and operational supplies.



Adopted two giraffes at Zoo Negara Malaysia through its 'Adopt an Animal' initiative.



Sponsored the Pusat GENIUS@Pintar Negara team to participate in the Online National Robotics Competition 2020 and World Robot Olympiad Robot Virtual Games 2020, winning 2nd and 10th place respectively.

Meanwhile, our Healthcare Support team participated actively in implementing Sustainability Programmes at MoH Malaysia's hospitals under our care to elevate the people's experience when patronising these hospitals. With their contributions, the Sultanah Maliha Hospital in Langkawi became the only hospital in the world to receive a Gold certification in Leadership in Energy & Environment Design, a global standard developed by the USGBC.



ZAKAT FUNDS DISBURSEMENT

In 2020, UEM Edgenta and our subsidiaries distributed RM1,180,281 of *zakat wakalah* funds from Majlis Agama Islam Wilayah. The funds benefited 4,624 *Al-Gharimin*, *Fisabilillah* and *Asnaf Miskin* recipients.

SUSTAINABILITY STATEMENT



governance: doing the right thing

Good governance is a process of consciously monitoring the way we conduct work in an organisation based on approved guidelines, policies and procedures. We are cognisant of any violation to our business code of ethics and conflict of interests, in our dealings with all stakeholders.

As we continue to realise our vision of optimising assets to improve lives, we have established key policies and practices which are continuously communicated across our business through strategic engagement channels and methods. We deliver our services on par with global standards and have implemented the Quality Management System, while gaining 25 ISO certifications in continuous efforts to promote operational excellence and efficiency.

Guided by the following strategies, we seek to address ESG issues which present risks or opportunities for our business:

- Design our business strategies for long-term sustainable growth and achieve triple bottom line results
- Embed a sustainability-driven mindset into our decision-making, planning and investments
- Commit to our core values of FIRST
- Provide a healthy, safe, conducive and empowering workplace
- Influence all stakeholders within our value chain to operate in a responsible manner
- Serve as an environmentally responsible leader and partner to our clients
- Conserve natural resources by optimising reuse and recycling wherever possible, as well as to ensure efficient and responsible use of water and energy
- Conduct evaluations and self-assessments to ensure our operations comply with policies and guidelines.



ETHICS & INTEGRITY

We have in place a Code of Conduct which clearly sets out behaviours that are expected of everyone at UEM Edgenta in the workplace among colleagues, as well as externally with our business partners, investors, shareholders, the media and other stakeholders.

Meanwhile, the Board ensures that strong corporate governance is in line with all relevant regulatory requirements. During the year, we reviewed and reinforced our ABAC guidelines to protect the Company against any possible legal action pursuant to the latest amendment to Section 17A of the MACC Act 2009, which introduces corporate liability in cases of corruption.

Supporting our Code of Conduct and ABAC Guide, we have a Whistleblowing Policy & Procedures that encourages employees and other stakeholders to disclose any improper conduct observed. We take a serious view of any violation of our Code of Conduct or any applicable law, regulation or policy, and will take disciplinary action where justified.

For more information on our governance policies and procedures, please refer to our Corporate Integrity and Ethical Business Conduct on pages 148 to 149 of this report.



VENDOR DEVELOPMENT PROGRAMME

We recognise the role we play in nurturing SMEs through the award of contracts under our different businesses, leveraging on the Government's shared prosperity philosophy. Where possible, preference is given to local vendors and suppliers who have the capability and capacity to provide us with the goods and services required at a competitive price.

Since 2014, we have been supporting the Bumiputera Vendor Development Programme ("BVDP") which forms part of the Government's Bumiputera Empowerment Agenda. Under this programme, we set a target of at least 30% of our total value of contracts to be outsourced to Bumiputera companies. The last few years, as well as in 2020, we have exceeded this minimum target and have awarded RM335.31 million (41.81% of our total outsourcing value) worth of contracts to Bumiputera companies.

In addition to the award of contracts, we provide training to companies under our BVDP. In 2020, three of our BVDP vendors completed training organised by two Government technical agencies, Technology Park Malaysia ("TPM") and Malaysia Institute of Transport ("MITRANS"). The programme consisted of three modules as follows:

- Zero to Super Hero & Market Export, TPM – On how to run their business, stay competitive and export their products/services.
- Zero to Super Hero, TPM – On how to improve their business management & operations
- Project Management & Business Enhancement, MITRANS – On planning, scheduling and project implementation and financial management

2020 PERFORMANCE

1,297

new registrations on the
Online Procurement System

RM801.92 million

value of contracts awarded to
1,756 qualified vendors
(RM335.31 million awarded to Bumiputera vendors)

SUSTAINABILITY STATEMENT

ONLINE PROCUREMENT SYSTEM

In April 2020, we launched the Oracle Procure to Pay (“P2P”) online system and required all vendors to register themselves on the self-service supplier portal which is available on our website. The objective is to ensure enhanced efficiency and transparency of our procurement process. Through the portal, vendors can manage their own profile updates, participate in our Requests for Proposals and tender exercises, manage their contract details, upload, as well as check the status of invoices and payments. Since April 2020, we have processed and approved 1,297 of new applications for vendor registrations on the portal.

We conducted periodic training to vendors to assist them in understanding how to utilise the new online portal to manage their business transactions with us. The supplier portal further enhances our procurement governance due to minimal requirements to interact with our procurement team, hence, avoiding any potential collusion and maintaining transparency throughout the entire process.



THOUGHT LEADERSHIP & ADVANCING THE INDUSTRY

Other than through the development of vendors and suppliers, we seek to contribute to the industries we are in through knowledge sharing and dialogue. Our leadership is regularly called to participate at industry events, at which they provide insights into areas of our expertise.

During the year, we were involved in the following thought leadership initiatives:

Date	Event	Topic	By
1 Dec	The Malaysian Real Estate Investment Trust Forum 2020 by the Malaysian REIT Managers Association and the Asia Pacific Real Estate Association	How Technology and Data is Changing the Property Market	Syahrulizam Samsudin, MD/CEO, UEM Edgenta
22 Oct	E-Nation Virtual Conference by the Malaysian Global Innovation & Creativity Centre	Amplifying the Benefits of Healthcare Support	Syahrulizam Samsudin, MD/CEO, UEM Edgenta
11 Nov	The Institution of Civil Engineers Malaysia virtual session	Design and Construction of Merdeka 118 Tower: Pushing the Boundaries of Concrete Technology for Megamall Tower	Ir. Dr. Tony Chan, COO of Opus International (M) Berhad and Country Representative of ICE for Malaysia
18 Dec	ICE Malaysia Talk Meet the Big Boss: Carbon, Adios!	Importance of Achieving Net Zero Carbon for Future Buildings and Infrastructure	Ir. Dr. Tony Chan, COO of Opus International (M) Berhad and Country Representative of ICE for Malaysia
2 Dec	The #digitalXdata 2020 by The Star Media Group	Redesigning Data-Driven Digital Future in 2021 & Beyond	Ir. Gandhi Suppiah, former Head of Asset Management, Opus International (M) Berhad



4 Nov	Operational Excellence & Process Transformation Industry 4.0	Cost Optimisation Through Operational Excellence & Digital Transformation	Aaron Song Kok Sing, General Manager, Continuous Improvement, Operations Excellence, UEM Edgenta
18 Nov	Digital Transformation Malaysia	Beyond Operational Excellence & Transformation: Why Industry 4.0 Initiatives Cannot Neglect the Digital Enablement of People	Aaron Song Kok Sing, General Manager, Continuous Improvement, Operations Excellence, UEM Edgenta

We also held media and press briefings for numerous events including:

Date	Media Briefing & Press Conference	Venue	Attended By
28 August	Analyst Media Briefing 1H FY2020 <ul style="list-style-type: none"> Financial performance for 1H FY2020 Company outlook for remaining FY2020 	Menara UEM, Kuala Lumpur	<ul style="list-style-type: none"> Syahrulizam Samsudin, MD/CEO, UEM Edgenta Muhammad Noor Abd Aziz @ Hashim, former Chief Financial Officer, UEM Edgenta Lee Ying Hooi, former Head of Corporate Planning, UEM Edgenta
13 April	Media Event hosted by MoH Malaysia – Media Briefing on Healthcare Innovative Engineering Strategic Collaboration (hybrid ICU)	Ministry of Health Malaysia, Putrajaya	<ul style="list-style-type: none"> Dato' Azmir Merican, former MD/CEO, UEM Edgenta Dr. Nik Fawaz Nik Abdul Aziz, Head, Healthcare Support (Concession) & Managing Director, Edgenta Mediserve Sdn. Bhd.
2 April	Media Event hosted by MoH Malaysia – Vital Healthcare Equipment & Information System Contribution from UEM Edgenta for COVID-19	Ministry of Health Malaysia, Putrajaya	<ul style="list-style-type: none"> Dato' Azmir Merican, former MD/CEO, UEM Edgenta Dr. Nik Fawaz Nik Abdul Aziz, Head, Healthcare Support (Concession) & Managing Director, Edgenta Mediserve Sdn. Bhd.
10 March	Analyst Media Briefing FY2019 <ul style="list-style-type: none"> Financial performance for FY2019 Company outlook for FY2020 	Menara UEM, Kuala Lumpur	<ul style="list-style-type: none"> Dato' Azmir Merican, former MD/CEO, UEM Edgenta Muhammad Noor Abd Aziz @ Hashim, former Chief Financial Officer, UEM Edgenta Aurelia Lee, former Head of Corporate Strategy, UEM Edgenta

SUSTAINABILITY STATEMENT

Other media engagements and interviews participated by our key management include:

Date	Media Briefing & Press Conference	Venue	Attended By
7 December	Media Interview with ASTRO Awani, Ibrahim Sani's Notepad Topic: UEM Edgenta's Leverage on Technology	Virtual TV interview: Microsoft TEAMS	Syahrulizam Samsudin, MD/CEO, UEM Edgenta
12 October	Media Interview with The Edge Malaysia Topic: UEM Edgenta Doubles Down on Technology to Address Dwindling Margins	Virtual interview: Microsoft TEAMS	Syahrulizam Samsudin, MD/CEO, UEM Edgenta
5 October	Media Interview with BFM 89.9, The Breakfast Grille Topic: A Defensive Play for Your Portfolio?	BFM 89.9, Kuala Lumpur	Syahrulizam Samsudin, MD/CEO, UEM Edgenta
13 April	Media Interview with The Edge Malaysia Topic: UEM Edgenta's Resilience Against COVID-19	Email interview	Dato' Azmir Merican, former MD/CEO, UEM Edgenta
3 April	Media Interview with ASTRO Awani Pagi Topic: Edgenta's Operations and Workers Morale During COVID-19	Virtual interview: Skype (live)	Dato' Azmir Merican, former MD/CEO, UEM Edgenta



UEM Edgenta also plays a key role in shaping the industry through our leaders who hold key positions in industry associations. These include:

Name	Position
Syahrulizam Samsudin MD/CEO, UEM Edgenta	<ul style="list-style-type: none"> Vice President II of the Malaysian Asset & Project Management Association
Ir. Dr. Tony Chan COO, Opus International (M) Berhad	<ul style="list-style-type: none"> Malaysia Chapter Representative of Institution of Civil Engineers UK Member of the External Industrial Advisory Panel for the Bachelor of Civil Engineering with Honours Programme at SEGi University

To date, UEM Edgenta and its subsidiaries, as well as employees are registered with, and are active members of the following key organisations:

- Malaysian Asset & Project Management Association
- Malaysian Association of Facility Management
- Institution of Engineers Malaysia
- Board of Engineers Malaysia
- Malaysian Association of Cleaning Contractors
- Road Engineering Association of Malaysian
- Malaysian Association of Energy Service Companies
- Energy Service Company

In Malaysia, we are also registered with the following ministries and agencies, demonstrating that we meet the relevant requirements and conditions for participation in public tenders:

- Ministry of Finance Malaysia
- Ministry of Health Malaysia
- Ministry of Works Malaysia
- Suruhanjaya Perkhidmatan Air Negara
- Jabatan Kastam Diraja Malaysia
- Jabatan Alam Sekitar
- Malaysia External Trade Development Corporation
- Construction Industry Development Board Malaysia
- Energy Commission
- Malaysian Green Technology Corporation

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

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

The principal activities and other information of the subsidiaries, joint ventures and associates are described in Note 43 to the financial statements.

RESULTS

RM'000	Group	Company
Profit/(loss) after tax	14,373	(76,794)
Attributable to:		
Owners of the parent	12,869	(76,794)
Non-controlling interests	1,504	–
	14,373	(76,794)

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the impairment loss on investment in a subsidiary amounting to RM47.6 million and write down of properties held for sale to their net realisable values amounting to RM50.0 million, as further disclosed in Notes 16(a) and Note 19 respectively to the financial statements.

DIVIDENDS

The amounts of dividends paid by the Company since 31 December 2019 were as follows:

	RM'000
In respect of the financial year ended 31 December 2019:	
Single tier interim dividend of 8.00 sen on 831,624,030 ordinary shares declared on 26 February 2020 and paid on 14 May 2020	66,530

The directors do not recommend the payment of any final dividend in respect of the current financial year.



DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Tan Sri Dr. Azmil Khalili bin Dato' Khalid	
Syahrulizam bin Samsudin*	(Appointed on 1 July 2020)
Dato' Mohd Izani bin Ghani	
Dato' Noorazman bin Abd Aziz	
Tan Bun Poo	
Elakumari a/p Kantilal	
Dato' George Stewart LaBrooy	
Emily Kok	
Rowina Ghazali Seth	
Juniwati Rahmat Hussin	(Resigned on 31 March 2020)
Dato' Azmir Merican bin Azmi Merican*	(Resigned on 21 April 2020)

* The director is also director of certain subsidiaries of the Company.

The names of the directors of the subsidiaries of the Company since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Chan Cheow Hong	
Chen Yen-Yu	
Dr. Chan Tuck Leong	
Fardan bin Abdul Majeed	
Huang Wan Hung	
Jesudason Selvaraj	
John Bong Kim Fook	
Lim Wah Seng	
Lim Wei Hsien Kenny	
Low Chee Yen	
Mazli bin Mohamed Ayob	
Mohamad Zamani bin Razali	
Paul Sandanasamy Richard	
Rakesh Devasish Jena	
(Alternate to Dr. Chan Tuck Leong)	
Roli Shukla	
Saeed Abdulla Omar Saeed Al Amoudi	
Sharon Ruba a/p Krishnamurthy	
Sivaramakrishnan Narayanan Ayakkad	
Suriana binti Abdul Hamid	
Tan Cheh Tian	
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	
Tan Sri Datuk Chen Lok Loi	
Tan Wan San	
(Alternate to Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong)	
Asheel Chandra Bharos	(Appointed on 1 October 2020)
Chua Pei Sum	(Appointed on 16 November 2020)
Dr. Nik Fawaz bin Nik Abdul Aziz	(Appointed on 1 January 2020)
Leong Kar Yung	(Appointed on 13 January 2020)
Raihana bin Ahmad	(Appointed on 1 July 2020)
Razman Ismail	(Appointed on 13 January 2020)
Shariman Yusuf bin Mohamed Zain	(Appointed on 20 February 2020)
Zulkiflee bin Omar	(Appointed on 30 August 2020)

DIRECTORS' REPORT

DIRECTORS (CONTD.)

The names of the directors of the subsidiaries of the Company since the beginning of the financial year to the date of this report (not including those directors listed above) are (contd.):

Rakesh Devasish Jena	(Appointed on 30 June 2020 and resigned on 31 August 2020)
Zainal Abidin Ab Samad	(Appointed on 30 August 2020 and resigned on 17 November 2020)
Ahmad Zamri bin Said	(Resigned on 28 February 2020)
Azmy bin Mahbot	(Resigned on 22 January 2020)
Graeme Walwyn	(Resigned on 2 July 2020)
Mohd Khalil bin Dan	(Resigned on 28 February 2020)
Mohd Razif bin Mohd Yusoff	(Resigned on 8 December 2020)
Muhammad Noor bin Abd Aziz @ Hashim	(Resigned on 31 August 2020)
Nurolamin bin Abas	(Resigned on 25 June 2020)
Philippa Smith Lambert	(Resigned on 1 October 2020)
Primoehadi Notowidigdo	(Resigned on 28 February 2020)
Ramlan bin Khamis	(Resigned on 31 December 2020)
Sitthambaranatha Gandhi a/l Suppiah	(Resigned on 29 January 2021)
Sofia binti Zakaria	(Resigned on 14 January 2020)

DIRECTORS' BENEFITS

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

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

The directors' benefits are as follows:

RM'000	Group/ Company
Executive:	
Salaries and other emoluments	798
Bonus	708
Contributions to defined contribution plans	219
Allowances	127
Benefits-in-kind	24
	1,876
Non-Executive:	
Fees	1,283
Benefits-in-kind	41
	1,324
Total	3,200

DIRECTORS' BENEFITS (CONTD.)

During the financial year, the directors and officers of the Company are covered under the Directors and Officers Liability Insurance ("D&O Insurance") in respect of liabilities arising from acts committed in their respective capacity as, inter alia, the directors and officers of the Company subject to the terms of the D&O Insurance policy. The insurance premium incurred by the Company was RM74,181.

DIRECTORS' INTEREST

None of the directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

HOLDING COMPANIES

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

OTHER STATUTORY INFORMATION

- a. Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
 - i. to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - ii. to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- b. At the date of this report, the directors are not aware of any circumstances which would render:
 - i. the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - ii. the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- c. At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- d. At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- e. At the date of this report, there does not exist:
 - i. any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - ii. any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

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DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONTD.)

- f. In the opinion of the directors:
- i. no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - ii. no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENT

Significant event is disclosed in Note 42 to the financial statements.

AUDITORS

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

Auditors' remuneration is as follows:

RM'000	Group	Company
Ernst & Young PLT	898	153
Other component auditors	325	–
	1,223	153

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2020.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 March 2021.

Tan Sri Dr. Azmil Khalili bin Dato' Khalid

Syahrulnizam bin Samsudin

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Tan Sri Dr. Azmil Khalili bin Dato' Khalid and Syahrulizam bin Samsudin, being two of the directors of UEM Edgenta Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 187 to 311 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 March 2021.

Tan Sri Dr. Azmil Khalili bin Dato' Khalid

Syahrulizam bin Samsudin

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Chua Pei Sum, being the officer primarily responsible for the financial management of UEM Edgenta Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 187 to 311 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
Chua Pei Sum (MIA 39350)
at Kuala Lumpur in the Federal Territory
on 23 March 2021

Chua Pei Sum

Before me,

Abdul Shukor Md Noor (No: W725)
Commissioner of Oaths
Kuala Lumpur

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UEM EDGENTA BERHAD

Incorporated in Malaysia

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of UEM Edgenta Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 187 to 311.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Key audit matters in respect of the audit of the financial statements of the Group

a. Impairment assessment of goodwill

(Refer to Note 15 – Intangible assets, Note 2.4 (f)(i) and (i) – Summary of significant accounting policies: Intangibles assets – Goodwill and Impairment of non-financial assets and Note 2.5 (b)(ii) – Key sources of estimation uncertainty: Impairment of goodwill)

As at 31 December 2020, the carrying amount of goodwill amounted to RM534.5 million, representing 43% and 19% of the Group's total non-current assets and total assets respectively. The Group is required to perform annual impairment assessment on the goodwill by comparing the recoverable amounts of the related cash generating units ("CGUs") or groups of CGUs to its carrying amount.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTD.)

KEY AUDIT MATTERS (CONTD.)

Key audit matters in respect of the audit of the financial statements of the Group (contd.)

a. Impairment assessment of goodwill (contd.)

The Group estimated the recoverable amounts of the CGUs based on value-in-use (“VIU”). Estimating VIU involves the discounting of the estimated future cash inflows and outflows expected to be derived from the CGUs using appropriate discount rates to their present values.

This was our area of focus as the impairment assessment was complex and highly judgemental. The estimation of VIU involved the assessment of possible variations in the amounts and timing of future cash flows, particularly the forecasted revenue, profit margins and long-term growth rate, based on assumptions affected by future market and economic conditions in the respective geographical regions. Judgement was also applied in determining the appropriate discount rate.

Our audit response

In addressing this area of audit focus, we performed, amongst others, the following procedures:

- We obtained an understanding of the methodology adopted by management in estimating the VIU and assessed whether such methodology is consistent with those used in the industry;
- We assessed the reasonableness of key assumptions used for each CGU, focusing on forecasted revenue, profit margins and long-term growth rate, taking into consideration the current and expected future economic conditions of the respective business segments, industries and geographical regions of the CGUs;
- We compared the key assumptions against past actual outcomes and where relevant, evaluated the probability of securing significant future contracts by making enquiries with project teams to obtain an understanding of the status of negotiations and the likelihood that such cash flows will materialise;
- We involved our internal valuation experts in assessing the reasonableness of the discount rate used and whether the rate used reflects the current market assessments of the time value of money and the risks specific to the asset which is the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive from the CGU;
- We performed sensitivity analysis on key assumptions that will significantly affect the VIU of each CGU; and
- We evaluated the adequacy of disclosures of key assumptions to which the outcome of the impairment test is most sensitive.

Key audit matters in respect of the audit of the financial statements of the Company

b. Impairment assessment of investment in a subsidiary

(Refer to Note 16 – Investment in subsidiaries, Note 2.4 (i) – Summary of significant accounting policies: Impairment of non-financial assets and Note 2.5 (b)(iii) – Key sources of estimation uncertainty: Impairment of investment in subsidiaries)

As at 31 December 2020, the carrying amount of the investment in a subsidiary, Opus Group Berhad (“OGB”) amounted to approximately RM636.0 million, representing 34% and 32% of the Company’s total non-current assets and total assets respectively. The Company assessed that there was an indication of impairment for its investment in OGB.

Accordingly, the Company performed an impairment assessment to determine the recoverable amounts of OGB which was based on its VIU.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UEM EDGENTA BERHAD

Incorporated in Malaysia

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTD.)

KEY AUDIT MATTERS (CONTD.)

Key audit matters in respect of the audit of the financial statements of the Company (contd.)

b. Impairment assessment of investment in a subsidiary (contd.)

We identified the impairment review as an area of audit focus as the impairment assessment was complex and highly judgemental. Determining the VIU requires management to make an estimate of the amount and timing of the expected future cash flows based on assumptions affected by future market and economic condition. Judgement is also applied in determining the appropriate discount rate to calculate the present value of those cash flows.

Arising from the impairment assessment, the Company recognised an impairment loss of RM47.6 million in relation to its investment in OGB during the year.

Our audit response

In addressing this area of audit focus, we performed, amongst others, the following procedures:

- We obtained an understanding of the methodology adopted by management in estimating the VIU and assessed whether such methodology is consistent with those used in the industry;
- We assessed the reasonableness of key assumptions, focusing on forecasted revenue, profit margins and long-term growth rate, taking into consideration the current and expected future economic conditions of the respective subsidiary;
- We compared the key assumptions against past actual outcomes and where relevant, evaluated the probability of securing significant future contracts by making enquiries with project teams to obtain an understanding of the status of negotiations and the likelihood that such cash flows will materialise;
- We involved our internal valuation experts in assessing the reasonableness of the discount rate used and whether the rate used reflects the current market assessments of the time value of money and the risks specific to the asset which is the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive from the subsidiary;
- We performed sensitivity analysis on key assumptions that will significantly affect the recoverable amounts of the investment in the subsidiary; and
- We evaluated the adequacy of disclosures relating to the impairment of investment in the subsidiary recorded during the financial year.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of the auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTD.)**INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON (CONTD.)**

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UEM EDGENTA BERHAD

Incorporated in Malaysia

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTD.)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTD.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (contd.)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 43 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Chong Tse Heng
No. 03179/05/2021 J
Chartered Accountant

Kuala Lumpur, Malaysia
23 March 2021

INCOME STATEMENTS

For the year ended 31 December 2020

RM'000	Note	Group		Company	
		2020	2019	2020	2019
Revenue	3	2,028,716	2,411,195	87,695	300,660
Cost of sales	4	(1,756,013)	(1,944,388)	–	–
Gross profit		272,703	466,807	87,695	300,660
Other income	5	57,771	66,435	11,364	18,245
Administrative expenses		(221,818)	(233,631)	(93,024)	(95,233)
Selling and marketing expenses		(102)	(120)	–	–
Other expenses		(53,887)	(48,090)	(64,031)	(100,853)
Operating profit/(loss)		54,667	251,401	(57,996)	122,819
Finance costs	6	(23,491)	(27,954)	(18,788)	(19,677)
Share of profit of associates		15,756	21,502	–	–
Profit/(loss) before tax	7	46,932	244,949	(76,784)	103,142
Zakat		(2,367)	(3,065)	–	–
Income tax (expense)/benefit	10	(30,192)	(53,844)	(10)	218
Profit/(loss) after tax		14,373	188,040	(76,794)	103,360
Profit/(loss) attributable to:					
Owners of the parent		12,869	181,782	(76,794)	103,360
Non-controlling interests		1,504	6,258	–	–
		14,373	188,040	(76,794)	103,360
Earnings per share					
attributable to owners of the parent (sen)	11	1.5	21.9		

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

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

RM'000	Note	Group		Company	
		2020	2019	2020	2019
Profit/(loss) after tax		14,373	188,040	(76,794)	103,360
Other comprehensive (loss)/income					
<i>Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations		(72)	1,421	—	—
Exchange differences reclassified to profit or loss		(19,130)	—	—	—
		(19,202)	1,421		
<i>Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods:</i>					
Remeasurement loss on Defined Benefit Pension Scheme	25	(114)	(64)	—	—
		(114)	(64)		
Other comprehensive (loss)/income for the year		(19,316)	1,357	—	—
Total comprehensive (loss)/income for the year		(4,943)	189,397	(76,794)	103,360
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(6,564)	183,175	(76,794)	103,360
Non-controlling interests		1,621	6,222	—	—
		(4,943)	189,397	(76,794)	103,360

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

RM'000	Note	Group	
		2020	2019
ASSETS			
Non-current assets			
Property, plant and equipment	13	193,678	211,982
Right-of-use assets	34	40,827	30,937
Land held for property development	14	477	477
Intangible assets	15	718,349	734,304
Investment in associates	17	85,203	77,005
Other investments	18	232	272
Trade and other receivables	20	119,992	126,421
Contract related assets	21	67,751	35,212
Deferred tax assets	29	8,960	13,274
		1,235,469	1,229,884
Current assets			
Inventories	19	77,865	133,773
Trade and other receivables	20	460,013	546,320
Contract related assets	21	293,351	344,736
Tax recoverable		50,854	37,109
Short term investments	22	11,799	62,463
Cash, bank balances and deposits	23	678,002	558,531
		1,571,884	1,682,932
Total assets		2,807,353	2,912,816

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020 (contd.)

RM'000	Note	Group	
		2020	2019
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	30	268,074	268,074
Capital reserve	31	313,856	313,856
Other reserves	32	(16,340)	3,415
Retained earnings	33	935,082	986,688
		1,500,672	1,572,033
Non-controlling interests		8,590	12,390
Total equity		1,509,262	1,584,423
Non-current liabilities			
Retirement benefit obligations	24	2,518	3,183
Defined benefit pension plan	25	937	1,116
Provisions	26	2,891	2,382
Borrowings	27	318,704	365,561
Lease liabilities	34	27,768	19,131
Trade and other payables	28	1,659	1,612
Deferred tax liabilities	29	44,126	50,391
		398,603	443,376
Current liabilities			
Retirement benefit obligations	24	877	564
Provisions	26	1,620	1,620
Borrowings	27	164,450	153,507
Lease liabilities	34	9,807	11,146
Trade and other payables	28	668,935	671,942
Contract liabilities	21	30,663	21,131
Income tax payable		23,136	25,107
		899,488	885,017
Total liabilities		1,298,091	1,328,393
Total equity and liabilities		2,807,353	2,912,816

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



RM'000	Note	Company	
		2020	2019
ASSETS			
Non-current assets			
Property, plant and equipment	13	13,773	16,269
Right-of-use assets	34	33,961	26,137
Intangible assets	15	41,373	36,849
Investment in subsidiaries	16	1,688,223	1,707,613
Other investments	18	232	272
Trade and other receivables	20	103,979	100,975
		1,881,541	1,888,115
Current assets			
Trade and other receivables	20	91,143	180,885
Cash, bank balances and deposits	23	14,813	47,498
Tax recoverable		–	135
		105,956	228,518
Total assets		1,987,497	2,116,633
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	30	268,074	268,074
Capital reserve	31	788,375	788,375
Other merger reserve	31	482,035	482,035
(Accumulated loss)/retained earnings	33	(64,613)	78,711
		1,473,871	1,617,195
Non-current liabilities			
Borrowings	27	249,958	249,750
Lease liabilities	34	25,527	15,351
Trade and other payables	28	101,636	98,226
		377,121	363,327
Current liabilities			
Borrowings	27	52,101	52,090
Lease liabilities	34	6,030	8,202
Trade and other payables	28	78,374	75,819
		136,505	136,111
Total liabilities		513,626	499,438
Total equity and liabilities		1,987,497	2,116,633

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

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2020

RM'000	Attributable to owners of the parent					Non-Controlling Interests	Total Equity
	Non-distributable						
	Share Capital (Note 30)	Capital Reserve (Note 31)	Other Reserve (Note 32)	Retained Earnings (Note 33)	Total		
GROUP							
At 1 January 2020	268,074	313,856	3,415	986,688	1,572,033	12,390	1,584,423
Profit for the year	–	–	–	12,869	12,869	1,504	14,373
Other comprehensive (loss)/ income	–	–	(19,322)	(111)	(19,433)	117	(19,316)
Total comprehensive income	–	–	(19,322)	12,758	(6,564)	1,621	(4,943)
Transactions with owners							
Put option granted to non-controlling interests of a subsidiary	–	–	1,733	–	1,733	(1,761)	(28)
Settlement of put option granted to non-controlling interests of a subsidiary	–	–	(2,166)	2,166	–	–	–
Dividends paid to:							
- Shareholders of the Company (Note 12)	–	–	–	(66,530)	(66,530)	–	(66,530)
- Non-controlling shareholders of subsidiaries	–	–	–	–	–	(3,660)	(3,660)
	–	–	(433)	(64,364)	(64,797)	(5,421)	(70,218)
At 31 December 2020	268,074	313,856	(16,340)	935,082	1,500,672	8,590	1,509,262



RM'000	Attributable to owners of the parent					Non-Controlling Interests	Total Equity
	Non-distributable						
	Share Capital (Note 30)	Capital Reserve (Note 31)	Other Reserve (Note 32)	Retained Earnings (Note 33)	Total		
GROUP							
At 1 January 2019	268,074	313,856	(1,018)	921,397	1,502,309	14,459	1,516,768
Profit for the year	–	–	–	181,782	181,782	6,258	188,040
Other comprehensive income/ (loss)	–	–	1,457	(64)	1,393	(36)	1,357
Total comprehensive income	–	–	1,457	181,718	183,175	6,222	189,397
Transactions with owners							
Put option granted to non-controlling interests of a subsidiary	–	–	2,976	–	2,976	(2,976)	–
Disposal of a subsidiary	–	–	–	–	–	(4,311)	(4,311)
Dividends paid to:							
- Shareholders of the Company (Note 12)	–	–	–	(116,427)	(116,427)	–	(116,427)
- Non-controlling shareholders of subsidiaries	–	–	–	–	–	(1,004)	(1,004)
	–	–	2,976	(116,427)	(113,451)	(8,291)	(121,742)
At 31 December 2019	268,074	313,856	3,415	986,688	1,572,033	12,390	1,584,423

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

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2020 (contd.)

RM'000	Share Capital (Note 30)	Capital Reserve (Note 31)	Other Merger Reserve (Note 31)	Retained Earnings (Note 33)	Total Equity
COMPANY					
At 1 January 2020	268,074	788,375	482,035	78,711	1,617,195
Total comprehensive loss	–	–	–	(76,794)	(76,794)
Transactions with owners					
Dividends (Note 12)	–	–	–	(66,530)	(66,530)
At 31 December 2020	268,074	788,375	482,035	(64,613)	1,473,871
At 1 January 2019	268,074	788,375	482,035	91,778	1,630,262
Total comprehensive income	–	–	–	103,360	103,360
Transaction with owners					
Dividends (Note 12)	–	–	–	(116,427)	(116,427)
At 31 December 2019	268,074	788,375	482,035	78,711	1,617,195

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

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2020

RM'000	Group		Company	
	2020	2019	2020	2019
Cash flows from operating activities				
Cash receipts from customers	2,383,434	2,614,226	31,330	96,951
Cash payments to suppliers	(943,586)	(1,231,383)	–	–
Cash payments to employees and for expenses	(1,149,941)	(1,073,013)	(96,518)	(77,114)
Cash generated from/(used in) operations	289,907	309,830	(65,188)	19,837
Interest paid	(21,762)	(25,787)	(14,868)	(15,266)
Taxes (paid)/refunded	(47,281)	(53,068)	125	534
Net cash flows generated from/(used in) operating activities	220,864	230,975	(79,931)	5,105
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	4,498	331	3,420	–
Proceeds from disposal of other investment	40	–	40	–
Proceeds from disposal of an associate	58	–	–	–
Proceeds from disposal of a subsidiary, net of cash disposed (Note 16(f))	–	1,165	–	–
Payment of deferred consideration	–	(461)	–	(461)
Acquisition of non-controlling interests in a subsidiary	(28,210)	–	(28,210)	–
Placement of short term investments	(85,000)	(110,000)	–	–
Proceeds from withdrawal of short term investments	136,819	155,979	–	–
Interest received	3,877	6,430	856	847
Dividends received from associates	7,708	5,786	–	–
Dividends received from subsidiaries	–	–	118,767	143,260
Purchase of property, plant and equipment	(17,630)	(68,435)	(411)	(3,684)
Purchase of intangible assets	(10,296)	(17,878)	(8,645)	(15,805)
Repayment from a subsidiary	–	–	32,045	10,000
Net cash flows generated from/(used in) investing activities	11,864	(27,083)	117,862	134,157

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2020 (contd.)

RM'000	Group		Company	
	2020	2019	2020	2019
Cash flows from financing activities				
Capital repayment to non-controlling interests of a subsidiary	–	(3,375)	–	–
Drawdown of borrowings	74,384	125,331	50,000	50,000
Repayment of borrowings	(114,894)	(137,127)	(50,000)	(50,000)
Repayment of lease liabilities	(4,658)	(9,843)	(4,086)	(6,736)
Dividends paid	(66,530)	(116,427)	(66,530)	(116,427)
Dividends paid to non-controlling shareholders of subsidiaries	(3,660)	(1,004)	–	–
(Placement)/withdrawal of fixed deposits	(19,634)	13,887	–	–
Net cash flows used in financing activities	(134,992)	(128,558)	(70,616)	(123,163)
Net increase/(decrease) in cash and cash equivalents	97,736	75,334	(32,685)	16,099
Net foreign exchange difference	2,101	791	–	–
Cash and cash equivalents at beginning of year	538,969	462,844	47,498	31,399
Cash and cash equivalents at end of year (Note a)	638,806	538,969	14,813	47,498
a. Cash and cash equivalents comprise:				
Cash in hand and at banks	351,231	400,299	5,313	13,956
Fixed deposits with licensed banks	326,771	158,232	9,500	33,542
Cash, bank balances and deposits (Note 23)	678,002	558,531	14,813	47,498
Less: Fixed deposits on lien	(3,713)	(3,297)	–	–
Less: Fixed deposits pledged	(17,060)	(11,804)	–	–
Less: Cash and fixed deposit restricted in usage	(18,423)	(4,461)	–	–
	638,806	538,969	14,813	47,498

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 17, Menara UEM, Tower 1, Avenue 7, The Horizon, Bangsar South City, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.

The Company regards UEM Group Berhad and Khazanah Nasional Berhad, both incorporated in Malaysia, as its immediate and ultimate holding companies respectively. Related companies in these financial statements refer to member companies within the UEM Group of companies.

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries, joint ventures and associates are described in Note 43.

There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 March 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

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

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

2.2 Changes in accounting policies

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

On 1 January 2020, the Group and the Company adopted the following amended MFRSs and interpretation mandatory for annual financial periods beginning on or after 1 January 2020.

	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark	1 January 2020
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

The adoption of the above standards and framework did not have any effect on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Standards issued but not yet effective

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

	Effective for annual periods beginning on or after
Amendment to MFRS 16 Leases: COVID-19 - related rent concessions	1 June 2020
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest rate benchmark reform - phase 2	1 January 2021
Annual improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 Business Combinations: Reference to conceptual framework	1 January 2022
Amendment to MFRS 116 Property, Plant and Equipment: Property, plant and equipment - proceeds before intended use	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous contracts - cost of fulfilling a contract	1 January 2022
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of liabilities as current or non-current	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

These standards above not expected to have a significant impact on the financial statements in the period of initial application apart from the changes to disclosures and presentation.

2.4 Summary of significant accounting policies

a. Basis of consolidation and subsidiaries

i. Basis of consolidation

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

a. Basis of consolidation and subsidiaries (contd.)

i. Basis of consolidation (contd.)

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

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

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

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

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

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

Business combinations

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

a. Basis of consolidation and subsidiaries (contd.)

i. Basis of consolidation (contd.)

Business combinations (contd.)

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss in accordance with MFRS 9. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

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

Business combinations involving entities under common control

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

ii. Subsidiaries

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

b. Investment in associates

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

b. Investment in associates (contd.)

Goodwill relating to associate is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of an associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

Equity accounting is discontinued when the Group's share of losses and negative reserves in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

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

c. Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

i. Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognises its interest in joint operation using the proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint operation with the similar items, line by line, in its consolidated financial statements. The joint operation is proportionately consolidated from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint operation.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intragroup balances, income and expenses and unrealised gains and losses on transactions between the Group and its joint operation.

The financial statements of the joint operation are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

d. Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the income statement of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity.

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Put option issued to non-controlling interests by the Group over its own equity gives rise to a financial liability with a corresponding charge directly to equity. At each reporting date, the related non-controlling interests are derecognised against this equity as if it was acquired at that date.

e. Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realised within twelve months after the reporting period; or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within twelve months after the reporting period; or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

e. Current versus non-current classification (contd.)

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

f. Intangible assets

i. Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units ("CGU") that are expected to benefit from the synergies of the combination.

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.4(v).

ii. Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in income statement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

f. Intangible assets (contd.)

ii. Other intangible assets (contd.)

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Customer contracts and relationships

Customer contracts and relationships acquired through business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied. The finite useful live of customer contracts and customer relationships are assessed to be ranging from 10 to 15 years and 5 to 10 years respectively. Amortisation is charged on a straight line basis and the expense is recognised in profit or loss.

Software

Software that do not form an integral part of the related hardware have been reclassified as intangible assets. Software is considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products between 3 and 5 years. Impairment is assessed whenever there is an indication of impairment and amortisation period and method are also reviewed at least at each reporting date. Software-in-progress is stated at cost, net of accumulated impairment losses, if any.

Research and development costs

Research and development costs are recognised as an expense except that costs incurred on individual development project are recognised as development asset to the extent that such expenditure is expected to generate future economic benefits. Development costs are only recognised as an asset when it is probable that future economic benefits will be realised as a result of the specific expenditure and the costs can be measured reliably.

Following the initial recognition of the development expenditure, the asset is carried at cost less accumulated amortisation and accumulated impairment losses. Policy for the recognition and measurement of impairment loss is in accordance with Note 2.4(i). Any impairment loss recognised shall not be reversed in subsequent periods even if there are changes to the circumstances or events that led to the impairment. These costs are derecognised when they are disposed of or when no future economic benefit is expected from the disposal.

Development costs that have been capitalised are amortised over the period of expected future economic benefits from the related project of 15 years.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

g. Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Capital work-in-progress is stated at cost, net of accumulated impairment losses, if any.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress is not depreciated as these assets are not available for use. Capital work-in-progress relates to the installation of new machinery and renovation of a research and development centre.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	1.8% - 2.2%
Plant and equipment	5% - 50%
Furniture and fittings	10% - 20%
Motor vehicles	20%
Computers	20% - 33%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

h. Land held for property development and property development costs

i. Land held for property development

Inventory properties where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle are referred to as land held for development and classified within non-current assets. Generally no significant development work would have been undertaken on these lands other than infrastructure work, earth work and landscape work incurred to prepare the land for development and these inventory properties are stated at cost plus incidental expenditure incurred to put the land in a condition ready for development. These inventory properties are classified to current assets at the point when active development project activities have commenced and when it can be demonstrated that the development activities can be completed within the normal operating cycle.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

h. Land held for property development and property development costs (contd.)

ii. Property development costs

Property development costs are recognised to the extent that the Group has performed the construction services. Property development costs are initially measured at cost, which is represented by the allocated fair value of the construction services rendered.

i. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows CGU.

In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

j. Inventories

Inventories are stated at lower of cost and net realisable value.

Cost of consumables which is determined on the weighted average basis, comprise cost of purchase of inventories.

Cost of property held for resale is determined on the specific identification basis and include cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

k. Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

i. Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, cash, bank balances and deposits, amounts due from related parties and sundry receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

k. Financial assets (contd.)

Subsequent measurement (contd.)

ii. Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group does not have any debt instruments at fair value through OCI.

iii. Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group has not elected to classify irrevocably any of its financial assets under this category.

iv. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

k. Financial assets (contd.)

Subsequent measurement (contd.)

iv. Financial assets at fair value through profit or loss (contd.)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes mark to market equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established.

This category includes short term investments which the Group had not irrevocably elected to classify at fair value through OCI.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises and associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

l. Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

l. Impairment of financial assets (contd.)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

m. Cash, bank balances and short-term deposits

Cash, bank balances and short-term deposits in the statements of financial position comprise cash at banks and on hand.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash, bank balances and short-term deposits with a maturity of three months or less with financial institutions, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

n. Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

o. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

o. Financial liabilities (contd.)

Subsequent measurement

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

ii. Trade payables, other payables and loans and borrowings

This is the category most relevant to the Group. After initial recognition, trade payables, other payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

p. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

q. Leases - as lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	23 to 78 years
Office premises	2 to 15 years
Motor vehicles	2 to 3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.4(i).

ii. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are presented separately by the Group and the Company in the statements of financial position.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

q. Leases - as lessee (contd.)

iii. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

r. Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

s. Income tax

i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

ii. Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

s. Income tax (contd.)

ii. Deferred tax (contd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

iii. Goods and Service Tax ("GST")

The net amount of GST being the difference between output and input of GST, payable to or receivable from the respective authorities at the reporting date, is included in trade and other payables or trade and other receivables in the statements of financial position.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

s. Income tax (contd.)

iv. Sales and service tax ("SST")

Revenues, expenses and assets are recognised net of the amount of SST except:

- when the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the SST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- for receivables and payables that are stated with the amount of SST included.

The net amount of SST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

t. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

u. Employee benefits

i. Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii. Long term incentives plan

Long term incentives are granted to eligible employees subject to meeting the pre-determined financial performance and value growth targets of the Group over a vesting period of 3 years.

Liability arising from long term incentives is measured and reviewed at each reporting date, based on the management's estimates on the achievement of the pre-determined targets, and it is recognised as an expense over the performance period of 3 years.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

u. Employee benefits (contd.)

iii. Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF").

iv. Defined benefit plan

The Group's subsidiaries operate defined benefit pension schemes for its eligible employees. The benefit is unfunded. A liability or asset is recognised when there is a shortfall or surplus in a defined benefit pension scheme, being the difference between the fair value of the scheme assets and liabilities as determined by an independent actuary. Actuarial gains and losses are recognised in full in other comprehensive income at the time of valuation. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods. The cost of providing benefits under this plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine the current service cost) and to the current and prior periods (to determine the present value of the defined benefit obligation) and is based on actuarial advice. The current service cost is charged to profit or loss. Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if benefits have vested.

A charge representing the unwinding of the discount on the plan liabilities during the year is included in profit or loss as administrative expenses. A credit representing the expected return of the plan assets during the year is also included within administrative expenses. This credit is based on the market value of the plan assets and expected rates of return at the beginning of the year.

v. Foreign currencies

i. Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

ii. Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

v. Foreign currencies (contd.)

ii. Foreign currency transactions (contd.)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

iii. Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

The principal exchange rates used for every unit of foreign currency ruling at the reporting date are as follows:

RM	2020	2019
United Arab Emirates Dirham (AED)	1.09	1.11
Indian Rupees (INR)	0.05	0.06
New Zealand Dollars (NZD)	2.90	2.75
Singapore Dollars (SGD)	3.04	3.04
Taiwan New Dollar (TWD)	0.14	0.14
Indonesian Rupiah (IDR'000)	0.29	0.30

w. Income recognition

Revenue from contracts with customers

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

In determining the transaction price for contracts with customers, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any). Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

w. Income recognition (contd.)

Revenue from contracts with customers (contd.)

If control of the assets transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

i. Asset consultancy

The Group recognises revenue from consultancy services over time when the performance obligations are performed and the Group has an enforceable right to the payment for the performance completed to date.

Revenue is recognised over time using an input method to measure progress towards complete satisfaction of the service, because customer simultaneously receives and consumes the benefits provided by the Group. Revenue is calculated as the proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenue derived from variations on contracts are recognised only when they have been accepted by the customer whereby no significant revenue reversal will occur. Full provision is made for losses on all contracts in the year in which they are first foreseen.

ii. Healthcare support

The Group through the Concession Agreement provides healthcare support services to the public hospital in the Northern zone of Malaysia encompassing the states of Perlis, Kedah, Pulau Pinang and Perak. The services provided are healthcare waste management, cleansing, linen and laundry, facilities engineering maintenance, biomedical engineering maintenance and facilities management services. The Group also provides healthcare facilities management, housekeeping and patient management services to various private healthcare institutions in Malaysia, Singapore and Taiwan.

The revenue from the services, which is based on fixed price under the agreement is allocated based on relative stand-alone selling price of the considerations for each of the separate performance obligations.

The Group recognises the services revenue over time when the performance obligations are performed and the Group has an enforceable right to the payment for the performance completed to date. Any variable consideration is estimated at contract inception and constrained until it is highly probable. The Group applies the most likely amount method to determine the variable consideration which will be netted against the revenue.

iii. Infrastructure services

The Group provides maintenance service and repair of civil, mechanical and electrical works on roads, infrastructure and expressways works.

Revenue on infrastructure services are recognised over time, using an input method to measure progress towards complete satisfaction of the service, because customer simultaneously receives and consumes the benefits provided by the Group. Revenue is calculated as the proportion of total contract value which costs incurred to date to total expected costs for that contract. Revenue derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

w. Income recognition (contd.)

Revenue from contracts with customers (contd.)

iii. Infrastructure services (contd.)

Revenue for routine maintenance is recognised based on fixed sum contract while revenue for non routine maintenance is recognised based on schedule of rates agreed with customers.

iv. Property and Facility Solutions

The Group provides various facilities management including infrastructure, building and ground maintenance to commercial customers. These services are provided on a time and material basis or as a fixed-priced contract, with contract terms generally ranging from one (1) year to three (3) years.

Revenue from these services is recognised over time in the period the services are rendered.

The Group also provides green technology and sustainability services in retro-fitting works of buildings followed by a period in which the Group maintains and services the infrastructure. In such contracts, revenue from the supply of retro-fitting equipment and installation works are recognised at the point in time when:

- i. the control of the asset is transferred to the customer upon the acceptance of physical possession of the asset and successful testing and commissioning; and
- ii. the significant risks and rewards of ownership of the asset is borne by the customer.

Revenue from the maintenance and servicing of the infrastructure subsequent to the retro-fitting is recognised over time in the period the services are rendered.

v. Property development

Revenue from sale of property development is recognised over time.

Revenue from sale of completed property units is recognised at the point of time upon the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it entitled in exchange for the asset that will be transferred to the customer.

vi. Management fees

Management fees for services provided to entities within the Group are recognised over time as services are rendered.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

w. Income recognition (contd.)

Other income recognition

i. Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

ii. Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

iii. Interest income

Interest income is recognised on an accrual basis using the effective interest method.

x. Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised. Contract assets are subject to impairment assessment based on the ECL model.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs the obligations under the contract.

Contract fulfillment assets

Contract fulfillment assets are divided into:

- i. cost that give rise to an asset; and
- ii. costs that are expensed as incurred.

When determining the appropriate accounting treatment for such costs, the Group firstly considers any other applicable standards. If those other standards preclude capitalisation of a particular cost, then an asset is not recognised under MFRS 15.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

x. Contract balances (contd.)

Contract fulfillment assets (contd.)

If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalisation:

- i. the costs directly relate to a contract or to a specifically identifiable anticipated contract;
- ii. the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- iii. the costs are expected to be recovered. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

The Group utilises contract fulfillment assets over the expected contract period using a systematic basis that mirrors the pattern in which the Group transfers control of the service to the customer. The utilisation charge is included within cost of sales.

A contract fulfillment assets is derecognised either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

Management is required to determine the recoverability of contract fulfillment assets. At each reporting date, the Group determines whether or not the contract fulfillment assets are impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract.

y. Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 41, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

z. Contingencies

A contingent liability is:

- i. A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- ii. A present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statement of financial positions of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

aa. Fair value measurement

The Group measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

aa. Fair value measurement (contd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.5 Significant accounting judgements and estimates

The preparation of the Group's and of the Company's financial statements at fair value requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

a. Judgements

There are no critical judgements made by management in the process of applying the Group's and of the Company's accounting policies that may have significant effects on the amounts recognised in the financial statements.

b. Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

i. Revenue recognition - Asset consultancy

The Group recognises its revenue and profit on consultancy contract services based on the percentage of completion, calculated by reference to the proportion of costs incurred to date against the total expected costs for the contracts. Full provision is made for losses on all contracts when they are first foreseen. Significant estimates are applied especially in determining the total expected costs for the contracts in order to reliably estimate the percentage of completion.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.5 Significant accounting judgements and estimates (contd.)

b. Key sources of estimation uncertainty (contd.)

ii. Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the 'value-in-use' of the CGU to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to determine suitable discount and growth rates in order to calculate the present value of those cash flows. The carrying amounts of goodwill at 31 December 2020 was RM534.5 million (2019: RM534.7 million). Further details are disclosed in Note 15(a).

iii. Impairment of investment in subsidiaries

The Company determines whether investment in subsidiaries is impaired when there is an indication of impairment. This requires an estimation of the 'value-in-use' of the investment in subsidiaries. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows and also to determine suitable discount and growth rates in order to calculate the present value of those cash flows. The carrying amounts of investment in subsidiaries at 31 December 2020 was RM1,688.2 million (2019: RM1,707.6 million). Further details are disclosed in Note 16.

iv. Provision for ECLs of trade receivables and contract assets

The Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments in calculating ECLs for trade receivables and contract assets. The amount and timing of future cash flows are then estimated based on historical credit loss experience for assets with similar credit risk characteristics and adjusted with forward-looking information such as forecast economic conditions. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 20 and Note 21 respectively.

v. Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.5 Significant accounting judgements and estimates (contd.)

b. Key sources of estimation uncertainty (contd.)

vi. Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The deferred tax assets amounting to RM9.0 million (2019: RM13.3 million) are mainly related to subsidiaries of which management is confident that it would be probable for the related subsidiaries to generate future taxable profits.

If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by RM39.4 million (2019: RM27.8 million). Further details are disclosed in Note 29.

3. REVENUE

RM'000	Group		Company	
	2020	2019	2020	2019
<i>Revenue from contracts with customers (a)</i>				
Asset consultancy	88,141	131,920	—	—
Healthcare support	1,233,408	1,132,215	—	—
Infrastructure services	549,055	915,609	—	—
Property and facility solutions	149,150	192,215	—	—
Others	8,962	39,236	—	—
Management fees	—	—	79,428	76,860
	2,028,716	2,411,195	79,428	76,860
<i>Revenue from other sources</i>				
Dividend income from subsidiaries	—	—	8,267	223,800
Total revenue	2,028,716	2,411,195	87,695	300,660
a. Revenue from contracts with customers are recognised:				
- At a point in time	45,255	48,258	—	—
- Over time	1,983,461	2,362,937	79,428	76,860
	2,028,716	2,411,195	79,428	76,860

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2020 due within one year is RM1.6 billion (2019: RM1.5 billion) and due more than one year is RM6.9 billion (2019: RM7.5 billion). These relate to performance obligations from long term service contracts that is to be satisfied within 1 to 18 years.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

4. COST OF SALES

RM'000	Group	
	2020	2019
Asset consultancy	70,688	75,836
Healthcare support	1,040,724	954,466
Infrastructure services	456,119	733,740
Property and facility solutions	130,679	154,833
Property development:		
- completed property held for sale (Note 19)	56,826	25,197
- other costs	977	316
	1,756,013	1,944,388

5. OTHER INCOME

Included in other income are:

RM'000	Group		Company	
	2020	2019	2020	2019
Dividend income from short term investments	1,060	1,264	—	—
Interest income from:				
- fixed deposits	4,286	6,430	849	847
- advances to subsidiaries	—	—	3,628	3,381
License and commission fees from an associate	1,636	1,729	—	—
Reversal of deferred consideration payable (Note 28(d))	—	5,320	—	5,320
Bad debt recovered	4,304	134	—	—
Reversal of ECL provision on trade and other receivables (Note 20)	4,231	28,019	—	—
Net foreign exchange gain:				
- exchange differences reclassified to profit or loss	19,130	—	—	—
- realised	220	3	—	—
- unrealised	219	21	—	—
Gain on derecognition of lease	411	—	411	—
Gain on disposal of a subsidiary (Note 16(f))	—	1,483	—	—
Gain on disposal of an associate (Note 17)	58	—	—	—
Accretion of interest on:				
- concession receivables	19,567	18,908	—	—
- loans and receivables	552	—	—	—
Rental income	147	—	6,187	8,307



6. FINANCE COSTS

RM'000	Group		Company	
	2020	2019	2020	2019
Interest expense on:				
- bank borrowings	20,573	24,019	13,956	14,202
- loan from a subsidiary	–	–	3,411	4,250
- lease liabilities (Note 34)	1,744	1,713	1,292	1,095
Amortisation of capitalised borrowing cost	492	679	119	125
Commitment fees	132	547	–	–
Unwinding of discount	–	232	–	–
Bank charges	550	764	10	5
	23,491	27,954	18,788	19,677

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

7. PROFIT/(LOSS) BEFORE TAX

The following amounts have been charged/(credited) in arriving at profit/(loss) before tax:

RM'000	Group		Company	
	2020	2019	2020	2019
Employee benefits expense (Note 8)	907,280	856,882	60,719	71,584
Non-executive directors' remuneration excluding benefits-in-kind (Note 9)	1,283	1,287	1,283	1,243
Auditors' remuneration:				
- statutory	1,223	1,247	153	148
- others	196	1,251	37	37
Depreciation of right-of-use assets (Note 34)	11,327	10,050	7,045	8,351
Expenses relating to:				
- short-term leases (Note 34)	3,624	3,797	489	384
- leases of low-value assets (Note 34)	370	349	109	83
Amortisation of:				
- intangible assets (Note 15)	26,035	23,557	3,742	476
Depreciation of property, plant and equipment (Note 13)	44,981	48,750	3,381	3,346
Net (gain)/loss on disposal of plant and equipment	(16)	(34)	3	—
Property, plant and equipment written off (Note 13)	10	42	10	—
(Gain)/loss on disposal of asset held for sale	—	(647)	—	132
Intangible asset written off (Note 15)	4	4	—	—
Provision for ECL on trade and other receivables (Note 20)	1,936	6,214	2,251	7,105
Bad debts written off	4,987	200	—	—
Impairment loss on investment in subsidiaries	—	—	47,600	81,430
Properties held for sale written down (Note 19)	50,000	—	—	—
Impairment loss on property, plant and equipment (Note 13)	2,938	—	—	—
Net foreign exchange loss:				
- realised	95	237	—	—
- unrealised	92	9	—	—



8. EMPLOYEE BENEFITS EXPENSE

RM'000	Group		Company	
	2020	2019	2020	2019
Wages and salaries	673,503	660,822	45,165	56,142
Contributions to statutory Employees Provident Fund ("EPF")	69,885	61,368	6,876	5,830
Social security contributions	2,996	3,029	383	354
Retirement benefit obligations (Note 24)	353	231	–	–
Decrease in liability for defined benefit pension plan (Note 25)	(348)	(725)	–	–
Employees' service entitlements (Note 26(a))	564	530	–	–
Other benefits	160,327	131,627	8,295	9,258
Total employees benefits recognised in profit or loss (Note 7)	907,280	856,882	60,719	71,584

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration excluding benefits-in-kind amounting to RM1.9 million (2019: RM1.9 million) as further disclosed in Note 9.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

9. DIRECTORS' REMUNERATION

RM'000	Group		Company	
	2020	2019	2020	2019
Directors of the Company				
Executive:				
Salaries and other emoluments	798	996	798	996
Bonus	708	471	708	471
Contributions to defined contribution plans	219	219	219	219
Allowances	127	140	127	140
Benefits-in-kind	24	39	24	39
	1,876	1,865	1,876	1,865
Non-Executive:				
Fees	1,283	1,287	1,283	1,243
Benefits-in-kind	41	40	41	40
	1,324	1,327	1,324	1,283
Total	3,200	3,192	3,200	3,148
Total excluding benefits-in-kind	3,135	3,113	3,135	3,069
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 8)	1,852	1,826	1,852	1,826
Total non-executive directors' remuneration excluding benefits-in-kind (Note 7)	1,283	1,287	1,283	1,243
Total directors' remuneration excluding benefits-in-kind	3,135	3,113	3,135	3,069



9. DIRECTORS' REMUNERATION (CONTD.)

The number of directors of the Company whose total remunerations during the year fell within the following bands is analysed below:

	No. of Directors	
	2020	2019
Executive directors:		
RM600,000 - RM650,000	1	—
RM1,250,000 - RM1,300,000	1	—
RM1,850,001 - RM1,900,000	—	1
Non-executive directors:		
Below RM50,000	1	2
RM50,001 - RM100,000	—	2
RM100,001 - RM150,000	4	4
RM150,001 - RM200,000	3	4
RM200,001 - RM250,000	1	—

10. INCOME TAX EXPENSE/(BENEFIT)

Major components of income tax expense/(benefit)

Major components of income tax expense/(benefit) for the years ended 31 December 2020 and 2019 are:

RM'000	Group		Company	
	2020	2019	2020	2019
Income statements				
Current income tax:				
- Malaysian income tax	17,017	42,112	10	48
- Foreign tax	14,356	12,783	—	—
	31,373	54,895	10	48
Under/(over) provision of income tax in prior years:				
- Malaysian income tax	192	(2,632)	—	(266)
- Foreign tax	—	163	—	—
	192	(2,469)	—	(266)
	31,565	52,426	10	(218)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

10. INCOME TAX EXPENSE/(BENEFIT) (CONTD.)

Major components of income tax expense (contd.)

Major components of income tax expense for the years ended 31 December 2020 and 2019 are: (contd.)

RM'000	Group		Company	
	2020	2019	2020	2019
Income statements (contd.)				
Deferred tax: (Note 29)				
- Relating to origination and reversal of temporary differences	(1,998)	3,909	—	—
- Under/(over) provision in prior years	625	(2,491)	—	—
	(1,373)	1,418	—	—
Income tax recognised in profit or loss	30,192	53,844	10	(218)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Profits derived from overseas branch operations are not subject to Malaysian tax.



10. INCOME TAX EXPENSE/(BENEFIT) (CONTD.)

Reconciliation between tax expense and accounting profits

A reconciliation of income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2020 and 2019 are as follows:

RM'000	Group	
	2020	2019
Profit before tax	46,932	244,949
Less: Zakat	(2,367)	(3,065)
	44,565	241,884
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	10,696	58,052
Tax effect on share of profit of associates	(3,781)	(5,160)
Income not subject to tax	(8,874)	(2,492)
Exempt income	(4,621)	(1,914)
Foreign income not subject to tax	(1,906)	(5,176)
Non-deductible expenses	33,618	18,227
Different tax rates in other countries	(7,266)	(4,859)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(1,238)	(969)
Deferred tax assets not recognised during the year	12,747	3,095
Under/(over) provision of deferred tax in prior years	625	(2,491)
Under/(over) provision of income tax expense in prior years	192	(2,469)
Income tax expense recognised in income statements	30,192	53,844

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

RM'000	Company	
	2020	2019
(Loss)/profit before tax	(76,784)	103,142
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	(18,428)	24,754
Non-deductible expenses	17,676	26,892
Income not subject to tax	(2,705)	(55,687)
Deferred tax asset not recognised	3,467	4,089
Over provision of income tax in prior year	–	(266)
Income tax expense/(benefit) recognised in income statements	10	(218)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

11. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year held by the Company.

RM'000	Group	
	2020	2019
Profit attributable to owners of the parent	12,869	181,782

'000	Number of shares	Number of shares
Weighted average number of ordinary shares in issue	831,624	831,624

sen	Group	
	2020	2019
Basic earnings per share	1.5	21.9

There are no potential ordinary shares outstanding as at 31 December 2020. As such, the diluted earnings per share of the Group is equivalent to the basic earnings per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.



12. DIVIDENDS

RM'000	Group and Company			
	Amount		Net Dividends per Ordinary Share	
	2020	2019	2020 sen	2019 sen
Recognised during the financial year:				
Single tier second interim dividend for 2018: 8.00 sen on 831,624,030 ordinary shares declared on 25 February 2019 and paid on 9 May 2019	–	66,530	–	8.00
Single tier interim dividend for 2019: 6.00 sen on 831,624,030 ordinary shares declared on 27 August 2019 and paid on 31 October 2019	–	49,897	–	6.00
Single tier second interim dividend for 2019: 8.00 sen on 831,624,030 ordinary shares declared on 26 February 2020 and paid on 14 May 2020	66,530	–	8.00	–
	66,530	116,427	8.00	14.00

The directors do not recommend the payment of any final dividend in respect of the current financial year.

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NOTES TO THE FINANCIAL STATEMENTS

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13. PROPERTY, PLANT AND EQUIPMENT

2020 RM'000	Group				
	Freehold land	Buildings	Plant, machinery, equipment, furniture, fittings, office equipment, motor vehicles and computers	Capital work-in- progress	Total
Cost					
At 1 January 2020	1,160	12,149	411,676	70,021	495,006
Additions	–	–	32,072	147	32,219
Disposals	–	–	(8,864)	(1,414)	(10,278)
Written off (Note 7)	–	–	(2,397)	–	(2,397)
Exchange differences	–	–	(1)	–	(1)
At 31 December 2020	1,160	12,149	432,486	68,754	514,549
Accumulated depreciation and impairment loss					
At 1 January 2020	–	1,485	281,539	–	283,024
Charge for the year (Note 7)	–	195	44,786	–	44,981
Disposals	–	–	(7,802)	–	(7,802)
Written off (Note 7)	–	–	(2,387)	–	(2,387)
Impairment (Note 7)	–	–	2,938	–	2,938
Exchange differences	–	–	117	–	117
At 31 December 2020	–	1,680	319,191	–	320,871
Net carrying amount					
At 31 December 2020	1,160	10,469	113,295	68,754	193,678



13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

2019 RM'000	Group					
	Freehold land	Leasehold land	Buildings	Plant, machinery, equipment, furniture, fittings, office equipment, motor vehicles and computers	Capital work-in- progress	Total
Cost						
At 1 January 2019	1,160	3,003	12,165	454,182	57,957	528,467
Adjustment upon adoption of MFRS 16	–	(3,003)	–	(522)	–	(3,525)
At 1 January 2019	1,160	–	12,165	453,660	57,957	524,942
Additions	–	–	–	67,652	12,706	80,358
Disposals	–	–	–	(2,862)	–	(2,862)
Written off (Note 7)	–	–	(16)	(98,509)	–	(98,525)
Reclassification	–	–	–	642	(642)	–
Disposal of a subsidiary	–	–	–	(8,998)	–	(8,998)
Exchange differences	–	–	–	91	–	91
At 31 December 2019	1,160	–	12,149	411,676	70,021	495,006
Accumulated depreciation and impairment loss						
At 1 January 2019	–	38	1,260	342,136	–	343,434
Adjustment upon adoption of MFRS 16	–	(38)	–	(407)	–	(445)
At 1 January 2019	–	–	1,260	341,729	–	342,989
Charge for the year (Note 7)	–	–	227	48,523	–	48,750
Disposals	–	–	–	(2,565)	–	(2,565)
Written off (Note 7)	–	–	(2)	(98,481)	–	(98,483)
Disposal of a subsidiary	–	–	–	(7,746)	–	(7,746)
Exchange differences	–	–	–	79	–	79
At 31 December 2019	–	–	1,485	281,539	–	283,024
Net carrying amount						
At 31 December 2019	1,160	–	10,664	130,137	70,021	211,982

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

2020 RM'000	Company		
	Buildings	Equipment, furniture, fittings, office equipment, motor vehicles and computers	Total
Cost			
At 1 January 2020	9,759	20,167	29,926
Additions	–	898	898
Disposals	–	(124)	(124)
Written off (Note 7)	–	(2,136)	(2,136)
At 31 December 2020	9,759	18,805	28,564
Accumulated depreciation and impairment loss			
At 1 January 2020	1,051	12,606	13,657
Charge for the year (Note 7)	195	3,186	3,381
Disposals	–	(121)	(121)
Written off (Note 7)	–	(2,126)	(2,126)
At 31 December 2020	1,246	13,545	14,791
Net carrying amount	8,513	5,260	13,773



13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

2019 RM'000	Company			
	Leasehold land	Buildings	Equipment, furniture, fittings, office equipment, motor vehicles and computers	Total
Cost				
At 1 January 2019	3,204	9,759	16,575	29,538
Adjustment upon adoption of MFRS 16	(3,204)	–	–	(3,204)
At 1 January 2019	–	9,759	16,575	26,334
Additions	–	–	3,592	3,592
At 31 December 2019	–	9,759	20,167	29,926
Accumulated depreciation and impairment loss				
At 1 January 2019	139	856	9,455	10,450
Adjustment upon adoption of MFRS 16	(139)	–	–	(139)
At 1 January 2019	–	856	9,455	10,311
Charge for the year (Note 7)	–	195	3,151	3,346
At 31 December 2019	–	1,051	12,606	13,657
Net carrying amount	–	8,708	7,561	16,269

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

- a. The net carrying amounts of property, plant and equipment of the Group charged to a bank for banking facilities (Note 27(d)) are as follows:

RM'000	Group	
	2020	2019
Plant and equipment	50,359	67,095

- b. During the year, the Group and the Company acquired property, plant and equipment by way of:

RM'000	Group		Company	
	2020	2019	2020	2019
Cash payment	17,630	68,435	411	3,684
Other payables	14,589	11,923	487	—
	32,219	80,358	898	3,684

14. LAND HELD FOR PROPERTY DEVELOPMENT

RM'000	Group		
	Land	Development expenditure	Total
At cost			
At 1 January 2019/31 December 2019/			
31 December 2020	830	6,674	7,504
Accumulated impairment			
At 1 January 2019/31 December 2019/			
31 December 2020	353	6,674	7,027
Carrying amount at 31 December 2019/			
31 December 2020	477	—	477



15. INTANGIBLE ASSETS

RM'000	Group					
	Goodwill Note a	Customer contracts Note b	Customer relationships Note b	Software and other development cost Note c	Software-in- progress	Total
Cost						
At 1 January 2019	534,075	33,996	173,582	51,669	12,186	805,508
Additions	–	–	–	1,296	23,766	25,062
Written off	–	–	–	(53)	–	(53)
Exchange difference	643	–	313	1	–	957
At 31 December 2019	534,718	33,996	173,895	52,913	35,952	831,474
Additions	–	–	–	6,706	3,590	10,296
Written off	–	–	–	(119)	–	(119)
Transfer	–	–	–	39,188	(39,188)	–
Exchange difference	(180)	–	(88)	(3)	–	(271)
At 31 December 2020	534,538	33,996	173,807	98,685	354	841,380
Accumulated amortisation and impairment						
At 1 January 2019	–	6,031	37,205	30,345	–	73,581
Amortisation during the year (Note 7)	–	2,193	18,086	3,278	–	23,557
Written off	–	–	–	(49)	–	(49)
Exchange difference	–	–	77	4	–	81
At 31 December 2019	–	8,224	55,368	33,578	–	97,170
Amortisation during the year (Note 7)	–	2,193	18,147	5,695	–	26,035
Written off	–	–	–	(115)	–	(115)
Exchange difference	–	–	(81)	22	–	(59)
At 31 December 2020	–	10,417	73,434	39,180	–	123,031
Net carrying amount						
At 31 December 2020	534,538	23,579	100,373	59,505	354	718,349
At 31 December 2019	534,718	25,772	118,527	19,335	35,952	734,304

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

15. INTANGIBLE ASSETS (CONTD.)

RM'000	Company		
	Software	Software-in-progress	Total
Cost			
At 1 January 2019	2,051	12,186	14,237
Additions	9	23,766	23,775
At 31 December 2019	2,060	35,952	38,012
At 1 January 2020	2,060	35,952	38,012
Additions	4,844	3,590	8,434
Disposals	(274)	–	(274)
Transfer	39,188	(39,188)	–
At 31 December 2020	45,818	354	46,172
Accumulated amortisation			
At 1 January 2019	687	–	687
Amortisation for the year (Note 7)	476	–	476
At 31 December 2019	1,163	–	1,163
At 1 January 2020	1,163	–	1,163
Amortisation for the year (Note 7)	3,742	–	3,742
Disposals	(106)	–	(106)
At 31 December 2020	4,799	–	4,799
Net carrying amount			
At 31 December 2020	41,019	354	41,373
At 31 December 2019	897	35,952	36,849



15. INTANGIBLE ASSETS (CONTD.)

a. Goodwill

Impairment testing of goodwill

Goodwill is allocated and monitored by management across the following cash generating units ("CGU"):

RM'000	2020	2019
Asset consultancy:		
Opus Group Berhad	38,636	38,636
Healthcare support:		
Edgenta Mediserve Sdn. Bhd. ("EMS")	26,982	26,982
Edgenta UEMS Group:		
- Malaysia	63,614	63,647
- Singapore	268,620	268,762
- Taiwan	10,714	10,719
Property and Facility Solutions:		
EGT Group	49,600	49,600
Infrastructure services:		
Edgenta PROPEL Berhad	76,372	76,372
	534,538	534,718

Goodwill is tested for impairment on an annual basis by comparing the carrying amount of the CGU with their respective recoverable amounts, which is based on value-in-use. The value-in-use is determined by discounting future cash flows over a period of five years including a terminal value. The future cash flows are based on management's future business plan, which is the best estimate of immediate future performance.

For EMS, the value-in-use is determined by discounting cash flows for a period of 14 years assuming an extension of 10 years concession period with no terminal value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

15. INTANGIBLE ASSETS (CONTD.)

a. Goodwill (contd.)

Key assumptions used in value-in-use calculation

The discount rates applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flows beyond the projection period are as follows:

	Projection period Years	Discount Rate		Terminal growth rate	
		2020 %	2019 %	2020 %	2019 %
Asset consultancy:					
Opus Group Berhad	5	13.0	13.0	1.0	1.0
Healthcare support:					
EMS	14	12.0	12.0	*	*
Edgenta UEMS Group:					
- Malaysia	5	11.0	11.0	1.0	2.0
- Singapore	5	8.5	8.0	1.0	1.0
- Taiwan	5	8.5	8.0	1.0	1.0
Property and Facility Solutions:					
EGT Group	5	11.5	12.0	1.0	1.0
Infrastructure services:					
Edgenta PROPEL Berhad	5	11.0	12.0	1.0	1.0

*For EMS, the value-in-use is determined by discounting cash flows for a period of 14 years (2019: 10 years) with no terminal value.

The calculation of the value-in-use for the CGUs are most sensitive to the following assumptions:

i. Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins and average growth rate achieved in the years before the budgeted year, adjusted for market and economic conditions and internal resource efficiency.

ii. Discount rate

The discount rates reflect the current market assessment of the risks specific to each CGU. This reflected the management's best estimate of return on capital employed required in the Group.

iii. Terminal growth rate

Terminal growth rates used to extrapolate cash flows beyond the budget period is based on published industry research for each business.



15. INTANGIBLE ASSETS (CONTD.)

a. Goodwill (contd.)

Sensitivity to change in assumption

Management believes that no reasonable possible change in any of the above key assumptions would cause the recoverable amount of each of the CGUs to be materially lower than their respective amount, other than the Edgenta UEMS - Malaysia CGU, as follows:

RM'000	Decrease in profit before tax	
	2020	2019
Increase in 1% of discount rate	3,623	6,614
Decrease in 1% of terminal growth rate	689	4,585

b. Customer contracts and relationships

Customer contracts and relationships arose from the acquisition of EGT Group and Edgenta UEMS Group in 2016 and are amortised over the range of 5 to 15 years.

c. Software and other development cost

Computer software represents licenses and other software assets that are not an integral part of property, plant and equipment assets. Software assets are recorded at cost and have finite useful life based on the term of the license or other contractual basis. The cost is amortised over the estimated asset's useful life of 3 to 5 years.

Other development cost relates to the development of a framework for the application of improved processes, systems and services for servicing expressways.

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For the year ended 31 December 2020

16. INVESTMENT IN SUBSIDIARIES

RM'000	Company	
	2020	2019
Unquoted shares, at cost:		
- Malaysian subsidiaries	2,162,421	2,134,211
- Foreign subsidiaries	86,795	86,795
	2,249,216	2,221,006
Less: Accumulated impairment (a)	(560,993)	(513,393)
	1,688,223	1,707,613

Certain unquoted shares in subsidiaries are pledged to financial institutions for facilities granted to the Group and the Company as disclosed in Note 27(a).

Further details of the subsidiaries are disclosed in Note 43.

a. Impairment of investment in subsidiaries

During the current financial year, an impairment loss of RM47.6 million (2019: RM78.0 million) was recognised against the carrying amount of its investment in Opus Group Berhad ("OGB") to its recoverable amount. Based on management's assessment, the recoverable amount of its investment in OGB was RM636.0 million (2019: RM683.6 million) which was estimated based on the value-in-use of OGB.

b. Acquisition of non-controlling interest in Edgenta GreenTech Sdn. Bhd. ("EGT")

On 16 December 2015, the Company had entered into a put option agreement with the non-controlling interest of EGT, to purchase its 20% equity interest in the entity. The Company at that time had 80% direct equity interest in EGT.

On 14 November 2019, the non-controlling interest of EGT has issued a notice to exercise the put option granted on its 20% shareholding in the entity at a total purchase price of RM28,209,686.

The transaction was completed on 25 June 2020 upon approval from Unit Kerjasama Awam Swasta ("UKAS") under the Ministry of Finance. As a result, EGT became a wholly-owned subsidiary of the entity.

c. Members' voluntary winding-up of Faber Hotels Holdings Sdn. Bhd. ("FHH")

On 6 March 2019, FHH, 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 did not have a material effect on the earnings, gearing or net assets of the Group.

d. Members' voluntary winding-up of Pengurusan LRT Sdn. Bhd. ("PLRT")

On 1 August 2019, PLRT, an indirect 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 PLRT was completed during the year and did not have a material effect on the earnings, gearing or net assets of the Group.



16. INVESTMENT IN SUBSIDIARIES (CONTD.)

e. Termination of joint venture

On 1 September 2019, UEM Sunrise Edgenta TMS Sdn. Bhd. ("UEMSET"), an indirect 70% subsidiary of the Company had entered into a Termination Agreement with Township Management Services Sdn. Bhd. to terminate the Joint Venture Shareholders' Agreement dated 13 January 2016.

On 12 December 2019, Edgenta Township Management Services Sdn. Bhd., a wholly-owned subsidiary of the Company, had entered into a Termination Agreement with UEM Sunrise Berhad to terminate the Joint Venture Shareholders' Agreement dated 30 November 2015.

The termination of joint venture did not have a material effect on the earnings, gearing or net assets of the Group.

f. Disposal of a subsidiary

On 27 September 2019, Edgenta Mediserve Sdn. Bhd., a wholly-owned subsidiary of the Company, had completed the disposal of its entire 60% equity interest in Fresh Linen Services (Sabah) Sdn. Bhd. for a total cash consideration of RM7,950,000. The disposal resulted in a gain of RM1,483,073 to the Group.

The value of the assets and liabilities disposed of on 27 September 2019 are as follows:

	RM'000
Property, plant and machinery	1,252
Right-of-use asset	842
Deferred taxation	73
Cash and bank balances	6,785
Deposits and prepayments	67
Trade receivables	3,394
Tax recoverable	592
Trade and other payables	(2,227)
Total value of net asset disposed of	10,778
 Group's share of net assets disposed of	 6,467
Consideration received, satisfied in cash	7,950
Gain on disposal of a subsidiary	1,483
 The effect of the disposal on cash flow is as follows:	
Consideration received, satisfied in cash	7,950
Less: Cash and cash equivalent of subsidiary disposed	(6,785)
Net cash inflows from disposal of a subsidiary	1,165

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For the year ended 31 December 2020

16. INVESTMENT IN SUBSIDIARIES (CONTD.)

Summarised financial information

Summarised financial information of Rimbunan Melati Sdn. Bhd. ("Rimbunan Melati") and Edgenta UEMS Group ("UEMS Group"), which have non-controlling interests that are material to the Group, is set out below. The summarised financial information presented below is the amount before inter-company elimination. The non-controlling interests in respect of other entities within the Group are not material to the Group.

i. Summarised statements of financial position

RM'000	Rimbunan Melati		UEMS Group		EGT		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Non-current assets	–	–	31,045	14,155	–	124,854	31,045	139,009
Current assets	11,721	11,865	373,910	264,535	–	170,810	385,631	447,210
Total assets	11,721	11,865	404,955	278,690	–	295,664	416,676	586,219
Non-current liabilities	–	–	937	1,195	–	100,389	937	101,584
Current liabilities	321	524	231,955	156,197	–	72,914	232,276	229,635
Total liabilities	321	524	232,892	157,392	–	173,303	233,213	331,219
Net assets	11,400	11,341	172,063	121,298	–	122,361	183,463	255,000
Equity attributable to owners of the Company	6,270	6,238	167,761	118,266	–	122,361	174,031	246,865
Non-controlling interests	5,130	5,103	4,302	3,032	–	–*	9,432	8,135

*At each reporting date, the non-controlling interest is derecognised against the equity arising from the put option issued to the non-controlling interest as if it was acquired at that date (Note 32(a)).



16. INVESTMENT IN SUBSIDIARIES (CONTD.)

Summarised financial information (contd.)

ii. Summarised statements of comprehensive income

RM'000	Rimbunan Melati		UEMS Group		EGT		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenue	–	–	825,141	648,062	–	134,900	825,141	782,962
Profit/(loss) for the year, representing total comprehensive income/(loss) for the year	19	(1,334)	84,562	43,362	–	17,965	84,581	59,993
Attributable to:								
- owners of the Company	10	(734)	82,448	42,278	–	14,372	82,458	55,916
- non-controlling interests	9	(600)	2,114	1,084	–	3,593	2,123	4,077
	19	(1,334)	84,562	43,362	–	17,965	84,581	59,993

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

16. INVESTMENT IN SUBSIDIARIES (CONTD.)

Summarised financial information (contd.)

iii. Summarised statements of cash flow

RM'000	Rimbunan Melati		UEMS Group		EGT		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Net cash (used in)/ generated from operating activities	(399)	(4,462)	90,760	51,046	—	7,410	90,361	53,994
Net cash generated from/(used in) investing activities	168	11,150	(7,072)	(14,680)	—	407	(6,904)	(3,123)
Net cash (used in)/ generated from financing activities	(23)	(7,500)	(23,719)	(21,701)	—	4,377	(23,742)	(24,824)
Net (decrease)/ increase in cash and cash equivalents	(254)	(812)	59,969	14,665	—	12,194	59,715	26,047
Net foreign exchange differences	—	—	1,186	(21)	—	(214)	1,186	(235)
Cash and cash equivalents at beginning of the year	11,777	12,589	114,862	100,218	—	54,202	126,639	167,009
Cash and cash equivalents at end of the year	11,523	11,777	176,017	114,862	—	66,182	187,540	192,821



17. INVESTMENT IN ASSOCIATES

RM'000	Group	
	2020	2019
Unquoted shares, at cost:		
In Malaysia	5,730	6,122
Outside Malaysia	6,082	6,082
	11,812	12,204
Share of post-acquisition reserves	81,099	70,587
Less: Dividend received	(7,708)	(5,786)
	85,203	77,005

On 15 October 2020, Operon Consulting Sdn. Bhd., an indirect 70% subsidiary of the Company, had disposed its entire 49% equity interest in Operon Asset Advisory Sdn. Bhd. for a cash consideration of RM58,199, and accordingly, a gain of disposal of RM58,199 is recognised.

Further details of the associates are disclosed in Note 43.

Summarised financial information of Faber Sindoori Management Services Private Limited ("Faber Sindoori"), Biomedix Solutions Sdn. Bhd. ("Biomedix"), One Medicare Sdn. Bhd. ("One Medicare") and Sedafiat Sdn. Bhd. ("Sedafiat"), that are material associates of the Group are set out below. The summarised financial information represents the amounts in the MFRS financial statements of the associates and not the Group's share of those amounts.

i. Summarised statements of financial position

RM'000	Faber Sindoori		Biomedix		One Medicare		Sedafiat		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Non-current assets	12,931	8,509	1,941	2,400	10,112	8,620	36,518	31,716	61,502	51,245
Current assets	74,637	65,840	50,661	38,277	81,975	74,215	73,607	59,017	280,880	237,349
Total assets	87,568	74,349	52,602	40,677	92,087	82,835	110,125	90,733	342,382	288,594
Non-current liabilities	8,771	4,213	84	84	636	1,416	6,057	844	15,548	6,557
Current liabilities	15,179	14,782	11,918	5,103	61,332	49,190	48,479	43,404	136,908	112,479
Total liabilities	23,950	18,995	12,002	5,187	61,968	50,606	54,536	44,248	152,456	119,036
Net assets	63,618	55,354	40,600	35,490	30,119	32,229	55,589	46,485	189,926	169,558

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

17. INVESTMENT IN ASSOCIATES (CONTD.)

ii. Summarised statements of comprehensive income

RM'000	Faber Sindoori		Biomedix		One Medicare		Sedafiat		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue	100,023	107,604	61,066	52,130	204,506	196,597	246,200	243,000	611,795	599,331
Profit before tax	13,147	16,075	20,218	18,968	462	6,371	19,415	22,188	53,242	63,602
Profit/(loss) for the year	9,712	11,570	15,510	14,584	(110)	5,138	14,104	16,822	39,216	48,114
Total comprehensive income/(loss)	9,730	11,484	15,510	14,584	(110)	5,138	14,104	16,822	39,234	48,028
Dividend received from the associates during the year	748	986	4,160	2,400	800	1,200	2,000	1,200	7,708	5,786

iii. Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates

RM'000	Faber Sindoori		Biomedix		One Medicare		Sedafiat		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net assets at 1 January	55,354	45,801	35,490	26,906	32,229	30,091	46,485	32,663	169,558	135,461
Total comprehensive income/(loss)	9,730	11,484	15,510	14,584	(110)	5,138	14,104	16,822	39,234	48,028
Dividend from associate	(1,466)	(1,931)	(10,400)	(6,000)	(2,000)	(3,000)	(5,000)	(3,000)	(18,866)	(13,931)
Net assets at 31 December	63,618	55,354	40,600	35,490	30,119	32,229	55,589	46,485	189,926	169,558
Interest in associates	51%	51%	40%	40%	40%	40%	40%	40%		
Exchange differences	(863)	(863)	—	—	—	—	—	—	(863)	(863)
Carrying value of Group's interest in material associate	31,582	27,368	16,240	14,196	12,048	12,892	22,236	18,594	82,106	73,050



18. OTHER INVESTMENTS

RM'000	Group and Company	
	2020	2019
Equity instruments (unquoted shares in Malaysia)	1,200	1,200
Less: Accumulated impairment losses	(1,200)	(1,200)
Unquoted shares, net	–	–
Club memberships	232	272
	232	272

19. INVENTORIES

RM'000	Group	
	2020	2019
Consumables	14,507	13,589
Properties held for sale	63,358	120,184
	77,865	133,773

During the year, the amounts of inventories recognised as expenses in cost of sales of the Group for consumables and properties held for sale were RM166.8 million and RM56.8 million (2019: RM90.5 million and RM25.2 million) respectively.

The expenses for properties held for sale during the year included RM50.0 million being properties held for sale written down to their net realisable value.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

20. TRADE AND OTHER RECEIVABLES

RM'000	Group	
	2020	2019
Current		
Trade receivables (Note a)		
Third parties	280,883	306,909
Related companies	52,493	159,154
Associates	30,883	35,688
	364,259	501,751
Less: Allowance for expected credit losses (ECL):		
Third parties	(32,036)	(41,087)
Related companies	(11,856)	(11,022)
	(43,892)	(52,109)
Retention receivables:		
Third parties	11,532	1,346
Related companies	835	5,046
	12,367	6,392
Trade receivables, net	332,734	456,034
Concession receivable (Note c)	22,600	22,600
Other receivables (Note b)		
Amounts due from related parties:		
Associates	2,352	1,290
Related companies	2,774	3,657
	5,126	4,947
Deposits	23,255	16,442
Sundry receivables	12,975	30,930
	41,356	52,319
Less: Allowance for ECL		
Sundry receivables	(2,254)	(1,628)
Related companies	(216)	(1,352)
	(2,470)	(2,980)
Other receivables, net	38,886	49,339
Other current assets		
Prepayments	46,233	9,173
Others	19,560	9,174
	65,793	18,347
Total	460,013	546,320



20. TRADE AND OTHER RECEIVABLES (CONTD.)

RM'000	Group	
	2020	2019
Non-current		
Trade receivables (Note a)		
Retention receivables:		
Third parties	9,749	4,750
Related companies	–	6,065
Trade receivables, net	9,749	10,815
Concession receivable (Note c)	110,243	115,606
Total	119,992	126,421

RM'000	Company	
	2020	2019
Current		
Other receivables (Note b)		
Amounts due from subsidiaries	113,632	200,371
Amount due from related parties	1,656	526
Deposits	2,023	856
Sundry receivables	1,492	4,541
	118,803	206,294
Less: Allowance for ECL		
Sundry receivables	(216)	(216)
Subsidiaries	(27,444)	(25,193)
	(27,660)	(25,409)
	91,143	180,885
Non-current		
Loan to a subsidiary (Note b)	103,979	100,975

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

20. TRADE AND OTHER RECEIVABLES (CONTD.)

Movements in allowance for ECL:

RM'000	Group		Company	
	2020	2019	2020	2019
At 1 January	55,089	76,789	25,409	18,304
Charge for the year (Note 7)	1,936	6,214	2,251	7,105
Reversal of allowance (Note 5)	(4,231)	(28,019)	–	–
Written off	(6,432)	–	–	–
Exchange differences	–	105	–	–
At 31 December	46,362	55,089	27,660	25,409

a. Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2019: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

RM'000	Group	
	2020	2019
Neither past due nor impaired	142,423	139,972
1 to 30 days past due from the credit terms but not impaired	66,011	142,564
31 to 60 days past due from the credit terms but not impaired	26,916	33,018
61 to 90 days past due from the credit terms but not impaired	23,893	24,854
91 to 120 days past due from the credit terms but not impaired	6,101	24,700
More than 121 days past due from the credit terms but not impaired	77,139	101,741
	200,060	326,877
Impaired	43,892	52,109
	386,375	518,958



20. TRADE AND OTHER RECEIVABLES (CONTD.)

a. Trade receivables (contd.)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. At the reporting date, approximately 7% (2019: 46%) of the Group's trade receivables arose from current receivable balances with related companies, while approximately 1% (2019: 1%) of the Group's trade receivables arose from current receivable balances with Ministry of Health ("MOH").

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due from the credit terms but not impaired

The Group has trade receivables amounting to RM200.1 million (2019: RM326.9 million) that are past due from the credit terms at the reporting date but not impaired.

These receivables are unsecured. Based on past experience, the management believes that no allowance for impairment is necessary as these debtors are generally slower in their repayment and the Group is still in active trade with these customers.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date are as follows:

RM'000	Individually impaired	
	2020	2019
Trade receivables		
- nominal amounts	43,892	52,109
Less: Allowance for impairment	(43,892)	(52,109)
	-	-

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

b. Other receivables

Amounts due from subsidiaries and related parties

Amounts due from subsidiaries and related parties are non-trade related, non-interest bearing and repayable on demand except for an amount due from subsidiaries of RM16,326,361 (2019: RM13,795,666) which bears interest at 3.76% (2019: 4.75% to 5.00%) per annum. All related companies balances are unsecured and are to be settled in cash.

The loan to a subsidiary is subordinated to the subsidiary's borrowing from a financial institution until the borrowing is fully repaid as disclosed in Note 27(a).

Further details on related party transactions are disclosed in Note 37.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

20. TRADE AND OTHER RECEIVABLES (CONTD.)

b. Other receivables (contd.)

Other receivables that are impaired

At the reporting date, the Group and the Company have provided an allowance of RM2.5 million (2019: RM3.0 million) and RM27.7 million (2019: RM25.4 million) respectively. These mainly relate to balances due from third parties and subsidiaries respectively which have been long outstanding.

c. Concession receivable

This is in relation to a concession arrangement in which the Group provides retro-fitting works and upgrades of infrastructure to turn existing buildings into green buildings. These amounts are to be repaid over the remaining period of the concession. These amounts are also pledged as security for the borrowing obtained for this concession as disclosed in Note 27(b).

21. CONTRACT RELATED ASSETS AND LIABILITIES

RM'000	Group	
	2020	2019
Contract assets (a)		
Non-current	60,957	32,941
Current	290,743	344,037
	351,700	376,978
Contract liabilities (a)		
Current	(30,663)	(21,131)
Contract fulfillment asset (b)		
Non-current	6,794	2,271
Current	2,608	699
	9,402	2,970

a. Contract assets and liabilities

Contract assets are initially recognised for revenue earned from services transferred which receipt of the consideration is conditional on the completion and final acceptance by customers. Upon final acceptance by the customers, the amounts recognised as contract assets becomes unconditional and are reclassified to trade receivables.

The increase in contract asset as at financial year ended 31 December 2020 was mainly due to unbilled receivables pertaining to revenue earned for infrastructure services provided during the year.

Contract liabilities include billings made in advance which represent amounts where customers have been invoiced ahead of the satisfaction of the performance obligation by the Group.



21. CONTRACT RELATED ASSETS AND LIABILITIES (CONTD.)

a. Contract assets and liabilities (contd.)

Set out below is the amount of revenue recognised from:

RM'000	Group	
	2020	2019
Amounts included in contract liabilities at the beginning of the year	4,383	2,713

b. Contract fulfillment asset

RM'000	Group	
	2020	2019
As at 1 January	2,970	–
Additions	7,438	3,494
Utilised during the year	(1,006)	(524)
As at 31 December	9,402	2,970

22. SHORT TERM INVESTMENTS

RM'000	Group	
	2020	2019
Fair value through profit or loss investments:		
- unquoted unit trusts	11,721	62,385
- investment in Islamic funds	78	78
	11,799	62,463

Unquoted unit trusts represent investment funds invested with licensed fund managers in the funds approved by the Securities Commission. The portfolio of investments authorised by the Board of Directors comprises only deposits in both Islamic and conventional instruments with financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

23. CASH, BANK BALANCES AND DEPOSITS

RM'000	Group		Company	
	2020	2019	2020	2019
Cash in hand and at banks	351,231	400,299	5,313	13,956
Deposits with licensed banks	326,771	158,232	9,500	33,542
	678,002	558,531	14,813	47,498

- Included in cash at bank of the Group are amounts of RM9.1 million (2019: RM34.2 million) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and Section 8A of the Housing Development Account (Control and Licensing) Sabah Act, 1978 and are restricted for use in other operations.
- Deposits with licensed banks of the Group amounting to RM3.7 million (2019: RM3.3 million) are on lien for bank guarantee facilities granted to certain subsidiaries. As at 31 December 2020, the subsidiaries have utilised guarantee facilities amounting to RM0.9 million (2019: RM1.4 million).
- Deposits with licensed banks amounting to RM2.1 million (2019: RM0.5 million) are pledged to secure certain facilities granted to the Group.
- Deposits with licensed banks of the Group amounting to RM15.0 million (2019: RM11.3 million) are pledged as securities for bank borrowing granted to a foreign subsidiary.
- Cash and fixed deposits of RM17.2 million (2019: RM4.5 million) from a foreign subsidiary are pledged as collateral for performance of service under integrated facility management contract, and are therefore restricted from use in other operation.
- Cash and bank balances amounting to RM1.2 million are held in trust to maintain and deposit all security deposits received by the Company as licensed Estate Agent held on behalf of its client.

Other information on financial risks of cash, bank balances and deposits are disclosed in Note 39.

24. RETIREMENT BENEFIT OBLIGATIONS

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees. The Scheme is closed to new employees. Under the Scheme, eligible employees are entitled to retirement benefits on attainment of the retirement age of 60 (2019: 60), on medical incapacity or on death. The present value of defined benefit obligation was based on the actuarial valuation report by independent actuary dated 20 January 2019.



24. RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

The details of the net employee benefits liability are as follows:

RM'000	Group	
	2020	2019
Present value of the defined benefit obligations ("PVDBO")		
At 1 January	3,747	4,456
Defined retirement benefit obligations (Note 8)	353	231
Contributions paid	(391)	(136)
Payable by associates	(314)	(804)
At 31 December	3,395	3,747

RM'000	Group	
	2020	2019
Analysis of funded and unfunded PVDBO		
PVDBO from plans that are wholly unfunded	3,395	3,747
Analysed as:		
Current	877	564
Non-current:		
Later than 1 year but not later than 2 years	550	877
Later than 2 years	1,968	2,306
	2,518	3,183
	3,395	3,747

The details of net employee benefits expense recognised in income statement are as follows:

RM'000	Group	
	2020	2019
Current service costs	56	59
Loss on settlement	141	–
Interest cost	156	172
Net employee benefits expense (Note 8)	353	231

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

24. RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

Total amount recognised in statement of comprehensive income

RM'000	Group	
	2020	2019
Cumulative amount of actuarial loss recognised in statement of comprehensive income: At 1 January/31 December	963	963
Historical experience adjustments:		
PVDBO	3,395	3,747
Experience adjustment (% of PVDBO)	0%	0%

Principal actuarial assumptions used:

%	Group	
	2020	2019
Discount rate	4.90	4.90
Expected rate of salary increases	5.00	5.00

Assumptions regarding future mortality are based on published statistics and mortality tables.

A one percentage point change in the below key assumptions would have the following effects:

RM'000	(Decrease)/increase in PVDBO	
	2020	2019
Discount rate		
Increase in one percentage point on discount rate	(86)	(110)
Decrease in one percentage point on discount rate	91	117
Salary increment rate		
Increase in one percentage point on salary increment rate	403	375
Decrease in one percentage point on salary increment rate	(378)	(352)

The average duration of the retirement benefit obligation at the end of the reporting period is 3 years (2019: 3 years).



25. DEFINED BENEFIT PENSION PLAN

Defined benefit pension plan is by a subsidiary, Edgenta UEMS Ltd. ("UEMS Taiwan").

UEMS Taiwan has a retirement plan covering all its regular employees who opted for defined benefits plan. Benefits under the plan are based on the length of service and estimated base pay at the time of retirement. The pension assets and liabilities are valued on annual basis by independent actuary, taking into account gains and losses.

The plan assets, comprising cash and cash equivalents, are deposited with the Bank of Taiwan and are managed by the government of Taiwan. The plan assets do not have quoted market prices in active market.

Amount recognised in the income statement and statement of comprehensive income:

RM'000	Group	
	2020	2019
Interest cost on benefit obligation	12	20
Employer's contribution	(357)	(745)
Interest income	(3)	–
Total included in employee benefits expense (Note 8)	(348)	(725)
Net actuarial loss recognised for the year	114	64
	(234)	(661)

Amount recognised in statement of financial position:

RM'000	Group	
	2020	2019
Present value of defined benefit obligation	1,657	1,611
Fair value of plan assets	(720)	(495)
Defined benefit obligation	937	1,116

Changes in present value of defined benefit obligation:

RM'000	Group	
	2020	2019
At 1 January	1,611	1,797
Interest cost	12	20
Benefit paid	(177)	(288)
Actuarial loss	132	70
Exchange differences	79	12
At 31 December	1,657	1,611

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

25. DEFINED BENEFIT PENSION PLAN (CONTD.)

Changes in fair value of plan assets:

RM'000	Group	
	2020	2019
At 1 January	(495)	(38)
Employer's contribution	(357)	(745)
Benefit paid	177	288
Actuarial gain	(18)	(6)
Interest income	(3)	—
Exchange differences	(24)	6
At 31 December	(720)	(495)

The principal assumptions used in determining defined benefit obligation of the Group are shown below:

	Group	
	2020	2019
Discount rate	0.25%	0.70%
Salary escalation	2.00%	2.00%

Actual return on plan assets:

RM'000	Group	
	2020	2019
Actual return of plan assets, representing actuarial gain recognised in the other comprehensive income	(18)	(6)

A quantitative sensitivity analysis for significant assumptions as at 31 December 2020 and 2019 are as shown below:

Sensitivity Level RM'000	Increase in one percentage		Decrease in one percentage	
	2020	2019	2020	2019
Assumptions				
Discount rate	(181)	(186)	195	200
Salary increase	190	197	(179)	(184)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit obligation at the end of the reporting period is 11 years (2019: 12 years).



26. PROVISIONS

RM'000	Group	
	2020	2019
Non-current:		
Provision for employee service entitlements (Note a)	2,891	2,382
Current:		
Provision for long term incentive plan (Note b)	1,620	1,620
Total	4,511	4,002

a. Provision for employee service entitlements

RM'000	Group	
	2020	2019
At 1 January	2,382	1,872
Charged to the income statement (Note 8)	564	530
Exchange differences	(55)	(20)
At 31 December	2,891	2,382

Provision for employee service entitlements comprises provisions for retirement leave entitlements in respect of eligible employees. The provisions are in respect of both vested and unvested entitlements, and are made by reference to independent actuarial valuations. The timing of such payments depends on when vesting occurs and the subsequent retirement date of the eligible employees.

b. Provision for long term incentive plan ("LTIP")

The Group under some of its subsidiaries grant the Shadow Share Option Scheme, i.e. LTIP, to eligible employees, as part of the remuneration package, whereby the employees will be entitled to future cash payments subject to meeting the pre-determined financial performance and value growth targets of the Group over a specific performance vesting period.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

27. BORROWINGS

RM'000	Group		Company	
	2020	2019	2020	2019
Current borrowings				
Secured:				
Murabahah Term Facility (Note a)	38,089	31,626	—	—
Term loans (Note b)	10,203	9,049	—	—
Revolving credit (Note b)	64,057	60,742	—	—
	112,349	101,417	—	—
Unsecured:				
Islamic Commercial Papers (Note c)	50,000	50,000	50,000	50,000
Islamic Medium Term Notes (Note c)	2,101	2,090	2,101	2,090
Total short term borrowings	164,450	153,507	52,101	52,090
Non-current borrowings				
Secured:				
Murabahah Term Facility (Note a)	—	38,109	—	—
Term loans (Note b)	68,746	77,702	—	—
	68,746	115,811	—	—
Unsecured:				
Islamic Medium Term Notes (Note c)	249,958	249,750	249,958	249,750
Total long term borrowings	318,704	365,561	249,958	249,750
Total borrowings				
Secured:				
Murabahah Term Facility (Note a)	38,089	69,735	—	—
Term loans (Note b)	78,949	86,751	—	—
Revolving credit (Note b)	64,057	60,742	—	—
	181,095	217,228	—	—
Unsecured:				
Islamic Commercial Papers (Note c)	50,000	50,000	50,000	50,000
Islamic Medium Term Notes (Note c)	252,059	251,840	252,059	251,840
Total borrowings	483,154	519,068	302,059	301,840



27. BORROWINGS (CONTD.)

The maturity profile of the loans and borrowings are as follows:

RM'000	Group		Company	
	2020	2019	2020	2019
On demand or within one year	164,450	153,507	52,101	52,090
More than 1 year and less than 2 years	260,608	57,885	249,958	–
More than 2 years and less than 5 years	33,887	283,364	–	249,750
More than 5 years	24,209	24,312	–	–
	318,704	365,561	249,958	249,750
	483,154	519,068	302,059	301,840

a. Murabahah Term Facility

On 1 December 2016, the Group via its subsidiary, Edgenta (Singapore) Pte. Ltd (“ESG”) obtained Murabahah Term Facility of RM160.7 million (SGD52.4 million) to finance the acquisition of UEMS Pte. Ltd..

The profits charged on the borrowing are repayable on quarterly basis, while the principals are repayable on annual basis, for the period of 5 years, from the date of the first drawdown on 15 December 2016.

The weighted average effective profit rate of facility at the reporting date was 2.80% (2019: 4.22%) per annum.

The Facility is secured by:

- i. Equitable mortgage over all securities and shares of ESG and its subsidiaries;
- ii. Debenture creating registered fixed and floating charges over all present and future assets of ESG and its subsidiaries;
- iii. Charge over the Designated Accounts of ESG;
- iv. Assignment of UEMS Pte. Ltd.’s rights, title, interest and benefits under the Sales and Purchase Agreement dated 26 September 2016 (“SPA”);
- v. Assignment of all financing or advances provided to ESG and its subsidiaries; and
- vi. Corporate guarantee from the Company.

As at the reporting date, no values are ascribed on these guarantees provided by the Company for the purpose described above as the directors regard the value of the credit enhancement provided by these guarantees as minimal and the probability of default, based on historical track records of the parties receiving the guarantees are not probable.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

27. BORROWINGS (CONTD.)

b. Term loans and revolving credit

Secured term loans and revolving credit bear interests which range from 1.00% to 5.22% per annum (2019: 1.80 % to 5.48% per annum). The term loans are secured by:

- i. Charge over cash and fixed deposit;
- ii. Assignment of rights, title, interest and benefits of the customer under the Concession Agreement in respect of the followings:
 - Project Payment Charges
 - Amount payable to the Customer by the Government of Malaysia as a result of early termination
 - Appointment of Substituted Entity
- iii. Assignment of proceeds over revenue and other income generated from the project;
- iv. Assignment over designated accounts;
- v. Letter of undertaking from a subsidiary to service the monthly obligation of the customer in the event of any shortfall; and
- vi. Corporate guarantee from a subsidiary.

c. Islamic Commercial Papers (“ICPs”) and Islamic Medium Term Notes (“IMTNs”)

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

As at 31 December 2020, the Company has issued the following:

- a. RM50.0 million in nominal value of ICPs with a tenure of 12 months issued on 24 April 2020; and
- b. RM250.0 million in nominal value of IMTNs with a tenure of 5 years issued on 26 April 2017.

The proceeds raised from the ICPs and IMTNs are to be utilised by the Company for its Shariah-compliant general corporate purposes.

The effective profit rates for ICPs and IMTNs at the reporting date are 3.40% (2019: 4.05%) and 4.85% (2019: 4.85%) respectively.



27. BORROWINGS (CONTD.)

d. Syndicated banking facilities (secured)

A subsidiary of the Group has Syndicated Banking Facilities which comprise revolving credits, bank guarantees and combined trade facilities.

The Syndicated Banking Facilities are secured by a Debenture and a Deed of Assignment of Proceeds dated 27 December 1996 by way of the following:

- i. A first fixed charge over all sums paid or may from time to time become due and payable to the subsidiary ("the Proceeds") by the Government of Malaysia pursuant to the Concession Agreement dated 28 October 1996, all its uncalled capital, its present and future goodwill, patents, trademarks, licenses and concessions and all its present and future plant, equipment and machinery, motor vehicles and furniture and fittings; and
- ii. A first floating charge over all the present and future lands undertakings and other properties and assets of the subsidiary both movable and immovable, not otherwise charged in (d)(i) above.

Reconciliation of liabilities arising from financing activities

RM'000	Group		Company	
	2020	2019	2020	2019
As at 1 January	519,068	532,465	301,840	301,815
Adjustment upon adoption of MFRS 16	–	(3,127)	–	–
As at 1 January	519,068	529,338	301,840	301,815
Cash flows:				
Drawdown of borrowings	74,384	125,331	50,000	50,000
Repayment of borrowings	(114,894)	(137,127)	(50,000)	(50,000)
Interest paid	(20,490)	(24,181)	(13,823)	(14,247)
Non-cash changes:				
Amortisation of capitalised transaction costs	492	679	119	125
Other changes	24,594	25,028	13,923	14,147
As at 31 December	483,154	519,068	302,059	301,840

Included in the other changes are the effects of foreign currency translations and accrued but not yet paid interest on interest-bearing loans and borrowings. The Group classifies interest paid as cash flows from operating activities.

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28. TRADE AND OTHER PAYABLES

RM'000	Group	
	2020	2019
Current		
Trade payables (Note a)	112,892	125,469
Third parties	220,474	194,569
Accrued costs		
Retention payables (Note b):		
Services:		
- Infrastructure	33,349	27,016
- Property & facility solution	2,350	2,690
- Healthcare support	3,718	—
Due to related companies (Note c)	12,508	2,298
	385,291	352,042
Other payables		
Employee costs payable	105,689	115,064
Accruals	82,466	62,005
Refundable deposits	4,828	3,432
Sundry payables (Note f)	55,570	101,453
Deferred consideration payable (Note d)	2,910	2,910
Due to holding company (Note c)	26,201	29,804
Due to related companies (Note c)	5,980	5,232
	283,644	319,900
Total	668,935	671,942
Non-current		
Trade payables (Note a)		
Retention payables (Note b):		
Services:		
- Infrastructure	1,444	1,444
Property development	215	168
Total	1,659	1,612



28. TRADE AND OTHER PAYABLES (CONTD.)

RM'000	Company	
	2020	2019
Current		
Other payables		
Accruals	23,246	9,099
Sundry payables	8,954	20,428
Due to holding company (Note c)	26,201	29,804
Due to related companies (Note c)	17,063	13,578
Deferred consideration payable (Note d)	2,910	2,910
Total	78,374	75,819
Non-current		
Other payables		
Loan from a subsidiary (Note e)	101,636	98,226

a. Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2019: 30 to 90 days).

b. Retention payables

Retention payables are unsecured, interest-free and are expected to be paid within the terms of the relevant contracts.

c. Amounts due to holding and related companies

Related companies refer to companies within the UEM group of companies.

Amounts due to holding and related companies are non-interest bearing and are repayable on demand. The amounts are unsecured and are to be settled in cash.

Further details on related party transactions are disclosed in Note 37.

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For the year ended 31 December 2020

28. TRADE AND OTHER PAYABLES (CONTD.)

d. Deferred consideration payable

RM'000	Group and Company	
	2020	2019
At 1 January	2,910	8,691
Reversal of deferred consideration payable (Note 5)	–	(5,320)
Payment	–	(461)
At 31 December	2,910	2,910

Deferred consideration payable as at current reporting date arose from the acquisition of EGT group in 2016, which is contingent on certain integration criteria being met.

e. Loan from a subsidiary

Loan from a subsidiary bears interest at 3.76% (2019: 4.75%) per annum, unsecured and is expected to be settled in 2021.

f. Sundry payables

In prior year, an amount of RM28,209,686 being the fair value of the put-option granted to the non-controlling interest of a subsidiary was included in sundry payables. The amount was settled during the year.



29. DEFERRED TAX

RM'000	Group	
	2020	2019
At 1 January	37,117	35,589
Recognised in profit or loss	(1,373)	1,418
Disposal of a subsidiary (Note 16(f))	–	73
Exchange differences	(578)	37
At 31 December	35,166	37,117
Presented after appropriate offsetting as follows:		
Deferred tax assets	(8,960)	(13,274)
Deferred tax liabilities	44,126	50,391
	35,166	37,117

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

RM'000	Provisions and others	Unused tax losses and other tax credits	Total
At 1 January 2020	(15,384)	(2,116)	(17,500)
Recognised in profit or loss	(740)	390	(350)
Exchange differences	(643)	(174)	(817)
	(16,767)	(1,900)	(18,667)
Less: Set off with deferred tax liabilities			9,707
At 31 December 2020			(8,960)
At 1 January 2019	(18,011)	(3,765)	(21,776)
Recognised in profit or loss	2,558	1,649	4,207
Disposal of a subsidiary	73	–	73
Exchange differences	(4)	–	(4)
	(15,384)	(2,116)	(17,500)
Less: Set off with deferred tax liabilities			4,226
At 31 December 2019			(13,274)

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

29. DEFERRED TAX (CONTD.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows: (contd.)

Deferred tax liabilities of the Group:

RM'000	Property, plant and equipment	Intangible assets	Concession receivable and others	Total
At 1 January 2020	2,621	27,595	24,401	54,617
Recognised in profit or loss	(971)	(2,884)	2,832	(1,023)
Exchange differences	–	239	–	239
	1,650	24,950	27,233	53,833
Less: Set off with deferred tax assets				(9,707)
At 31 December 2020				44,126
At 1 January 2019	6,500	30,620	20,245	57,365
Recognised in profit or loss	(3,879)	(3,066)	4,156	(2,789)
Exchange differences	–	41	–	41
	2,621	27,595	24,401	54,617
Less: Set off with deferred tax assets				(4,226)
At 31 December 2019				50,391

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.



29. DEFERRED TAX (CONTD.)

Deferred tax assets have not been recognised in respect of the following items:

Malaysian Companies

RM'000	Group		Company	
	2020	2019	2020	2019
Unused tax losses	161,632	113,109	71,786	57,340
Unabsorbed capital allowances	1,513	405	–	–
Others	834	2,510	–	–
	163,979	116,024	71,786	57,340
Deferred tax of 24%	39,355	27,846	17,229	13,762

Unused tax losses

At the reporting date, the Group and the Company has tax losses of approximately RM161.6 million (2019: RM113.1 million) and RM71.8 million (2019: RM57.3 million) respectively that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia is subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority. Effective from year of assessment 2019 as announced in the Annual Budget 2019, the unused tax losses of the Company as at 31 December 2018 and thereafter will only be available for carry forward for a period of 7 consecutive years. Upon expiry of the 7 years, the unabsorbed losses will be disregarded.

The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

30. SHARE CAPITAL

RM'000	Group and Company			
	Number of ordinary shares		Amount	
	2020 '000	2019 '000	2020	2019
Issued and fully paid up				
At 1 January/31 December	831,624	831,624	268,074	268,074

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

31. CAPITAL AND OTHER MERGER RESERVE

The acquisitions of Opus Group Berhad (“Opus”) and Edgenta PROPEL Berhad in prior years, which was accounted for using the pooling of interest method, gave rise to the following:

a. Capital reserve

This reserve represents the excess of issue price of the Company’s shares over the par value in accordance with Section 60(4)(a) of the Companies Act, 1965. This reserve had been partially set off against the merger deficit reserve in prior years for the purpose of presentation in the financial statements of the Group.

b. Other merger reserve

This reserve represents the excess of fair value of the Company’s shares at the acquisition date over the issue price. This reserve had been fully set off against the merger deficit reserve for the purpose of presentation in the financial statements of the Group.

32. OTHER RESERVES

RM'000	Group				
	Put option reserve (Note a)	Statutory reserve (Note b)	Foreign currency translation reserve (Note c)	Other reserve (Note d)	Total
At 1 January 2019	(2,393)	279	(8,067)	9,163	(1,018)
Foreign currency translation	–	–	1,457	–	1,457
Put option granted to non-controlling interests of a subsidiary	2,976	–	–	–	2,976
At 31 December 2019	583	279	(6,610)	9,163	3,415
Foreign currency translation	–	–	(192)	–	(192)
Exchange differences reclassified to profit or loss	–	–	(19,130)	–	(19,130)
Put option granted to non-controlling interests of a subsidiary	1,733	–	–	–	1,733
Settlement of put option granted to non-controlling interests of a subsidiary	(2,316)	–	150	–	(2,166)
At 31 December 2020	–	279	(25,782)	9,163	(16,340)

32. OTHER RESERVES (CONTD.)**a. Put option reserve**

This relates to the put option issued to the non-controlling interests over the shares of a subsidiary of the Group. For the purpose of presentation in the financial statements, the put option reserve is shown net of the related non-controlling interests at each reporting date as if it was acquired at that date.

On 14 November 2019, the non-controlling interest of EGT has issued a notice to exercise the put option granted on its 20% shareholding in the entity. The transaction was completed on 25 June 2020 upon approval from Unit Kerjasama Awam Swasta ("UKAS") under the Ministry of Finance. Further information is disclosed in Note 16(b).

b. Statutory reserve

In accordance with the United Arab Emirates ("UAE") Commercial Companies Law, 10% of profit for each year from a Limited Liability Company incorporated in the UAE is transferred to a legal reserve until such time as the reserve equalled 50% of the paid-up capital. Faber L.L.C. ("FLLC") has resolved to discontinue such annual transfers since the reserve has equalled to 50% of its share capital. This reserve is not available for distribution except as stipulated by UAE law.

c. Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

d. Other reserve

Other reserve arose from the redemption of redeemable preference shares in prior years by a subsidiary.

33. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings under the single tier system.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

34. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for leasehold land, office premises and motor vehicles used in its operations. Leases of premises generally have lease terms between 2 and 15 years, while motor vehicles have lease terms between 2 to 3 years.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

RM'000	Group			
	Leasehold land	Office Premises	Motor Vehicles	Total
As at 1 January 2020	4,987	25,440	510	30,937
Additions	–	41,915	44	41,959
Depreciation (Note 7)	(169)	(10,877)	(281)	(11,327)
Derecognition	–	(20,616)	–	(20,616)
Foreign exchange differences	–	(126)	–	(126)
As at 31 December 2020	4,818	35,736	273	40,827
As at 1 January 2019	5,941	32,024	115	38,080
Additions	–	4,604	728	5,332
Depreciation (Note 7)	(112)	(9,605)	(333)	(10,050)
Disposal of a subsidiary	(842)	–	–	(842)
Derecognition	–	(1,659)	–	(1,659)
Foreign exchange differences	–	76	–	76
As at 31 December 2019	4,987	25,440	510	30,937



34. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTD.)

RM'000	Company		
	Leasehold land	Office Premises	Total
As at 1 January 2020	3,031	23,106	26,137
Additions	–	35,472	35,472
Derecognition	–	(20,603)	(20,603)
Depreciation (Note 7)	(34)	(7,011)	(7,045)
As at 31 December 2020	2,997	30,964	33,961
As at 1 January 2019	3,065	28,686	31,751
Additions	–	2,737	2,737
Depreciation (Note 7)	(34)	(8,317)	(8,351)
As at 31 December 2019	3,031	23,106	26,137

As at 31 December 2020, leasehold land with an aggregate carrying value of RM2.0 million (2019: RM2.0 million) are pledged as securities for banking facilities (Note 27(d)).

Set out below are the carrying amounts of lease liabilities and the movements during the year:

RM'000	Group		Company	
	2020	2019	2020	2019
As at 1 January	30,277	35,151	23,553	28,686
Additions	39,046	7,382	35,599	2,737
Accretion of interest (Note 6)	1,744	1,713	1,292	1,095
Amount billed	(12,423)	(12,348)	(7,806)	(8,965)
Derecognition	(21,094)	(1,696)	(21,081)	–
Foreign exchange differences	25	75	–	–
As at 31 December	37,575	30,277	31,557	23,553
Disclosed as:				
- Current	9,807	11,146	6,030	8,202
- Non-current	27,768	19,131	25,527	15,351
	37,575	30,277	31,557	23,553

During the year, lease liability and interest paid by the Group and the Company amounts to RM5.9 million (2019: RM11.4 million) and RM4.0 million (2019: RM7.8 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

34. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTD.)

Included in profit or loss of the Group and the Company:

RM'000	Group		Company	
	2020	2019	2020	2019
Expense relating to leases of short-term leases (Note 7)	3,624	3,797	489	384
Expense relating to leases of low-value assets (Note 7)	370	349	109	83
	3,994	4,146	598	467

35. CAPITAL COMMITMENTS

RM'000	Group		Company	
	2020	2019	2020	2019
Capital expenditure				
Approved and contracted for purchase of				
- intangible assets	624	358	153	358
- property, plant and equipment	7,724	20,496	477	1,085
Approved but not contracted for purchase of				
- intangible assets	14,698	32,560	11,520	32,560
- property, plant and equipment	74,715	129,015	4,819	10,428



36. PERFORMANCE BONDS AND GUARANTEES

RM'000	Group	
	2020	2019
Secured:		
Performance bond extended to Government of Malaysia in respect of security for the due performance of the Hospital Support Services Concession Agreement dated 28 October 1996 (Note 27(d))	21,166	26,519
Bank guarantee issued to authorities	1,523	3,356
Bank guarantees and performance bonds issued to others	119,307	90,838
	141,996	120,713
Unsecured:		
Bank guarantees extended to third parties – trade related	21,855	65,121
Performance bond extended to third parties – trade related	–	23,296
Retention guarantee extended to third parties – trade related	–	11,648
	21,855	100,065

As at the reporting date, no values are ascribed on these guarantees provided by the Group for the purpose described above as the directors regard the value of the credit enhancement provided by these guarantees as minimal and the probability of default, based on historical track records of the parties receiving the guarantees are not probable.

NOTES TO THE FINANCIAL STATEMENTS

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37. RELATED PARTY DISCLOSURES

a. Sale and purchase of goods and services

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions at terms agreed between the related parties during the financial year:

RM'000	Group		Company	
	2020	2019	2020	2019
Income received/receivable from				
Management fees from subsidiaries	–	–	(79,428)	(76,860)
Asset consultancy services fees received from:				
- immediate holding company	(617)	(5,615)	–	–
- related companies	(26,062)	(46,370)	–	–
- associates	(47,813)	(52,186)	–	–
Infrastructure maintenance fees received from:				
- related companies	(450,867)	(850,269)	–	–
Facilities management fees received from:				
- immediate holding company	–	(70)	–	–
- related companies	(86,226)	(69,421)	–	–
License and commission fees received from an associate	(1,636)	(1,718)	–	–
Rental received from:				
- a subsidiary	–	–	(6,187)	(8,307)
- an associate	(147)	–	–	–



37. RELATED PARTY DISCLOSURES (CONTD.)

a. Sale and purchase of goods and services (contd.)

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions at terms agreed between the related parties during the financial year: (contd.)

RM'000	Group		Company	
	2020	2019	2020	2019
Expenses paid/payable to				
Management fee expense to immediate holding company	–	944	–	944
Rendering of services by:				
- immediate holding company	10,000	10,000	–	51
- a subsidiary	–	–	817	612
- related companies	8,630	11,115	–	–
- non-controlling shareholder of a subsidiary	–	3,467	–	–
- associates	8,794	18,714	–	–
Rental paid to:				
- immediate holding company	1,096	599	1,096	599
- related company	7,940	8,275	7,876	7,808
- a subsidiary	–	–	232	558
Others				
Deferred consideration paid to non-controlling shareholder of a subsidiary	–	461	–	461

All other significant intercompany transactions have been disclosed in Note 20 and 28.

NOTES TO THE FINANCIAL STATEMENTS

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37. RELATED PARTY DISCLOSURES (CONTD.)

b. Compensation of key management personnel

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly including any directors.

RM'000	Group		Company	
	2020	2019	2020	2019
Salaries and other emoluments	10,249	9,189	3,958	6,090
Contributions to defined contribution plans	1,310	1,042	495	741
	11,559	10,231	4,453	6,831

Included in total key management personnel compensation are:

RM'000	Group		Company	
	2020	2019	2020	2019
Directors' remuneration excluding benefits-in-kind (Note 9)	3,135	3,113	3,135	3,069



38. FINANCIAL INSTRUMENTS

Classification of financial instruments

The principal accounting policies in Note 2.4 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

2020 RM'000	Group		
	FVTPL	Amortised cost	Total
Assets			
Trade receivables, net (Note 20)	–	342,483	342,483
Concession receivable (Note 20)	–	132,843	132,843
Other receivables, net (Note 20)	–	38,886	38,886
Cash, bank balances and deposits (Note 23)	–	678,002	678,002
Short term investments (Note 22)	11,799	–	11,799
Total financial assets	11,799	1,192,214	1,204,013
Total non-financial assets			1,603,340
Total assets			2,807,353
Liabilities			
Trade payables (Note 28)		386,950	386,950
Other payables (Note 28)		283,644	283,644
Lease liabilities (Note 34)		37,575	37,575
Borrowings (Note 27)		483,154	483,154
Total financial liabilities		1,191,323	1,191,323
Total non-financial liabilities			106,768
Total liabilities			1,298,091

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38. FINANCIAL INSTRUMENTS (CONTD.)

Classification of financial instruments (contd.)

2019 RM'000	Group		
	FVTPL	Amortised cost	Total
Assets			
Trade receivables, net (Note 20)	—	466,849	466,849
Concession receivable (Note 20)	—	138,206	138,206
Other receivables, net (Note 20)	—	49,339	49,339
Cash, bank balances and deposits (Note 23)	—	558,531	558,531
Short term investments (Note 22)	62,463	—	62,463
Total financial assets	62,463	1,212,925	1,275,388
Total non-financial assets			1,637,428
Total assets			2,912,816
Liabilities			
Trade payables (Note 28)		353,654	353,654
Other payables (Note 28)		319,900	319,900
Lease liabilities (Note 34)		30,277	30,277
Borrowings (Note 27)		519,068	519,068
Total financial liabilities		1,222,899	1,222,899
Total non-financial liabilities			105,494
Total liabilities			1,328,393



38. FINANCIAL INSTRUMENTS (CONTD.)

Classification of financial instruments (contd.)

2020 RM'000	Company	
	Amortised cost	Total
Assets		
Other receivables, net (Note 20)	195,122	195,122
Cash, bank balances and deposits (Note 23)	14,813	14,813
Total financial assets	209,935	209,935
Total non-financial assets		1,777,562
Total assets		1,987,497
Liabilities		
Other payables (Note 28)	180,010	180,010
Lease liabilities (Note 34)	31,557	31,557
Borrowings (Note 27)	302,059	302,059
Total financial liabilities	513,626	513,626
Total non-financial liabilities		—
Total liabilities		513,626

2019 RM'000	Company	
	Amortised cost	Total
Assets		
Other receivables, net (Note 20)	281,860	281,860
Cash, bank balances and deposits (Note 23)	47,498	47,498
Total financial assets	329,358	329,358
Total non-financial assets		1,787,275
Total assets		2,116,633
Liabilities		
Other payables (Note 28)	174,045	174,045
Lease liabilities (Note 34)	23,553	23,553
Borrowings (Note 27)	301,840	301,840
Total financial liabilities	499,438	499,438
Total non-financial liabilities		—
Total liabilities		499,438

NOTES TO THE FINANCIAL STATEMENTS

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk, interest rate risk and market price risk.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

a. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. The Group minimises credit risk by dealing exclusively with high credit rating counterparties. The Group controls its credit risk by the application of credit approvals, limits and monitoring procedures. Credit evaluations are performed on all customers requiring credit over a certain amount and strictly limiting the Group's associations to business partners with high credit worthiness. Outstanding customer receivables and contract assets are regularly monitored and the status of major receivables are reported to the Board of Directors.

The Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments in calculating ECLs for trade receivables and contract assets. The amount and timing of future cash flows are then estimated based on historical credit loss experience for assets with similar credit risk characteristics and adjusted with forward-looking information such as forecast economic conditions. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Exposure to credit risk

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 38. The Group does not hold collateral as security.



39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

a. Credit risk (contd.)

Trade receivables and contract assets (contd.)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's net trade receivables at the reporting date are as follows:

	2020		2019	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	190,212	55	303,088	65
United Arab Emirates	16,844	5	38,606	8
Indonesia	7,765	2	5,553	1
Singapore	60,847	18	60,980	13
Taiwan	66,815	20	58,622	13
	342,483	100	466,849	100

At the reporting date, the Group's ten largest customers account for approximately 28% (2019: 62%) of total trade receivables. Majority of these customers are government, quasi-government agency and government linked organisations.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 20. Deposits with banks and other financial institutions are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 20.

b. Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

b. Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

2020 RM'000	Group			
	On demand or within one year	One to five years	More than five years	Total
Financial liabilities:				
Trade and other payables (Note 28)	668,935	1,659	–	670,594
Lease liabilities	12,868	32,769	821	46,458
Loans and borrowings:				
- Murabahah Term Facility	39,494	–	–	39,494
- ICPs	50,000	–	–	50,000
- IMTNs	12,125	256,046	–	268,171
- Revolving credit	65,234	–	–	65,234
- Term loans	13,334	52,421	25,269	91,024
Total undiscounted financial liabilities	861,990	342,895	26,090	1,230,975

2019 RM'000	Group			
	On demand or within one year	One to five years	More than five years	Total
Financial liabilities:				
Trade and other payables (Note 28)	671,942	1,612	–	673,554
Lease liabilities	12,305	19,498	547	32,350
Loans and borrowings:				
- Murabahah Term Facility	33,973	39,151	–	73,124
- ICPs	50,000	–	–	50,000
- IMTNs	12,059	268,171	–	280,230
- Revolving credit	63,522	–	–	63,522
- Term loans	13,530	54,120	39,183	106,833
Total undiscounted financial liabilities	857,331	382,552	39,730	1,279,613



39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

b. Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities (contd.)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. (contd.)

2020 RM'000	Company			
	On demand or within one year	One to five years	More than five years	Total
Financial liabilities:				
Other payables (Note 28)	78,374	101,636	–	180,010
Lease liabilities	7,179	27,399	277	34,855
Loans and borrowings:				
- ICPs	50,000	–	–	50,000
- IMTNs	12,125	256,046	–	268,171
Total undiscounted financial liabilities	147,678	385,081	277	533,036

2019 RM'000	Company			
	On demand or within one year	One to five years	More than five years	Total
Financial liabilities:				
Other payables (Note 28)	75,819	98,226	–	174,045
Lease liabilities	9,002	15,976	63	25,041
Loans and borrowings:				
- ICPs	50,000	–	–	50,000
- IMTNs	12,059	268,171	–	280,230
Total undiscounted financial liabilities	146,880	382,373	63	529,316

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

c. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has currency exposures arising from sales or purchases that are denominated in a currency other than the Ringgit Malaysia ("RM"). The foreign currencies in which these transactions are denominated are mainly Singapore Dollar ("SGD") and Taiwan Dollar ("TWD").

As a result of the significant investments in Singapore and Taiwan, the Group's statement of financial position is affected by the movements in the respective functional currencies of the investees against the RM.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the investments are located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

As and when the Group undertakes significant transactions denominated in foreign currencies, with continuing exposure over the applicable periods of settlement, the Group evaluates its exposure and the necessity to hedge such exposure, as well as the availability and cost of such hedging instruments.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the SGD and TWD exchange rates against the RM, with all other variables held constant.

	Group	
	2020 RM'000 Profit net of tax	2019 RM'000 Profit net of tax
SGD/RM - strengthened 1% (2019: 1%) - weakened 1% (2019: 1%)	709 (709)	292 (292)
TWD/RM - strengthened 7% (2019: 3%) - weakened 7% (2019: 3%)	1,104 (1,104)	370 (370)



39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

d. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

Sensitivity analysis for interest rate risk

A sensitivity analysis had been performed to determine the sensitivity of the Group's profit net of tax to a reasonably possible change in the interest rate at the reporting date. This analysis assumes that all other variables, in particular foreign currency rate, remain constant. Based on the analysis, there is no material impact to the Group's profit net of tax.

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

RM'000	Note	WAEIR %	Within 1 year	1-2 years	2-5 years	> 5 years	Total
At 31 December 2020							
Group							
Fixed rate							
Deposits with licensed banks and other financial institutions	23	1.67	326,771	—	—	—	326,771
ICPs	27	3.40	(50,000)	—	—	—	(50,000)
IMTNs	27	4.85	(2,101)	(249,958)	—	—	(252,059)
Lease liabilities	34	4.00	(9,807)	(6,707)	(20,344)	(717)	(37,575)
Floating rate							
Murabahah Term Facility	27	2.80	(38,089)	—	—	—	(38,089)
Revolving credit	27	1.78	(64,057)	—	—	—	(64,057)
Term loans	27	3.98	(10,203)	(10,650)	(33,887)	(24,209)	(78,949)
Company							
Fixed rate							
Deposits with licensed banks and other financial institutions	23	1.70	9,500	—	—	—	9,500
ICPs	27	3.40	(50,000)	—	—	—	(50,000)
IMTNs	27	4.85	(2,101)	(249,958)	—	—	(252,059)
Lease liabilities	34	4.00	(6,030)	(5,990)	(19,263)	(274)	(31,557)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

d. Interest rate risk (contd.)

RM'000	Note	WAEIR %	Within 1 year	1-2 years	2-5 years	> 5 years	Total
At 31 December 2019							
Group							
Fixed rate							
Deposits with licensed banks and other financial institutions	23	2.98	158,232	—	—	—	158,232
ICPs	27	4.16	(50,000)	—	—	—	(50,000)
IMTNs	27	4.85	(2,090)	—	(249,750)	—	(251,840)
Lease liabilities	34	4.11	(11,146)	(9,727)	(8,901)	(503)	(30,277)
Floating rate							
Murabahah Term Facility	27	4.22	(31,626)	(38,109)	—	—	(69,735)
Revolving credit	27	2.43	(60,742)	—	—	—	(60,742)
Term loans	27	5.22	(9,050)	(19,652)	(33,737)	(24,312)	(86,751)
Company							
Fixed rate							
Deposits with licensed banks and other financial institutions	23	3.25	33,542	—	—	—	33,542
ICPs	27	4.16	(50,000)	—	—	—	(50,000)
IMTNs	27	4.85	(2,090)	—	(249,750)	—	(251,840)
Lease liabilities	34	4.05	(8,202)	(7,695)	(7,593)	(63)	(23,553)

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 12 months. Interest on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Group and of the Company that are not included in the above tables are not subject to interest rate risks.

e. Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is not exposed to equity price risk arising from its investment in quoted equity instruments.



39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

f. Fair value

Financial instruments that are not measured at fair value and whose carrying amounts are reasonable approximation of fair value

Included in these classes of financial instruments are certain financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	20
Cash, bank balances and deposits	23
Borrowings	27
Trade and other payables	28

The carrying amounts of these financial assets and financial liabilities are reasonable approximation of fair values due either to the short term nature or insignificant impact of discounting or that they are floating rate instruments that are repriced to market interest rates on or near the reporting date.

Determination of fair value

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Group RM'000	Significant observable inputs Level 2
2020	
Assets measured at fair value:	
Short term investments*	11,799
2019	
Assets measured at fair value:	
Short term investments**	62,463

* The valuation date of these financial instruments is 31 December 2020.

** The valuation date of these financial instruments is 31 December 2019.

There have been no transfers between levels during the period.

Short term investments are valued based on currently available deposits with similar terms and maturities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

40. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their business and maximise shareholder value. The Group and the Company also aim to maintain a capital structure that has an appropriate cost of capital available to the Group and the Company.

The Group and the Company manage their capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2020 and 31 December 2019.

The Group and the Company manage capital by reference to the debt to asset ratio. The Group's and the Company's debt to asset ratio is as follows:

RM'000	Group		Company	
	2020	2019	2020	2019
Murabahah Term Facility	38,089	69,735	—	—
Term loans	78,949	86,751	—	—
Revolving credit	64,057	60,742	—	—
ICPs	50,000	50,000	50,000	50,000
IMTNs	252,059	251,840	252,059	251,840
Lease liabilities	37,575	30,277	31,557	23,553
Total debt	520,729	549,345	333,616	325,393
Total assets	2,807,353	2,912,816	1,987,497	2,116,633
Debt to asset ratio	19%	19%	17%	15%

41. SEGMENT INFORMATION

a. Business unit segments

For management purposes, the Group is organised into business units based on their products and services, and reflect the Group's offerings across different sectors as follows:

Asset Management

The asset management segment provides integrated facilities management and engineering contracting services for a range of assets and building types specialising in healthcare support and property and facility solutions.

i. Healthcare support

The healthcare support division delivers optimal solutions in improving the non-clinical support services demanded by healthcare providers and other commercial industries.

Services range from facilities and biomedical engineering maintenance, waste management, linen and laundry, to housekeeping and portering services.

ii. Property and facility solutions ("PFS")

The PFS division offers integrated facilities management services complimented with technology-driven green building solutions and asset optimisation, with a focus on enhancement and energy solutions.

Infrastructure Solutions

Infrastructure solutions segment provides strategic advisory services, design, development, maintenance and management of major transport projects and infrastructure assets.

i. Asset consultancy

The asset consultancy division provides advisory and planning, engineering design and consultancy, property and community consultancy, research and development, procurement and construction planning, project and construction management, and asset and facilities management.

ii. Infrastructure services

The Infrastructure services division focuses on highway network maintenance and asset management, including innovative pavement works and solutions services; with expanded capabilities beyond roads, servicing multiple industries including rail, airports, ports, oil and gas, plantation roads and other commercial and industrial sectors.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

41. SEGMENT INFORMATION (CONTD.)

a. Business unit segments (contd.)

Others

Other segment includes the business of developing residential properties and Group-level corporate services and investment holdings.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

b. Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's business segments operate in ten geographical areas:

- i. Malaysia - the operations in this area are principally integrated facilities management, consultancy services, infrastructure maintenance, geotechnical investigation, instrumentation, pavement condition assessment works, township management, property development and investment holding.
- ii. Indonesia - the operations in this area are principally consultancy services and road infrastructure.
- iii. Middle East - the operation in this area are principally integrated facilities management and asset management consultancy services.
- iv. Singapore - the operations in this area are principally integrated facilities management.
- v. Taiwan - the operations in this area are principally integrated facilities management.
- vi. India - the operations in this area are principally integrated facilities management.



41. SEGMENT INFORMATION (CONTD.)

RM'000	Note	Asset Management		Infrastructure Solutions		Others	Elimination	Group
		Healthcare Support	Property and Facility Solutions	Infrastructure Services	Asset Consultancy			
At 31 December 2020								
Revenue								
External revenue	A	1,233,407	149,152	549,055	88,140	8,962	–	2,028,716
Inter-segment revenue		3,851	14,506	–	1,392	87,695	(107,444)	–
Total revenue		1,237,258	163,658	549,055	89,532	96,657	(107,444)	2,028,716
Results								
EBITDA*		134,674	14,449	50,679	9,342	(90,102)	12,508	131,550
Depreciation and amortisation		(49,008)	(1,902)	(13,366)	(1,362)	(14,118)	(2,587)	(82,343)
EBIT**		85,666	12,547	37,313	7,980	(104,220)	9,921	49,207
Interest income		962	634	1,375	152	1,163	–	4,286
Interest expense		(1,108)	(4,592)	(29)	(17)	(33,764)	17,193	(22,317)
Share of results of associates		11,793	3,887	–	76	–	–	15,756
Profit/(loss) before tax		97,313	12,476	38,659	8,191	(136,821)	27,114	46,932
Zakat		–	–	(2,178)	(189)	–	–	(2,367)
Income tax (expense)/benefit		(13,179)	(3,590)	(10,349)	(1,628)	1,798	(3,244)	(30,192)
Profit/(loss) after tax		84,134	8,886	26,132	6,374	(135,023)	23,870	14,373
Assets								
Segment assets	B	850,452	461,093	607,326	633,092	857,730	(602,340)	2,807,353
Liabilities								
Segment liabilities	B	440,762	313,267	258,604	66,696	1,052,996	(834,234)	1,298,091
Other segment information								
Capital expenditure	C	37,739	86	4,936	68	44,705	(3,060)	84,474
Investments in associates		50,522	31,582	–	3,099	–	–	85,203
Accretion of interest on concession receivable		–	(19,567)	–	–	–	–	(19,567)
Dividend income		–	–	(1,008)	(52)	–	–	(1,060)
Depreciation (Note 7)	D	32,150	1,880	11,566	1,362	10,378	(1,028)	56,308
Amortisation (Note 7)		16,858	22	1,800	–	3,740	3,615	26,035
Non-cash expenses/(income) other than impairment, depreciation, and amortisation	E	833	(3,121)	392	(1,531)	2,265	4,205	3,043

* Earnings before interest, taxes, depreciation and amortisation

** Earnings before interest and taxes

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

41. SEGMENT INFORMATION (CONTD.)

RM'000	Note	Asset Management		Infrastructure Solutions		Others	Elimination	Group
		Healthcare Support	Property and Facility Solutions	Infrastructure Services	Asset Consultancy			
At 31 December 2019								
Revenue								
External revenue		1,132,215	192,215	915,609	131,920	39,236	–	2,411,195
Inter-segment revenue	A	6,111	13,651	37,395	5,548	300,660	(363,365)	–
Total revenue		1,138,326	205,866	953,004	137,468	339,896	(363,365)	2,411,195
Results								
EBITDA*		115,630	33,254	154,174	13,542	148,957	(140,451)	325,106
Depreciation and amortisation		(29,518)	(3,287)	(16,498)	(1,809)	(30,144)	(1,101)	(82,357)
EBIT**		86,112	29,967	137,676	11,733	118,813	(141,552)	242,749
Interest income		2,224	630	977	730	1,869	–	6,430
Interest expense		(821)	(6,092)	(117)	(31)	(39,882)	21,211	(25,732)
Share of results of associates		14,617	6,122	–	763	–	–	21,502
Profit/(loss) before tax		102,132	30,627	138,536	13,195	80,800	(120,341)	244,949
Zakat		(926)	(125)	(1,846)	(168)	–	–	(3,065)
Income tax (expense)/benefit		(16,824)	(6,624)	(26,089)	(2,442)	3,128	(4,993)	(53,844)
Profit/(loss) after tax		84,382	23,878	110,601	10,585	83,928	(125,334)	188,040
Assets								
Segment assets	B	717,227	445,456	718,523	604,068	1,120,493	(692,951)	2,912,816
Liabilities								
Segment liabilities	B	326,655	301,774	403,359	55,163	1,113,526	(872,084)	1,328,393
Other segment information								
Capital expenditure	C	49,164	2,904	27,069	1,511	30,104	–	110,752
Investments in associates		46,293	27,637	–	3,075	–	–	77,005
Accretion of interest on concession receivable		–	(18,908)	–	–	–	–	(18,908)
Dividend income		–	–	(1,116)	(148)	–	–	(1,264)
Depreciation (Note 7)		29,437	3,278	15,462	1,412	11,725	(2,514)	58,800
Amortisation (Note 7)	D	81	9	1,036	397	18,419	3,615	23,557
Non-cash expenses/(income) other than impairment, depreciation, and amortisation	E	168	1,526	4,643	(41)	(26,520)	(7,105)	(27,329)

* Earnings before interest, taxes, depreciation and amortisation

** Earnings before interest and taxes



41. SEGMENT INFORMATION (CONTD.)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

RM'000	2020	2019
Inter-segment assets	(602,340)	(692,951)

The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

RM'000	2020	2019
Inter-segment liabilities	(834,234)	(872,084)

C Capital expenditure consist of:

RM'000	2020	2019
Property, plant and equipment	32,219	80,358
Intangible assets - software and other development cost	10,296	25,062
Right-of-use assets	41,959	5,332
	84,474	110,752

D Amortisation consist of:

RM'000	2020	2019
Intangible assets	26,035	23,557

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

41. SEGMENT INFORMATION (CONTD.)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (contd.)

E Other material non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:

RM'000	Notes	2020	2019
Reversal of deferred consideration arising from acquisition of subsidiary	5	–	(5,320)
Net gain on disposal of plant and equipment	7	(16)	(34)
Gain on disposal of asset held for sale	7	–	(647)
Property, plant and equipment written off	7	10	42
Impairment on financial assets:			
- Trade and other receivables	7	1,936	6,214
Reversal of impairment on financial assets:			
- Trade and other receivables	5	(4,231)	(28,019)
Bad debts written off	7	4,987	200
Defined retirement benefit obligations	8	353	231
Intangible assets written off	7	4	4
		3,043	(27,329)



41. SEGMENT INFORMATION (CONTD.)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

RM'000	Revenue	
	2020	2019
Malaysia	1,232,071	1,665,436
United Arab Emirates	61,610	96,258
Indonesia	34,846	48,390
Singapore	322,945	264,459
Taiwan	377,244	336,652
Consolidated	2,028,716	2,411,195

RM'000	Non-current assets	
	2020	2019
Malaysia	608,049	592,323
United Arab Emirates	243	962
India	31,582	27,368
Indonesia	677	682
Singapore	459,439	464,816
Taiwan	6,527	4,038
Consolidated	1,106,517	1,090,189

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

41. SEGMENT INFORMATION (CONTD.)

Geographical information (contd.)

Non-current assets information presented above consist of the followings items as presented in the consolidated statement of financial position:

RM'000	2020	2019
Property, plant and equipment	193,678	211,982
Right-of-use assets	40,827	30,937
Land held for property development	477	477
Intangible assets	718,349	734,304
Investment in associates	85,203	77,005
Other investments	232	272
Contract assets	60,957	32,941
Contract fulfillment asset	6,794	2,271
	1,106,517	1,090,189

Information about major customers

Revenue from two (2019: two) major customers amounted to RM412.9 million and RM367.8 million (2019: RM661.2 million and RM422.1 million) respectively, arising from services rendered in the Infrastructure Services and Healthcare Support segment.

42. SIGNIFICANT EVENT

COVID-19 pandemic

The COVID-19 pandemic outbreak in early 2020 has impacted economic activities worldwide including Malaysia. In order to control the spread of the COVID-19 pandemic, the Government of Malaysia has imposed various restrictions on economic activities which include travel restrictions, border closures and other quarantine measures. These restrictions had drastically affected the interstate travel and traffic volume which has resulted to lower revenue and budgetary constraints for asset owners, leading to deferment of award of work for major expressways and delay in the award of several key government projects in the infrastructure space. The Group were also affected by higher operating cost in our Healthcare Support segment, due to increase personal protective equipment and sanitisation cost, in the new-normal pandemic environment. For the financial year ended 31 December 2020, all these had impacted the financial performance of the Group and Company as reflected in this set of financial statements.

The full impact of COVID-19 pandemic on the Group's and the Company's performance for the next financial year could not be reasonably ascertained at the date of this report. This is due to the fact that the impact is highly dependent on the degree to which Malaysia is able to contain the spread of the virus, speed of the vaccine inoculation initiatives and the economic recovery effort that are put in-place in the new normal.

The Group and the Company are taking great effort to mitigate the effects of the ongoing COVID-19 pandemic and proactively address developments in order to best manage the effects on its businesses. Notwithstanding the challenging outlook, the Group and the Company will continue to closely monitor the related risks and impact on all business segments to ensure long term business prospects remain stable.



43. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Details of subsidiaries, joint ventures and associates are as follows:

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest		Principal Activities
			2020 %	2019 %	
Subsidiary of the Company:					
Faber Hotels Holdings Sdn. Bhd.	Malaysia	95,279,551	100	100	In liquidation
Faber Development Holdings Sdn. Bhd.	Malaysia	56,520,010	100	100	Investment holding
Edgenta Facilities Sdn. Bhd.	Malaysia	200,000	100	100	Investment holding and provision of integrated facilities management services
Edgenta Healthcare Management Sdn. Bhd.	Malaysia	2	100	100	Provision of hospital support services
Edgenta PROPEL Berhad	Malaysia	78,962,615	100	100	Maintenance and repair of civil, mechanical and electrical works on roads, infrastructure and expressways and industrial cleaning services
Opus Group Berhad	Malaysia	258,313,493	100	100	Investment holding
Faber L.L.C. (b)(e)	Emirates of Dubai	AED600,000	75	75	Facilities management services in United Arab Emirates
Sate Yaki Sdn. Bhd.	Malaysia	5,000,000	60	60	In liquidation
Edgenta Environmental & Material Testing Sdn. Bhd.	Malaysia	1,000,000	100	100	Geotechnical investigation, instrumentation and pavement condition assessment works
Edgenta Energy Services Sdn. Bhd.	Malaysia	1,000,000	70	70	Energy performance management services
Edgenta Township Management Services Sdn. Bhd.	Malaysia	2,730,000	100	100	Investment holding and management of real estate
Edgenta GreenTech Sdn. Bhd.	Malaysia	15,000,000	100	80	Provision of asset development and facility management services
Edgenta Energy Projects Sdn. Bhd.	Malaysia	750,000	100	100	Providing energy performance management services and renewable energy services
Edgenta (Singapore) Pte. Ltd.	Singapore	SGD1	100	100	Investment holding

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NOTES TO THE FINANCIAL STATEMENTS

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43. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest		Principal Activities
			2020 %	2019 %	
Subsidiary of Edgenta Healthcare Management Sdn. Bhd.:					
Edgenta Mediserve Sdn. Bhd. (c)	Malaysia	43,170,010	100	100	Provision of hospital support services
Subsidiary of Edgenta Mediserve Sdn. Bhd.:					
Edgenta Healthtronics Sdn. Bhd.	Malaysia	3,000,000	100	100	Provision of biomedical engineering maintenance services
Edgenta Mediserve (Sabah) Sdn. Bhd.	Malaysia	100,000	100	100	Investment holding
Edgenta Mediserve (Sarawak) Sdn. Bhd.	Malaysia	100,000	100	100	Investment holding
Cermin Cahaya Sdn. Bhd.	Malaysia	2	100	100	Provision of cleansing services to hospitals
Associate of Edgenta Mediserve (Sabah) Sdn. Bhd.					
Sedafiat Sdn. Bhd. (b)	Malaysia	5,000,000	40	40	Provision of hospital support services
Associate of Edgenta Mediserve (Sarawak) Sdn. Bhd.:					
One Medicare Sdn. Bhd. (b)	Malaysia	5,000,000	40	40	Provision of hospital support services
Biomedix Solutions Sdn. Bhd. (b)	Malaysia	1,000,000	40	40	Provision of biomedical engineering maintenance services
Subsidiary of Faber Development Holdings Sdn. Bhd.:					
Faber Union Sdn. Bhd.	Malaysia	97,000,000	100	100	Property development
Rimbunan Melati Sdn. Bhd.	Malaysia	14,159,091	55	55	Property development
Faber Grandview Development (Sabah) Sdn. Bhd.	Malaysia	4,500,000	100	100	Property development
Faber Heights Management Sdn. Bhd.	Malaysia	2	100	100	Property development
Country View Development Sdn. Bhd.	Malaysia	11,200,000	100	100	Property development and provision of facilities management services



43. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest		Principal Activities
			2020 %	2019 %	
Subsidiary of Edgenta Facilities Sdn. Bhd.:			100	100	Facilities management services
Edgenta Facilities Management Sdn. Bhd.	Malaysia	5,000,000			
Faber Star Facilities Management Limited. (b)	India	Rs3,57,10,770			
General Field Sdn. Bhd.	Malaysia	2			
Associate of Edgenta Facilities Sdn. Bhd.:			51	51	Facilities management in India
Faber Sindoori Management Services Private Limited (b)	India	Rs9,23,780			
Subsidiary of Edgenta PROPEL Berhad:			100	100	Maintenance and repair of civil mechanical and electrical works on roads, infrastructure and expressways and industrial cleaning services
Edgenta Infrastructure Services Sdn. Bhd.	Malaysia	15,251,892			
PT Edgenta PROPEL Indonesia	Indonesia	Rp10.0 billion			
Jointly Controlled Operation of Edgenta PROPEL Berhad:			55	55	Providing highway maintenance services
Edgenta PROPEL - NRC JO	Unincorporated	–			
Jointly Controlled Operation of PT Edgenta PROPEL Indonesia			50	50	Providing highway maintenance services
PT Edgenta PROPEL PT Astra Nusantara - Astra Infra Solutions JO	Unincorporated	–			

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

43. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest		Principal Activities
			2020 %	2019 %	
Subsidiary of Opus Group Berhad:					
Builders Credit & Leasing Sdn. Bhd.	Malaysia	600,000	100	100	Investment holding
Opus International (NZ) Limited (a)	New Zealand	NZD200	100	100	Investment holding
Opus International (M) Berhad	Malaysia	15,000,000	100	100	Management of the planning, design and construction of infrastructure projects and provision of facilities management services
Subsidiary of Opus International (M) Berhad:					
Opus Management Sdn. Bhd.	Malaysia	1,000,000	100	100	Management of the planning, design and construction of infrastructure projects and provision of facilities management services
Opus Consultant (Sarawak) Sdn. Bhd.	Malaysia	75,000	100	100	Provision of project management and engineering consultancy services
Pengurusan Lintas Berhad	Malaysia	5,000,000	100	100	Provision of technical management support services for the planning, design and construction of projects
Pengurusan LRT Sdn. Bhd.	Malaysia	2	100	100	In liquidation
Opus International India Private Limited (b)	India	Rs4,60,000	100	100	Provision of asset development and asset management services
Opus Al-Dauliyyah L.L.C. (b)(d)	The Kingdom of Saudi Arabia	SAR 500,000	100	100	Engineering consultancy services
Associate of Opus International (M) Berhad:					
Opus Consultants (M) Sdn. Bhd.	Malaysia	72,899	30	30	Engineering consultancy services
Subsidiary of Edgenta Township Management Services Sdn. Bhd.:					
UEM Sunrise Edgenta TMS Sdn. Bhd.	Malaysia	3,900,000	70	70	Investment holding and management of real estate



43. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest		Principal Activities
			2020 %	2019 %	
Subsidiary of UEM Sunrise Edgenta TMS Sdn. Bhd.:					
Edgenta TMS Sdn. Bhd.	Malaysia	5,500,000	49	49	In liquidation
Subsidiary of Edgenta GreenTech Sdn. Bhd.:					
Operon Consulting Sdn. Bhd.	Malaysia	1,128,260	70	56	Assets management consultancy services
KFM Energy Services Sdn. Bhd.	Malaysia	2,000,000	100	80	Provision of consultancy and other services relating to conservation and renewable energy
KFM Projects Sdn. Bhd.	Malaysia	100,000	100	80	Project management consulting services
KFM Solutions Sdn. Bhd.	Malaysia	100,000	100	80	Consultancy services in the green, smart and connected urban ecology and integrated facility management services
KFM Systems Sdn. Bhd.	Malaysia	100,000	100	80	Consultancy and contractors for building management systems for the built environment
Veridis PPP One Sdn. Bhd.	Malaysia	275,000	100	80	Concession holder specialising in retro-fitting works of building utilising green technology
Operon Middle East Limited (a)	British Virgin Island	USD 1,503,200	100	100	Facilities management and building cleaning services
Operon Malaysia Sdn. Bhd.	Malaysia	100,000	100	80	Provision of supervising officer for activities related to Green Technology and other solutions for the built environment
KFM Middle East Limited (b)	British Virgin Island	USD1,000	70	56	Dormant

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

43. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest		Principal Activities
			2020 %	2019 %	
Associate of Operon Consulting Sdn. Bhd.:					
Operon Asset Advisory Sdn. Bhd. (b)	Malaysia	10,000	—	27	Asset management consulting services
Subsidiary of Edgenta (Singapore) Pte. Ltd.:					
UEMS Pte. Ltd. (a)	Singapore	SGD 8,300,000	97.5	97.5	Investment holding
Subsidiary of UEMS Pte. Ltd.:					
UEMS Solutions Pte. Ltd. (a)	Singapore	SGD 2,000,000	97.5	97.5	Property management, facilities engineering, facilities management, energy management, corporate real estate, environmental services, project management and technology optimisation, learning and development, and specialised services
Edgenta UEMS Sdn. Bhd.	Malaysia	3,000,000	97.5	97.5	Provision of maintenance and support services for hospitals, public centres, manufacturing facilities and commercial buildings
Edgenta UEMS Ltd. (a)	Taiwan	TWD 25,000,000	97.5	97.5	Provision of cleaning, portering and consulting for hospitals, medical care institutes, commercial, high-tech companies, education centre, transportation and shopping mall
ServiceMaster Hong Kong Limited (a)	Hong Kong	HKD 20,036,000	97.5	97.5	Dormant
Subsidiary of Edgenta UEMS Ltd.:					
Edgenta UEMS SC Ltd. (a)	Taiwan	TWD 25,000,000	97.5	97.5	Provision of cleaning, portering and consulting services for hospitals, medical care institutes, commercial, high-tech companies, education center, transportation and shopping mall

43. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

- a. Audited by member firms of Ernst & Young Global in respective countries
- b. Audited by firms other than Ernst & Young
- c. Edgenta Mediserve Sdn. Bhd. is 43% owned by UEM Edgenta Berhad and 57% owned by Edgenta Healthcare Management Sdn. Bhd.
- d. Opus Al-Dauliyyah L.L.C. is 95% owned by Opus International (M) Berhad and 5% owned by Opus Management Sdn. Bhd.
- e. Faber L.L.C has been placed under Members' Voluntary Winding-Up under the United Arab Emirates Commercial Companies Law on 7 March 2021.

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ANALYSIS OF SHAREHOLDINGS

As at 17 March 2021

SHARE CAPITAL

The total number of issued shares stands at 831,624,030 ordinary shares, with voting right of one (1) vote per ordinary share held.

DISTRIBUTION SCHEDULE FOR ORDINARY SHARES

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	1,130	6.54	35,602	0.00
100 – 1,000	10,081	58.39	3,804,735	0.46
1,001 – 10,000	4,789	27.74	20,219,614	2.43
10,001 – 100,000	1,134	6.57	31,835,480	3.83
100,001 – 41,581,200 (*)	129	0.75	152,447,374	18.33
41,581,201 and above (**)	2	0.01	623,281,225	74.95
Total	17,265	100.00	831,624,030	100.00

Notes:

* Less than 5% of issued holdings

** 5% and above of issued holdings

30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

As at 17 March 2021

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
1	UEM GROUP BERHAD	574,967,925	69.14
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (1)	48,313,300	5.81
3	AMANAHRAYA TRUSTEES BERHAD PUBLIC ITTIKAL SEQUEL FUND	17,025,200	2.05
4	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR PRINCIPAL DALI EQUITY GROWTH FUND (UT-CIMB-DALI) (419455)	14,567,800	1.75
5	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	12,494,500	1.50
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	9,176,500	1.10
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	8,410,900	1.01
8	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC TREASURES GROWTH FUND	7,267,700	0.87
9	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	6,118,482	0.74
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DR)	5,028,800	0.60
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	4,404,300	0.53
12	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	3,893,933	0.47
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	3,099,900	0.37
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	3,035,400	0.36
15	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL DALI OPPORTUNITIES FUND	2,929,300	0.35
16	AMANAHRAYA TRUSTEES BERHAD AC PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND	2,795,800	0.34



No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR PRINCIPAL DALI EQUITY FUND	2,191,100	0.26
18	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)	2,135,000	0.26
19	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC SELECT TREASURES FUND	1,839,300	0.22
20	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	1,668,598	0.20
21	LEMBAGA TABUNG ANGKATAN TENTERA	1,610,000	0.19
22	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DG)	1,600,000	0.19
23	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	1,588,700	0.19
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ARIM)	1,510,500	0.18
25	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD PRINCIPAL ISLAMIC ASSET MANAGEMENT SDN BHD FOR LEMBAGA TABUNG HAJI	1,500,000	0.18
26	NG CHEONG BING	1,477,800	0.18
27	AMANAHRAYA TRUSTEES BERHAD PUBLIC INDEX FUND	1,322,000	0.16
28	SYARIKAT PEMASARAN SEJATI SDN BHD	1,227,951	0.15
29	LIM CHEE MENG	1,215,000	0.15
30	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES	1,162,000	0.14
	Total	745,577,689	89.64

SUBSTANTIAL SHAREHOLDERS

As per the Register of Substantial Shareholders
As at 17 March 2021

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
UEM Group Berhad	574,967,925	69.14	—	—
Khazanah Nasional Berhad [#]	—	—	574,967,925	69.14
Urusharta Jamaah Sdn. Bhd.	48,313,300	5.81	—	—

Note:

[#] Deemed interested pursuant to Section 8(4) of the Companies Act 2016.

DIRECTORS' INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

As at 17 March 2021

Directors' Interests in Ordinary Shares of UEM Edgenta Berhad

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Tan Sri Dr. Azmil Khalid	—	—	—	—
Syahrizam Samsudin	—	—	—	—
Dato' Mohd Izani Ghani	—	—	—	—
Dato' Noorazman Abd Aziz	—	—	—	—
Robert Tan Bun Poo	—	—	—	—
Elakumari Kantilal	—	—	—	—
Dato' George Stewart LaBrooy	—	—	—	—
Emily Kok	—	—	—	—
Rowina Ghazali Seth	—	—	—	—

PROPERTIES HELD BY THE GROUP

Location & Address	Description of Properties	Approx. Land Area	Gross Built-Up Area (Sq. Meters)	Existing Use	Land Tenure (Expire Date)	Building Approx. Age (Years)	Net Book Value as at 31.12.2020 (RM'000)	Last Date of Revaluation or if None: Date of Acquisition
CORPORATE								
UEM EDGENTA BERHAD								
Lot 32, 33 & 33A Prima Villa No. 2, Jalan 109F, Taman Danau Desa, 58100 Kuala Lumpur	Three units of four-storey link villas	0.24 acres	1,617	Corporate facilities	Leasehold (6.1.2109)	6	5,824	16.12.2016
HEALTHCARE SUPPORT								
EDGENTA MEDISERVE SDN. BHD.								
Lot No. 65, Jalan Logam 3, Kamunting Raya Industrial Estate, 34600 Taiping, Perak	Incineration plant with double-storey administration block plus laundry plant	5.87 acres	23,760	Incinerator for clinical waste and laundry plant	Leasehold (7.12.2097)	24	926	31.12.2020
Lot No. 37, Jalan Industri 8, Kuala Ketil Industrial Estate, Mukim of Tawar, 09300 Kuala Ketil, Kedah	Laundry plant with 2-storey administration block and ancillary facilities	2.24 acres	9,058	Laundry plant	Leasehold (26.3.2056)	17	732	31.12.2020
Lot No. 131 (CL215359890) & Lot No. 132 (CL215359907) SEDCO Industrial Estate, Lok Kawi, Sabah	Incineration plant with single-storey detached factory with mezzanine office	0.51 acres	2,060	Incinerator for clinical waste	Leasehold (13.12.2042)	15	321	2.11.2018
No. 2, Jalan Kamunting 2, Jalan Kamunting Industrial Estate, 48300 Bukit Beruntung, Selangor	Research and development centre	1.47 acres	5,987	Research and development	Freehold	9	1,160	31.12.2020



Location & Address	Description of Properties	Approx. Land Area	Gross Built-Up Area (Sq. Meters)	Existing Use	Land Tenure (Expire Date)	Building Approx. Age (Years)	Net Book Value as at 31.12.2020 (RM'000)	Last Date of Revaluation or if None: Date of Acquisition
INFRASTRUCTURE SERVICES								
EDGENTA PROPEL BERHAD & EDGENTA INFRASTRUCTURE SERVICES SDN. BHD.								
No. C1-16-08, Block C1, Vista Komanwel, Bukit Jalil, 57700 Kuala Lumpur	Penthouse (duplex)	–	850	Staff accommodation	Freehold	7	324	19.4.2013
LMD Dengkil Office, Kawasan Rehat dan Rawat, Dengkil KM238, Arah Selatan, Lebuhraya ELITE, 43800 Dengkil, Selangor	Office building and warehouse storage	–	5,000	Logistic and machinery depot	Freehold	15	2,373	15.2.2005
EDGENTA ENVIRONMENTAL & MATERIAL TESTING SDN. BHD.								
Suite 4801-1-05, Block 4801, CBD Perdana, Jalan Perdana, 63000 Putrajaya, Selangor	Office building	–	175	Office lot	Freehold	10	239	7.12.2015
No. 3 & No. 5, Jalan P18, Kawasan Perindustrian MIEL, 43650 Bandar Baru Bangi, Selangor	Two adjoining units of one and half storey semi detached factory	0.83 acres	1,303	Laboratory & office building	Leasehold (29.9.2086)	30	2,453	7.12.2015
PROPERTY DEVELOPMENT								
COUNTRY VIEW DEVELOPMENT SDN. BHD.								
CL015027237 and CL015395196 Kota Kinabalu, Sabah	Vacant land for development	7.72 acres	–	Vacant land	Leasehold 999 years (2.12.2920 and 20.8.2925)	–	477	1.2.2018

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RECURRENT RELATED PARTY TRANSACTIONS

The shareholders of UEM Edgenta Berhad ("UEM Edgenta" or "the Company") had at the 57th Annual General Meeting held on 26 June 2020 granted their approval for the Company and its subsidiary companies ("UEM Edgenta Group") to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations and are in the ordinary course of business in order to comply with Paragraph 10.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

In accordance to Practice Note 12 of the MMLR of Bursa Securities, the details of recurrent related party transactions made during the financial year ended 31 December 2020 pursuant to the shareholders' mandate are as follows:

Item	Company in UEM Edgenta Group involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value incurred from 1 January 2020 to 26 June 2020 RM'000	Value incurred from 27 June 2020 to 31 December 2020 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
1	UEM Edgenta Group	UEM Group Berhad ("UEMG") and its subsidiaries ("UEMG Group")	<p>Khazanah Nasional Berhad ("Khazanah") is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEM Edgenta is a 69.14% subsidiary of UEMG.</p> <p>Dato' Mohd Izani Ghani is a Director of UEM Edgenta and UEMG.</p> <p>Dato' Mohd Izani Ghani does not have any equity interest in UEMG.</p>	Provision of directors and staff training and development by UEMG Group.	–	–	–
				Provision of administrative and audit and tax services by UEMG Group.	–	–	–
				Rental of office space in Tower 1, Avenue 7, Bangsar South and ancillary facilities from UEMG Group.	2,536	3,673	6,209
				Rental of archive store at Taman Desa and ancillary facilities from UEMG Group.	121	148	269
				Rental of meeting rooms in Tower 1, Avenue 7, Bangsar South ancillary facilities from UEMG Group.	10	–	10
				Provision of services to UEMG as follows:	617	–	617
				i. proposed provision of vehicle screening services for projects developed;			
				ii. design and project management fees for projects;			
				iii. provision for soil investigation, instrumentation, material testing, environmental and pavement condition assessment works for rail projects; and/or			
				iv. provision of energy management services.			
				Provision of design to UEMG Group, project management fees and consultancy fees from UEMG Group in relation to development of overseas projects.	–	–	–
				Rental of training space at UEM Learning Centre, Petaling Jaya from UEMG Group.	384	514	898
				Provision of building maintenance works to UEMG Group.	–	236	236



Item	Company in UEM Edgenta Group involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value incurred from 1 January 2020 to 26 June 2020 RM'000	Value incurred from 27 June 2020 to 31 December 2020 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
2	UEM Edgenta Group	PLUS Malaysia and its subsidiaries ("PLUS Malaysia Group")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEM Edgenta is a 69.14% subsidiary of UEMG.</p> <p>PLUS Malaysia is a 51% subsidiary of UEMG.</p> <p>Dato' Mohd Izani Ghani and Dato' Noorazman are a Director of UEM Edgenta and PLUS Malaysia.</p> <p>Dato' Mohd Izani Ghani and Dato' Noorazman do not have any equity interest in PLUS Malaysia.</p>	Provision of facilities maintenance services to PLUS Malaysia Group.	17	31	48
				Provision of highway operations & maintenance services through Performance Based Contract ("PBC") concept to PLUS Malaysia Group.	–	–	–
				Provision of design, consultancy services, maintenance management & technical services to PLUS Malaysia Group; project management fees and development & proposed network maintenance fee from PLUS Malaysia Group.	9,381	15,855	25,236
				Provision of highway maintenance services to PLUS Malaysia Group.	215,155	234,428	449,583
				Provision of maintenance services of the real time monitoring system and soil investigation works for upgrading of existing and new facilities to PLUS Malaysia Group.	–	–	–
3	UEM Edgenta Group	UEM Sunrise and its subsidiaries ("UEM Sunrise Group")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEM Edgenta is a 69.14% subsidiary of UEMG.</p> <p>UEM Sunrise is a 66.06% subsidiary of UEMG.</p> <p>Tan Sri Dr, Azmil Khalid, Dato' Mohd Izani Ghani and Dato' Noorazman Abd Aziz are a Director of UEM Edgenta and UEM Sunrise.</p>	Provision of facilities maintenance services to UEM Sunrise Group.	2,547	3,488	6,035
				Provision of integrated facilities management and estate management services by UEM Edgenta Group to UEM Sunrise Group.	3,415	301	3,716
				<p>Provision of services to UEM Sunrise Group as follows:</p> <p>i. pavement, mechanical, electrical and electronic ("MEE") works, utilities relocation and traffic management works;</p> <p>ii. project management consultancy services for commercial development;</p>	–	–	–

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RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value incurred from 1 January 2020 to 26 June 2020 RM'000	Value incurred from 27 June 2020 to 31 December 2020 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
3	UEM Edgenta Group (contd.)	UEM Sunrise Group	Tan Sri Dr. Azmil Khalid, Dato' Mohd Izani Ghani and Dato' Noorazman Abd Aziz do not have any equity interest in UEM Sunrise.	iii. proposed soil investigation works, instrumentation, material testing, environmental services and pavement works for projects development; iv. provision of energy management services; and/or v. provision of Strata and Building Facilities Management software - User License Fee.			
4	UEM Edgenta Group	Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARH")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG.	Provision of consultancy and township management services which includes integrated facilities management (mechanical and electrical ("M&E"), housekeeping, security, estate management, safety & health) and community management to TARH.	–	–	–
			TARH is a wholly-owned subsidiary of Khazanah.	Provision of services to TARH as follows: i. pavement, MEE works, utilities relocation and traffic management works; ii. proposed soil investigation works, instrumentation, material testing, environmental services for hotels and resorts; and/or iii. buildings and facilities audit exercise at Desaru Adventure Water Park.	–	68	68
5	UEM Edgenta Group	First Impact Sdn. Bhd. ("First Impact")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. First Impact is a wholly-owned subsidiary of UEMG.	Provision of asset management services for office buildings of First Impact.	2,414	8,228	10,642



Item	Company in UEM Edgenta Group involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value incurred from 1 January 2020 to 26 June 2020 RM'000	Value incurred from 27 June 2020 to 31 December 2020 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
6	UEM Edgenta Group	Malaysia Airports Holdings Berhad ("MAHB") Group	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEM Edgenta is a 69.14% subsidiary of UEMG.</p> <p>MAHB is a 33.21% associated company of Khazanah.</p>	<p>Provision of services to MAHB Group as follows:</p> <p>i. pavement, civil, MEE works, utilities relocation works and traffic management services; and/or</p> <p>ii. proposed soil investigation works, instrumentation, material testing, environmental services and pavement works for airports.</p>	119	19	138
7	UEM Edgenta Group	Borneo Highway PDP Sdn. Bhd. ("BHP")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEM Edgenta is a 69.14% subsidiary of UEMG.</p> <p>Borneo Highway PDP Sdn. Bhd. is a 40% associated company of UEM MMC Joint Venture Sdn. Bhd., which in turn is a 50% joint venture of UEMG.</p>	<p>Provision of services to BHP as follows:</p> <p>i. pavement, MEE works, utilities relocation and traffic management works;</p> <p>ii. payment of project management fees for highway project; and/or</p> <p>iii. proposed soil investigation works, instrumentation, material testing, environmental services and pavement works.</p>	706	–	706
				Provision of design and consultancy services for BHP.	0	–	0
8	UEM Edgenta Group	Cenviro Sdn. Bhd. and its subsidiaries ("Cenviro Group")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEM Edgenta is a 69.14% subsidiary of UEMG.</p> <p>Cenviro is a wholly-owned subsidiary of Khazanah.</p>	<p>Provision of services to Cenviro Group as follows:</p> <p>i. provision of office services; and/or</p> <p>ii. proposed soil investigation works, instrumentation, material testing, environmental services.</p>	14	65	79

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RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value incurred from 1 January 2020 to 26 June 2020 RM'000	Value incurred from 27 June 2020 to 31 December 2020 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
9	UEM Edgenta Group	Konsortium Prohawk Sdn. Bhd. ("Prohawk")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.	Provision of management, operations and maintenance of parking facilities, café, medical hotel and retail business at Women & Children Hospital ("WACH") to Prohawk.	–	415	415
			<p>UEM Edgenta is a 69.14% subsidiary of UEMG.</p> <p>Prohawk is a 65% subsidiary of UEMG.</p> <p>Dato' Mohd Izani Ghani is a Director of UEM Edgenta and Prohawk.</p> <p>Dato' Mohd Izani Ghani does not have any equity interest in Prohawk.</p>	Provision of asset management services for WACH to Prohawk.	11,044	20,382	31,426
10	UEM Edgenta Group	Kualiti Alam Sdn. Bhd. ("Kualiti Alam")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEM Edgenta is a 69.14% subsidiary of UEMG.</p> <p>Kualiti Alam is a wholly-owned subsidiary of Cenviro, which in turn is a wholly-owned subsidiary of Khazanah.</p>	Provision of waste collection services by Kualiti Alam.	100	61	161
11	UEM Edgenta Group	Kuad Sdn. Bhd. ("Kuad")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEM Edgenta is a 69.14% subsidiary of UEMG.</p> <p>Kuad is a 70% subsidiary of CIMA, which in turn is a wholly-owned subsidiary of UEMG.</p>	Purchase of material and provision of pavement works from Kuad.	6,021	–	6,021



Item	Company in UEM Edgenta Group involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value incurred from 1 January 2020 to 26 June 2020 RM'000	Value incurred from 27 June 2020 to 31 December 2020 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
12	UEM Edgenta Group	Kuari Pati Sdn. Bhd. ("Kuari Pati")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEM Edgenta is a 69.14% subsidiary of UEMG.</p> <p>Kuari Pati is a wholly-owned subsidiary of CIMA, which in turn is a wholly-owned subsidiary of UEMG.</p>	Purchases of materials for pavement works from Kuari Pati.	476	–	476
13	UEM Edgenta Group	TT dotCom Sdn. Bhd.	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEM Edgenta is a 69.14% subsidiary of UEMG.</p> <p>TT dotCom Sdn. Bhd. is a wholly-owned subsidiary of TIME dotCom Berhad ("TDC").</p> <p>TdC is a 10.84% associated company of Khazanah.</p> <p>TdC is a 29.39% associated company of Pulau Kapas Ventures Sdn. Bhd., which in turn is a 30.0% associated company of Khazanah.</p>	Provision of fiber optic maintenance on highway by TT dotCom Sdn. Bhd.	705	450	1,155

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RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value incurred from 1 January 2020 to 26 June 2020 RM'000	Value incurred from 27 June 2020 to 31 December 2020 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
14	UEM Edgenta Group's property development companies	Any Related Party who may wish to purchase properties developed by UEM Edgenta Group's property development companies	<p>All Directors and Major Shareholders of UEM Edgenta are interested in this transaction.</p> <p>All Directors of UEM Edgenta do not have any direct and/or indirect shareholding in UEM Edgenta, save for Amir Hamzah Azizan and Dato' Azmir Merican as disclosed in Appendix III.</p> <p>All Directors and Major Shareholders of UEM Edgenta will abstain and ensure that all Persons Connected to them will abstain from voting on the relevant resolution.</p> <p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEM Edgenta is a 69.14% subsidiary of UEMG.</p>	Sale of property units by UEM Edgenta Group's property development companies.	–	–	–
15	EMS	Cenviro Group	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>EMS is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.</p> <p>Kualiti Alam is a wholly-owned subsidiary of Cenviro, which in turn is a wholly-owned subsidiary of Khazanah.</p>	Provision of healthcare waste management services by Kualiti Alam.	493	1,477	1,970



Item	Company in UEM Edgenta Group involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value incurred from 1 January 2020 to 26 June 2020 RM'000	Value incurred from 27 June 2020 to 31 December 2020 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
16	Edgenta Facilities Sdn. Bhd. ("EFSB") Group	Symphony Hills Sdn. Bhd. ("Symphony Hills")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>EFSB is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.</p> <p>Symphony Hills is a wholly-owned subsidiary of Bandar Nusajaya Development Sdn Bhd, which in turn is a wholly-owned subsidiary of UEM Land, which in turn is a wholly-owned subsidiary of UEM Sunrise, which in turn is a 66.06% subsidiary of UEMG.</p>	Provision of cleaning services at sales gallery, office and unit show houses for Symphony Hills.	133	50	183
17	EFSB Group	Setia Haruman Sdn. Bhd. ("Setia Haruman")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>EFSB is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.</p>	Provision of facilities maintenance services to Setia Haruman.	2,454	2,258	4,712
				Rental payable on a monthly basis by EFSB Group to Setia Haruman for office space.	16	48	64
18	EFSB Group	UEM Builders Berhad ("UEM Builders")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>EFSB is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.</p> <p>UEM Builders is a wholly-owned subsidiary of UEMG.</p>	Provision of cleaning services, and M&E maintenance to UEM Builders.	16	28	44

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RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value incurred from 1 January 2020 to 26 June 2020 RM'000	Value incurred from 27 June 2020 to 31 December 2020 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
19	EFSB Group	CIMB Group Holdings Berhad and its subsidiaries ("CIMB Group")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>EFSB is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.</p> <p>CIMB is a 23.07% associated company of Khazanah.</p>	Provision of facilities maintenance services to CIMB Group.	6,623	15,577	22,199
20	Edgenta PROPEL	UEM Construction Sdn. Bhd. ("UEM Construction")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.</p> <p>UEM Construction is a wholly-owned subsidiary of UEM Builders, which in turn is a wholly-owned subsidiary of UEMG.</p>	Upgrade works for Bayan Lepas Expressway for UEM Construction.	–	–	–
				Provision of fourth lane widening ("FLW") civil works, MEE works and street lighting and traffic management services to UEM Construction.	119	–	119
21	Edgenta PROPEL	UEMG	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.</p>	Payment of annual nomination fee to UEMG.	4,167	5,833	10,000
				Pavement, civil, MEE works, utilities relocation and traffic management works for UEMG.	–	–	–



Item	Company in UEM Edgenta Group involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value incurred from 1 January 2020 to 26 June 2020 RM'000	Value incurred from 27 June 2020 to 31 December 2020 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
22	Edgenta EMT	PLUS Malaysia Group	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>Edgenta EMT is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.</p>	Provision of maintenance services of the real time monitoring system to PLUS Malaysia Group.	10	–	10
23	UEMS Malaysia	IMU Education Sdn. Bhd. ("IMU")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEMS Malaysia is a wholly-owned subsidiary of UEMS, which in turn is a 97.46% subsidiary of Edgenta Singapore, which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.</p> <p>IMU Education Sdn Bhd is a wholly-owned subsidiary of IMU Health Sdn Bhd, which in turn is a wholly-owned subsidiary of IHH Healthcare, which in turn is a 26.03% associated company of Pulau Memutik Ventures Sdn Bhd, which in turn is a wholly-owned subsidiary of Khazanah.</p>	Provision of facilities maintenance services to IMU.	149	484	633

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RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value incurred from 1 January 2020 to 26 June 2020 RM'000	Value incurred from 27 June 2020 to 31 December 2020 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
24	UEMS Malaysia	Parkway Pantai Limited and its subsidiaries ("Parkway Pantai Group")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEMS Malaysia is a wholly-owned subsidiary of UEMS, which in turn is a 97.46% subsidiary of Edgenta Singapore, which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.</p> <p>Parkway Pantai is a wholly-owned subsidiary of Integrated Healthcare Holdings Limited, which in turn is a wholly-owned subsidiary of IHH Healthcare, which in turn is a 26.05% associated company of Pulau Memutik Ventures Sdn Bhd, which in turn is a wholly-owned subsidiary of Khazanah.</p>	Provision of facilities maintenance services to Pantai Holdings Group at various Pantai hospitals.	3,352	4,323	7,675
25	UEMS Malaysia	Khazanah	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEMS Malaysia is a wholly-owned subsidiary of UEMS, which in turn is a 97.46% subsidiary of Edgenta Singapore, which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.</p>	Provision of cleansing services KLCC and KL Sentral to Khazanah.	134	203	337



Item	Company in UEM Edgenta Group involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value incurred from 1 January 2020 to 26 June 2020 RM'000	Value incurred from 27 June 2020 to 31 December 2020 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
26	UEMS Solutions Pte Ltd	IHH Healthcare Berhad and its subsidiaries ("IHH Healthcare Group")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEMS Solutions Pte Ltd is a wholly-owned subsidiary of UEMS, which in turn is a 97.46% subsidiary of Edgenta Singapore, which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.</p> <p>IHH Healthcare is a 26.03% associated company of Pulau Memutik Ventures Sdn Bhd, which in turn is a wholly-owned subsidiary of Khazanah.</p>	Provision of housekeeping services at various IHH Healthcare Hospital to IHH Healthcare.	823	665	1,488
27	KFM Energy	Silterra Malaysia Sdn. Bhd. ("Silterra Malaysia")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>KFM Energy is a wholly-owned subsidiary of KFM, which in turn is a 80% subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.</p> <p>Silterra Malaysia is a wholly-owned subsidiary of Khazanah.</p>	Engineering, procurement, installation and commissioning for chillers to Silterra Malaysia.	458	84	542
				Provision of energy efficiency, energy and plant monitoring services by KFM Energy to Silterra Malaysia.	–	–	–

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RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value incurred from 1 January 2020 to 26 June 2020 RM'000	Value incurred from 27 June 2020 to 31 December 2020 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
28	UEM Edgenta Group	UEMG Group	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEM Edgenta is a 69.14% subsidiary of UEMG.</p> <p>Dato' Mohd Izani Ghani is a Director of UEM Edgenta and UEMG.</p> <p>Dato' Mohd Izani Ghani does not have any equity interest in UEMG.</p>	Rental of Office building at UEM Builders, Petaling Jaya from UEMG Group.	–	198	198



GLOSSARY

Abbreviation	Full Form
ABAC	Anti-Bribery & Anti-Corruption
AC	Audit Committee
ACE	Align Collaborate Execute
AfMA	Australasian Fleet Management Association
AGM	Annual General Meeting
AI	Artificial Intelligence
ALPINE	Asia Leaders Programme in Infrastructure Excellence
APIC	Annual Productivity & Innovation Conference and Exposition
AQIF	Associate Qualification in Islamic Finance
BBIS	Blood Bank Information System
BCM	Business Continuity Management
BEA	Board Effectiveness Assessment
BEM	Board of Engineers Malaysia
BEMS	Biomedical Engineering Maintenance Services
BGRC	Board Governance and Risk Committee
BIC	Board Investment Committee
Board	The Board of Directors
BTC	Board Tender Committee
BVDP	Bumiputera Vendor Development Programme
CAMS	Computerised Asset Management System
CBCT	Contactless Toolbox Talk

Abbreviation	Full Form
CCPR	Cold Central Plant Recycling
CIDB	Construction Industry Development Board
CMCO	Conditional Movement Control Order
CnC	Command & Contact Centre
CPRC	Crisis Preparedness and Response Centre
CSCS	Construction Skills Certification Scheme
CSS	Clinic Support Services
CSTR	Coastal Road Network & Second Trunk Road
DAL	Discretionary Authority Limits
DGBAS	Directorate General of Budget, Accounting and Statistics
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EES	Environmental, Social and Governance
EES	Economic, Environmental and Social
EIU	Economist Intelligence Unit
EMR	Electronic Medical Record
EoTF25	Edgenda of the Future 2025
EPC	Energy Performance Contracts
ERP	Enterprise Resource Planning
FEMS	Facilities Engineering Maintenance Services
FM	Facilities Management
FY2020	Financial Year 2020

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GLOSSARY

Abbreviation	Full Form
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GMC	General Management Committee
GRI	Global Reporting Initiatives
HSS	Hospital Support Services
HSSE	Health, Safety, Security & Environment
IAD	Internal Audit Department
IBFIM	Islamic Banking & Finance Institute Malaysia
ICE	Institution of Civil Engineers
ICE	Independent Consulting Engineer
ICP	Islamic Commercial Papers
ICU	Intensive Care Unit
IFM	Infrastructure and Facilities Management
IFM	Integrated Facilities Management
IFRS	International Financial Reporting Standards
IG	Innovation Garage
IMTN	Islamic Medium Term Notes
IoT	Internet of Things
IR 4.0	Industrial Revolution 4.0
ITIL	Information Technology Infrastructure Library
JKR	Public Works Department

Abbreviation	Full Form
Khazanah	Khazanah Nasional Berhad
KPI	Key Performance Indicators
LEED	Leadership in Energy and Environmental Design
LSE	London School of Economics & Political Science
MAC	Management Audit Committee
MACC	Malaysian Anti-Corruption Commission
MAPMA	Malaysian Asset and Project Management Association
MbCHb	Bachelor of Medicine and Bachelor of Surgery
MCCG	Malaysian Code on Corporate Governance 2017
MCO	Movement Control Order
MD/CEO	Managing Director/Chief Executive Officer
MFRS	Malaysia Financial Reporting Standards
MHA	Malaysian Highway Authority
MIA	Malaysian Institute of Accountants
MICE	Member of Institution of Civil Engineers
MICPA	Malaysian Institute of Certified Public Accountants
MIEM	Member of Institutions of Engineers Malaysia
MIPFM	Malaysian Institute of Property & Facility Managers
MIS	Management Information System
MITRANS	Malaysian Institute of Transport
MOF	Ministry of Finance





Abbreviation	Full Form
MoH	Ministry of Health
MS	HSSE Management System
MSOSH	Malaysian Society for Occupational Safety & Health
MSWG	Minority Shareholder Watch Group
MTE	Mini Team Excellence
MTI	Ministry of Trade & Industry
NRC	Nomination and Remuneration Committee
NSE	North-South Expressway
OIC	Opus International Consultants Ltd.
OSH	Occupational Safety & Health
P2P	Procure to Pay
PAT	Profit After Tax
PATANCI	Profit After Tax And Non-Controlling Interest
PBT	Profit Before Tax
PCR	Polymerase Chain Reaction
PLUS	PLUS Malaysia Berhad
PMC	Project Management Consultant
POD	Partners Operations Dialogue
PPE	Personal Protective Equipment
PRINCE2	PRojects IN Controlled Environments
RAMS	Road Asset Management System

Abbreviation	Full Form
RCEI	Risk Control Effectiveness Indicators
RICD	Risk, Integrity & Compliance Department
RMC	Risk Management Committee
RMF	Risk Management Framework
RTE	Regional Team Excellence
RTK	Rapid Test Kit
RTM	Replacement Through Maintenance
SaaS	Software as a Service
SME	Small and Medium-sized Enterprises
SOP	Standard Operating Procedure
STEM	Science, Technology, Engineering & Mathematics
TIDE	Trending, Innovation, Disruption, Entrepreneurship
TnG	Touch 'n Go Sdn. Bhd.
TPM	Technology Park Malaysia
UELC	UEM Edgenta Learning Centre
UEM Edgenta	UEM Edgenta Berhad
UEM Group	UEM Group Berhad
UNSDG	United Nations' Sustainable Development Goals
USGBC	US Green Building Council
WFH	Work from Home
Y-o-Y	Year-on-Year

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NOTICE OF THE 58TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 58th Annual General Meeting (“58th AGM”) of UEM Edgenta Berhad (“UEM Edgenta” or the “Company”) will be conducted virtually for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice.

Meeting Platform : Securities Services e-Portal (“**SS e-Portal**”) at <https://sshsb.net.my/>
 Day and Date : Thursday, 17 June 2021
 Time : 3.00 p.m.
 Broadcast Venue : The Grounds, Level 12, Menara UEM, Tower 1, Avenue 7, The Horizon, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
 Mode of Communication : Shareholders may submit questions to the Board of Directors in advance, prior to the 58th AGM electronically by email to eservices@sshsb.com.my no later than **Tuesday, 15 June 2021 at 3.00 p.m.** or via real time submission of typed texts through a text box within SS e-Portal at <https://sshsb.net.my/> before the start or during the live streaming.

AGENDA

ORDINARY BUSINESS

- To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Directors’ and Auditors’ reports thereon.
- To re-elect the following Directors who are retiring in accordance with Article 91 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
 - Pn. Rowina Ghazali Seth
 - Dato’ Noorazman Abd Aziz

Ms. Emily Kok who retires in accordance with Article 91 of the Company’s Constitution, has expressed her intention not to seek re-election. Hence, she will retain office until the conclusion of the 58th AGM.
- To re-elect the following Director who is retiring in accordance with Article 90 of the Company’s Constitution and being eligible, has offered himself for re-election:-
 - En. Syahrnizam Samsudin
- To approve the Directors’ fees and the payment thereof to the Directors for the period from the 58th AGM until the next Annual General Meeting (“AGM”) of the Company, to be payable on a quarterly basis.
- To approve the payment of Directors’ benefits (excluding Directors’ fees) to the Non-Executive Chairman and Non-Executive Directors based on the following table of benefits and remuneration for the period from the 58th AGM until the next AGM of the Company:-

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

Description	Directors’ remuneration/benefits
Meeting allowance for ad-hoc or temporary Board Committees established for specific purposes	(i) Chairman of Committee – RM2,000 per meeting (ii) Member of Committee – RM1,000 per meeting
Car allowance for Chairman of UEM Edgenta	RM3,400 per month

- To re-appoint Messrs Ernst & Young PLT as Auditors and to authorise the Board of Directors to fix their remuneration.

Ordinary Resolution 6



SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without modifications:-

7. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

Ordinary Resolution 7

"THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of the shareholders' mandate for the Company and/or its subsidiaries ("UEM Edgenta Group") to enter into recurrent related party transactions of a revenue or trading nature ("Proposed Renewal of Shareholders' Mandate"), which are necessary for the day-to-day operations in the ordinary course of business of UEM Edgenta Group and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, particulars of which are set out in Part A of Appendix I of the Circular to Shareholders dated 27 April 2021 **AND THAT** such approval shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier,

AND FURTHER THAT the Directors of the Company and/or any of them be and are/is (as the case may be) hereby authorised to complete and do all such acts and things (including executing all such documents under the common seal in accordance with the provisions of the Constitution of the Company, as may be required) as they may consider expedient or necessary to give full effect to the Proposed Renewal of Shareholders' Mandate."

8. **Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature**

Ordinary Resolution 8

"THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the shareholders' mandate for UEM Edgenta Group to enter into additional recurrent related party transactions of a revenue or trading nature ("Proposed New Shareholders' Mandate"), which are necessary for the day-to-day operations in the ordinary course of business of UEM Edgenta Group and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, particulars which are set out in Part B of Appendix I of the Circular to Shareholders dated 27 April 2021 **AND THAT** such approval shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following this AGM at which such mandate is passed at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed;

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NOTICE OF THE 58TH ANNUAL GENERAL MEETING

- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier,

AND FURTHER THAT the Directors of the Company and/or any of them be and are/is (as the case may be) hereby authorised to complete and do all such acts and things (including executing all such documents under the common seal in accordance with the provisions of the Constitution of the Company, as may be required) as they may consider expedient or necessary to give full effect to the Proposed New Shareholders' Mandate."

- 9. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

CHIEW SIEW YUEN

Company Secretary
(SSM PC No. 201908001259)
(MAICSA 7063781)

Kuala Lumpur
27 April 2021



NOTES:

1. The 58th AGM would be held entirely via Remote Participation and Voting ("RPV") facilities through the Securities Services e-Portal platform ("SS e-Portal") at <https://sshsb.net.my/>. Kindly refer to the Administrative Notes for the 58th AGM in order to register, participate and vote remotely via the RPV facilities.
2. The venue of the 58th AGM is strictly for the purpose of complying with Article 68 of the Constitution of the Company which requires the Chairperson of the meeting to be present at the main venue of the meeting. **No shareholders/proxy(ies)/corporate representative(s)** from the public will be physically present nor admitted at the Broadcast venue on the day of the 58th AGM.
3. A member of the Company entitled to attend and vote at the meeting, is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds in the Company. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act 1991.
6. A member who has appointed a proxy to attend, participate, speak and vote at the 58th AGM via RPV must request his/her proxy to register himself/herself for the RPV at SS e-Portal at <https://sshsb.net.my/>. Please follow the procedures for RPV in the Administrative Notes for the 58th AGM.
7. The instrument appointing a proxy shall be in writing under the hand of the Member or his attorney duly authorised in writing or, if the Member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or in the case of a sole director, by that director in the presence of a witness who attests the signature or of its attorney duly authorised in writing.
8. The instrument appointing a proxy must be deposited/ submitted via the following ways not less than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof:-

(i) By hardcopy form

The Proxy Form must be deposited at the office of the Poll Administrator, SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

(ii) By electronic form

The Proxy Form can be electronically submitted via SS e-Portal at <https://sshsb.net.my/> or by fax to +603 2094 9940 or by email to eservices@sshsb.com.my. Please refer to the Administrative Notes for the procedures on electronic lodgement of proxy form.

If you have submitted your proxy form(s) prior to the 58th AGM and subsequently decide to appoint another person or wish to personally participate in the 58th AGM via RPV facilities, please write in to eservices@sshsb.com.my to revoke the earlier appointed proxy(ies) no later than Tuesday, 15 June 2021 at 3.00 p.m. or any adjournment thereof.

9. For the purpose of determining a member who shall be entitled to attend this 58th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with the provisions under Article 63 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors ("ROD") as at 10 June 2021. Only a depositor whose name appears on the ROD as at 10 June 2021 shall be entitled to attend this 58th AGM or appoint a proxy(ies) to attend, speak and vote on his behalf.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF THE 58TH ANNUAL GENERAL MEETING

TO RECEIVE THE AUDITED FINANCIAL STATEMENTS

Agenda Item No. 1 is meant for discussion only as the provisions of Sections 248(2) and 340(1) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item of the Agenda is not put forward for voting.

PAYMENT OF DIRECTORS' FEES

The Directors' fees under Agenda Item No. 4 is payable to each of the Non-Executive Directors, on a quarterly basis as follows:-

Directors' Fees	Non-Executive Chairman		Non-Executive Director	
	Per Quarter (RM)	Per Annum (RM)	Per Quarter (RM)	Per Annum (RM)
Board	52,500	210,000	27,000	108,000
Audit Committee	12,500	50,000	7,500	30,000
Other Board Committees	6,250	25,000	3,750	15,000

EXPLANATORY NOTES ON SPECIAL BUSINESS:-

ORDINARY RESOLUTION 7 – PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The proposed Ordinary Resolution 7, if passed, will allow UEM Edgenta Group to enter into recurrent related party transactions which are of a revenue or trading nature and necessary for UEM Edgenta Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

In addition, it will eliminate the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions

occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. The shareholders' mandate is subject to renewal on an annual basis.

The details on the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature are set out in Part A of Appendix I of the Circular to Shareholders dated 27 April 2021.

ORDINARY RESOLUTION 8 – PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Ordinary Resolution 8 is to seek shareholder's mandate in relation to additional recurrent related party transactions to be entered into by the Company and its subsidiaries.

This resolution, if passed, will enable UEM Edgenta Group to enter into recurrent related party transactions of a revenue or trading nature which are necessary for UEM Edgenta Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

This mandate will eliminate the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. The shareholders' mandate is subject to renewal on an annual basis.

The details on the Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature are set out in Part B of Appendix I of the Circular to Shareholders dated 27 April 2021.

STATEMENT ACCOMPANYING NOTICE OF THE 58TH ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Details of persons who are standing for election as Directors (excluding Directors standing for re-election)

No individual is seeking election as a Director at the 58th Annual General Meeting.

FORM OF PROXY

UEM EDGENTA BERHAD

(Company No. 196301000166 (5067-M))
Incorporated in Malaysia



A member of UEM Group

Total number of ordinary share(s) held		
CDS Account No.		
Proportion of holdings to be represented by each proxy	Proxy 1 %	Proxy 2 %

I/We (Full Name) _____
(block letters)

NRIC/Passport/Company No. _____ of _____
(full address)

being a member of UEM EDGENTA BERHAD ("the Company") hereby appoint:-

Proxy 1

Full Name (block letters)	Email Address	Contact No.	NRIC/Passport No.
Full Address			

And/or failing him/her (delete as appropriate)

Proxy 2

Full Name (block letters)	Email Address	Contact No.	NRIC/Passport No.
Full Address			

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 58th Annual General Meeting of the Company to be held entirely through live streaming from the Broadcast venue at **The Grounds, Level 12, Menara UEM, Tower 1, Avenue 7, The Horizon, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Thursday, 17 June 2021 at 3.00 p.m.** or at any adjournment thereof.

(Please indicate your vote with an "X" in the respective boxes of each resolution. If you do not do so, the proxy will vote or abstain from voting on the resolutions at his/her discretion.)

ORDINARY RESOLUTIONS	NO.	FOR	AGAINST
To re-elect Pn. Rowina Ghazali Seth who is retiring in accordance with Article 91 of the Company's Constitution	1		
To re-elect Dato' Noorazman Abd Aziz who is retiring in accordance with Article 91 of the Company's Constitution	2		
To re-elect En. Syahrulizam Samsudin who is retiring in accordance with Article 90 of the Company's Constitution	3		
To approve the payment of Directors' fees for the period from the 58 th Annual General Meeting until the next Annual General Meeting of the Company, to be payable on a quarterly basis	4		
To approve the payment of Directors' benefits to the Non-Executive Chairman and Non-Executive Directors for the period from the 58 th Annual General Meeting until the next Annual General Meeting of the Company	5		
To re-appoint Messrs Ernst & Young PLT as Auditors and to authorise the Board of Directors to fix their remuneration	6		
To approve the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	7		
To approve the Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature	8		

Signature of Shareholder(s)/Common Seal

Date:

Contact No.:

NOTES:

1. The 58th Annual General Meeting ("58th AGM") would be held entirely via Remote Participation and Voting ("RPV") facilities through the Securities Services e-Portal platform ("SS e-Portal") at <https://sshsb.net.my/>. Kindly refer to the Administrative Notes for the 58th AGM in order to register, participate and vote remotely via the RPV facilities.
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PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 27 April 2021.

Fold Here

STAMP

The Poll Administrator of UEM Edgenta Berhad
SS E Solutions Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Malaysia

Fold Here

GROUP DIRECTORY

CORPORATE OFFICE

UEM Edgenta Berhad
196301000166 (5067-M)
Level 17, Menara UEM, Tower 1, Avenue 7, The Horizon, Bangsar South City
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
Tel: +603 2725 6688 Fax: +603 2725 6888
uemedgenta.com

ASSET MANAGEMENT

HEALTHCARE SUPPORT

CONCESSION	COMMERCIAL		
Edgenta Healthcare Management Sdn. Bhd. 199501035976 (365178-M) Edgenta Mediserve Sdn. Bhd. 198301014425 (109818-H) Edgenta Healthtronics Sdn. Bhd. 199601042834 (415187-M) Level 3, Menara UEM Tower 1, Avenue 7 The Horizon Bangsar South City No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel : +603 2725 6688 Fax : +603 2725 7158	Edgenta UEMS Sdn. Bhd. 198001004679 (58464-M) Level 3, Menara UEM Tower 1, Avenue 7 The Horizon Bangsar South City No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel : +603 2725 8200 Fax : +603 2725 6888	UEMS Solutions Pte. Ltd. No. 12 Ang Mo Kio St 64 Blk B, #03A-11 UE Bizhub Central Singapore 569088 Tel : +65 6818 3600 Fax : +65 6818 3601 uemsgroup.com/sg	Edgenta UEMS SC Ltd. 5F-7-9, No. 2 Fuxing N. Rd. Zhongshan Dist. Taipei City 10492 Taiwan (R.O.C.) Tel : +886 (02) 2776 6188 Fax : +886 (02) 2776 6186 edgentauems.com.tw

PROPERTY & FACILITY SOLUTIONS

Edgenta Facilities Sdn. Bhd. 198301012526 (107920-D) Edgenta Facilities Management Sdn. Bhd. 198301008524 (103775-H) Edgenta Energy Projects Sdn. Bhd. 201601035054 (1205995-W) Edgenta Energy Services Sdn. Bhd. 201501029633 (1154954-U)	Edgenta GreenTech Sdn. Bhd. 200301032366 (634787-U) Level 10, Menara UEM Tower 1, Avenue 7 The Horizon, Bangsar South City No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel : +603 2725 6688 Fax : +603 2725 6888	Faber Sindoori Management Services Private Limited No. 77, 4 th Floor, Pottipati Plaza Nungambakkam High Road Chennai 600 034 Tamilnadu, India Tel : +91 44 4264 9403/9404 Fax : +91 44 4264 9405 sindoorifaber.com
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INFRASTRUCTURE SOLUTIONS

INFRASTRUCTURE SERVICES

Edgenta PROPEL Berhad 198801004310 (171667-P) Edgenta Infrastructure Services Sdn. Bhd. 200501000568 (677613-A) Level 8, Menara UEM Tower 1, Avenue 7 The Horizon, Bangsar South City No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel : +603 2725 6688 Fax : +603 2725 7000	Edgenta Environmental & Material Testing Sdn. Bhd. 198801006043 (173400-U) No. 3, Jalan P/8 Kawasan Perindustrian MIEL Seksyen 13 43650 Bandar Baru Bangi Selangor Darul Ehsan Tel : +603 8925 9370 Fax : +603 8925 9373	Opus Group Berhad 199401005489 (291168-K) Opus International (M) Berhad 198601004999 (154159-T) Opus Consultants (M) Sdn. Bhd. 199601033249 (405601-M) Opus Consultants (Sarawak) Sdn. Bhd. 201901044810 (1354140-D) Level 6, Menara UEM Tower 1, Avenue 7 The Horizon, Bangsar South City No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel : +603 2725 6688 Fax : +603 2711 8016
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uemedgenta.com

UEM Edgenta Berhad

196301000166 (5067-M)

Level 17, Menara UEM, Tower 1, Avenue 7

The Horizon, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

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