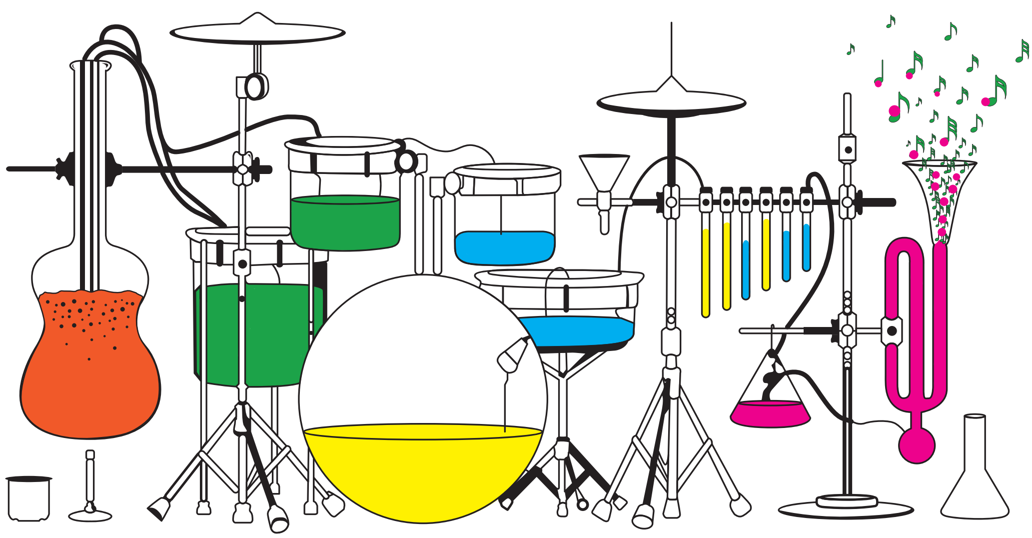
A member of **UEM Group**

Empowered by Science, Inspired by Humans



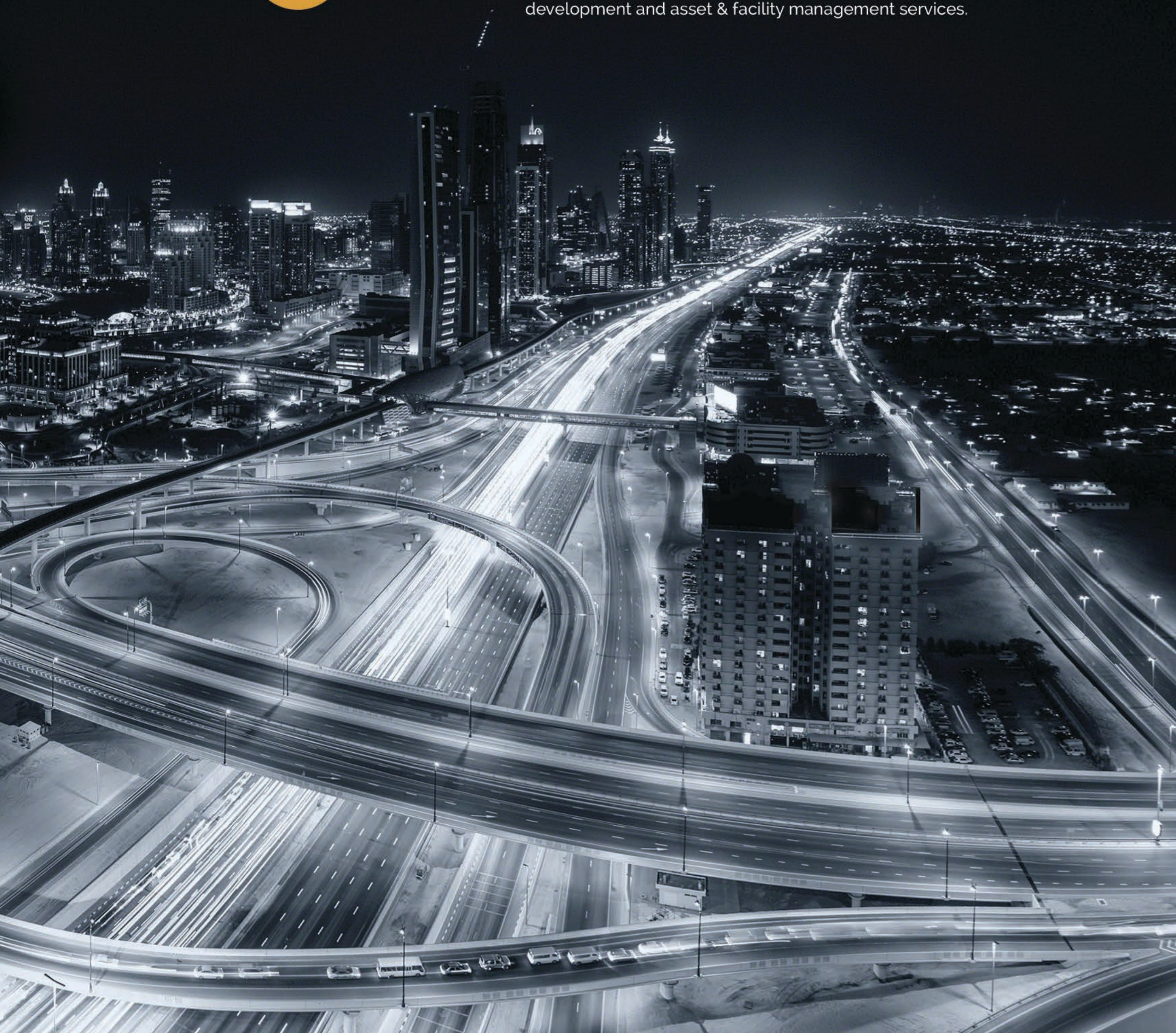
Orchestrate • Collaborate • Perform

ANNUAL REPORT TWENTY FIFTEEN

EDGENTA, derived from the word "Edge" is our new name and inspiration. It symbolises a new, dynamic and cutting edge organisation. The UEM EDGENTA brand represents our affiliation with UEM Group Berhad ("UEM Group"), and our renewed vision to bring together the best of our capabilities to provide an edge to our clients. UEM Edgenta is the flagship company for Asset & Facility Management ("AFM"), the 4th core division of UEM Group which is celebrating its 50th year anniversary in 2016.

A member of **UEM Group**

UEM Group is an engineering-based infrastructure and services group with an established track record and global operations. It has the ability, expertise and resources to deliver key infrastructure development projects for the public and private sectors spanning expressways, bridges, buildings, urban transits, water infrastructure, airports, hospitals, township & property development and asset & facility management services.



Buildings

Transport

Healthcare

Oil & Gas

Water/Environment

Orchestrate. Collaborate. Perform.

We offer solutions to make your lives better. Wherever needed, be it in healthcare, infrastructure or real estate, our full suite of solutions are designed and implemented according to the requirements of our customers. As a leader in Total Asset Solutions, our wealth of experience and expertise enable us to be there throughout the entire asset life cycle.

As depicted by the ensemble on the cover, our combined expertise and abilities allow us to work together to perform and ultimately, deliver innovative solutions that adds value to everyday life.

INSIDE THIS REPO

53rd ANNUAL GENERAL MEETING

OF UEM EDGENTA BERHAD

Date : Thursday, 12 May 2016
Time : 10.00 am
Venue : Banquet Hall
Menara Korporat, Persada PLUS
Persimpangan Bertingkat Subang
KM15, Lebuhraya Baru Lembah Klang
47301 Petaling Jaya
Selangor Darul Ehsan

ORT

ABOUT UEM EDGENTA

STRIVING FOR GROWTH

PERFORMANCE REVIEW

CORPORATE FRAMEWORK

LEADERSHIP

KEY INITIATIVES

TRANSPARENCY

FINANCIAL REVIEW

ACCOUNTABILITY

2015 KEY HIGHLIGHTS

REVENUE ▲
1.1% to
RM3.12 billion
(FY2014: RM3.09 billion)

NORMALISED PBT* ▲
17.4% to
RM350.8 million
(FY2014: RM298.8 million)

NORMALISED PATANCI* ▲
19.4% to
RM223.2 million
(FY2014: RM186.9 million)

NET TANGIBLE ASSET PER SHARE ▲
29.8% to
RM1.09
(FY2014: RM0.84)

DIVIDEND TO SHAREHOLDERS
RM122.0 million
representing payout ratio of 64%
(FY2014: RM187.1 million)

* *Normalised PBT and PATANCI are derived after excluding one-off costs for Mutual Separation Scheme, goodwill impairment for Opus Steward Weir ("OSW") in Canada and the reversal of deferred consideration rising from the acquisition of OSW by Opus International Consultants Ltd.*

- Listed in FTSE4Good Bursa Malaysia Index for strong Environmental, Social and Governance Practices
- Awarded 2015 Frost & Sullivan Asia Pacific Integrated Facilities Management Competitive Strategy Innovation & Leadership Award
- Listed in Forbes Asia's "Best Under A Billion" 2015
- Received Special Mention under the Best Project Award (Infrastructure Project – Major) by the Malaysian Construction Industry Excellence Award 2015 (MCIEA) for the Electrified Double Track Project between Ipoh and Padang Besar.

OUR VISION

OPTIMISING ASSETS TO IMPROVE LIVES.

MISSION

OUR SERVICES, COMMITMENT TO SMARTER THINKING AND IMPROVED SOLUTIONS PLACE US AT THE FOREFRONT OF THE INDUSTRY. WE CREATE OPPORTUNITIES FOR CLIENTS AND ASSETS THAT POSITIVELY INFLUENCE SOCIETY.

VALUES

WE ARE AN **ENTERPRISING** ENTITY THAT EMBRACES **TEAMWORK**, **INTEGRITY** AND **PASSION** WITH A FOCUS ON **SUCCESS**.

The key elements of our values

ENTERPRISING
We are enterprising and competitive with a mind-set geared towards creating greater value for our stakeholders.

TEAMWORK
We practice teamwork, mutual respect, open communications and empowerment while embracing diversity and inclusiveness to foster internal and external collaborations.

INTEGRITY
We hold true to ethical and professional behaviour to set the highest standards of integrity, honesty and trust.

PASSION
We are passionate, driven, competent and committed to gain knowledge and improve skill sets to achieve personal growth and exceptional performance.

SUCCESS
We achieve success by pushing boundaries, thinking creatively resulting with out-of-the-box innovative ideas and solutions.

UEM EDGENTA

COMBINED EXPERIENCE

OF MORE THAN

75 YEARS

IN THE AFM BUSINESS

MORE THAN

13,000

STRONG WORKFORCE

WORLDWIDE

FY15 SHAREHOLDER'S FUND OF

RM 1.3 BILLION

ONE OF THE REGION'S LARGEST

TOTAL ASSET SOLUTIONS

ENTITY WITH GROUP ASSETS OF

>RM2.6 BILLION

AT A GLANCE

INTERNATIONAL PRESENCE IN

10 COUNTRIES

MARKET CAPITALISATION OF

RM2.97 BILLION

AS AT 31.3.2016

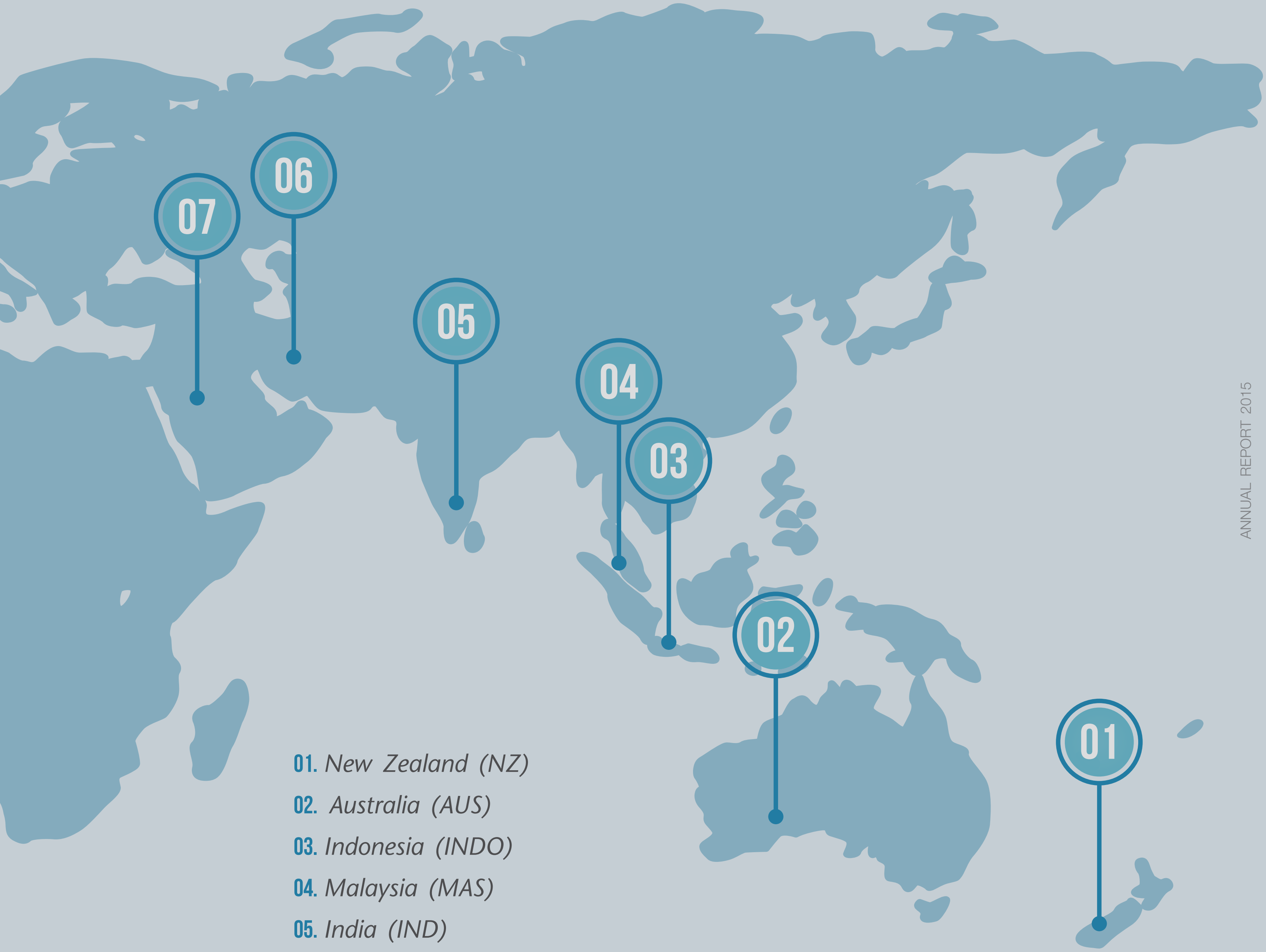
UEM EDGENTA IS LISTED ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

AND

OPUS INTERNATIONAL CONSULTANTS LIMITED IS LISTED ON THE NEW ZEALAND STOCK EXCHANGE

INTERNATIONAL PRESENCE IN 10 COUNTRIES
SPANNING ACROSS 7 MAJOR REGIONS

OUR PRESENCE



01. *New Zealand (NZ)*
02. *Australia (AUS)*
03. *Indonesia (INDO)*
04. *Malaysia (MAS)*
05. *India (IND)*
06. *Saudi Arabia (ARB)*
07. *United Arab Emirates (UAE)*
08. *United Kingdom (UK)*
09. *United States (USA)*
10. *Canada (CAN)*

ASSET CONSULTANCY

HEALTHCARE SERVICES

INFRA SERVICES

FACILITIES SERVICES

INDUSTRIAL SERVICES

ENERGY SERVICES

PROPERTY SERVICES

ENVIRONMENTAL & MATERIAL TESTING SERVICES

PROPERTY DEVELOPMENT

COMPANY PROFILE

UEM Edgenta Berhad ("UEM Edgenta") is one of the region's largest Total Asset Solutions entity.

Listed on the Main Market of Bursa Malaysia Securities Berhad with market capitalisation of RM2.97 billion as at 31 March 2016, we are a leader in Total Asset Solutions with businesses providing Asset Consultancy, Healthcare Services, Infra Services, Facilities Services, Industrial Services, Energy Services, Property Services, Environmental & Material Testing Services and Property Development.

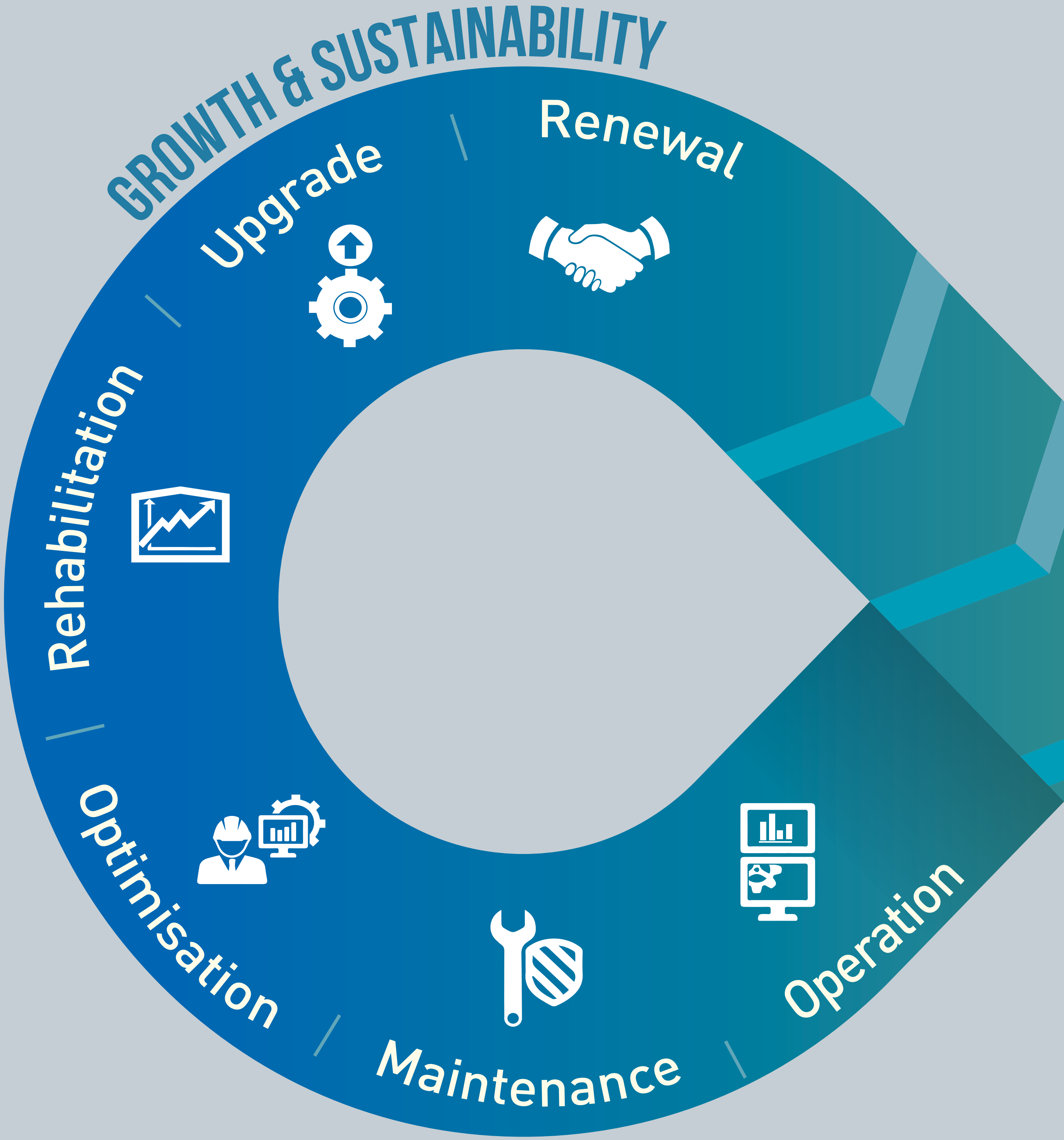
We offer the healthcare, infrastructure and real estate sectors a full suite of services throughout the asset life cycle. These include consultancy, procurement and construction planning, operations and maintenance, as well as optimisation, rehabilitation and upgrades. Our combined expertise and our ability to provide end-to-end solutions creates opportunities for both our clients and ourselves.

Innovation is at the heart of what we do. It leads us to offer smarter answers to a wide and varied array of asset and infrastructure questions. We aim to set new industry benchmarks and optimise our clients' assets throughout their life cycle.

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

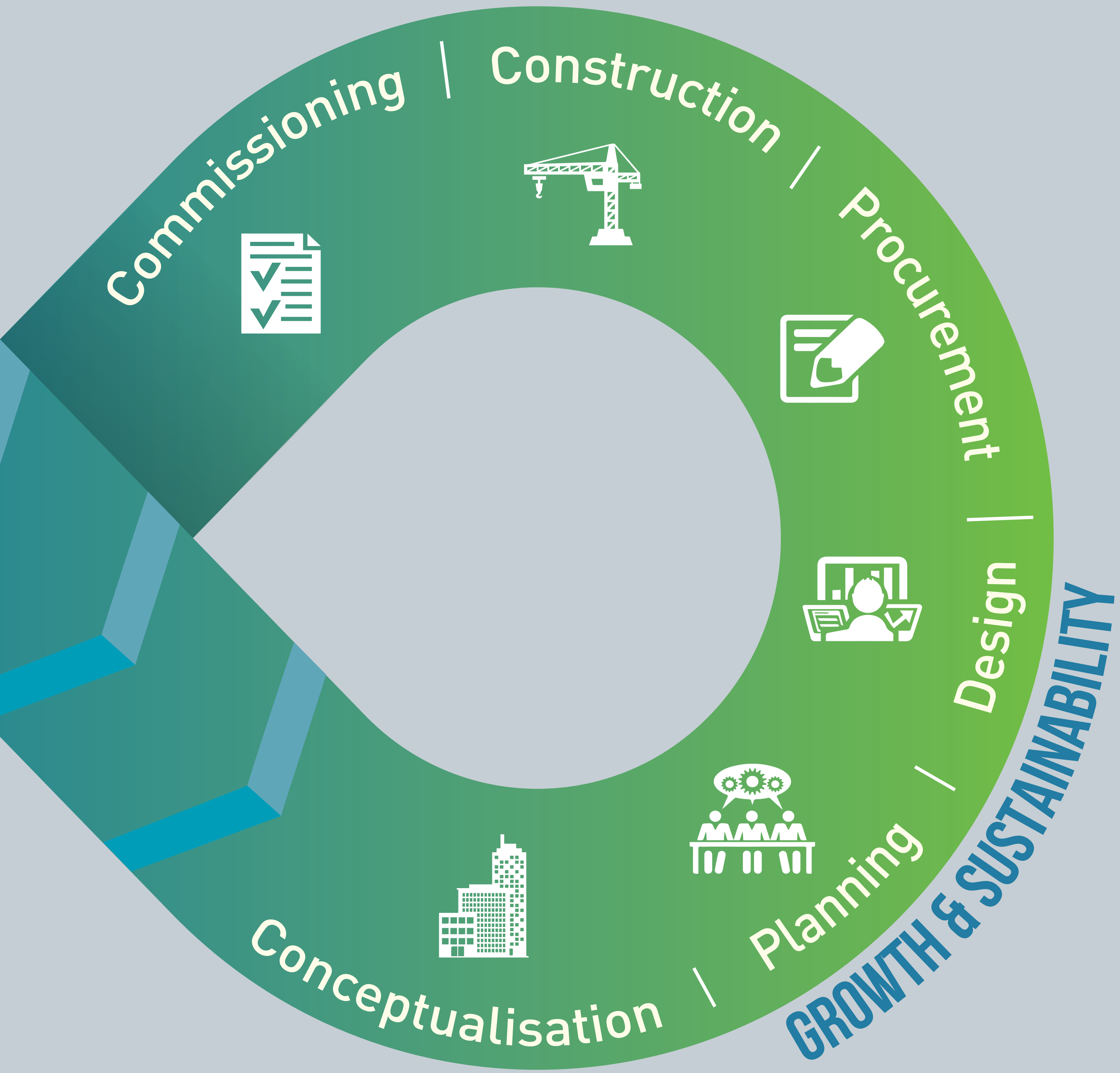
We are able to be there for our clients throughout the entire asset life cycle because accessibility, understanding and collaboration are our trademarks. We are our clients' advisors and partners from the very first assets blueprint, right up to the management and maintenance of the day-to-day operations of the assets.

ASSET LIFE CYCLE



UEM EDGENTA COMPRISES 8 BUSINESSES WHICH COVER THE ENTIRE ASSET LIFE CYCLE

1. **Asset Consultancy**
2. **Healthcare Services**
3. **Infra Services**
4. **Facilities Services**
5. **Industrial Services**
6. **Energy Services**
7. **Property Services**
8. **Environmental & Material Testing Services**



OUR SERVICES

1. ASSET CONSULTANCY

Our Asset Consultancy capabilities span across various sectors such as transport, buildings, water and environment with a firm foothold in Malaysia, New Zealand, Australia, United Kingdom, Middle East, Canada and the United States.

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

Our Capabilities and Offerings:

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

2. HEALTHCARE SERVICES

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

We are internationally certified to provide Total Asset Solutions for healthcare institutions. As a key player in this segment, we have had the privilege of serving over 82 hospitals and various healthcare institutions in Malaysia for the past 19 years. We also operate in the India healthcare sector via a joint venture.

Our Capabilities and Offerings:

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

3. INFRA SERVICES

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

Our track record is evident in the expressways and state roads (approximately 2,000 km), airports, commercial buildings, municipalities and urban transit. In the global arena, we have worked on infrastructure maintenance projects in Abu Dhabi, the United Arab Emirates and Indonesia.

Our Capabilities and Offerings:

- Pavement & Safety Rehabilitation
- Traffic & Safety Management
- Civil – Tunnel, Slopes, Bridges, Drainage, Landscaping, Line Markings, Commercial Buildings, Toll Plazas, Rest & Service Areas
- Mechanical & Electrical Maintenance
- Utilities Relocations Services

4. FACILITIES SERVICES

UEM Edgenta provides facilities management services for a range of building types from institutional to retail, offices to hospitals, educational institutions as well as homes.

Our Capabilities and Offerings:

- Asset and Inventory Management
- Facility Administration Services
- Building Maintenance
- Civil, Mechanical and Electrical System Maintenance
- Ground Maintenance
- Housekeeping Services
- Pest Control Management
- Technical Advisory
- Warranty Management
- Technical Consultancy Services

5. INDUSTRIAL SERVICES

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

Our Capabilities and Offerings:

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

6. ENERGY SERVICES

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

Our remote monitoring system leverages on real time monitoring software to capture building services data and translate them into useful actionable output for real-time monitoring, analysis and quick decision making. The application of this system will enable us to detect and rectify any anomaly thus reducing the operational costs for clients by optimising energy consumption.

Our Capabilities and Offerings:

- Energy performance Management System
- Energy Management Services/Energy Audit
- Green Building Index/Leadership in Energy and Environment Design (LEED) Services
- Control Solutions
- Remote Monitoring
- Centralised Command Center [Cloud & Internet of Things (IoT)]

7. PROPERTY SERVICES

UEM Edgenta offers integrated township management and property services to the largest institutional property owners in the country and to those with single site interests. We will be your one-stop call centre for any commercial property maintenance issues from repairs to refurbishments and general maintenance in between.

Our Capabilities and Offerings:

- Township Management Services
- Building Facilities Management
- Estate Management
- Security Management
- Property Management Services
- Community Management Services

8. ENVIRONMENTAL & MATERIAL TESTING SERVICES

At UEM Edgenta, we advocate for a strong emphasis on environment & safety guidelines in development projects. With over 25 years of experience in providing pavement solutions, geotechnical solutions, structural solutions & environmental solutions, we are the ideal partner for carrying out assessments, monitoring and testing services across a wide range of industries; from expressways and construction to oil & gas and real estate development.

Our team specialises in initial site investigations and collection of raw data for data analysis, technical assessments and offering of technical solutions.

Our Capabilities and Offerings:

- Environmental Tests & Monitoring Services
- Bridge & Structural Maintenance Services
- Material Testing Services
- Pavement Condition Assessment
- Soil Investigation & Testing Services
- Slope Rehabilitation Services
- Geotechnical Instrumental Services
- Building Condition Survey
- Structural Assessment & Repair Services

CHAIRMAN'S STATEMENT

DATO' SERI ISMAIL SHAHUDIN | *Chairman*

DATO' IZZADDIN IDRIS | *Acting Chairman*

SHAREHOLDERS' FUND ▲
15.6%
TO
RM1.3 BILLION

REVENUE ▲
1.1%
TO
RM3.12 BILLION

NORMALISED PATANCI ▲
19.4%
TO
RM223.2 MILLION

Dear Shareholders,

Today's global economy is markedly more challenging as a result of low oil prices and volatile equities, though it must be said that not all countries face the same type of challenges, for economic recovery has varied from country to country. In Malaysia, we were impacted by weakening of the Ringgit as well as softening of commodity prices that affected exports.

For UEM Edgenta Berhad ("UEM Edgenta" or "the Company") which has operations in both developed and developing economies, the year presented a mixed bag of challenges and opportunities. I am pleased to share that we managed to overcome restraints not only by capitalising on existing opportunities but also by creating new growth pathways for the Company. Part of our Mission is to ***'create opportunities for clients that positively influence society'***. In doing so, we would also certainly create opportunities for ourselves. This is a unique quality we are developing as an entity and I believe is something that will set us apart as we advance.

Following our merger in 2014, we have become the largest Total Asset Solutions entity in Malaysia. Our aim, however, is for regional leadership. To achieve this, we are committed to growing UEM Edgenta by enhancing and expanding our capabilities so as to be able to offer better, more innovative and efficient products and solutions to our expanding clientele.

Our tagline, ***'Empowered by Science, Inspired by Humans'***, reflects the way in which we use technology to maintain an edge in the industry, pioneering new ways of thinking as well as improving our daily operations.

There are several areas in which we are already making a head start in this regard. For example, we are deploying real-time energy management systems that enable asset managers to monitor live data and evaluate critical asset parameters thus enabling them to respond to diversions from optimum performance as they happen. We are introducing Internet of Things (IoT) capabilities in our business, which will have a major impact on how we deliver our services. Similarly, data analytics and big data applications will be introduced to help us achieve better efficiencies.

WE ARE AT AN ADVANTAGE FOLLOWING OUR MERGER BECAUSE WE NOW HAVE THE RESOURCES OF PEOPLE WITH DIFFERENT BUSINESS SPECIALITIES COMING TOGETHER.

More generally, we plan to move towards greater use of automation and mechanisation to reduce an over-dependence on labour. This will contribute towards moving the nation's workforce up the value chain, supporting the Government's vision to transform Malaysia into a high-income nation.

Needless to say, we plan to work with partners, develop new alliances and apply new technologies more widely amongst our customers. We are at an advantage in this regard because following our merger, we now have the people with different business specialities, experience, track record and skill sets coming together. Our role is to ensure true amalgamation of our expanded human capital so there is meaningful sharing of knowledge, expertise and skills. Efforts towards this end have begun and we are already seeing the fruits of our labour.

DECLARED INTERIM DIVIDEND
15 SEN

OUTPERFORMED FBMKLCI INDEX BY
44.7%

FTSE4GOOD BURSA MALAYSIA INDEX SINCE
DECEMBER 2014

Our vision of *'**Optimising Assets To Improve Lives**'* gives UEM Edgenta a fresh and united purpose. It is our aim to continue nurturing an entirely new culture, one that is filled with energy, drive and an identity that is in line with our values and aspirations.

At the core of what we do are two basic principles of how we approach our operations – appreciation for our customers' assets and respect for safety. As we work towards creating a cohesive workforce, we are instilling these values and driving the organisation towards a customer-centric culture.

In our first full year as UEM Edgenta, we have pulled together some very encouraging results, and I am pleased to note that our performance in 2015 has lived up to expectations. Despite the challenging market conditions, we managed to achieve a full-year revenue of RM3.12 billion, which was 1.1% more than RM3.09 billion recorded in the preceding year. Our revenue distribution remained comparable to FY2014, with some 49% being generated by Asset Consultancy while Infra Services and Integrated Facilities Management contributed 28% and 21%, respectively.

The Company as a whole reported a profit before tax ("PBT") of RM305.4 million and profit after tax and non-controlling interest ("PATANCI") of RM191.2 million. Both results were about 5% less than what we achieved in FY2014, the slight dip being accounted for by one-off costs. Looking at our normalised PBT and PATANCI, these grew by 17.4% and 19.4% to RM350.8 million and RM223.2 million, respectively. Details of our financial performance is outlined in the Operations Review by Managing Director/Chief Executive Officer section of this Annual Report.

Based on our encouraging financial performance, the Board of Directors declared an interim dividend of 15 sen. This adds to strong shareholder returns over the last two years, during which the Company has outperformed the FBMKLCI Index by approximately 44.7% (2 January 2014 – 31 December 2015). In addition, our financial results are supported by an equally healthy Environmental, Social and Governance scorecard, earning us a listing on the FTSE4Good Bursa Malaysia Index in December 2014.

OUR TRANSFORMATION WORK HAS RECEIVED INTERNATIONAL RECOGNITION:

Frost & Sullivan Asia Pacific Integrated Facilities Management Competitive Strategy Innovation and Leadership Award.

Forbes Asia's Best Under A Billion List.

Special Mention under the Best Project Award (Infrastructure Project – Major) by the **Malaysian Construction Industry Excellence Award 2015 (MCIEA).**

Other than be actively involved in Energy Services, which focuses on energy efficiency, our commitment to safeguarding the environment is reflected in various eco-friendly practices adopted at the workplace. We are also conscious of our social commitment to the communities that supports us, both external and internal. We embrace this responsibility by undertaking various community outreach initiatives as well as supporting the professional growth and personal needs of our employees. We uphold the highest level of corporate governance as we believe this is essential in enhancing our market reputation and at the same time develop an even stronger bond of trust between the Company and all our stakeholders.

I'm pleased to report, our transformation initiatives which we have undertaken to date has received international recognition. In October 2015, we were presented the Frost & Sullivan Asia Pacific Integrated Facilities Management Competitive Strategy Innovation and Leadership Award. In November 2015, we were among 11 Malaysian companies that made it onto Forbes Asia's Best Under A Billion List. UEM Edgenta also won a special mention in the Best Infrastructure-Major Project category of the Malaysian Construction Industry Excellence Awards (MCIEA) for the Design, Construction, Completion, Testing & Commissioning of the Electrified Double Track between Ipoh and Padang Besar. The award ceremony was held in September 2015.

These awards are testament that UEM Edgenta has what it takes to further strengthen our fundamentals amidst a challenging environment. This gives us great confidence of being able to continue on our transformation journey to grow and create more value to you, our shareholders, in 2016 and the immediate future.

I would like to thank all our business partners, investors and customers for your continuing support. But, most of all, I would like to express my sincere appreciation to fellow members of the Board for the wise counsel; to our management and all our employees for your commitment to the Company. Together, the possibilities are endless.

Dato' Seri Ismail Shahudin
Chairman

Dato' Izzaddin Idris
Acting Chairman

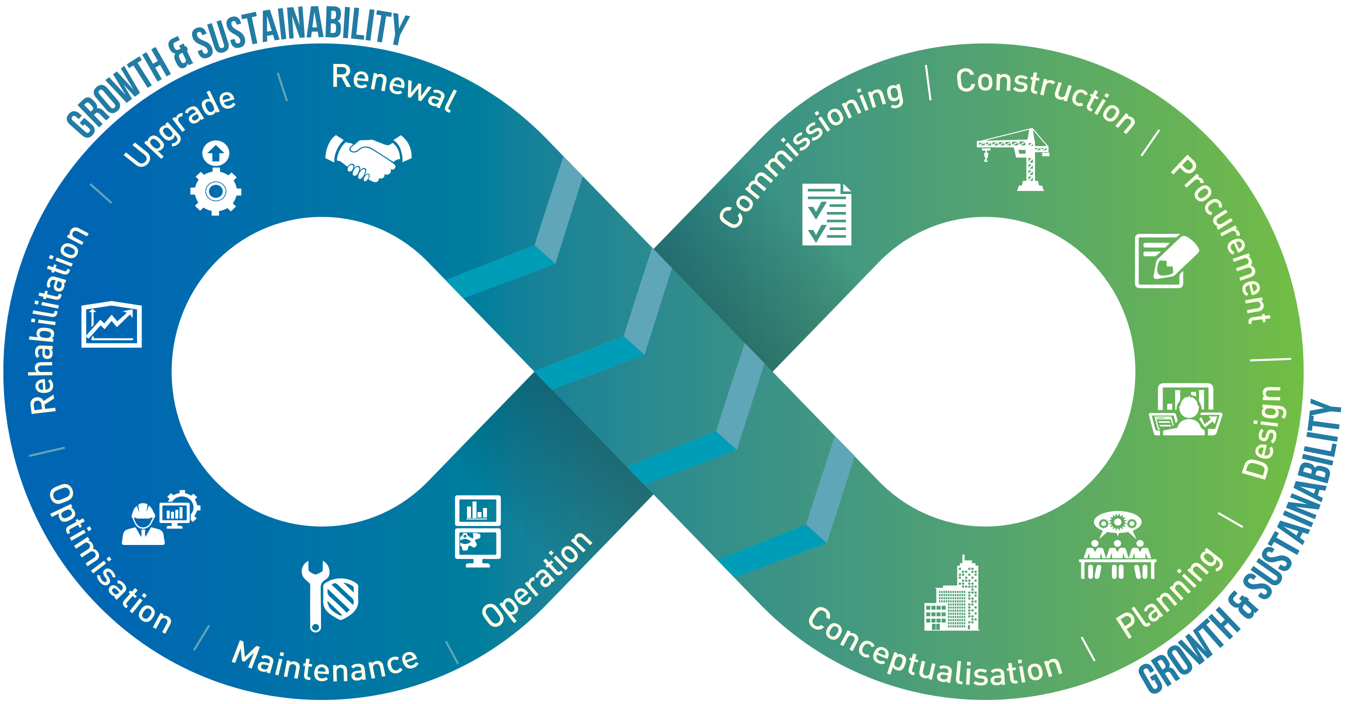
OPERATIONS REVIEW
BY MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

AZMIR MERICAN | *Managing Director/Chief Executive Officer*

Dear Shareholders,

2015 was significant for UEM Edgenta Berhad ("UEM Edgenta" or "the Company"), being the first full-year of operations following the tripartite merger into our current organisation, which today offers one of the most comprehensive total asset solutions in the region. All eyes were on us to see how we would manage to bring together three leaders in their respective fields – Faber Group Berhad (as we were previously known), Opus Group Berhad ("Opus") and Edgenta PROPEL Berhad ("Edgenta PROPEL") – to create an enlarged, more energised and resource-efficient entity.

ASSET LIFE CYCLE



UEM Edgenta comprises 8 businesses which cover the entire asset life cycle

1. **Asset Consultancy**
2. **Healthcare Services**
3. **Infra Services**
4. **Facilities Services**
5. **Industrial Services**
6. **Energy Services**
7. **Property Services**
8. **Environmental & Material Testing Services**

It was without doubt a tremendous and challenging task, yet with a clear vision, the support of our Board of Directors and the entire team, plus a sheer sense of determination, we have been able to integrate, consolidate and rationalise our businesses to achieve encouraging results. We had laid out a roadmap of what we hoped to achieve and, working collaboratively, executed our first year's milestones as planned.

As mentioned in last year's annual report, we are focusing on five key strategic growth drivers to take UEM Edgenta to the next level of our onward journey. And I am pleased to note that we made headway in four of these, the fifth being put on hold due to macro-economic challenges. These growth drivers are: 1) to expand into new business verticals; 2) to develop a stronger presence in energy management business; 3) to explore new marketplaces; 4) to continue with integration efforts of our new organisation; and 5) to penetrate the oil and gas sector.

Together with our sister company, UEM Sunrise Berhad we have created a new business providing Township Management Services via a joint venture ("JV"), Edgenta TMS Sdn Bhd ("ETMS"), with a wholly-owned subsidiary of Medini Iskandar Malaysia Sdn Bhd (MIMSB). ETMS is set to be Malaysia's first holistic township management services operator, providing integrated facilities management services and estate management services amongst others in Medini and Iskandar Puteri in Iskandar Malaysia, Johor.

We further enhanced our business portfolio by rebranding and repositioning the services provided by our Environmental and Material Testing unit which will add value to our current offerings. This business will be supported by strong research and development ("R&D") capabilities that are being established.

In energy management, we formed another JV – Edgenta Energy Services Sdn Bhd ("EES") – which enables us to provide a range of comprehensive energy solutions few others in the country are able to offer. This collaboration is with an international leader of monitoring and control solutions based in the United Kingdom ("UK"). Though set up only in August 2015, EES has already implemented Energy Management Systems at 33 government hospitals, and is deploying controls and data managers connected to a command centre (the nerve centre of our operations). With this command centre, targeted to be fully operational by Q3 2016, we will be able to showcase the capabilities and advantages of active facilities management. Given growing awareness of the importance of sustainable operations, our target is for the business to be profitable within the first year of operations.

Within the region, we established a deeper footprint in Indonesia while securing new business in the Middle East. Upon completion of pavement works on the Cikampek-Palimanan toll road in Indonesia, our Infra Services division secured a three-year contract to maintain the toll road. This stands us in good stead to extend our infrastructure services to other roads and highways in the country. Separately, on 7 April 2016 we announced the completion of the acquisition of an 80% equity stake in KFM Holdings Sdn Bhd ("KFM"). KFM provides integrated facilities management services, green technology and sustainability services in Malaysia and the United Arab Emirates ("UAE"). Riding on its network, we hope to re-establish our presence and services in the Middle East, where we are also involved in asset development and management.

Because of the continued drop in oil prices and general slowdown in the oil and gas industry, we have made a conscious decision to take a cautious approach in venturing into this sector for the time being, and will use the current lull as a window of opportunity to prepare to serve this vertical once the industry picks up again.

Meanwhile, we recently won a contract to manage Zone III state roads in Selangor, which is a milestone of sorts for us as it represents our first foray into state road maintenance.

To sum up, it has been an extremely hectic year for UEM Edgenta, in which we have successfully developed further capabilities to protect and enhance our key businesses. Our operational wins would not have been possible without also building a stronger, more cohesive organisation. Indeed, this formed a key focus area for the management, and it gives me pleasure to describe the progress made in greater detail below.

CREATING A COHESIVE UEM EDGENTA

Subsequent to obtaining our shareholders' approval to change our name, we officially became UEM Edgenta on 9 April 2015. Along with the name change, we intensified the process of creating a united organisation at the operational, people and cultural levels.

In line with the rationale of the merger, we have streamlined our support functions such as finance, procurement, contract management, IT and human resources (HR). At the same time, we are harnessing cross-functional synergies by leveraging on our combined resources and cross-selling our services while elevating efficiencies across the board through the sharing of best practices.

More importantly, we are creating a new identity among our employees, along with a new shared vision, mission and values. In order to obtain our employees' buy-in, various brand champion workshops and training sessions have been organised, as well as an on-boarding programme. These initiatives are being supported by efforts to nurture a sense of unity, for example by creating common communication and information-sharing platforms (via an internal portal, a virtual library and town hall sessions) as well as new corporate shirts and uniforms, livery and collaterals, all bearing the UEM Edgenta name and logo.

In January 2016, we took the process of integration a step further with the launch of an extensive workforce development programme named "**EDGE20**".

EDGE20 IS DESIGNED TO REDEFINE THE WAY WE WORK AT UEM EDGENTA, CHALLENGING US TO EVEN GREATER HEIGHTS AS WE MOVE INTO 2016 AND TO ACHIEVE OUR AMBITIONS AND GROWTH TARGETS BY THE YEAR 2020.

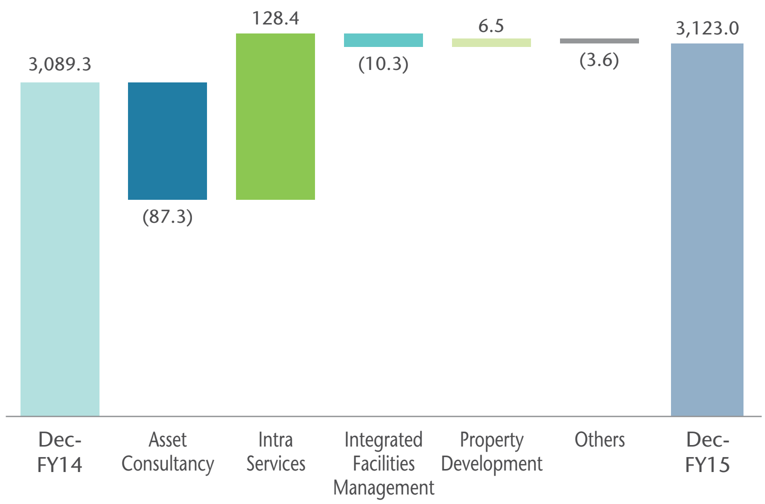
The programme aims to have **E**ngaged employees and to **D**evelop our people to **G**row their capabilities and competencies with the aim of achieving **E**xcellence in whatever they do. It is fundamental to shifting the thinking and culture of the workforce taking into account the demands and aspiration of the Company in reaching its target by 2020.

As part of efforts to streamline our organisational structure and achieve the desired operational efficiencies post-merger, in the fourth quarter of 2015, we implemented a Mutual Separation Scheme ("MSS") strictly on a voluntary basis, for the Malaysian operations, which was taken up by 11.6% of the total eligible employees.

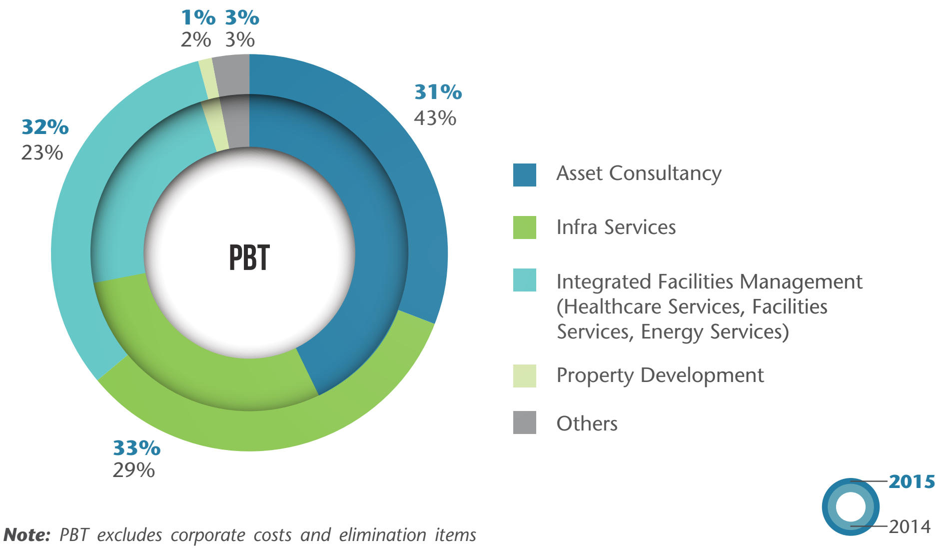
FINANCIAL PERFORMANCE

Operationally, the year 2015 was commendable for UEM Edgenta. In spite of the carve-out of the healthcare business in East Malaysia following the new Concession Agreement with the Ministry of Health, we achieved a very respectable financial scorecard for the year, with 1.1% growth in revenue to RM3.12 billion and 17.4% increase in normalised profit before tax ("PBT").

Year-on-Year Revenue by Service Division
RM million



PBT Breakdown by Service Division
%



Note: *PBT excludes corporate costs and elimination items*

REVENUE ▲
1.1%
TO
RM3.12 BILLION
(FY2014: RM3.09 billion)

NORMALISED PBT ▲
17.4%
TO
RM350.8 MILLION
(FY2014: RM298.8 million)

Asset Consultancy remained the largest revenue contributor, accounting for 49% of the total, while Infra Services contributed 28%, Integrated Facilities Management 21%, and Property Development and Others 2%.

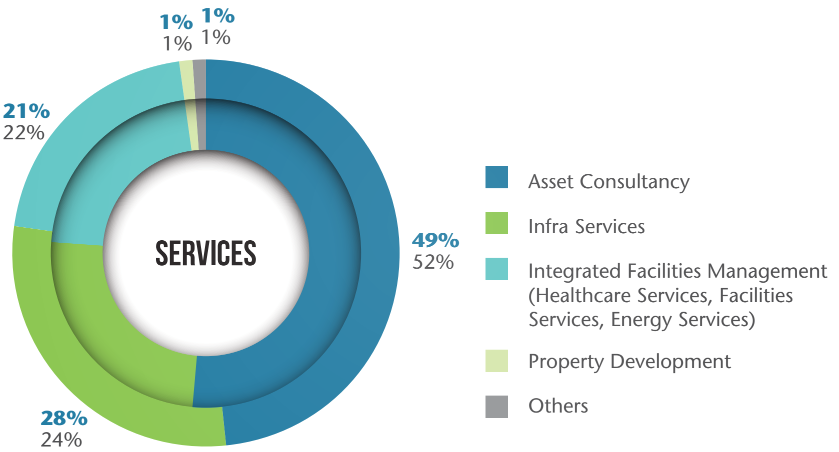
Overall, contribution from our concession businesses increased by two percentage points to 38%. Our non-concession business, however, constituted the bulk of our revenue, at 62%. Geographically, Malaysia continued to be the highest revenue earner, contributing to 55% of the Company's total revenue followed by New Zealand, where our Asset Consultancy has a strong foothold, at 24%, Canada & United States ("USA") at 10%, the UK at 6% and Australia at 4%.

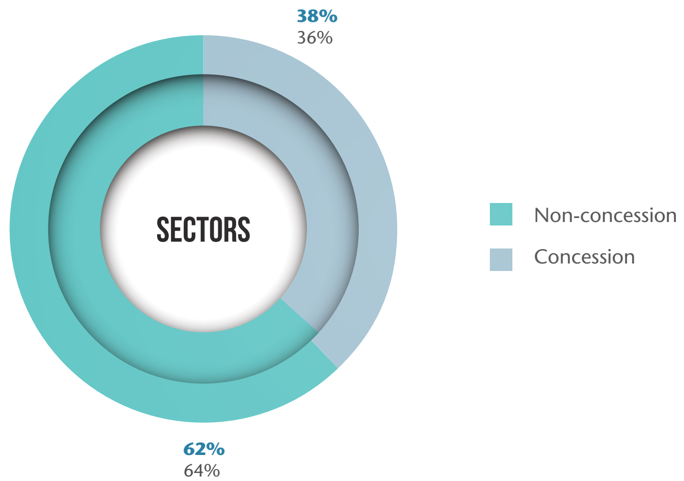
The main contributors to our PBT (excluding corporate costs and elimination items) in 2015 were Infra Services, Integrated Facilities Management and Asset Consultancy at 33%, 32% and 31% respectively.

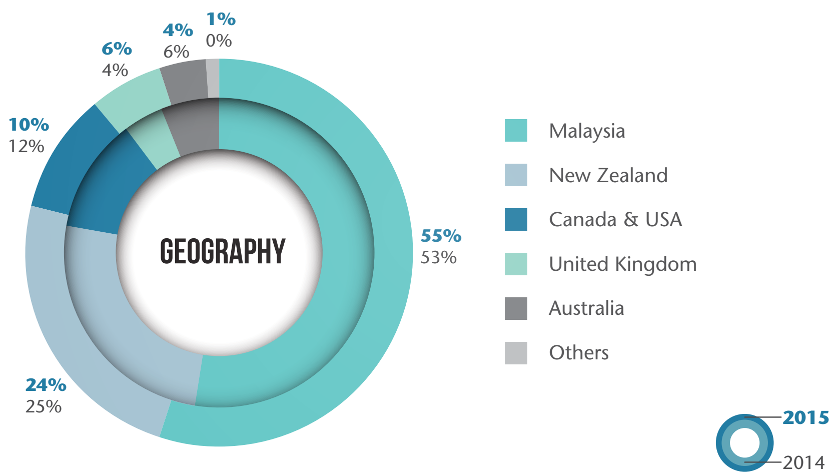
After excluding a one-off cost of RM45.4 million for the MSS, goodwill impairment for Opus Steward Weir ("OSW") in Canada coupled with the reversal of deferred consideration rising from the acquisition of OSW by Opus International Consultants Ltd ("OIC"), we achieved a normalised PBT of RM350.8 million, 17.4% higher than the RM298.8 million in 2014. Our normalised PATANCI, meanwhile, grew by 19.4% to RM223.2 million from RM186.9 million.

Revenue Breakdown by Service Division, Sectors and Geography

%







OPERATIONS REVIEW

With the streamlining of our business to focus more intently on Total Asset Solutions, the composition of our business lines is changing. Property Development is no longer a core business for us with our focus being to complete the two ongoing projects, namely Chymes@Gurney and Prima Villa in Taman Danau Desa, Kuala Lumpur. At the same time, we are strengthening our core capabilities so as to provide comprehensive and integrated solutions to our customers.

To move up the value chain, we are investing in R&D, which will not only give us an edge in terms of technologies that we can offer but also allow us to expand into product development. Our research efforts will be concentrated at the UEM Edgenta R&D Centre to be established in Bukit Beruntung, Selangor in 2016. It will house, among others, a Pavement Research Centre where different grades of pavements will be developed to suit different uses, including pavements made from recycled materials.

ASSET CONSULTANCY

Through the Asset Consultancy business, driven primarily by Opus, we have an extensive presence in New Zealand, the UK, Canada and the USA, Australia and the Middle East as well as Malaysia. Given global headwinds over the last two years, the business has focused on increasing efficiencies by streamlining its operations, enhancing collaborations among different country operations and reducing its headcount. The restructuring is strengthening its fundamentals to be able to leverage on economic recovery in its markets, when that takes place.

Performance Highlights

Strong performance in New Zealand, driven by an increase in infrastructure projects, contributed to RM1.5 billion in revenue. Meanwhile, the impairment loss on goodwill coupled with the reversal of deferred consideration recognised for the Canadian business amounting to RM36.1 million and RM21.3 million respectively, and one-off cost on MSS amounting to RM7.2 million led to a 31.6% decrease in PBT from RM148.5 million to RM101.7 million. Without these one-off items, the PBT would have translated to RM123.7 million.

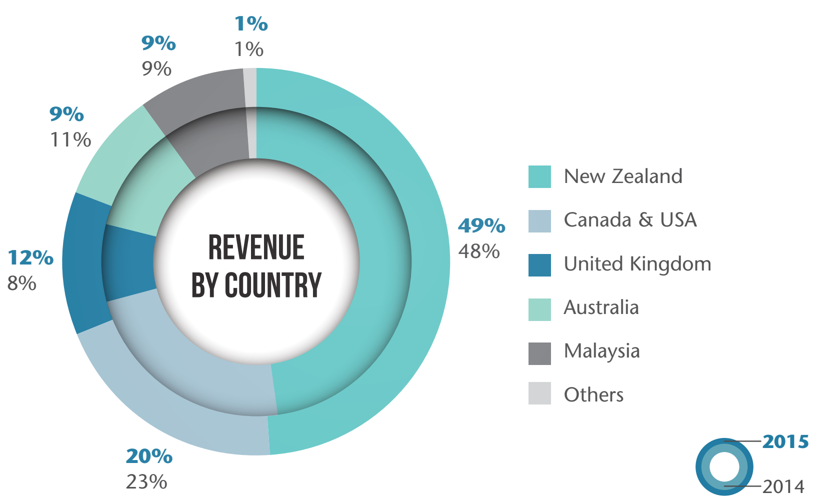
Operational Highlights

Our operations in **New Zealand** performed relatively well, supported by a general increase in number of infrastructure projects being undertaken in the country, which make up for a bottoming out of recovery efforts following the 2011 earthquake in Christchurch. Work began on some of the contracts won from the NZ Transport Agency (NZTA) in conjunction with other parties, including the Huntly Section of the Waikato Expressway and the West Coast Network outcome, with capital value of NZD458 million and NZD115 million, respectively. Restructuring of the organisation in early 2015 has also led to improved cost efficiencies.

TO MOVE UP THE VALUE CHAIN, WE ARE INVESTING IN R&D, WHICH WILL NOT ONLY GIVE US AN EDGE IN TERMS OF TECHNOLOGIES THAT WE CAN OFFER BUT ALSO ALLOW US TO EXPAND INTO PRODUCT DEVELOPMENT.

Asset Consultancy Revenue Breakdown by Country

%



Exposure to the oil and gas market in **Canada** presented a challenge given significant capital and operational expenditure cuts by oil and gas companies and service providers in response to the lower price of the commodity. To address the significant shortfall in revenue, the team took early steps to mitigate this by implementing a number of cost saving measures such as reduction of headcount. Efforts were also made to better integrate service delivery and improve synergies between buildings, water and transportation services. Meanwhile, the business is supported by growth in **USA** which focuses primarily on asset management.

Economic recovery in the **UK** that had begun in 2014 continued during the year under review, led significantly by the property and construction sectors. This contributed to the operation's best performance to date, with large wins in transportation and rail asset management.

In **Malaysia**, the Government continued to invest in major infrastructure projects. Within this environment, Opus International Malaysia ("OIM") further established its credentials by completing the North-South Expressway ("NSE") fourth lane widening, consultancy services for construction management of Kuala Lumpur Gleneagles Hospital, and the first major deliverable of the Ampang/Kelana Jaya Extension. With these feathers in its cap, it is well positioned to secure more project management and asset management services in the near future.

The business environment in **Australia** continued to be very challenging due to a general economic slowdown exacerbated by falling commodity prices and weak exports. Re-focusing its attention on new areas of government expenditure, however, the team managed to capture some new project wins. The Australia business remains important to UEM Edgenta and while a country reorganisation saw the closure of three offices to help manage operational costs, we are confident of the long-term potential.

Our operations in the **Middle East** was cushioned against falling oil prices as we have no direct exposure to the oil and gas industry in this region. More positively, work commenced on the Royal Commission of Jubail project in Saudi Arabia, and key deliverables have been met.

Outlook

We are optimistic about the general outlook for this division given positive developments in New Zealand, the UK and Malaysia which would compensate for the challenging economic climate in Australia and Canada.

In **New Zealand**, various transport as well as network management contracts will be entering the market in 2016. The government has set a 2015-2018 transport expenditure target of NZD10.5 billion, focusing on the repair of Christchurch's transport network, continued support for the Roads of National Significance programme, the Auckland Transport Package, the Accelerated Regional Roading Package and the Urban Cycleways Programme, and direct funding towards regional projects for non-urban areas to develop their strategic networks. There is also strong growth potential in the rural water sector.

In **Canada**, while the short to medium-term outlook for the oil and gas sector looks grim, the federal government has announced plans to make CA$10 billion of funding available for infrastructure development through its Federal Building Canada Fund. Also, The Alberta government has committed CA$4.7 billion of funding for the development of roads and bridges over the next five years. Our Canadian operation is positioning itself to meet the changes in market demand and is also focusing on Liquefied Natural Gas

(LNG) opportunities to offset the decline in oil-derived work. Meanwhile, the **USA** business is positioning to bid for further US Department of Transport projects on the back of previous successes.

In the **UK**, a number of large county council transport asset management contracts are being released to the market. The government itself has committed £15 billion to 100 major road and motorway schemes up to year 2020, under a Road Investment Strategy to enhance, renew and improve the country's infrastructure. Meanwhile, Network Rail is pressing ahead with a £38 billion programme that will see the electrification of key lines, among other transformational projects. Furthermore, the government has also announced a major investment spend for schools, with £23 billion in capital investment over the next three years to help build 500 new schools and rebuild or refurbish over 500 existing schools to address essential maintenance needs. Given the potential for work here, the operation is boosting its human capital, absorbing some talent from other parts of Opus' global network.

In **Malaysia**, the Government has announced a number of infrastructure projects under the Economic Transformation Plan and, more recently, the 11th Malaysia Plan such as Lebuhraya Pantai Timur 2 (East Coast Expressway Phase 2), the Pan Borneo Highway, Senawang-KLIA Highway (SKLIA) and Light Rail Transit Line 3 (LRT3). OIM is leveraging on these opportunities by offering its engineering consulting and asset management services to the relevant project owners.

Given a challenging outlook in **Australia**, the team here has conducted a full review of its operations and implemented a number of cost-saving and other measures to improve performance.

The environment will also continue to be challenging in the **Middle East**; however we expect fiscal constraints to drive a number of asset management projects for which our business is well placed.

INFRA SERVICES

Infra Services, helmed by Edgenta PROPEL, maintains over 2,000 km of highways and roads – including the NSE, Penang Bridge, New Klang Valley Expressway (NKVE), Federal Highway Route 2, ELITE Highway, Seremban Port Dickson Highway, Malaysia-Singapore Second Link and Selangor state roads. It also provides maintenance services for airport runways and aprons, municipalities, plantation roads and urban rail transit systems.

Performance Highlights

This was a record year for Infra Services, which achieved a 16.8% increase in revenue from RM762.2 million to RM890.7 million due to higher project work progress and certifications for the NSE fourth lane widening and Bayan Lepas Expressway project. The division also recognised higher civil and pavement works carried out for NSE. In line with growth in revenue, PBT inched up by RM8.6 million, from RM101.7 million to RM110.3 million.

Operational Highlights

During the year, Edgenta PROPEL completed some key projects while also clinching a number of new contracts.

Major projects that were completed during the year included the NSE fourth lane widening, and pavement works on the Cikampek-Palimanan toll road in Indonesia.

Key among its new awards are a three-year contract from PT Lintas Sedaya Marga for routine maintenance of the newly completed Cikampek-Palimanan toll road; a 30-month maintenance contract for the Kajang Silk Expressway; and five-year contract from the Public Works Department for maintenance of state roads in Zone III, Selangor.

The division was also awarded pavement rehabilitation works for: 1) the KL-Seremban Expressway; 2) the KL-Kuala Selangor Expressway; and 3) the Senai-Desaru Expressway as well as selected state roads in Kedah.

In addition, it secured traffic management services contracts relating to a project to upgrade the road connecting Batu Maung with Jalan Sultan Azlan Shah in Penang, and relating to the construction of the integrated Immigration, Customs, Quarantine and Security (ICQS) complex in Bukit Kayu Hitam. Both are two-year contracts.

Outlook

We are positive of the long-term outlook of Infra Services given the number of new infrastructure projects that are expected to come on stream both in Malaysia and regionally. In our home market, we are excited about upcoming urban highway projects and extension of the Mass Rapid Transit ("MRT") as well as Light Rail Transit ("LRT") lines. In Indonesia, where we have now established a firm presence and proven our expertise in total highway maintenance, the division will explore for more major infrastructure opportunities.

To create greater cost efficiencies of its pavement business, the division is driving greater innovation and technology development. First on the list is setting up a premix plant, which will have the capability to produce different pavement materials from raw materials, recycled waste and milled pavements. Use of recycled materials and production on site will reduce our raw material and transport costs, while supporting our overall vision to promote greater sustainability in our supply chain for a greener environment.

WE ARE POSITIVE OF THE LONG-TERM OUTLOOK OF INFRA SERVICES GIVEN THE NUMBER OF NEW INFRASTRUCTURE PROJECTS THAT ARE EXPECTED TO COME ON STREAM BOTH IN MALAYSIA AND REGIONALLY.

The formulation of different pavement materials will be developed in-house at the Pavement Research Centre located within the UEM Edgenta R&D Centre.

INTEGRATED FACILITIES MANAGEMENT (HEALTHCARE SERVICES, FACILITIES SERVICES AND ENERGY SERVICES)

A key development during the year was the signing of a new Concession Agreement ("CA") with the Ministry of Health for the provision of Hospital Support Services ("HSS") to hospitals in the northern states of Peninsular Malaysia valued at approximately RM307 million a year. Two separate agreements were also signed for two JVs to undertake the same services in Sabah and Sarawak, in which UEM Edgenta has a 40% stake. The CA was effective as of 1 April 2015. Meanwhile, the Energy Services business received a shot in the arm in 2015 with the formation of a JV with a leading international monitoring and control solutions company.

Performance Highlights

The division performed well during the year, mainly as a result of higher fees from Healthcare Services' new concession as well as better efficiencies. This contributed to a 35.9% increase in PBT from RM78.1 million recorded in 2014 to RM106.2 million. Revenue, however, dipped by 1.5% from RM673.3 million to RM663.1 million due to a reduction in contribution from the healthcare business in Sarawak.

Operational Highlights

On 11 March 2015, Edgenta Mediserve Sdn Bhd ("Edgenta Mediserve") inked a CA with the Malaysian Government to provide HSS for all public hospitals and their related healthcare facilities in Perak, Penang, Kedah and Perlis for a period of 10 years. It will be providing the same services to Government hospitals in Sabah and Sarawak through two JV concession companies in which it has 40% equity interest, namely Sedafiat Sdn Bhd and One Medicare Sdn Bhd.

The new CA contains an expanded scope of service in each of the five areas of Facilities Engineering Maintenance Services (FEMS), Biomedical Engineering Maintenance Services (BEMS), Cleansing Services (CLS), Linen & Laundry Services (LLS) and Clinical Waste Management which is now known as Healthcare Waste Management Services (HWMS). It also adds two new service areas – Facilities Management Services (FMS) and a Sustainability Programme. FMS involves the development of an Assets and Systems Information System (ASIS), whilst the Sustainability Programme will focus on water management, indoor air quality, energy efficiency and the 3Rs (Reduce, Reuse, Recycle).

The new CA comes with a one-off 5.8% concession rate hike for Peninsular Malaysia, 7.8% for Sabah and 8.1% for Sarawak to cater for the minimum wage requirement. A total of 81 hospitals fall under the agreement, including Sabah and Sarawak.

To meet the additional requirements of the new concession, Edgenta Mediserve has set up an Operations Centre & Workshop ("OCW") in Juru, Penang to serve as a central repair centre and loaner equipment planning and distribution point to reduce medical equipment breakdown downtime and minimise service disruption. OCW also increases the division's capacity for spare parts storage.

Other new projects acquired by Edgenta Mediserve were a three-year contract to provide Clinical Waste Management Services at 67 locations in Peninsular Malaysia, Sabah and Sarawak by the Ministry of Defence; and a Tracking of Medical Equipment Project using Radio Frequency Identification ("RFID") at the National Cancer Institute, Putrajaya.

As part of ongoing efforts to enhance its capabilities, Healthcare Services conducted a major shutdown and turnaround of its Kamunting Incinerator in August 2015 which enabled it to optimise the plant's capacity. The plant now operates at 7,300 tonnes/year.

Our Facilities Service team, meanwhile, was awarded two new projects, namely building condition assessment for AIA Bhd; and Indoor Air Quality ("IAQ") improvement, waterproofing and waste management at Persada Plus. It also gained an extension of its scope of services for Kota Iskandar in Iskandar Puteri and Pharmaniaga's key facility in

Shah Alam. Additionally, the team has been entrusted to spearhead the Medini Township Development Project as part of the JV prerequisite with Medini Iskandar Malaysia Sdn Bhd.

In August 2015, UEM Edgenta formed a JV company – EES – with Resource Data Management Asia Sdn Bhd ("RDM Asia"), a subsidiary of global controls and monitoring company Resource Data Management ("RDM"). The objective is for EES to offer energy management solutions that will enable commercial and industrial customers to optimise the energy performance of their premises and lower their carbon footprint, translating into reduced asset management costs. The application of active monitoring and control systems will enable organisations to generate significant energy savings.

OUR NEW JV COMPANY – EDGENTA ENERGY SERVICES SDN BHD ("ESS") OFFERS ENERGY MANAGEMENT SOLUTIONS THAT WILL ENABLE COMMERCIAL AND INDUSTRIAL CUSTOMERS TO OPTIMISE THE ENERGY PERFORMANCE OF THEIR PREMISES AND LOWER THEIR CARBON FOOTPRINT, TRANSLATING INTO REDUCED ASSET MANAGEMENT COSTS.

Though new, EES has managed to acquire two significant contracts to supply, test and commission Energy Management Systems. One is for 33 hospitals in the Northern Region of Peninsular Malaysia for the Ministry of Health. The other is for automotive parts manufacturer, Hicom Diecastings. In addition, it is installing controls and devices for Energy Management, enabling Active Facilities Management and Internet of Things ("IoT") capabilities in Menara UEM, our head quarters which will be a showcase building.

Outlook

Over the last two years, Healthcare Services has acquired a number of long-term projects that guarantee stable revenue over an extended period. These include the RM1.03 billion contract to provide Asset Management Services (AMS) for the Women and Children's Hospital in Kuala Lumpur for a period of 27 years, which was signed in 2014; and provision of Biomedical Engineering Maintenance Services in Sabah, in addition to the new CA with the Ministry of Health. Furthermore, in January 2016, we formed another JV – Biomedix Solutions Sdn Bhd ("Biomedix") – with Biocare Systems Sdn Bhd to jointly provide Biomedical Engineering Maintenance Services to all Government hospitals in Sarawak. Complementing these, we expect to grow our non-concession services centering on hospital energy management and non-clinical healthcare support services.

At the same time, we intend to combine the resources of our Facilities Services with that of Energy Services to be able to offer one-stop Facilities Management ("FM") solutions to building and asset owners. To lend an edge to our service offerings, we are actively seeking strategic partnerships to be able to harness the power of the IoT and big data analytics in the FM business. Among key projects in the pipeline are the provision of integrated FM for a number of institutes of higher learning, as well as for some major developments in the southern region.

We believe demand for energy management services will increase as awareness of the financial and environmental benefits become more apparent. We are preparing for growth in this sector by building our technical expertise and experience to be able to expand our service offerings in energy management, remote monitoring and control solutions.

To support an anticipated business expansion, EES is developing specific solutions for commercial and industrial facilities and is looking to strengthen its in-house manpower.

HEALTHCARE SERVICES – LONG-TERM PROJECTS & OUTLOOK

RM1.03 billion contract to provide Asset Management Services (AMS) for the Women and Children's Hospital in Kuala Lumpur for a period of 27 years

Provision of Biomedical Engineering Maintenance Services in Sabah, in addition to the new CA with the Ministry of Health

Provide Biomedical Engineering Maintenance Services to all Government hospitals in Sarawak via Biomedix, a newly formed JV company

To grow our non-concession services centering on hospital energy management and non-clinical healthcare support services

ENVIRONMENTAL & MATERIAL TESTING SERVICES

Environmental & Material Testing represents an important emerging business that complements our other existing services. It is founded on the resources and capabilities of Soil Centralab Sdn Bhd which has been rebranded as Edgenta Environmental and Material Testing Sdn Bhd ("EMT").

Performance Highlights

EMT contributed revenue of RM19.0 million, which was 16.1% less than RM22.7 million achieved in 2014. The dip in revenue was mainly due to the completion of the NSE fourth lane widening in June 2015, as well as material testing works for the PLUS pavement structure overlay and New Seremban Interchange.

Operational Highlights

EMT specialises in pavement, geotechnical, structural and environmental solutions as well as testing services which cut across various sectors – from buildings, transportation and roads and highways to healthcare, oil and gas and the environment.

On an ongoing basis, EMT is responsible for assessing all PLUS highways throughout the year using its own Multi Laser Profiler (MLP) and Falling Wright Deflectometer (FWD) machines. It also has a bridge specialist team stationed full-time on the Penang Bridge to provide routine visual inspection reports, perform reparation works, and conduct underwater inspection.

WORK CARRIED OUT UNDER EMT DURING THE YEAR

- **Quality Assurance and Quality Control (QAQC) as well as material testing for the fourth lane widening along PLUS's NSE, the Alor Pongsu Interchange and New Seremban Interchange projects**
- **Soil investigation for the MRT Lines 1 and 2, and LRT 3 projects, for MMC-Gamuda and Prasarana Malaysia Berhad, respectively**
- **Installation and maintenance of real-time monitoring system rain gauges along the NSE for PLUS**
- **Testing at EMT's Skim Akreditasi Makmal Malaysia (SAMM)-accredited soil laboratory of offshore samples from clients such as TL Geotechnics, Asian Geos, Ogeosis and Oregenic Geocore in relation to oil and gas exploration in Sarawak, Terengganu, Thailand and Myanmar**

Outlook

We will continue to transform the EMT unit into a key support business for our core businesses and we expect a positive outlook for EMT given the continued growth of Infra Services. Meanwhile, the on-going development of major and new infrastructure projects in Malaysia and regionally will also provide opportunities to elevate our EMT business.

MOVING FORWARD

Although the economy is set to be even more challenging in 2016 than it was in 2015, we are confident of making good progress along our well-trodden paths as well as the new ones we have carved for the Company.

We are, naturally, very excited about the potential to grow our new Property Services division, as well as our newly set up Energy Services. Integrated township management is a new concept in Malaysia, and we hope to gain first mover advantage. Meanwhile, the energy management business is poised for growth. We also believe there is much potential to sharpen our Environmental and Material Testing Services.

Our focus will be on creating greater cost efficiencies through better use of our resources, more effective procurement and general streamlining of our operations. As a result of efforts to productise pavement materials, we will be able to market our formulations to external clients.

Through KFM, we will be looking at Green Building Index (GBI) projects for existing buildings as well as address potential expansion in the Middle Eastern region.

Finally, the process of integrating and upgrading systems across the three organisations is ongoing, in particular to have a strong IT backbone.

WE WILL BE CONTINUING WITH THE GROWTH THEMES WE HAD IDENTIFIED IN 2015. TO RECAP, OTHER THAN EXPAND INTO NEW BUSINESS STREAMS, NEW MARKET PLACES AND STRENGTHEN BUSINESSES WITH HIGH POTENTIAL, OUR GROWTH IS CENTRED ON AN ENHANCED BUSINESS MODEL, STRENGTHENING OUR REGIONAL PRESENCE AND CONTINUED INTEGRATION OF THE COMPANY.

ACKNOWLEDGEMENTS

We have accomplished much since our merger, and especially in the last year. Though guided by our own strategic plans, these would not have come to fruition without the continued trust and support of our customers, as well as the collaboration of our suppliers and business partners, to each of whom I would like to express my gratitude. In addition, I would like to note my appreciation to the governments of the countries in which we operate for enabling us to carry out our business in a fair and conducive landscape. We are also indebted to the financial support of our shareholders, whom we would like to assure remain foremost in our minds as we plan our forward moves.

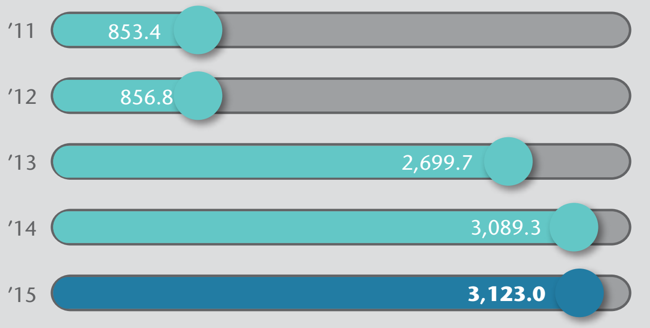
I would like especially to thank our Board of Directors for their wise counsel which has been invaluable to us over the last couple of years as we entered and transitioned from our merger. A special note of appreciation to our Chairman, Dato' Seri Ismail Shahudin, who has been a beacon of strength to the Company. On behalf of all employees and management, I would like to wish him a speedy recovery; we look forward to his return. Meanwhile, a big thank you goes to Dato' Izzadin Idris for stepping into the role of Acting Chairman during Dato' Seri Ismail's absence.

As for our employees, thank you for riding out the uncertainties of our transformation with grit and grace. Your belief in UEM Edgenta has made the difference. We hope, having gone through the merger, we can now enter a smoother and yet more intensified phase of our ongoing transformation journey as we orchestrate a better future.

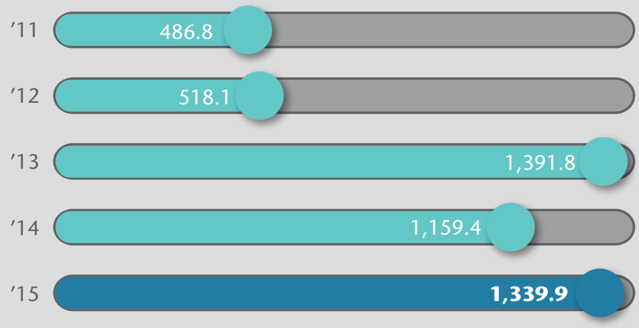
Azmir Merican
Managing Director/Chief Executive Officer

5-YEAR GROUP
FINANCIAL HIGHLIGHTS

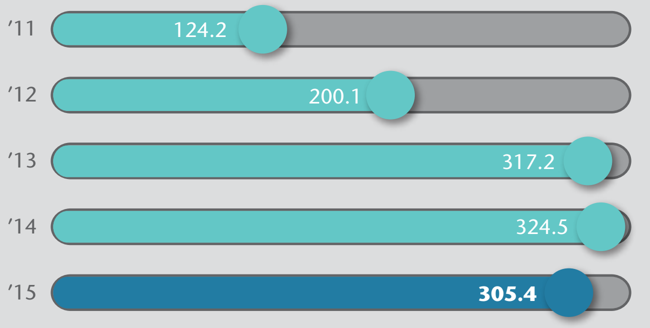
REVENUE
(RM million)



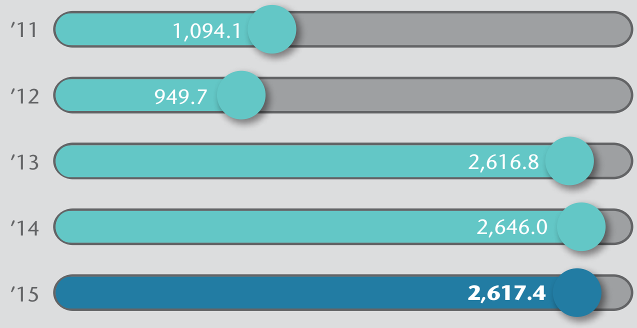
SHAREHOLDERS' FUNDS
(RM million)



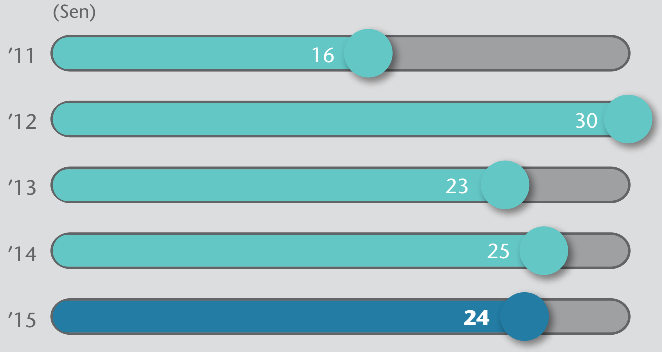
PROFIT BEFORE TAX
(RM million)



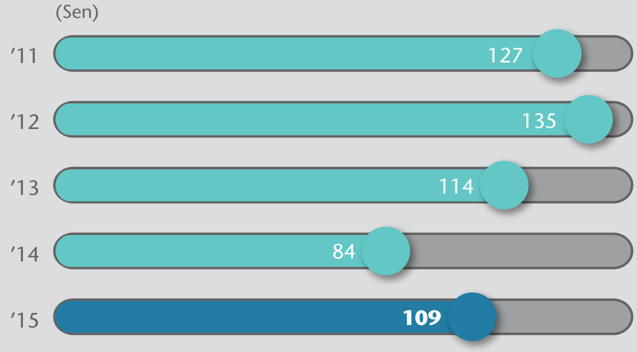
TOTAL ASSETS
(RM million)



EARNINGS PER SHARE
(Sen)



NET TANGIBLE ASSETS PER SHARE
(Sen)



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

5-YEAR GROUP
FINANCIAL SUMMARY

STATEMENTS OF FINANCIAL POSITION

In RM Million	2011	2012	2013	2014	2015
ASSETS					
Non-current assets	272.3	131.1	758.7	753.5	**770.1**
Current assets	821.8	818.6	1,858.1	1,892.5	**1,847.3**
TOTAL ASSETS	1,094.1	949.7	2,616.8	2,646.0	**2,617.4**
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	90.8	90.8	90.8	203.4	**203.4**
Reserves	(3.5)	5.1	706.0	350.8	**383.1**
Retained earnings	399.5	422.2	595.0	605.2	**753.4**
	486.8	518.1	1,391.8	1,159.4	**1,339.9**
Non-controlling interests	74.1	100.0	215.1	201.7	**188.2**
Total equity	560.9	618.1	1,606.9	1,361.1	**1,528.1**
Non-current liabilities	47.5	7.5	290.7	394.9	**361.2**
Current liabilities	485.7	324.1	719.2	890.0	**728.1**
Total liabilities	533.2	331.6	1,009.9	1,284.9	**1,089.3**
TOTAL EQUITY AND LIABILITIES	1,094.1	949.7	2,616.8	2,646.0	**2,617.4**
Net tangible assets per share (sen)	126.5	135.3	114.1	84.1	**109.0**
Current ratio (times)	1.7	2.5	2.6	2.1	**2.5**
Liquidity ratio (times)	0.7	1.0	1.0	0.9	**0.8**
Gearing ratio (times)	0.3	–	0.1	0.3	**0.3**

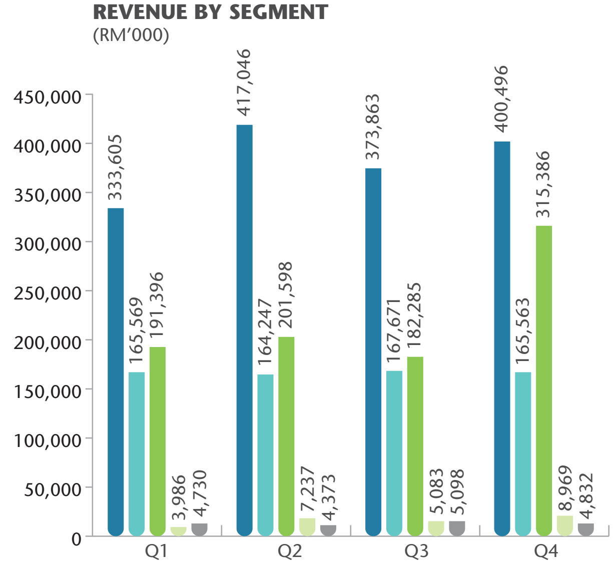
Note: The 5-Year Group Financial Summary is based on the Annual Audited Financial Statements for the respective years. For the purpose of this annual report, the impact of the pooling of interest method on the acquisition of Opus Group Berhad and Edgenta PROPEL Berhad has not been reflected for the years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

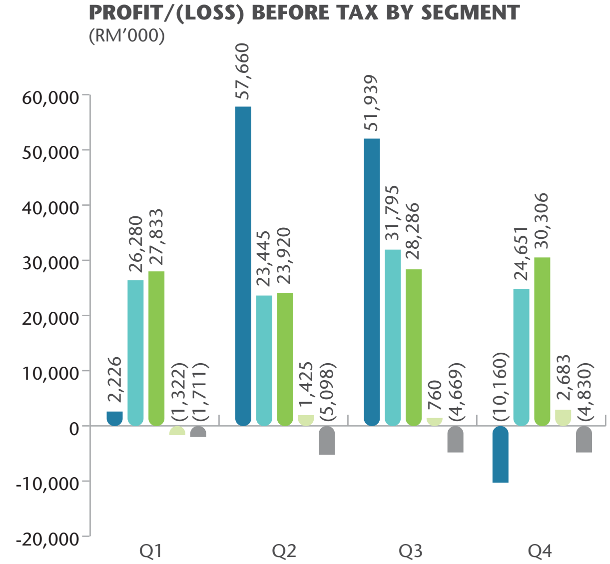
INCOME STATEMENTS

In RM Million	2011	2012	2013	2014	2015
Revenue	853.4	856.8	2,699.7	3,089.3	**3,123.0**
Earnings before interest, tax, depreciation and amortisation	147.1	210.5	344.6	366.7	**365.0**
Profit before tax	124.2	200.1	317.2	324.5	**305.4**
Zakat	(1.0)	(1.5)	(4.0)	(3.5)	**(1.5)**
Income tax expense	(48.3)	(51.1)	(83.4)	(79.1)	**(94.4)**
PROFIT NET OF TAX	74.9	147.5	229.8	241.9	**209.5**
Attributable to:					
Owners of the parent	59.7	108.5	190.4	202.4	**191.2**
Non-controlling interests	15.2	39.0	39.4	39.5	**18.3**
	74.9	147.5	229.8	241.9	**209.5**
Earnings per share (sen)	16.4	29.9	23.4	24.9	**23.5**
Earnings before interest, tax, depreciation and amortisation as a percentage of revenue (%)	17	25	13	12	**12**
Profit before tax as a percentage of revenue (%)	15	23	12	11	**10**
Profit before tax as a percentage of total equity at year end (%)	22	32	20	24	**20**
Dividend per share – gross (sen)	8.0	28.0	10.0	28.0	**5.0**

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

2015 GROUP
QUARTERLY PERFORMANCE





FOR THE YEAR ENDED 31 DECEMBER 2015

	Quarter RM'000				
	1st	2nd	3rd	4th	Total
Revenue	699,286	794,501	734,000	895,246	**3,123,033**
Operating expenses	(648,620)	(719,003)	(631,112)	(862,342)	**(2,861,077)**
Other Income	7,626	29,285	7,450	9,530	**53,891**
Earnings before interest, tax, depreciation and amortisation	66,354	112,268	118,876	67,476	**364,974**
Profit before tax	53,306	101,352	108,111	42,650	**305,419**
Profit attributable to owners of the parent	37,174	58,852	69,903	25,252	**191,181**
Earnings per share (sen)	4.6	7.2	8.6	3.1	**23.5**

BY SEGMENT

	Quarter RM'000				
	1st	2nd	3rd	4th	Total
REVENUE					
Asset Consultancy	333,605	417,046	373,863	400,496	**1,525,010**
Integrated Facilities Management	165,569	164,247	167,671	165,563	**663,050**
Infra Services	191,396	201,598	182,285	315,386	**890,665**
Property Development	3,986	7,237	5,083	8,969	**25,275**
Others	4,730	4,373	5,098	4,832	**19,033**
GROUP	699,286	794,501	734,000	895,246	**3,123,033**
PROFIT BEFORE TAX					
Asset Consultancy	2,226	57,660	51,939	(10,160)	**101,665**
Integrated Facilities Management	26,280	23,445	31,795	24,651	**106,171**
Infra Services	27,833	23,920	28,286	30,306	**110,345**
Property Development	(1,322)	1,425	760	2,683	**3,546**
Others	(1,711)	(5,098)	(4,669)	(4,830)	**(16,308)**
GROUP	53,306	101,352	108,111	42,650	**305,419**

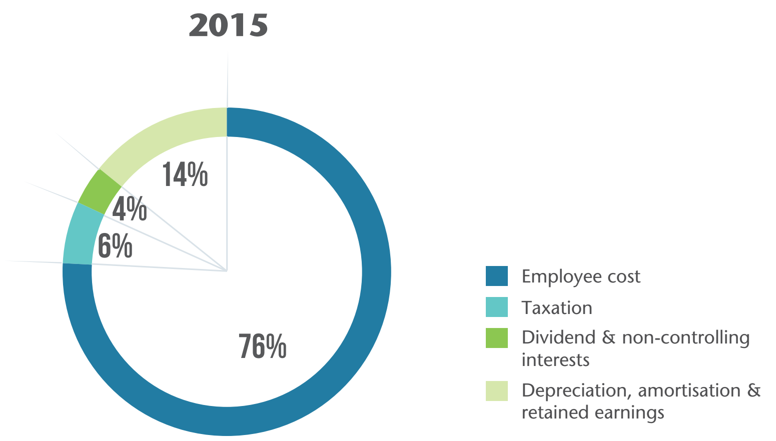
Note: Integrated Facilities Management comprises of Healthcare Services, Facilities Services and Energy Services.

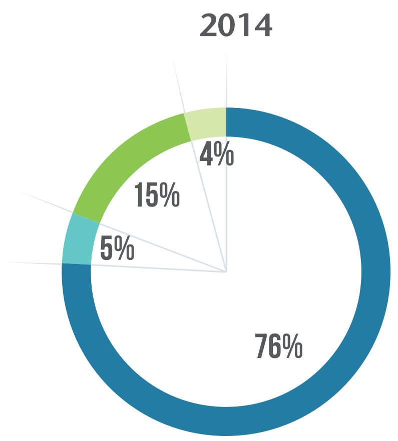
GROUP STATEMENT
OF VALUE ADDED

STATEMENT OF VALUE ADDED

	2015 RM Million	2014 RM Million
VALUE ADDED		
Revenue	**3,123**	3,089
Other income	**39**	56
Interest income	**15**	21
Operating expenses	**(1,613)**	(1,617)
Finance cost	**(17)**	(14)
Share of profit/(loss) of associates and joint ventures	**6**	(1)
VALUE ADDED AVAILABLE FOR DISTRIBUTION	**1,553**	1,534
DISTRIBUTION		
To Employees		
Employee cost	**1,185**	1,165
To Government		
Taxation	**94**	79
To Shareholders		
Dividend	**41**	183
Non-controlling interests	**18**	40
Retained for reinvestment and future growth		
Depreciation and amortisation	**65**	48
Retained earnings	**150**	19
TOTAL DISTRIBUTED	**1,553**	1,534

DISTRIBUTION OF VALUE ADDED





GROUP FINANCIAL
CALENDAR

2015

QUARTERLY RESULTS

27 February 2015

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

25 May 2015

Announcement on financial results for the 1st quarter ended 31 March 2015.

28 August 2015

Announcement on financial results for the 2nd quarter ended 30 June 2015.

25 November 2015

Announcement on financial results for the 3rd quarter ended 30 September 2015.

DIVIDEND

22 January 2015

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

27 February 2015

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

24 June 2015

Payment of single tier final dividend of 5 sen per ordinary share of RM0.25 each in respect of the financial year ended 31 December 2014.

EXTRAORDINARY GENERAL MEETING

4 March 2015

Notice of Extraordinary General Meeting for the proposed change of the Company's Name from "Faber Group Berhad" to "UEM Edgenta Berhad".

27 March 2015

Extraordinary General Meeting.

ANNUAL GENERAL MEETING

30 April 2015

Notice of 52nd Annual General Meeting and issuance of Annual Report for the financial year ended 31 December 2014.

25 May 2015

52nd Annual General Meeting.

2016

QUARTERLY RESULTS

29 February 2016

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

DIVIDEND

29 February 2016

Announcement on declaration of single tier interim dividend for financial year 2015.

31 March 2016

Payment of single tier interim dividend of 15 sen per ordinary share of RM0.25 each in respect of the financial year ended 31 December 2015.

INVESTOR RELATIONS

UEM EDGENTA IS COMMITTED TO CREATING VALUE AND PROACTIVELY ENGAGE OUR SHAREHOLDERS AND INVESTORS. UEM EDGENTA'S INVESTOR RELATIONS FUNCTION UPHOLDS THE IMPORTANCE OF ENGAGEMENT WITH ITS SHAREHOLDERS AND THE INVESTING COMMUNITY TO CREATE GREATER COMMUNICATION AND ENHANCE THE TRANSPARENCY OF THE GROUP'S BUSINESSES AND PERFORMANCE.

UEM EDGENTA STRIVES TO ENSURE THAT THE INVESTING COMMUNITY ARE PROVIDED WITH FAIR AND TIMELY INFORMATION PERTAINING TO THE GROUP'S FINANCIAL, OPERATIONAL AND STRATEGIC DIRECTION, TO ALLOW THEM TO MAKE THE BEST INFORMED DECISION POSSIBLE. DURING THE YEAR, THE INVESTOR RELATIONS ACTIVITIES WERE SPEARHEADED BY THE MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, HEAD OF CORPORATE PLANNING AND SUPPORTED BY OTHER SENIOR MANAGEMENT TEAM MEMBERS ACROSS THE GROUP.

ENGAGEMENT ACTIVITIES WITH INVESTORS

Guided by UEM Edgenta's Corporate Disclosure Policy, we have constantly engaged with both local and foreign investing community. We continue to maintain an open channel of communication with various analysts and investors in order to provide comprehensive information on our latest performance and associated challenges. During the year, we met a total of 118 analysts and fund managers which includes a corporate visit from the representatives of Employees Provident Fund, led by Datuk Shahril Ridza Ridzuan, Chief Executive Officer of Employees Provident Fund.

Analyst Briefing and Conference Call

In 2015, we held 1 analyst briefing session for FY2014 financial results update and conducted 1 conference call for the briefing on 1H2015 financial results. The presentation materials relating to the analyst briefing and conference call were made available on our corporate website.

Type of Meeting	Event	Date
Analyst Briefing	UEM Edgenta FY2014 Financial Results	20 March 2015
Conference Call	UEM Edgenta 1H2015 Financial Results	28 August 2015

Investor Meetings and Discussion

During the year, we organised 39 investor meetings and conference calls, where we had 24 and 15 meetings with domestic investors and foreign investors respectively. This indicates the appreciation and escalation of interest shown by the investing community towards UEM Edgenta.

Type of Meeting	No. of Meeting	Domestic Investors	Foreign Investors
One-on-one meeting	34	24	10
Conference Call	5	–	5
Total	**39**	**24**	**15**

As at 31 December 2015, UEM Edgenta was covered by 3 firms namely Hong Leong Investment Bank, RHB Research Institute and MIDF Amanah Investment Bank. During the year, Hong Leong Investment Bank initiated coverage on UEM Edgenta on 9 April 2015.

INVESTOR RELATIONS PORTAL AND FEEDBACK

UEM Edgenta maintains an informative and intelligible Investor Relations Portal to ensure comprehensive disclosure and fair distribution of information to the investing community, stakeholders and the general public. Our Investor Relations portal is accessible at http://uemedgenta.com and comprises the following key segments:

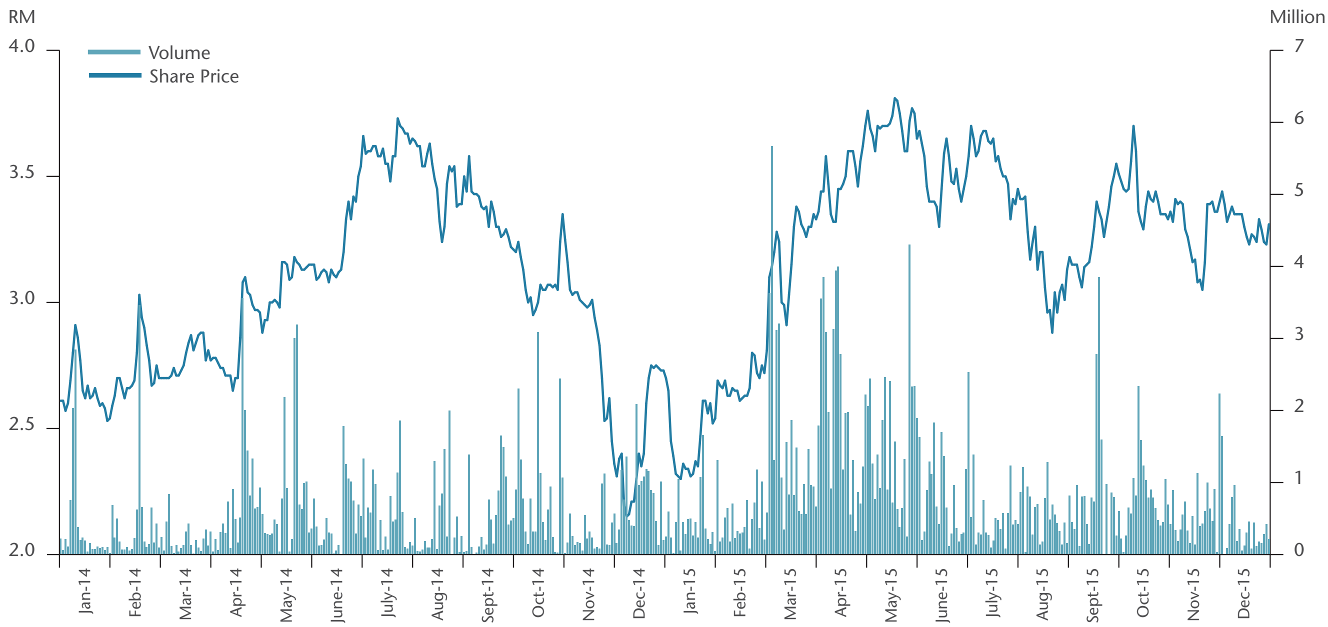
- Corporate updates
- Financial information
- Stock information
- Annual reports and corporate presentation slides
- Announcements to Bursa Malaysia
- Investor tools

Our Investor Relations contact and email address, ir@uemedgenta.uemnet.com is provided where we truly value and encourage feedback from stakeholders who wish to seek further clarification or information on matters related to UEM Edgenta.

SHARE PRICE PERFORMANCE AND TOTAL SHAREHOLDERS RETURN

During the year, UEM Edgenta breached RM3.0 billion market capitalisation mark on 5 May 2015 and achieved the highest intra-day share price for the past 15 years of RM3.85 on 21 May 2015. Additionally, we are pleased to announce that our total shareholders return for the past 2 years significantly outperformed the FBMKLCI Index by approximately 44.7%.

1. Share price movement and volume traded [2 January 2014 – 31 December 2015]

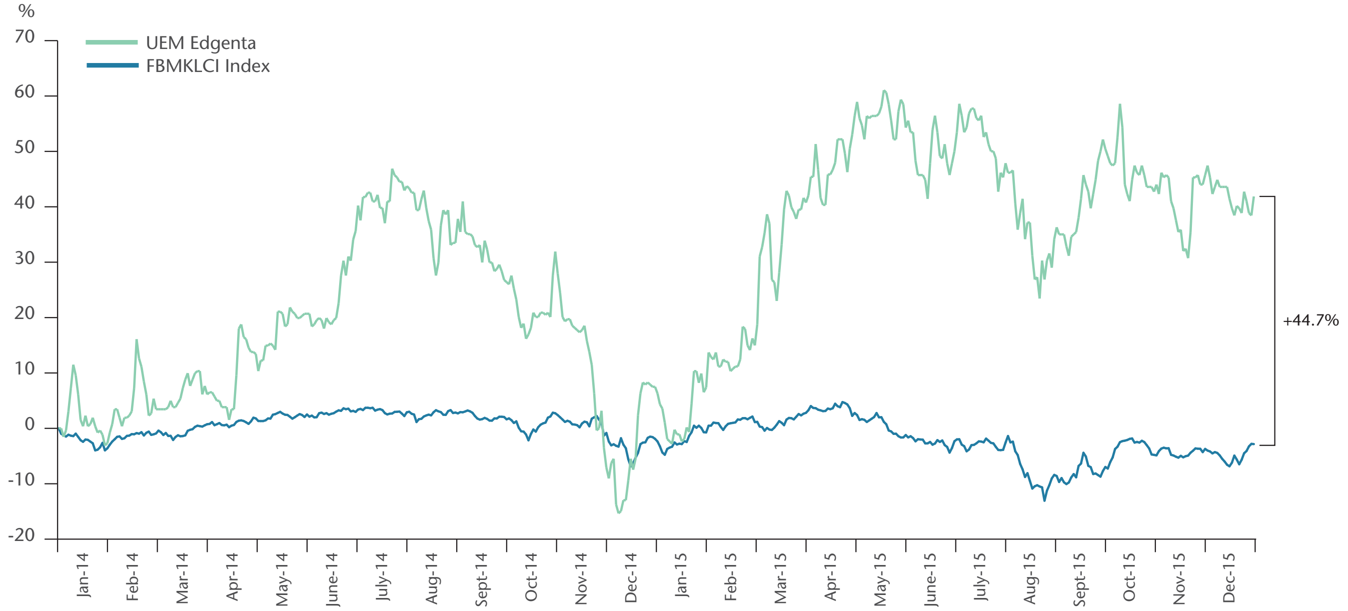


Source: Bloomberg

Share Price (Closing Price)	Price	Date
Highest	3.81	21 May 2015
Lowest	2.15	9 December 2014

The highest volume traded during this period is 6,475,300 on 10 March 2015.

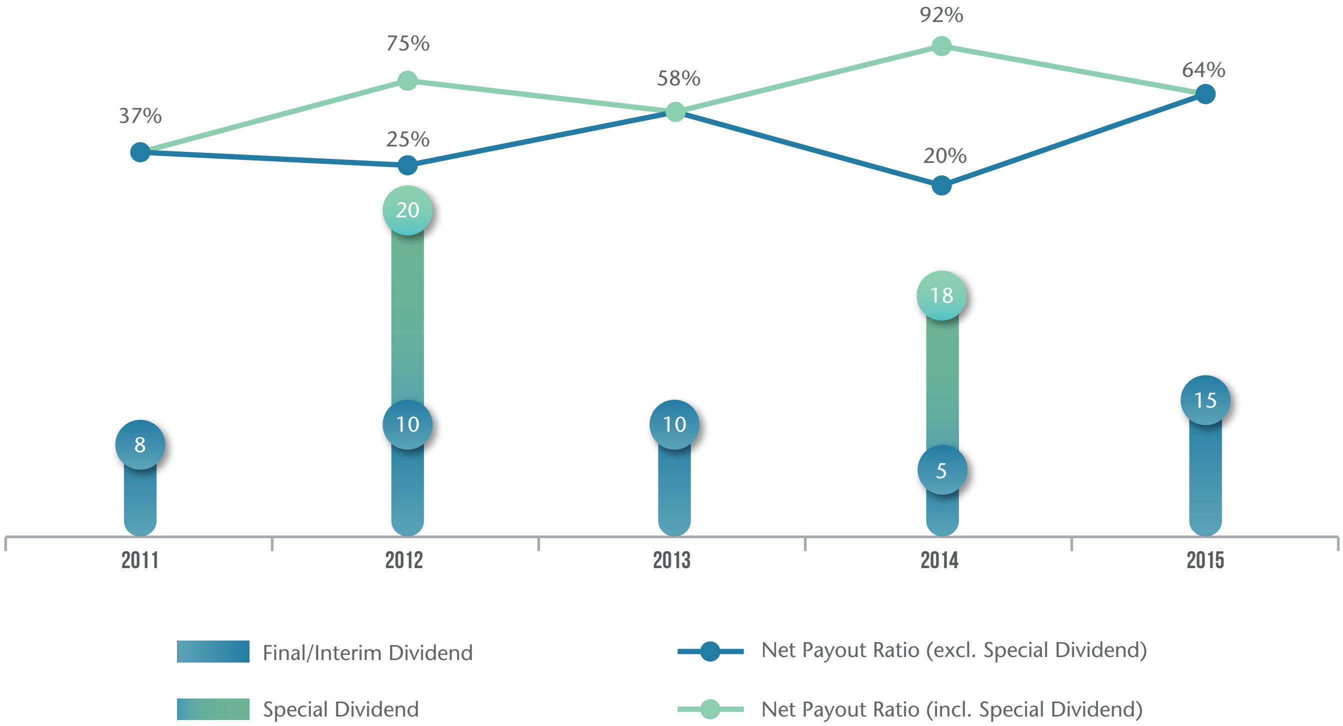
2. Total Shareholders' Return – UEM Edgenta vs FBMKLCI Index [2 January 2014 – 31 December 2015]



Source: Bloomberg

DIVIDEND POLICY

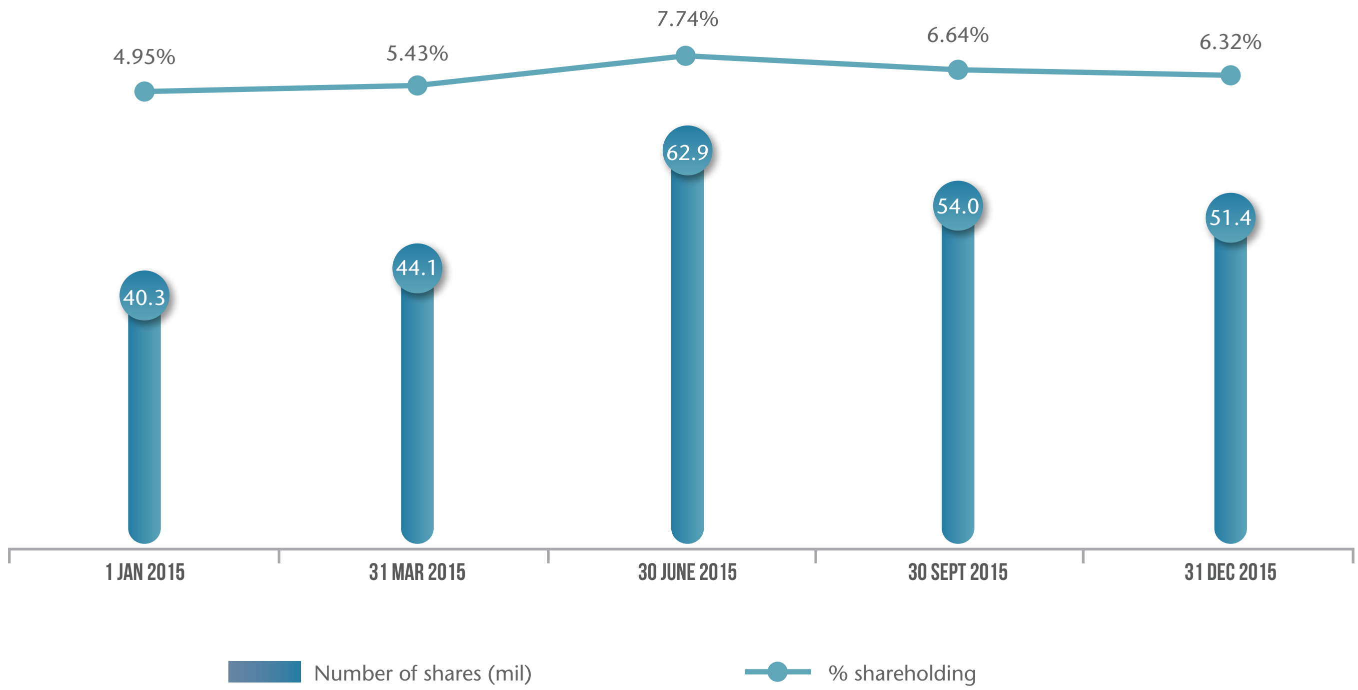
UEM Edgenta adopted a dividend policy to distribute up to 70% of PATANCI, subject to the availability of our cash flow and future capital expenditure requirements. The dividend policy has reflected UEM Edgenta's intention to provide a healthy returns to our shareholders.



SHAREHOLDER BASE AND FOREIGN SHAREHOLDING

As at 31 December 2015, our shareholder base comprised government agencies, corporations, institutional and private shareholders with total outstanding shares of 813,501,053 shares. UEM Group Bhd is our substantial shareholders which account for 70.68% holding of UEM Edgenta. Meanwhile, foreign shareholding has increased to 6.32% at 31 December 2015 from 4.95% recorded as at 1 January 2015.

Foreign shareholding [1 Jan 2015 – 31 Dec 2015]



EMPLOYEES
& PRODUCTIVITY
as at 31 December 2015

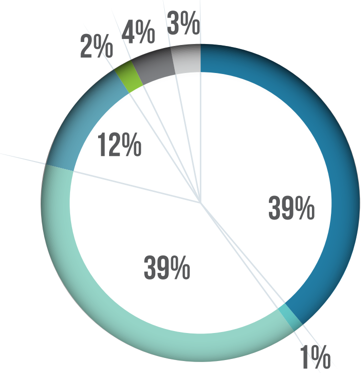
EMPLOYEES BY CLASSIFICATION – OVERALL

MANAGEMENT	EXECUTIVE	NON-EXEC	TOTAL
2,183	1,709	9,556	13,448

EMPLOYEES BY GENDER

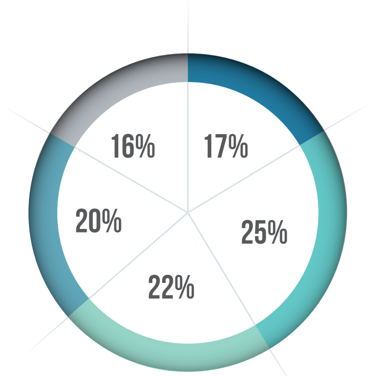
MALE	FEMALE
8,775	4,673

EMPLOYEES BY REGION/COUNTRY



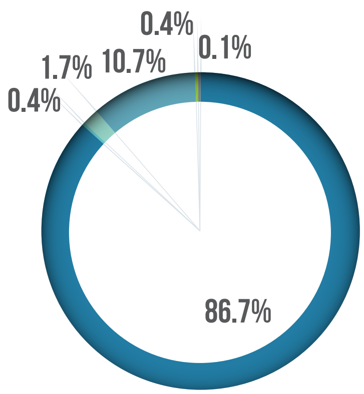
- Malaysia
- Indonesia & Saudi Arabia
- India
- New Zealand
- Australia
- Canada & USA
- UK

EMPLOYEES BY AGE GROUP



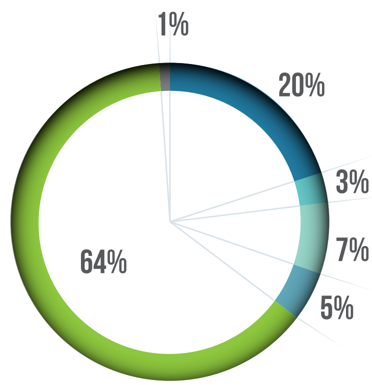
- < 20
- 20-29
- 30-39
- 40-49
- > 50

ETHNICITY – MALAYSIA



- Malay
- Sabah/Sarawak
- Chinese
- Indian
- Others (Orang Asli/Singh/Punjabi/Siamese)
- Expats

ETHNICITY – OVERSEAS



- New Zealand
- Australia
- Canada & USA
- UK
- India (Faber Sindoori)
- Indonesia & Saudi Arabia

REVENUE PER EMPLOYEE COST | **2.6 TIMES**

1.3 TIMES | VALUE ADDED & DISTRIBUTION PER EMPLOYEE COST

ANNUAL REPORT 2015

UEM EDGENTA

A member of **UEM Group**

ASSET CONSULTANCY

100%
OPUS GROUP BERHAD

- 100%
  OPUS INTERNATIONAL (M) BERHAD
  - OTHER SUBSIDIARIES
- 100%
  OPUS INTERNATIONAL (NZ) LIMITED (NEW ZEALAND)
  - 61.21%
    OPUS INTERNATIONAL CONSULTANTS LIMITED (NEW ZEALAND)
    - OTHER SUBSIDIARIES
- OTHER SUBSIDIARIES

HEALTHCARE SERVICES

100%
EDGENTA HEALTHCARE MANAGEMENT SDN BHD

- 100%*
  EDGENTA MEDISERVE SDN BHD
  - 100%
    EDGENTA MEDISERVE (SABAH) SDN BHD
    - 40%
      SEDAFIAT SDN BHD
  - 100%
    EDGENTA MEDISERVE (SARAWAK) SDN BHD
    - 40%
      ONE MEDICARE SDN BHD
    - 40%
      BIOMEDIX SOLUTIONS SDN BHD
  - 100%
    CERMIN CAHAYA SDN BHD
  - 100%
    EDGENTA HEALTHTRONICS SDN BHD
  - 60%
    FRESH LINEN SERVICES (SABAH) SDN BHD

INFRA SERVICES

100%
EDGENTA PROPEL BERHAD

- 100%
  AQUATRANS SDN BHD

** Direct and Indirect Interest*

CORPORATE STRUCTURE

as at 20 April 2016

FACILITIES SERVICES

100%
EDGENTA FACILITIES SDN BHD

- 100%
  EDGENTA FACILITIES MANAGEMENT SDN BHD (formerly known as Faber Facilities Management Sdn Bhd)
- 51%
  FABER SINDOORI MANAGEMENT SERVICES PRIVATE LIMITED (INDIA)
- OTHER SUBSIDIARIES

75%
FABER L.L.C (UAE)

80%
KFM HOLDINGS SDN BHD

- OTHER SUBSIDIARIES

ENVIRONMENTAL & MATERIAL TESTING SERVICES

100%
EDGENTA ENVIRONMENTAL & MATERIAL TESTING SDN BHD (formerly known as Soil Centralab Sdn Bhd)

ENERGY SERVICES

70%
EDGENTA ENERGY SERVICES SDN BHD

PROPERTY DEVELOPMENT

100%
FABER DEVELOPMENT HOLDINGS SDN BHD

- 100%
  FABER UNION SDN BHD
- 100%
  COUNTRY VIEW DEVELOPMENT SDN BHD
- 100%
  FABER GRANDVIEW DEVELOPMENT (SABAH) SDN BHD
- 100%
  FABER HEIGHTS MANAGEMENT SDN BHD
- 55%
  RIMBUNAN MELATI SDN BHD

PROPERTY SERVICES

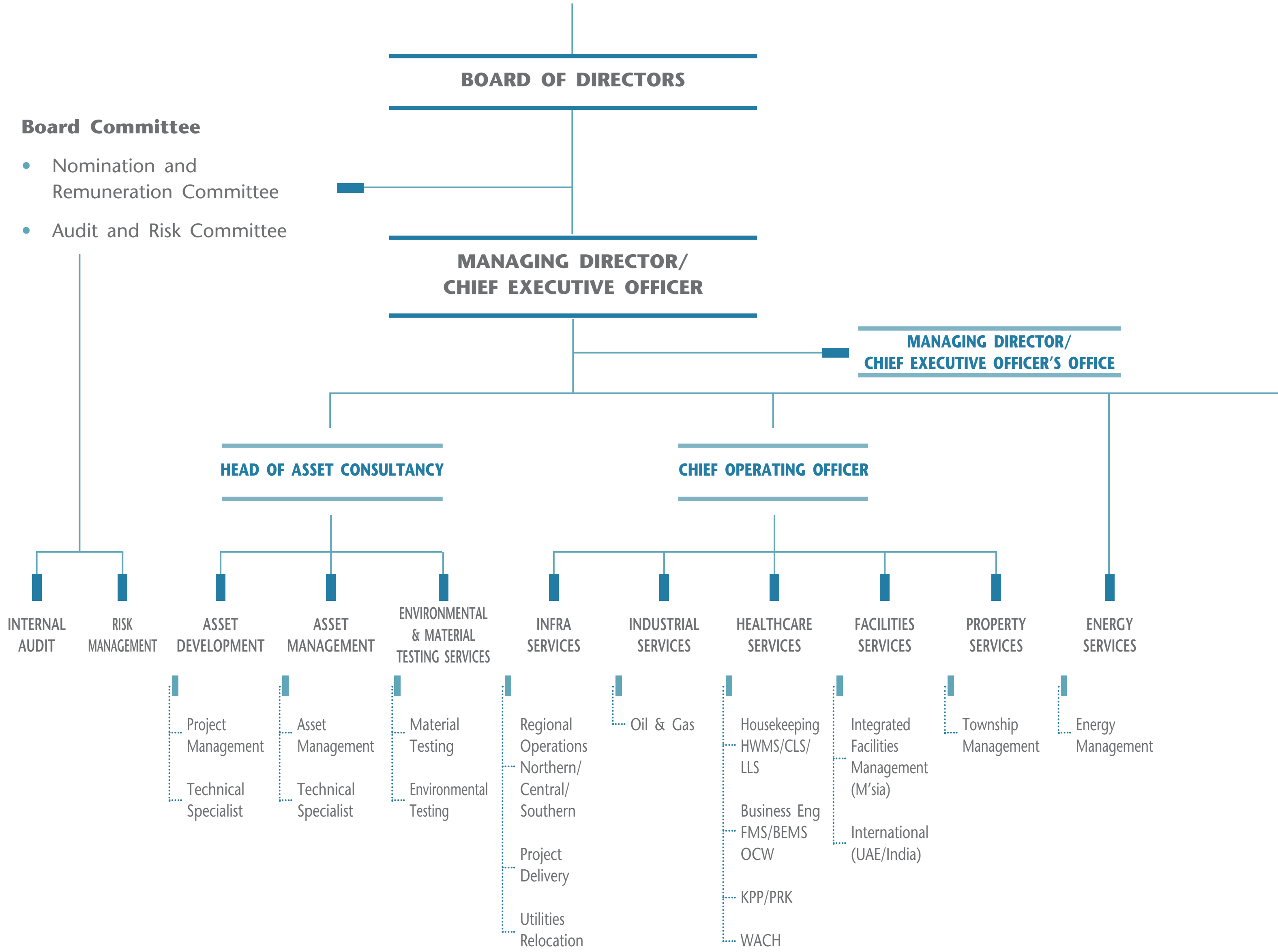
100%
EDGENTA TOWNSHIP MANAGEMENT SERVICES SDN BHD

- 70%
  UEM SUNRISE EDGENTA TMS SDN BHD (formerly known as ETMS Sdn Bhd)
  - 70%
    EDGENTA TMS SDN BHD

OTHER SUBSIDIARIES

UEM EDGENTA

A member of **UEM Group**



ORGANISATION CHART

CHIEF FINANCIAL OFFICER

- BUSINESS DEVELOPMENT
- OPERATIONS CONTROL
  - Operations Control & Reporting
  - Performance Monitoring & Improvement
  - Safety, Health & Environment
  - Quality Assurance & Quality Control – Infra Services
  - Quality Assurance & Quality Control – HSS
  - Knowledge Management & Document Control
- FINANCE
  - Financial Management
  - Financial & Statutory Reporting
  - Finance Operations
- GROUP PROCUREMENT & CONTRACT MANAGEMENT
  - General Procurement
  - Contract Management
  - Project Tender & Outsourcing
- INFORMATION TECHNOLOGY
  - Application & Information Management
  - Business Solution
- HUMAN RESOURCE & ADMINISTRATION
  - Talent Management/ Learning & Development
  - Workforce Planning
  - HR Operations & Services
  - Administration
- CORPORATE PLANNING
  - Corporate Planning & Investment
  - Business Performance
  - Investor Relations
- LEGAL
- SECRETARIAL
- CORPORATE COMMUNI-CATIONS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Seri Ismail Shahudin
Non-Independent Non-Executive Chairman

Dato' Izzaddin Idris
Acting Chairman
Non-Independent Non-Executive Director
(Redesignated as Acting Chairman on 29 February 2016)

Azmir Merican
Managing Director/Chief Executive Officer

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

Robert Tan Bun Poo
Independent Non-Executive Director

Dr. Saman @ Saimy Ismail
Independent Non-Executive Director

Elakumari Kantilal
Non-Independent Non-Executive Director

AUDIT AND RISK COMMITTEE

Robert Tan Bun Poo
Chairman

Datuk Ir. Abdullah Sani Abd Karim
Member

Dr. Saman @ Saimy Ismail
Member

Elakumari Kantilal
Member

NOMINATION AND REMUNERATION COMMITTEE

Datuk Ir. Abdullah Sani Abd Karim
Chairman

Dato' Izzaddin Idris
Member
(Appointed on 1 June 2015)

Dr. Saman @ Saimy Ismail
Member

Elakumari Kantilal
Member
(Resigned on 1 June 2015)

COMPANY SECRETARY

Chiew Siew Yuen
(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

AUDITORS

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

SHARE REGISTRARS

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

PRINCIPAL BANKERS

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

PRINCIPAL SOLICITORS

Cheang & Ariff
Zaid Ibrahim & Co.

STOCK EXCHANGE

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

1963


1964


1972

1963

1964

1972

1988

1994

GROUP MILESTONES

1996

1996

1998

2007

2007

OPUS

1988

1994

Faber Group Berhad ("Faber") incorporated as hotel owner and manager of the "Merlin" brand on 31 May.

Faber listed on Main Board of Kuala Lumpur Stock Exchange on 2 January.

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

Project Penyelenggaraan Lebuhraya Berhad ("PROPEL") was incorporated to primarily undertake all routine maintenance works on the North-South Expressway ("NSE").

Opus Group Berhad ("OGB") was incorporated on 2 March.

Opus International Group ("Opus PLC") acquired Opus International Consultants Limited ("OIC"), a leading multi-disciplinary consultancy firm in New Zealand.

Faber awarded a 15-year concession for Hospital Support Services ("HSS") of 71 Government hospitals in Northern Peninsular region, Sabah and Sarawak.

The length of highways maintains by PROPEL exceeds 1,000 km.

As part of an international reorganisation, OGB took over the listing status of Opus PLC.

OIC listed on New Zealand Stock Exchange on 30 October.

2008

2008

2014

2014

2015

2015

2015

2015

2015

2016

2016

2016

2008

2014

Faber OPUS PROPEL

A member of UEM

2015

UEM EDGENTA

A member of **UEM Group**

OGB was privatised by UEM Group and was subsequently delisted from Bursa Malaysia. It became a 96.4% owned subsidiary of UEM Group.

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

Completion of selective capital reduction exercise resulting in OGB being a wholly-owned subsidiary of UEM Group.

Completion of RM1.15 billion acquisition of 100% equity stake in PROPEL and OGB on 29 October.

Officially changed name and rebranded to UEM Edgenta on 9 April.

Edgenta Mediserve Sdn Bhd ("Edgenta Mediserve") signed the 10-year HSS new Concession Agreement with the Government of Malaysia on 11 March.

Joint venture with Resource Data Management Asia Sdn Bhd and formation of Edgenta Energy Services Sdn Bhd to offer integrated energy management solutions and remote monitoring services on 26 August.

Transformation and rebrand of Soil Centralab Sdn Bhd to Edgenta Environmental & Material Testing Sdn Bhd as a key business unit to offer Environmental & Material Testing Services on 7 September.

Edgenta Township Management Services Sdn Bhd joint venture with UEM Sunrise Berhad and formed UEM Sunrise Edgenta TMS Sdn Bhd (formerly known as ETMS Sdn Bhd) ("UEMSET") to provide property and township management services in Malaysia on 9 December.

Formation of Edgenta TMS Sdn Bhd, a joint venture company between UEMSET and Township Management Services Sdn Bhd, a wholly-owned subsidiary of Medini Iskandar (M) Sdn Bhd to undertake township management of Medini and Iskandar Puteri in Iskandar Malaysia, Johor on 12 February.

Edgenta Mediserve joint venture with Biocare Systems Sdn Bhd and formed Biomedix Solutions Sdn Bhd to jointly provide Biomedical Engineering Maintenance Services to all Government hospitals in Sarawak on 27 January.

Announced the completion of 80% equity stake acquisition in KFM Holdings Sdn Bhd on 7 April 2016.

2015 EVENT HIGHLIGHTS

6 FEBRUARY

11 MARCH 2015


20 MARCH 2015

27 MARCH 2015

17 APRIL 2015

9-10 MAY 2015

11-14 MAY 2015

17 MAY 2015

25 MAY 2015

6 FEBRUARY 2015

The Company conducted the "We Are One" Town Hall session and officiated its new Infra Services Southern Region office.

25-26 FEBRUARY 2015

Edgenta PROPEL Berhad ("Edgenta PROPEL") organised the PROPEL Quality Convention (PROQON) 2014 at Ilham Resort, Port Dickson.

PROQON 2014 aims to promote creativity, innovation, enhance teamwork and cultivate positive values and work ethics amongst the employees towards the sustainability of the company. A total of 60 participants in 12 Innovative & Creative Circle (ICC) groups have participated in the event.

11 MARCH 2015

Edgenta Mediserve Sdn Bhd inked the 10-year new Concession Agreement with the Ministry of Health to provide Hospital Support Services (HSS) for Government hospitals at the northern region of Peninsular Malaysia covering the states of Perak, Pulau Pinang, Kedah and Perlis.

20 MARCH 2015

The Company conducted its first Analysts Briefing for 2015 at the Point, Mercu UEM hosting more than 40 analysts, equity sales personnel and fund managers from research houses, securities firms, fund management companies and investment banks to provide updates on FY2014 financial results, business operations, growth and outlook for 2015.

27 MARCH 2015

The shareholders of the Company unanimously approved the proposed change of name from Faber Group Berhad to UEM Edgenta Berhad ("UEM Edgenta") at an Extraordinary General Meeting held at Persada PLUS.

17 APRIL 2015

Over 800 employees of UEM Edgenta came together to celebrate the launch of the Company's new brand held at the Dewan Tun Abdul Razak, Bank Rakyat Convention Centre. The event was to commemorate the launch of UEM Edgenta, the new name that signifies the integration and rebranding of the merged entity.

4-7 MAY 2015

Edgenta Mediserve participated in the new Concession Agreement Roadshow in Langkawi.

9-10 MAY 2015

UEM Edgenta together with other Operating Companies of UEM Group participated in the 2-day GRADUAN Aspire Career & Postgraduate Fair 2015 at the Kuala Lumpur Convention Centre attended by over 40,000 students from reputable universities and young professionals in Malaysia.

11-14 MAY 2015

Opus Al Dauliyah LLC participated in the Malaysia Services Exhibition (MSE) in Jeddah in conjunction with the Saudi Building and Interiors Exhibitions (SBIE) 2015.

17 MAY 2015

UEM Edgenta together with other UEM Group of Companies' employees participated in several sports tournaments including football, futsal, netball, badminton, table-tennis, bowling and volleyball in UEM Group's Sports Carnival from 5 to 17 May 2015 with the finale UEM Sports & Family Carnival 2015 at Sunway Lagoon attended by over 3,700 employees and their family members.

25 MAY 2015

The Company held its 52nd Annual General Meeting (AGM) at Persada PLUS. This is the very first AGM for UEM Edgenta since the Company officially changed its name on 9 April 2015.

25-27 MAY 2015

UEM Edgenta together with other Operating Companies of UEM Group participated in the PSKLM International Expressway Conference & Exhibition (PIECE) 2015 held at MATRADE Exhibition & Convention Kuala Lumpur.

11 JUNE 2015

Edgenta PROPEL introduced Attilia 180 – the very first of its kind grass cutting mover in Malaysia at PLUS Seafield Layby.

The new grass cutting mover has been modified with additional safety features aim to safeguard the safety of employees, sub-contractors while carrying out their work as well as to improve operations efficiency, reducing moving time for slope maintenance.

27 JULY 2015

The key stakeholders and clients of the Company were invited to the annual UEM Group's Corporate Raya held at the Odyssey, Mercu UEM.

3-4 AUGUST 2015

UEM Edgenta's Management Mid-Term Review & Dialogue 2015 session held at Hotel Maya.

7-9 AUGUST 2015

The Company participated in the GLC 2015 Open Day at the KL Convention Centre under the UEM Group banner. This year, The GLC Open Day 2015 celebrates the graduation of Government-Linked Investment Companies (GLICs) and Government-Linked Companies (GLCs) from the 10-year GLC Transformation (GLCT) Programme.

20 AUGUST 2015

The Company participated in the Bursa Bull Charge Run around the Central Business District Kuala Lumpur, while Azmir Merican, Managing Director/Chief Executive Officer of UEM Edgenta participated in the CEO category.

21 AUGUST 2015

Azmir Merican, Managing Director/ Chief Executive Officer of UEM Edgenta together with other C-Suite of UEM Group of Companies made a Media Visit to Utusan Malaysia to enhance stakeholder engagement with the media.

25 AUGUST 2015

The Management team held a town hall session to brief staff on the transformation of UEM Edgenta's Environmental & Material Testing Services at the Bangi office.

26-27 AUGUST 2015

Edgenta PROPEL won 3 Gold Awards at the Regional Team Excellence Convention 2015 organised by Malaysia Productivity Corporation (MPC) held at the Sunway Putra Hotel Kuala Lumpur.

28 AUGUST 2015

The Company conducted a Conference Call with the various analysts and fund managers conjunction with the release of its first half 2015 results.

2-4 SEPTEMBER 2015

UEM Edgenta through its Asset Consultancy showcased the rail experiences and consulting concept during the RailBusiness Asia 2015 (RBA2015) held at the Kuala Lumpur Convention Centre. During the event, David Starbucks, Head of the Rail Design from Opus presented a paper entitled "LRT Line Extension Projects – An Update of Progress" during one of the expert dialog session.

5-6 SEPTEMBER 2015

Edgenta Mediserve participated as an exhibitor at the Ministry of Health Engineers' Conference (MOHEC 2015) at the Zenith Hotel, Kuantan.

10-12 SEPTEMBER 2015

UEM Edgenta organised a Leadership & Management Meet 2015 at Nilai Springs Golf & Country Club.


25-27 MAY 2015


11 JUNE 2015


27 JULY 2015


THE BULLS ARE BACK. RECHARGED
20 AUGUST 2015


21 AUGUST 2015


25 AUGUST 2015


MPC
MPC
www.mpc.gov.my
26-27 AUGUST 2015


RAILBUSINESS
ASIA
2 - 4 SEPTEMBER 2015
KUALA LUMPUR CONVENTION CENTRE
DIALOG
2-4 SEPTEMBER 2015
Panasonic


EDGENTA MEDISERVE SDN
5-6 SEPTEMBER 2015

29-30 SEPTEMBER 2015

6 OCTOBER 2015

15 OCTOBER 2015

26 OCTOBER 2015

2 NOVEMBER 2015

3-5 NOVEMBER 2015

16-18 NOVEMBER 2015

21-22 NOVEMBER 2015

24 NOVEMBER 2015

9-11 SEPTEMBER 2015

The Company participated in the International Construction Week (ICW) at PWTC, Kuala Lumpur.

During the event, two representatives from the Asset Consultancy namely Chin Chi Haw and Rowan Kyle shared their knowledge and insights on "An overview of Performance-based Contracting" and "Challenges in Implementing Performance-based Contracting in Road Asset Management – Local & International Experiences" respectively.

12 SEPTEMBER 2015

The Company participated in the 23rd Anniversary – New Zealand Annual Dinner & Dance 2015 (NZADD2015) at the Shangri-La Hotel Kuala Lumpur.

18 SEPTEMBER 2015

The Company participated in the UEM Group Media Night held at the Gurney Hotel, Penang.

29-30 SEPTEMBER 2015

The Company participated in the 2nd Malaysia-Europe Facilities Management Conference 2015 (MYEFMS2015) at the University Malaya Kuala Lumpur.

During the event, Chin Chi Haw, Group General Manager of Opus International (M) Berhad moderated the Sustainability FM session whilst Azmir Merican, Managing Director/ Chief Executive Officer was given the honour to deliver the closing remarks and presented prizes to the finalists and champions of the public speaking competition.

6 OCTOBER 2015

Edgenta PROPEL launched the Very Thin Overlay (VTO) concept using Spray Jet Paver supported by Fine Milling at Persada PLUS.

15 OCTOBER 2015

UEM Edgenta received the 2015 Frost & Sullivan Asia Pacific Integrated Facilities Management Competitive Strategy Innovation & Leadership Award at the Conrad Centennial Singapore.

26 OCTOBER 2015

The Company participated in the Construction Industry Transformation Programme (CITP) 2016-2020 "Driving Construction Excellence Together" Pledge of Support Signing Ceremony at the Sime Darby Convention Centre, organised by the Construction Industry Development Board (CIDB) Malaysia.

2 NOVEMBER 2015

UEM Edgenta is amongst the 11 Malaysian companies who made it to the 2015 Forbes Asia "Best Under A Billion" list. Azmir Merican, Managing Director/Chief Executive Officer was present to receive the award held at the Sunway Resort & Spa – Grand Lagoon Ballroom.

3-5 NOVEMBER 2015

The Company participated in the 11th World Islamic Economic Forum (WIEF) 2015 under the UEM Group banner.

15-17 NOVEMBER 2015

UEM Edgenta participated in the Pintar Members' Retreat in Senai, Johor Baharu under the UEM Group banner on 15 to 17 November 2015.

16-18 NOVEMBER 2015

UEM Edgenta participated as speakers at the 2nd World Congress on Infrastructure Asset Management (INFRAASSETS2015) held at Berjaya Times Square.

Ir. Wan Zainuddin Wan Omar, Regional Head-Central Region from Edgenta PROPEL and Ir. Zulkhairi Hasan, Project Director, Network Maintenance from Opus International (M) Berhad shared their insights on the Infrastructure Asset Management of Road Maintenance and the importance of Highway Asset Management.

21-22 NOVEMBER 2015

The Company participated in the MHA Highway Bowl 2015 held at the Mines Bowling Centre.

24 NOVEMBER 2015

The signing ceremony of collaboration between Edgenta PROPEL and German-Malaysian Institute held at Menara UEM. This collaboration aims to create a platform to spur innovation which benefit both parties.

UEMSET, TMS tubuh syarikat kerjasama

» Sedia khidmat urus perbandaran holistik pertama di Malaysia

Oleh Shahrizan Salian
shahrizan_salian@bh.com.my

UEM Sunrise Edgenta TMS Sdn Bhd (UEMSET) dan Township Management Services Sdn Bhd (TMS) membentuk syarikat usaha sama yang disasar menjadi pengendali perkhidmatan pengurusan perbandaran holistik pertama di Malaysia.

Syarikat usaha sama yang belum dinamakan itu mempunyai modal berbayar RM5.5 juta, dengan UEMSET memegang 70 peratus kepentingan, manakala TMS yang juga anak syarikat milik penuh Medini Iskandar Malaysia Sdn Bhd, menguasai baki 30 peratus lagi pegangan saham.

Azmir (kiri) dan Khairil Anwar bertukar dokumen perjanjian sambil diperhatikan Izzaddin serta Zaida di Kuala Lumpur, semalam. (FOTO HAFIZ SOHAIMI/BH)

Penubuhan syarikat usaha sama itu bermatlamat menawarkan perkhidmatan pengurusan kemudahan bersepadu, khususnya bagi pemilik bangunan dan penduduk di perbandaran Medini serta Iskandar Puteri (sebelum ini Nusajaya).

Pemegang saham UEMSET ialah Edgenta Township Management Services Sdn Bhd, anak syarikat milik penuh UEM Edgenta Bhd (sebelum ini Faber Group Bhd) dan UEM Sunrise Bhd yang masing-masing memiliki 70 dan 30 peratus pegangan dalam UEMSET.

Pengarah Urusan dan Ketua Pegawai Eksekutif UEM Edgenta, Azmir Merican, berkata syarikat usaha sama itu akan menawarkan perkhidmatan pengurusan infrastruktur, antara segmen perniagaan yang sedang dilaksanakannya, namun dalam pasaran berbeza iaitu di kawasan perbandaran.

Katanya, penubuhan syarikat usaha sama itu juga membolehkan UEM Edgenta berkembang ke wilayah selatan, iaitu pasaran yang kurang dikendalikan anak syarikat UEM Group Bhd itu pada masa sekarang.

Mahu khidmat lebih cekap

"Perkhidmatan ditawarkan itu akan mewujudkan aliran pendapatan bagi syarikat usaha sama berkenaan, sekali gus memberi manfaat kepada UEM Edgenta dan UEM Sunrise," katanya pada sidang media selepas majlis memeterai perjanjian usaha sama (JVA) antara UEMSET dan TMS di Kuala Lumpur, semalam.

Azmir memeterai JVA bagi pihak UEMSET, manakala TMS diwakili Pengarah Urusan dan Ketua Pegawai Eksekutif Medini Iskandar Malaysia, Datuk Ir Khairil Anwar Ahmad.

Perjanjian disaksikan Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif UEM Group Bhd, Datuk Izzaddin Idris dan Pengarah Medini Iskandar Malaysia, Zaida Khalida Shaari.

Sementara itu, Khairil Anwar berkata, tumpuan utama adalah menyelesaikan pelan perniagaan bersama kerana kedua-dua pihak mempunyai sasaran ditetapkan semasa merundingkan perjanjian.

"Perkara yang mahu kami lakukan adalah melaksanakan perkhidmatan dengan kaedah lebih cekap dari segi kos supaya tidak perlu melabur terlalu banyak dalam perbelanjaan modal, di samping memanfaatkan keupayaan satu sama lain," katanya.

UEM Edgenta signs deal with KFM's controlling shareholders

PETALING JAYA: UEM Edgenta Bhd said it has entered into a share sale agreement with the controlling shareholders of KFM Holdings Bhd, which it is planning to buy for RM128 million.

In a stock exchange filing yesterday, UEM Edgenta said it entered into a share sale agreement with Nurolamin Abas and Fardan Abdul Majeed, who hold 51% and 49% respectively in KFM.

The acquisition will involve an upfront payment of RM36 million, while RM56 million will come from new UEM Edgenta shares to be issued. The remaining payments will be in the form of a RM20 million deferred payment and an incremental value payment of RM16 million.

UEM Edgenta said the proposed acquisition was in line with its strategy to expand its asset facilities management and the environmental and sustainability businesses.

The acquisition will provide the company an opportunity to consolidate a key market player, acquire complementary skill sets and increase its market share in the facilities management sector in Malaysia. "It also provides the company an immediate opportunity to expand its presence into the United Arab Emirates where KFM is currently present, it added.

UEM Edgenta said KFM, a key player in the integrated facilities management sector, has outstanding secured contracts in excess of RM700 million, which will provide it with earnings visibility up to 2031.

Based on its track record, it said, KFM has the necessary expertise and resources to carry out its secured contracts and is well positioned to secure more projects in Malaysia and the UAE.

Edgenta Mediserve To Provide Biomedical Engineering Maintenance Services In Sarawak

KUALA LUMPUR, Jan 11 (Bernama) -- UEM Edgenta Bhd's unit Edgenta Mediserve (Sarawak) Sdn Bhd plans to provide biomedical engineering maintenance services to government hospitals in Sarawak through a joint venture (JV) company.

In a filing to Bursa Malaysia here, UEM Edgenta said its unit has inked a shareholders' agreement with Biocare Systems Sdn Bhd and Biomedix Solutions Sdn Bhd to provide the services via Biomedix Solutions, a unit of Biocare Systems, as the JV company.

UEM Edgenta said the eventual issued and paid-up share capital of the JV company would be RM1.0 million divided into 1.0 million ordinary shares, with Edgenta Mediserve holding 40 per cent and Biocare Systems 60 per cent.

The proposed JV is expected to be completed within 14 days from today.

-- BERNAMA

UEM Edgenta ventures into township management

BY JOSE BARROCK

Edgenta taps integrated synergies

By DANIEL KHOO
danielkhoo@thestar.com.my

Local equities

BROKERS' DIGEST

Pavilion Real Estate Investment Trust — UEM Edgenta Bhd — Yinson Holdings Bhd — Eversendai Corp Bhd

GMI, UEM Edgenta jalin kerjasama

JAGUH pendidikan kejuruteraan teknologi Jerman, German-Malaysian Institute (GMI) menandatangani perjanjian koloborasi dengan UEM Edgenta iaitu sebuah syarikat konglomerat dalam teknologi infrastruktur negara.

Perjanjian itu bagi membolehkan kedua-dua organisasi tersebut berkongsi teknologi, ilmu kejuruteraan dan menambah bakat inovasi muda negara. Malah, kedua-dua pihak juga akan berganding bahu dalam usaha menjana bakat dan kebolehan inovasi pelajar-pelajar GMI.

Menurut Pengarah Urusan Propel, Ir wan Azman Wan Salleh, kerjasama itu akan membolehkan UEM Egenta menambah koleksi inovasi teknologi bagi syarikat tersebut dan mencungkil bakat penciptaan pelajar-pelajar GMI melalui projek tahun akhir mereka.

"Kami di Edgenta Propel sentiasa membuat pelaburan dalam penambahbaikan teknologi untuk menjaga kakitangan kami. Contohnya, teknologi yang diguna pakai dalam mesin rumput, Attila 180 yang kami gunakan ternyata mampu menambah aspek keselamatan dan menjimatkan masa memotong dalam kerja-kerja penyelenggaraan khususnya di cerunan," katanya.

Sementara itu, Pengarah Urusan GMI, Yusoff Md. Sahir dalam ucapannya memberitahu bahawa para pelajar GMI sangat bertuah kerana perjanjian tersebut meliputi semua perkongsian ilmu, kepakaran dan fasiliti bagi membangunkan kedua-dua pihak, pelajar dan institusi pengajian.

Ini adalah kerana sebagai sebuah institusi pendidikan, GMI sentiasa membuka pintu untuk berkongsi kepakaran dengan industri dalam pembangunan teknologi, melahirkan tenaga kerja mahir dan membuka peluang serta menambah pendapatan kepada rakyat Malaysia sendiri.

Perjanjian koloborasi selama tiga tahun itu akan dimulakan dengan beberapa projek di bawah seliaan pasukan GMI Technical. Antara projek yang sedang dalam fasa penambahbaikan ialah prototaip pembersih papan tanda jalan raya dan dispenser kon keselamatan jalan raya.

GMI merupakan sebuah institusi pendidikan tinggi di bawah Majlis Amanah Rakyat (MARA) yang menawarkan program-program kejuruteraan Jerman untuk pelajar lepasan Sijil Pelajaran Malaysia (SPM) dan sijil teknikal. GMI juga menawarkan program persediaan ke Jerman bagi pelajar cemerlang tajaan MARA, Jabatan Perkhidmatan Awam (JPA) dan badan-badan korporat.

info

- UNTUK maklumat lanjut tentang GMI dan program-programnya, lawati www.gmi.edu.my atau hubungi 03-8921 9191/9344 atau 03 8921 9000

UEM Edgenta diiktiraf Forbes Asia

Kuala Lumpur: UEM Edgenta Bhd (UEM Edgenta) yang sebelum ini dikenali sebagai Faber Group Bhd disenarai antara syarikat 'Terbaik di bawah Satu Bilion' oleh Forbes Asia bagi 2015.

Forbes Asia menyenaraikan 200 syarikat awam terkemuka daripada 17,000 syarikat di Asia Pasifik yang berpendapatan tahunan antara AS$5 juta (RM21 juta) dan AS$1 bilion (RM4.26 bilion), mempunyai pendapatan bersih yang kukuh dan diniagakan secara awam sekurang-kurangnya setahun.

Pengarah Urusan dan Ketua Pegawai Eksekutif UEM Edgenta, Azmir Merican berkata, pengiktirafan itu adalah pengesahan terhadap pertumbuhan pendapatan, piawaian prestasi tinggi perkhidmatan serta peranan syarikat sebagai antara penyedia penyelesaian aset terkemuka di rantau itu.

UEM前線獲1億工程合約

●UEM前线(EDGENTA, 1368, 主板贸服组)宣布接获雪州公共工程局的接受信函，获颁为期5年总值1亿零906万7千令吉的保养维修道路的工程合约。

该公司文告指出，旗下独资子公司-EDGENTA PROPEL公司于2015年12月28日接获上述信函，为雪州第3区政府道路进行保养维修工程，为期5年(平均每年值2千181万3千令吉)，即从2016年2月1日起至2021年1月31日为止。

UEM Sunrise and ETMS form JV company

THE joint-venture (JV) agreement between UEM Sunrise Bhd and UEM Edgenta Bhd's unit Edgenta Township Management Services Sdn Bhd (ETMS), which was sealed on Nov 30, has been successfully completed. In a filing to Bursa Malaysia yesterday, UEM Sunrise said the company owns a 30% stake in ETMS. The agreement was to form a JV to provide property and township management services.

买进券商心头好 EDGENTA公司 长期收益稳定

MEDIA HIGH


UEM Edgenta, RDM tubuh syarikat usaha sama
UEM Edgenta tersenarai antara 200 terbaik serantau
Pertumbuhan jualan, pendapatan jadi ukuran Forbes Asia
RM4.72 bilion
UEM EDGENTA
Raih kontrak lima tahun
UEM Edgenta Bhd, menerusi anak syarikatnya Edgenta PROPEL Bhd meraih kontrak penyelenggaraan jalan selama lima tahun di Selangor bernilai RM109 juta.
Dalam makluman kepada Bursa Malaysia semalam, UEM Edgenta berkata, syarikat menerima surat penerimaan daripada Jabatan Kerja Raya Selangor bagi kontrak itu.
Kontrak berkenaan akan bermula pada 1 Februari 2016 hingga 31 Januari 2021 dan dijangka menyumbang secara positif kepada pendapatan masa depan dan aset bersih sesaham kumpulan, katanya.
UEM Edgenta, RDM form JV to offer energy management solutions
KUALA LUMPUR: UEM Edgenta Bhd and Resource Data Management Asia Sdn Bhd have formed a joint-venture company (JVC), Edgenta Energy Services Sdn Bhd, to offer a comprehensive energy management solutions.
UEM Edgenta is an asset solutions player and Resource Data Management Asia, a unit of Resource Data Management (RDM), is a global controls and monitoring company.
In a joint statement, UEM Edgenta's managing director/chief executive officer, Azmir Merican, said the JVC provided an opportunity for UEM Edgenta to scale up its energy management business and leverage on RDM's technical expertise and experience in this industry.
"This includes energy management services, remote monitoring and control solutions," he said.
Azmir said the application of RDM devices and control systems had generated significant energy savings to organisations, saving one client over US$8 million in energy costs.
Managing Director of RDM group of companies, Andrew Chandler, said since 2009, the company has served the rapidly expanding South-East Asian market for the distribution of electronic controls systems.
"We are thrilled to partner with UEM Edgenta and look forward to jointly pursue new opportunities in energy management solutions," he said. — Bernama
易健达
获1亿道路维修合约
（吉隆坡28日讯）易健达（EDGENTA，1368，主板贸服股）旗下独资子公司——易健达Propel公司，获得由雪兰莪公共工程部所颁发的5年道路维修合约，总值1亿零906万令吉。
文告指出，易健达Propel公司将负责雪兰莪第3区道路的维修工程，执行日从2016年2月1日起，至2021年1月31日，长达5年。
同时，该合约价值达1亿零906万令吉，即每年合约总值为2181万令吉，相信会为公司未来盈利和每股净资产带来正面贡献。
Edgenta 和 UEM 阳光联营市镇与产业管理
UEM Edgenta 'has secured RM4.7b worth of contracts'
UEM Edgenta buys 80% stake in KFM
UEMSET, MIMSB bentuk usahasama
UEM Edgenta managing director and CEO Azmir Merican was in high spirits when The Edge caught up with him. High on the list of topics for our tête-à-tête was the KFM acquisition. Here is an excerpt from the interview.
"[KFM] is a service company, so what we are buying is the people; the assets do not generate much revenue." — Azmir
ILIGHTS

AWARDS AND RECOGNITION

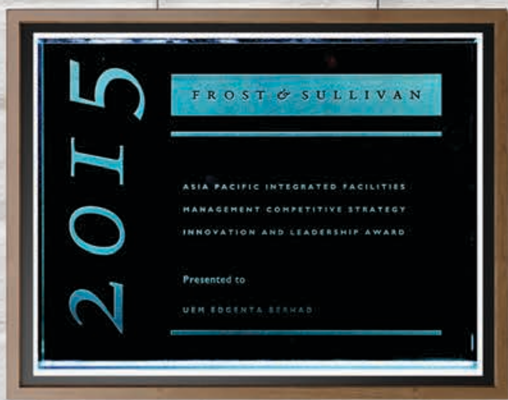
JUNE 2015

FTSE4Good Bursa Malaysia Index

UEM Edgenta is included in the FTSE4Good Bursa Malaysia Index for strong Environment, Social and Governance practices

Awarded by

Bursa Malaysia Securities Berhad



15 OCT 2015

2015 Frost & Sullivan Asia Pacific Integrated Facilities Management Competitive Strategy Innovation and Leadership Award

The award acknowledges UEM Edgenta's transformation in bringing assets solutions to the forefront for the Company and integrated facilities management industry.

Awarded by

Frost & Sullivan Asia Pacific

2 NOV 2015

Forbes Asia's "Best Under A Billion" 2015

UEM Edgenta is one of the 11 Malaysian companies who made the Forbes Asia's "Best Under A Billion" list in 2015

Awarded by

Forbes Media LLC.


Sijil Penghargaan
dengan ini disahkan bahawa
KUMPULAN
SMART VISION 2
UEM EDGENTA BERHAD
telah menerima anugerah
EMAS
bersempena
KONVENSYEN TEAM EXCELLENCE KEBANGSAAN 2015
2 – 4 NOVEMBER 2015
SUNWAY PYRAMID CONVENTION CENTRE (SPCC)


CIDB MALAYSIA
Special Mention
to
KONSORTIUM KINTA SAMUDRA - EMENEA - TECHART
as the Project Consultant
for
The Design, Construction, Completion, Testing and Commissioning of the Electrified Double Track Project Between Ipoh and Padang Besar
under
THE BEST PROJECT AWARD
(Infrastructure Project - Major)
in
The Malaysian Construction Industry Excellence Awards 2015
DATO' SRI IR. DR. JUDIN ABDUL KARIM
Chief Executive
CIDB Malaysia

5 NOV 2015

Gold Awards (3 and 2 Stars) at the Annual Productivity & Innovation Conference & Exposition (APIC) 2015

UEM Edgenta's Infra Services – Edgenta PROPEL Berhad won Gold 3 Star Award for creation of 'Alat Pengesan Awal Kenderaan' (APAK) and Gold 2 Star Award for design of mechanical signboard cleaning brush

Awarded by

Malaysian Productivity Corporation

11 SEPT 2015

Special Mention under the Best Project Award (Infrastructure Project – Major) by the Malaysian Construction Industry Excellence Award 2015 ("MCIEA")

UEM Edgenta's Asset Consultancy received the special mention under the Best Project Award (Infrastructure Project – Major) by MCIEA for the design, construction, completion, testing and commissioning of the Electrified Double Track Project between Ipoh and Padang Besar.

Awarded by

Construction Industry Development Board (CIDB)

BOARD OF DIRECTORS

from left to right

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

LEADERSHIP
THROUGH EXPERIENCE

BOARD OF DIRECTORS' PROFILE

Dato' Seri Ismail Shahudin
Non-Independent Non-Executive Chairman

Dato' Izzaddin Idris
Acting Chairman
Non-Independent Non-Executive Director

Azmir Merican
Managing Director/Chief Executive Officer

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

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

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

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

Notes:

1. ***Family Relationship with Director and/or Major Shareholder***
   None of the Directors has any family relationship with any Director and/or major shareholder of UEM Edgenta.
2. ***Conflict of Interest***
   None of the Directors has any conflict of interest with UEM Edgenta.
3. ***Conviction of Offences***
   None of the Directors has been convicted for offences within the past 10 years other than traffic offences, if any.
4. ***Attendance at Board Meetings***
   The details of attendance of each Director at Board Meetings are set out on page 103 of this Annual Report 2015.

DATO' SERI ISMAIL SHAHUDIN

65, Malaysian
Non-Independent Non-Executive Chairman
Appointed on 1 July 2014

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

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

His current directorships in companies within the UEM Edgenta Group includes Chairman of Opus Group Berhad and Edgenta PROPEL Berhad, and Non-Executive Director of Opus International Consultants Limited (listed on the New Zealand Stock Exchange). He is also a director of several public companies which includes UEM Group Berhad, Malayan Banking Berhad, Maybank Islamic Berhad, EP Manufacturing Berhad, KUISAS Berhad, MCB Bank Limited, Pakistan and Aseana Properties Limited (listed on the London Stock Exchange).

DATO' IZZADDIN
IDRIS

53, Malaysian
Acting Chairman/Non-Independent Non-Executive Director
Appointed on 5 August 2010
Member of Nomination and Remuneration Committee

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

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

Dato' Izzaddin has over 20 years of experience in the fields of investment banking, financial and general management having served in various senior positions at Malaysian International Merchant Bankers Berhad, Malaysian Resources Corporation Berhad and Southern Bank Berhad. Before his current position, he was the Chief Financial Officer/Senior Vice President (Group Finance) of Tenaga Nasional Berhad, a position he held from September 2004 to June 2009.

He currently sits on the Boards of UEM Group and several UEM Group of Companies including UEM Sunrise Berhad, PLUS Malaysia Berhad, PLUS Expressways International Berhad, Projek Lebuhraya Usahasama Berhad, Cement Industries of Malaysia Berhad, Opus Group Berhad, UEM Builders Berhad, PT Lintas Marga Sedaya in Indonesia and India's Uniquest Infra Ventures Private Limited.

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

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

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

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

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

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

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

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

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

AZMIR MERICAN

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

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

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

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

Datuk Ir. Abdullah Sani is also the Chairman of Faber Development Holdings Sdn Bhd.

DATUK IR. ABDULLAH SANI
ABD KARIM

ROBERT TAN
BUN POO

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

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

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

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

He 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 also serves as a Board member of the Auditing & Assurance Standards Board, Malaysian Institute of Accountants.

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

DR. SAMAN @ SAIMY ISMAIL

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

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

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

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

He is also the Chairman of Edgenta Mediserve Sdn Bhd and Edgenta Healthtronics Sdn Bhd.

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

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

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

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

Elakumari also sits on the Board of TIME dotCom Berhad.

ELAKUMARI
KANTILAL

SENIOR MANAG

EMENT TEAM

from left to right

AHMAD YUSRI YAHAYA (Head, Business Development) / **AHMAD ZAMRI SAID** (Head, Healthcare Services) /
SHARON RUBA KRISHNAMURTHY (General Manager, MD/CEO's Office and Head, Energy Services) /
DATO' JEZILEE MOHAMAD RAMLI (Chief Financial Officer) / **LOW CHEE YEN** (Head, Corporate Planning) /
AZMIR MERICAN (Managing Director/Chief Executive Officer) / **SHAHDEE AHMAD** (Head, Operations Control) /
IR. WAN AZMAN WAN SALLEH (Chief Operating Officer) / **CHAN KHENG CHUAN** (Head, Risk Management) /
DR. DAVID PRENTICE (Managing Director/Chief Executive Officer, Opus International Consultants Ltd) / **CHIEW SIEW YUEN** (Head, Secretarial) /
SURIANA ABDUL HAMID (Head, Group Procurement & Contract Management) /
MOHAMAD YAZID MOHD YUNUS (General Manager, Environmental & Material Testing Services) /
CHIN CHI HAW (Group General Manager, Opus International (M) Berhad) /
HUGH MORRISON (Managing Director, Opus International (M) Berhad) / **JOHANNA IBRAHIM** (Head, Legal) / **YUSRI YUNUS** (Head, Internal Audit) /
JAMAL NASIR KHAN (Head, Human Resource & Administration) / **CHAN KIN POOI** (Chief Operating Officer, Opus International (M) Berhad)

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

As a responsible corporate citizen, UEM Edgenta believes we have a duty to create positive outcomes for all our stakeholders. This means delivering value not only to our shareholders, but also to the communities we serve while protecting the environment we live and work in. Towards this end, we engage in various Corporate Responsibility ("CR") initiatives which aim ultimately to balance our economic performance with social and environmental considerations.

Our commitment to CR has led to the Company being listed on the FTSE4Good Bursa Malaysia Index. More than elevate our profile among a growing number of investors who actively seek out socially and environmentally responsible organisations, our CR programmes help to create strong bonds of trust with our stakeholder communities which, in turn, are crucial to sustainable growth.

With each year, we intend to strengthen our CR platform to create deeper, more meaningful and lasting impressions on our external and internal stakeholders. Our efforts during the year 2015 are described in the following pages, under four main pillars of the Workplace, Marketplace, Community and Environment.

OUR COMMITMENT
TO RESPONSIBLE CORPORATE PRACTICES

WE ARE COMMITTED TO FURTHER ENHANCING OUR EMPLOYEES' CAPABILITIES THROUGH TRAINING AND DEVELOPMENT SO AS TO OFFER BETTER, MORE INNOVATIVE AND EFFICIENT PRODUCTS AND SOLUTIONS TO OUR CLIENTS.

WORKPLACE: CREATING A NEW IDENTITY

Our employees drive our operations and are key to our success. As such, we are committed to attracting and retaining the best talent and creating a work environment that inspires a high level of performance. Following the merger in 2014, we have become the largest Total Asset Solutions entity in Malaysia. However, we recognise a need to create a sense of unity among all employees, and to nurture a sense of belonging to this 'new' company in order to bring together the skills, knowledge and expertise of our expanded workforce effectively. As we aim to be a regional player, moreover, we are committed to further enhancing our employees' capabilities through training and development so as to offer better, more innovative and efficient products and solutions to our clients.

Another key focus area is to ensure the safety and well-being of our employees, as well as employees of our contractors. Towards this end, various initiatives have been implemented and continue to be enhanced with the ultimate aim of creating a strong safety culture in which everyone takes responsibility for his/her own safety as well as the safety of their colleagues.

A More Integrated Company

Much effort has been expended into building trust among new colleagues and forging a new corporate identity underlined by a shared vision, mission and values. These initiatives were stepped up following our name change on 9 April 2015 with brand champion workshops and training, and on-boarding programmes. At the same time, we have streamlined our support functions such as finance, procurement, contract management, IT and human resources. We are also harnessing cross-functional synergies by leveraging on our combined resources and cross-selling our services while elevating efficiencies across the board through the sharing of best practices.

EDGE20 AIMS TO ENGAGE AND DEVELOP OUR PEOPLE TO GROW THE BUSINESS AND TO EXCEL AS WE BECOME THE MARKET LEADER.

In January 2016, we reinforced our cultural integration efforts with the launch of **EDGE20**. The programme aims to **E**ngage and **D**evelop our people to **G**row the business and to **E**xcel as we become the market leader. The idea is to redefine the way we work at UEM Edgenta, and for us to aspire to greater heights as we move into 2016 so as to achieve our ambitions and growth targets by year 2020.

All employees will undergo the EDGE20 programme which includes a combination of mini lectures, indoor and outdoor team building activities, experiential learning and group as well as individual exercises.

Communicating With Our Employees

In addition to initiatives related to creating a new brand and identity, we keep our employees engaged through regular communication and activities that bring together colleagues from different divisions, departments and levels throughout UEM Edgenta.

Through AFM Connect intranet, launched in May 2014, we are able to reach out to all our employees to share key messages from our Managing Director/Chief Executive Officer, and to announce updates on events and happenings.

Since the merger, we have held several ‘We Are One’ Town Hall sessions in our headquarters and regions engaging over 2,300 of our employees. In addition, briefing and walkabout sessions were organised during which 318 supervisors, unit heads, facilities managers and regional heads went to the ground to connect with staff.

From 5-16 May 2015, employees of UEM Edgenta participated in several sports tournaments including football, futsal, badminton, table tennis, bowling and volleyball at UEM Group’s Sports Carnival. This was followed by UEM Group’s Family Carnival 2015 on 17 May 2015 at Sunway Lagoon, attended by over 3,700 of our employees and their family members. Activities such as these create a healthy spirit of competition and camaraderie among our employees.

Building A Performance Excellence Culture

To attract and recruit new talents, we regularly take part in numerous career fairs. Our recruitment process is guided by having a clear idea of the skills and competencies we are looking for, and putting candidates through the Saville Assessment aptitude test.

In the workplace itself, our Performance Management System (“PMS”) is geared towards developing the competencies required to drive a culture of excellence. During the year, we revised the PMS to focus on four areas:

(i) Key deliverables that contribute to business results

(ii) Key achievements that contribute to department goals, project goals and cost management

(iii) People and talent management

(iv) Measurement of the input of cross-functional collaboration

We encourage our employees to keep enhancing their professional development, and hence their competencies, via our Continuous Education Programme (“CEP”). Through the CEP, the Company takes care of 70% of the course fees of staff who seek to further their education at the university level on a part-time basis. As at December 2015, 57 members of staff had completed programmes in various disciplines while 33 were still undergoing their studies.

We also maintain a high level of motivation at work by offering clear career progression pathways via a Talent Management Framework. The programme enables us to identify talent who are then groomed to attain pivotal positions through a structured Succession Management Plan.

In 2015, the Company allocated RM5.82 million towards learning and development, and spent RM4.81 million, or 83% of the budget, on the following training:

RM0.58 MILLION
CEP

RM2.07 MILLION
TECHNICAL TRAINING

RM0.38 MILLION
SOFT SKILLS TRAINING

RM0.02 MILLION
LEADERSHIP

RM0.10 MILLION
OVERSEAS TRAINING

RM1.66 MILLION
EDGE20

Health, Safety & Environment ("HSE")

Given the nature of the work that we undertake, safety is of paramount importance to us at UEM Edgenta, and every effort is made to inculcate a safety culture among all employees. Our ultimate objective is to be a safety-conscious organisation in which upholding the highest standards of safety is an ongoing process that is continuously refined and enhanced. Those who deal with equipment and machinery, or who carry out work on roads and highways are encouraged to keep reviewing our safety procedures and suggest ways in which these can be improved.

3Es Approach to HSE Management

We have adopted the 3Es approach for HSE management, comprising:

Engineering

Our HSE team has developed an internal HSE Maturity Assessment as a self-assessment tool to gauge the current level of HSE maturity which can be applied for any business division, project or department. This tool enables a more focussed and structured approach to managing HSE at all levels of the organisation whereby solutions can be customised by leveraging on the strengths and good HSE practices of the specific business division, to address any weaknesses. Interventions are then prescribed to close the gaps including review and updating Standard Operating Procedures ("SOPs"), Hazard Identification, Risk Assessment and Risk Control ("HIRARC"), assessment of impact of our business activities on the environment, as well as enhancement and re-engineering of key business processes. The assessment is carried out annually to monitor performance improvement and progress.

HSE Maturity Assessment Scoring Standard

SCORE	STAR AWARDED	JUSTIFICATION
85 TO 100	★★★★★	Exceed required compliance levels in Occupational Safety & Health ("OSH") Management System
70 TO 84	★★★★☆	Comply to all requirements of OSH Management System with some pro-active measure
55 TO 69	★★★☆☆	Comply to most requirements of OSH Management System
40 TO 54	★★☆☆☆	Comply to minimum requirements of OSH Management System
24 TO 39	★☆☆☆☆	Requirements of OSH Management System is poorly managed and poorly documented
23 AND LESS	☆☆☆☆☆	No evidence of compliance to requirements of OSH Management System

Education

Developing a strong safety culture is key to achieving significant impact on incident reduction. Continuous awareness, training and knowledge sharing programmes are conducted so that everyone feels responsible for safety and pursues it on a daily basis. At project and work sites, daily safety reminders are given through tool-box talk briefings and regular safety conversations are held between the project and operations team with their subcontractors during weekly, monthly and quarterly meetings. Safety inductions are performed for new personnel as part of the on-boarding programme and upon award of new contracts to subcontractors.

Enforcement

Enforcement of HSE requirements is achieved through monitoring of compliance to SOPs and legal requirements. In addition to scheduled internal audits, random checks are carried out by HSE personnel from head office, region & section offices and hospitals to ensure compliance.

For subcontractors, enforcement is done through applying the relevant penalties specified in the service level agreements for any non-compliance to HSE requirements and/or breach of contract.

In addition to the activities mentioned above, other initiatives implemented during the year to create a safer work environment for our employees and subcontractors throughout our operations include the continued implementation of the Propel Safety Passport ("PSP'), Malaysia's first occupational safety and health 'passport' for highway maintenance which was launched in 2014 through a collaboration between Edgenta PROPEL and the National Institute of Occupational Safety and Health (NIOSH). More than 60% of Edgenta PROPEL staff have attended the programme and 2016 will see the roll out of an enhanced version of the PSP which has been customised for subcontractors working on highways.

Championing Healthy Living

Enhancing our employee engagement, and to encourage our employees to adopt a healthy lifestyle, we initiated a Healthy Living Programme, anchored on the Million Steps Challenge ("MSC") in 2014. Overwhelming response to the inaugural programme inspired us to invest in more pedometers in 2015 and organise two more series of the MSC, which attracted the participation of 120 employees. Very encouragingly, our employees recorded better results this year, despite having a shorter period of 100 days to complete the challenge.

Building on the wave of healthy living and well-being, we also shared tips on workplace safety, exercise, balanced diets, maintaining a healthy weight and stress management.

A Caring Employer

We do not just support the personal ambitions of our employees, but extend financial aid to enable their children to pursue higher levels of education too, via a fund managed by Yayasan UEM. In 2015, grants were awarded to 47 children. In addition, we organised a financial planning programme for employees aged above 50 years to help them be secure during their golden years.

The Million Step Challenge

MSC#1

48.2
MILLION STEPS

25% PARTICIPANTS
>1 MILLION STEPS

MSC#2

63.3
MILLION STEPS

50% PARTICIPANTS
>1 MILLION STEPS

MSC#3

73.7
MILLION STEPS

70% PARTICIPANTS
>1 MILLION STEPS

WE ENGAGE REGULARLY WITH OUR KEY STAKEHOLDERS TO BETTER UNDERSTAND THEIR NEEDS, AND TO BE ABLE TO PRIORITISE KEY ISSUES TO BETTER MANAGE OUR RISKS, REPUTATION AND IMPACT ON THE COMMUNITY.

MARKETPLACE: DEVELOPING A WORLD-CLASS INDUSTRY

We believe in maintaining a high level of transparency and accountability in all our business dealings while also ensuring our processes and products are of high quality. At the same time, we are committed to developing a strong base of Bumiputera entrepreneurs in the Asset and Facilities Management industry. As a responsible corporate citizen, we have designed a full suite of holistic solutions to meet the requirements of our customers. Our wealth of experience and expertise enable us to be there for our customers throughout the entire asset life cycle. Indeed, this is integral to our new customer-centric identity.

Engaging with the Marketplace

We engage regularly with our key stakeholders to understand their needs, and to be able to prioritise key issues to better manage our risks, reputation and impact on the community. Each business unit organises its own meetings, briefings, surveys, trainings, campaigns, interviews and media visits to maintain a healthy line of communication with stakeholders.

During the year, the Company participated in a number of conferences, seminars and exhibitions locally and internationally to promote our brand and Total Asset Solutions expertise. These events also serve as valuable platforms for the sharing of knowledge and best practices while enabling us to network more effectively with other market players and industry experts.

Key events in which the Company and/or our business units participated in 2015 included:

- Analyst Briefing for FY2014 Financial Results held at The Point, Mercu UEM on 20 March.
- Malaysia Services Exhibition ("MSE") held in conjunction with the Saudi Building and Interiors Exhibition 2015 in Jeddah on 11-14 May – Opus Al Dauliyah LLC as an exhibitor.
- 52nd Annual General Meeting, held on 25 May at Persada PLUS.
- PSKLM International Expressway Conference & Exhibition ("PIECE") 2015, held on 25-27 May at MATRADE Exhibition & Convention Centre Kuala Lumpur.

- GLC Open Day, on 7-9 August.

- Analyst Briefing for 1H2015 Financial Results via teleconference on 28 August.

- Rail Business Asia 2015 held on 2-4 September at KLCC – David Starbucks, Head of Rail Design, Opus presented a paper on 'LRT Line Extension Projects – An Update of Progress'.

- Ministry of Health Engineers' Conference on 5-6 September in Kuantan – Edgenta Mediserve was an exhibitor.

- International Construction Week ("ICW 2015") at PWTC, Kuala Lumpur from 9-11 September – two representatives from Asset Consultancy shared insights on 'An Overview of Performance-based Contracting' and 'Challenges in Implementing Performance-based Contracting in Road Asset Management – Local & International Experiences'.

- 2nd Malaysia-Europe Facilities Management Conference 2015 on 29-30 September at University of Malaya, Kuala Lumpur at which our Managing Director/Chief Executive Officer Azmir Merican delivered the closing remarks; and Chin Chi Haw, Group General Manager of Asset Consultancy division was a moderator.

- Construction Industry Transformation Programme 2016-2020 'Driving Construction Excellence Together' Pledge of Support Signing Ceremony at the Sime Darby Convention Centre, organised by the CIDB.

- 11th World Islamic Economic Forum 2015 on 3-5 November in Kuala Lumpur.

- 2nd World Congress on Infrastructure Asset Management held at Berjaya Times Square on 16-18 November – Ir. Wan Zainuddin Wan Omar, Regional Head – Central Region from Edgenta PROPEL and Ir. Zulkhairi Hasan, Project Director, Network Maintenance from Infra Services and Asset Consultancy division shared insights on 'Infrastructure Asset Management of Road Maintenance' and the importance of 'Highway Asset Management'.

Placing the Customer First

We engage regularly with our customers to understand their needs in order to shape our products and services to meet their requirements.

Our new Concession Agreement with the Ministry of Health, for example, has placed more stringent requirements in terms of services expected of us. We have set up an Operations Centre & Workshop ("OCW") in Juru, Penang for repairs and to loan equipment to replace those under repair to reduce downtime in the hospitals under our management. We also enhanced our Kamunting Incinerator to increase its capacity and efficiency.

To maintain a high level of service, we conduct annual surveys to gauge our customers' satisfaction and obtain their feedback.

Adopting Global Standards

In an effort to improve efficiencies and to standardise our management and operational processes, UEM Edgenta has implemented several internationally accredited management systems.

Under the new Concession Agreement, Edgenta Mediserve is to attain four Management System certifications: ISO 9001: 2008 (Quality Management System), ISO EN 13485: 2012 and ISO EN 13485: 2003 (Quality Management System for Medical Devices), ISO 14001: 2004 (Environmental Management System) and OHSAS 18001: 2007/MS 1722: Part 1: 2011 (Occupational Safety & Health Management System) for all 32 hospitals managed by the Company.

As at the end of the year, we had achieved the ISO 9001 for all the hospitals, and ISO 13485 for 35% of the cluster. The hospitals will be audited for the ISO 14001 and OHSAS 18001 in 2016 and 2017.

Business Process Improvements

We seek continuously to enhance our business processes with innovative systems and procedures to maintain our edge in the marketplace. As part of our efforts to cultivate a culture of innovation, we participate in the Innovative and Creative Circle ("ICC") conventions organised by Malaysia Productivity Corporation.

During the year, the initiatives of three UEM Edgenta teams – **Cone**, **Smart-Vision 2** and **B-Clean** – were recognised at the National level convention, where Cone was awarded three stars, and the other two teams, two stars each.

Cone introduced the idea of sensors in road cones to alert workers of oncoming vehicles. Implementation of this system in the fourth quarter of 2013 has contributed to a 0% accident rate in Section C1 Edgenta PROPEL since. **Smart-Vision 2** developed an innovation to improve the quality and process of painting high mast poles, resulting in a 31% reduction in cycle time in Section N6, 55.5% reduction in manpower, 26.7% improvement in processes and, most importantly, achieving 100% worker safety, as well as cost-effective reduced traffic congestion, and air and noise pollution. Meanwhile, the **B-Clean** team improved our signboard cleaning system to reduce the time taken by 51% and enhance the visibility of the end product such that the number of complaints received post-cleaning dropped by 60%.

Externally, Edgenta PROPEL entered into a three-year collaboration with the German Malaysian Institute ("GMI") to spur innovation for the mutual benefit of both parties. Through the initiative, Edgenta PROPEL's employees and GMI students aim to convert real issues into practical and innovative solutions with potential gains in the design of new prototypes and breakthrough products.

Certifications obtained by our other operating companies are as follows:

Asset Consultancy

OPUS INTERNATIONAL (M) BERHAD

ISO 9001: 2008
(Quality Management System)

ISO 14001: 2004
(Environmental Management System)

OHSAS 18001: 2007
(Occupational Safety & Health Management System)

Infra Services

EDGENTA PROPEL BERHAD

ISO 9001: 2008
(Quality Management System)

ISO 14001: 2004
(Environmental Management System)

OHSAS 18001: 2007
(Occupational Safety & Health Management System)

Environmental & Material Testing Services

EDGENTA ENVIRONMENTAL & MATERIAL TESTING SDN BHD

(FORMERLY KNOWN AS SOIL CENTRALAB SDN BHD)

ISO 9001: 2008
(Quality Management System)

ISO 14001: 2004
(Environmental Management System)

OHSAS 18001: 2007
(Occupational Safety & Health Management System)

ISO/IEC/7025: 2005
(General requirements for the Competences of Testing & Calibration Laboratories)

UEM EDGENTA CONTINUES TO INVEST IN NEW TECHNOLOGIES AND MACHINERY THAT ENHANCE OUR CAPABILITIES AND PRODUCTIVITY.

Investment in the new technology and machinery

UEM Edgenta, through the Infra division, continues to invest in new technologies and machinery that enhance our capabilities and productivity, positively impact our stakeholders and the working environment, and more importantly enhance safety for our workers, subcontractors, and highway users. Several new machines were acquired to improve our work processes such as Ride-On Lawn Mower; Mini Road Sweeper and Edge Trimmer for use during lane closure.

In October 2015, we introduced the Spray Jet with Very Thin Overlay ("VTO"), the first of its kind technology in Malaysia. The VTO is the latest German technology which uses a thin layer of asphalt for pavement rehabilitation or renewal, which includes leveling out the road surface by reducing road undulations hence improving rideability to road users. This road rehabilitation method extends the road's economic life whilst optimising use of premix material, which has a positive long-term effect on the environment in addition to its low noise emission. Other benefits of this method include minimal impact on road traffic as rehabilitation works are completed faster which further enhances safety to both workers and road users. It is the most economic, innovative and sustainable approach to pavement preservation and maintenance.

Vendor Development Programme ("VDP")

UEM Edgenta has been supporting UEM Group's VDP Programme with the Ministry of International Trade and Industry ("MITI") to create and develop competitive Bumiputera entrepreneurs in the construction, property development and expressway – related supply chain.

Since the official launch of VDP on 17 June 2015, UEM Edgenta has been actively involved in this programme by providing advisory, intervention, ISO certification, VDP and Business Excellence ("BE") workshops and consultancy visits to selected vendors. To date, 10 vendors have been enrolled in the VDP (5 enrolled in batch 1 in 2014 and 5 enrolled in batch 2 in 2015). These vendors are assessed through the BE assessment where all 5 vendors in the first batch have shown improvement in the second year. One of them has also been identified by MITI to be nominated for the 'Anugerah Kecemerlangan Industri'.

Code of Conduct

The Company has a Code of Conduct incorporating a Code of Ethics, which requires all employees to behave with integrity in carrying out their duties and responsibilities, while complying with all applicable laws and regulations. Employees are also encouraged to report any violation or suspected violation of our ethical framework. The Code of Conduct is available on our corporate website at www.uemedgenta.com as well as in AFM connect for easy access by the public and our employees.

COMMUNITY: EMPOWERING THE MARGINALISED

Within the community, UEM Edgenta's flagship programmes focus on education and the development of a skilled workforce not only for our own operations, but also to meet the needs of our country as it transforms into a high-income nation. These programmes are complemented by various other activities that serve to uplift the lives of the underprivileged or marginalised.

Work-Based Learning Programme

We have been collaborating with the Ministry of Education ("MOE") on its Work-Based Learning ("WBL") programme since 2007 by providing WBL to Advanced Diploma students from Politeknik Sultan Salahuddin Abdul Aziz Shah ("PSA") in Shah Alam.

These students are exposed to Facilities Engineering Maintenance Services and Biomedical Engineering Services on one-year industry attachments at various hospitals managed by our Healthcare division. Throughout the programme, they undergo a structured curriculum comprising both academic and on the job training, with strict adherence to the Malaysian Qualifications Agency's requirements.

To date, we have completed two WBL programmes with PSA, the Advanced Diploma in Electronics Engineering (Medical) and Advanced Diploma in Facility Management, training a total of 176 students.

In line with new developments and standards in Biomedical Engineering and Facilities Management, PSA has upgraded the two WBL Advanced Diploma programmes to degree programmes.

The Advanced Diploma in Electronics Engineering (Medical) has been elevated to a Bachelor of Technology in Electronics Engineering (Medical) (Honours), while the Advanced Diploma in Facility Management is now the Bachelor of Technology in Facility Management (Honours).

On 8 March 2016, the Company signed a Memorandum of Collaboration ("MoC") with MOE to continue the collaboration for another two years.

Producing an e-Learning Video

During the year, our Facilities Services division participated in the production of an e-learning video for Politeknik Malaysia on Facilities Management Technology entitled 'An Introduction to the Industry'. The video describes the work environment and job scope for students to gain a clearer understanding of Facilities Management Technology. The collaboration is aligned with our commitment to sharing knowledge, expertise and experience in Total Asset Solutions towards producing industry relevant graduates in the marketplace.

UEM Group English Literacy Programme

We also supported UEM Group's English Literacy Programme ("UELP") from April 2012 to March 2015 in collaboration with the PINTAR Foundation and British Council.

The programme aims to strengthen English teaching and learning through capacity-building. Under this effort, we adopted 10 schools (three in Kuala Lumpur/Selangor, three in Perak and four in Kedah) where we organised Learn English Family ("LEF") Workshops to encourage parents to read with their primary school children. The workshops were conducted by trained volunteers from among our employees, benefiting close to 400 parents.

UEM EDGENTA ADOPTED SIX SCHOOLS IN PENINSULAR MALAYSIA IN SUPPORT OF UEM GROUP'S PINTAR PROGRAMME, WHICH SEEKS TO FOSTER ACADEMIC AND NON-ACADEMIC EXCELLENCE AMONG STUDENTS FROM UNDER-PERFORMING SCHOOLS WITHIN THE COMMUNITIES WE SERVE.

PINTAR School Adoption Programme

In July 2015, UEM Edgenta adopted six schools in Peninsular Malaysia in support of UEM Group's PINTAR programme, which seeks to foster academic and non-academic excellence among students from under-performing schools within the communities we serve. The adopted schools are: SK Jenderam, SK Sungai Rawang and SK Bukit Tampoi (Asli), in Selangor; SK Bandar Bukit Kayu Hitam and SK Wan Sulaiman Siddiq in Kedah; and SK Seri Yong Peng in Johor.

During the year, the CR team engaged with the schools to understand their needs, and to develop programmes guided by the PINTAR Core Modules of Team Building, Educational Support, Capacity and Capacity Building and Reducing Vulnerability and Social Issues. These programmes will be run over a three-year period.

Enhancing Youth Employability

UEM Edgenta supports UEM Group in its participation in the Skim Latihan Satu Malaysia ("SL1M"), a special programme aimed at equipping fresh graduates with invaluable skills and experience to enhance their employment prospects. Under the programme, we offer fresh graduates a one-year working opportunity combining soft skills training in communication, problem solving and decision making. As at December 2015, we had engaged a total of 64 SL1M trainees who were placed in various business service divisions in the Company according to sectors/projects.

Candidates who demonstrate the right attitude are offered employment in the Company at the end of the training period, subject to the availability of suitable positions. Among the 2015 batch, six trainees were offered employment effective from January 2016; while from the 2014 batch, 12 out of 34 trainees were offered permanent employment effective June 2015.

Other Community Initiatives

Bubur Lambuk Edgenta

In conjunction with the month of Ramadhan, UEM Edgenta organised various charitable activities including cooking and distribution of 700 bowls of 'Bubur Lambuk Edgenta' at Masjid Al-Ikhlasiah in Bukit Kerinchi, Kuala Lumpur. The Company also contributed RM5,000 from our Zakat Wakalah fund towards management of the mosque.

Do-It-Your-Way Campaign

Every year, we organise 'Do-It-Your-Way' campaign, a charity programme that channels donations from our employees to the needy. In 2015, groceries and cash were distributed to four selected homes in the Southern, Central and Northern regions of Peninsular Malaysia, while 87 employees volunteered to cook, clean and share joyful moments with over 150 children from the homes.

We visited the following homes through our Do-It-Your-Way Campaign:

1. Kompleks Rumah Anak Yatim Fatimah Al-Zaharah (KAYFAL), Melaka.
2. Rumah Amal Limpahan Kasih (RALK) in Puchong, Kuala Lumpur.
3. Rumah Penyayang Hembusan Kasturi (RPHK) in Kapar, Klang.
4. Maahad Tahfiz Darussalam, Baling in Kedah.

Van for Masjid Sultan Azlan Shah

On 10 July 2015, the Company donated a 'Van Jenazah' to Masjid Sultan Azlan Shah in Ipoh, Perak. The van, funded by the Company's Zakat Wakalah Fund, will be used by the mosque and the local communities. We also held an 'iftar' session with the community, which was attended by members of Pusat Jagaan Raudhatul Jannah, Chemor and Maahad Tarbiah Islamiah Darul Aitam Wat Tahfiz, Temoh in Perak. A total of 51 less fortunate children received goodie bags and 'duit raya', while the Company contributed RM2,500 from our Zakat Wakalah Fund to the respective homes.

Visits to Orphanages

Volunteers from the Company visited three orphanages in the Klang Valley in December 2015, namely Pertubuhan Rumah Amal Cahaya Tengku Ampuan Rahimah (RACTAR), Subang Jaya; Pusat Jagaan Rumah Kesayangan, Petaling Jaya; and Rumah Amal Al-Firdaus, Shah Alam. At the homes, our employees brought smiles to the faces of the children in the spirit of year-end festivity.

Participation in the Bursa Bull Charge Run 2015

On 20 August 2015, 20 runners from UEM Group, including our Managing Director/Chief Executive Officer, participated in the Bursa Bull Charge Run 2015. The event served not only to enhance our relationship with Bursa Malaysia, but also to help charities whose causes include economic sustainability among disadvantaged communities.

WE ARE PLACING MORE EMPHASIS ON THE SERVICES PROVIDED BY OUR ENVIRONMENTAL AND MATERIAL TESTING UNIT WHICH WILL COMPLEMENT OUR EFFORTS TO ENSURE ALL OUR PRODUCTS, SERVICES AND PROCEDURES HAVE MINIMAL IMPACT ON THE ENVIRONMENT.

ENVIRONMENT: REDUCING OUR CARBON FOOTPRINT

We recognise the critical need for all organisations to be conscious of their environmental impact given the urgency of climate change. This is reflected in a general commitment to using green technologies as far as possible, and is further reinforced by two of our core businesses, namely Energy Services and Environmental and Material Testing Services.

In energy management, we formed a JV Company, Edgenta Energy Services Sdn Bhd ("EES") – which enables us to provide a range of comprehensive energy solutions few others in the country are able to offer. This collaboration is with an international leader in monitoring and control solutions based in the UK.

Though set up only in August 2015, EES has already implemented Energy Management Systems at 33 Government hospitals, and is deploying controls and data managers monitored via a command centre, the nerve centre of our operations. With this command centre, targeted to be fully operational by Q3 2016, we will be able to showcase monitoring and control energy consumption in real time.

We are placing more emphasis on the services provided by our Environmental and Material Testing unit which will complement our efforts to ensure all our products, services and procedures have minimal impact on the environment. To support this unit, we are establishing the UEM Edgenta Research and Development (R&D) Centre which will look at the development of more sustainable and environment-friendly road surfaces, among others.

Under our new concession with the Ministry of Health, meanwhile, we are providing additional services under a Sustainability Programme, which will focus on water management, indoor air quality, energy efficiency and the 3Rs of Reduce, Reuse and Recycle.

We have also made environmental considerations paramount at our sewerage treatment plants ("STP"), ensuring sewage is treated properly to minimise pollution in our rivers. Additionally, we limit the chemical discharge from our building cleaning services, making sure the chemicals are trapped by the STP system.

While we have yet to establish specific eco-friendly policies within the Company, we continue to stress the importance of environmental preservation among our employees, and have started to promote energy efficiency and recycling as we seek to reduce our environmental impact.

STATEMENT ON
CORPORATE GOVERNANCE

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

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

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

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

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

1.1 Clear Functions of the Board and Management

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

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

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

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

In view of the enlarged group with the acquisition of Edgenta PROPEL Berhad ("Edgenta PROPEL") and Opus Group Berhad ("Opus"), a new functional organisational structure has been introduced.

Given the functional approach of the management decision making and the changes to the span of control and responsibilities of the affected members of the senior management team, the existing DAL has been revised, streamlined and aimed to improve efficiency and increase Management's accountability.

The new DAL has been approved and was duly adopted throughout the Group with effect from 14 September 2015.

Succession Planning

The Company has a Talent Management Framework wherein candidates with potential are identified, evaluated, reviewed and developed for succession planning. The talent is assigned to the right talent category in the 9-Box Talent Grid and is developed based on development needs.

All senior management positions are reviewed by the Board via the Nomination and Remuneration Committee to assess their capabilities and thereafter if suitable, recommended to the Board for approval. This is to ensure that all candidates appointed to senior management positions are of sufficient calibre.

The Board is satisfied that there is a programme in place to provide for orderly succession of senior management.

1.2 Clear Roles and Responsibilities

The Board's main function is in reviewing and adopting strategic plans and also overseeing the conduct of business. However, in discharging its fiduciary duties and responsibilities, the Board has delegated specific tasks to the Board Committees, all of which operate within defined terms of reference. The Chairman of the various committees will report to the Board the deliberations and outcome of the Committee Meetings and are incorporated in the minutes of the Board meeting. Although the Board has granted authority to the Board Committees to deliberate and decide on certain operational matters, the ultimate responsibility for final decision on all matters lies with the entire Board.

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

Audit and Risk Committee

The Audit and Risk Committee assists the Board in its oversight of the Company's financial 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 and conflict of interest situations that may arise within the Group.

The Audit and Risk Committee Report including its membership, composition, roles and responsibilities is presented on pages 117 to 124 of this Annual Report.

Nomination and Remuneration Committee

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

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

1.3 Formalise Ethical Standards Through Code of Ethics

Code of Conduct

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

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

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

Whistle Blower Policy

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

All communications made in good faith that discloses or demonstrates information that may evidence malpractice or unethical activity should be addressed to the Chairman of the Board of Directors or the Chairman of Audit and Risk Committee.

The Whistle Blower Policy is available at the Company's website at www.uemedgenta.com

Conflict of Interest

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

Trading on Insider Information

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

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

Related Party Transactions

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

The Recurrent Related Party Transactions entered into by the Group with its related parties in 2015 are set out on pages 273 to 285 of this Annual Report.

1.4 Strategies Promoting Sustainability

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

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

Our Key Sustainability Focus Areas:

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

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

The Sustainability Policy is available at the Company's website at www.uemedgenta.com and the Group's Corporate Responsibility activities for the year under review are disclosed on pages 078 to 091 of this Annual Report.

1.5 Access to Information and Advice

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

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

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

1.6 Company Secretary

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

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

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

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

1.7 Board Charter

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

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

The Board Charter has been reviewed by Board on 25 March 2016 and updated in line with the Corporate Governance practices.

2. STRENGTHEN COMPOSITION OF THE BOARD

2.1 Nomination and Remuneration Committee ("NRC")

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

The NRC met four (4) times during the financial year ended 31 December 2015. The members and their attendance are as follows:-

Name of NRC Members	No. of Meetings Attended	Percentage of Attendance (%)
Datuk Ir. Abdullah Sani Abd Karim *Chairman/Senior Independent Non-Executive Director*	4/4	100
Dr. Saman @ Saimy Ismail *Member/Independent Non-Executive Director*	4/4	100
Elakumari Kantilal *Member/Non-Independent Non-Executive Director* *– Resigned as a member of NRC on 1 June 2015*	3/3*	100
Dato' Izzaddin Idris *Member/Non-Independent Non-Executive Director* *– Appointed as member of NRC on 1 June 2015*	1/1**	100

* *Reflects the number of meetings held and attended up to date of resignation.*
** *Reflects the number of meetings held and attended since appointment.*

The objectives of the NRC are as follows:-

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

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

- Assesses and recommends to the Board the candidacy of directors, appointment of directors to Board committees, review of Board's succession plans and training programmes for the Board. In assessing and making the recommendations, the NRC should consider the candidates':-
  a) competency, commitment, contribution and performance;
  b) skills, knowledge, expertise and experience;
  c) professionalism;
  d) background;
  e) character and integrity;
  f) leadership qualities;
  g) boardroom diversity including gender diversity; and
  h) in the case of candidates for the position of Independent Non-Executive Directors the NRC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- To identify, review and subsequently recommend to the Board the potential candidates for both executive and Non-Executive Directors and to recommend to the Board the candidates for directorships in the Company, in line with the above.
- To implement the process formulated by the Board designed to assess the effectiveness of the Board as a whole.
- To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors. The nomination and election process should be disclosed in the Annual Report as appropriate.
- Develops the criteria to assess independence of the Board's independent directors annually.
- Reviews annually the required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the Board.
- To assess 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 shall be properly documented.
- Reviews mix of Directors to ensure high standard of Board performance and succession for both Executive and Non-Executive Directors in the event of any deficiency.
- To review the character, experience, integrity, competence and time commitment to effectively discharge the roles of Managing Director/Chief Executive Officer and Chief Financial Officer.
- To recommend suitable orientation, educational and training programmes to continuously train and equip existing and new Directors.
- To facilitate and promote the Board induction and training programmes.
- To regularly examine 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.
- To recommend the re-election/re-appointment of Directors under the retirement by rotation provisions of the Articles of Association of the Company and the Companies Act, 1965.
- To conduct an evaluation on the re-appointment of director who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommend him to continue to act as Independent Non-Executive Director of the Company with justifications, if deemed fit.

- To review senior management's succession plans and to ensure there are programmes in place to provide for the orderly succession of senior management.
- To review the remuneration policies and procedures to attract and retain directors.
- To review and recommend to the Board for approval at general meetings the fee structure of the Board and Board Committees to reflect the skills and competencies as well as general practice in the market place.
- To review and recommend 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.
- Carries out all other functions to accomplish the objectives for which the NRC was formed.

2.2 Develop, Maintain and Review the Criteria for Recruitment Process and Annual Assessment of Directors

Appointment of Directors

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

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

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

The process of appointment of new Directors are as follows:-

Identification of Competencies/ Skills → Selection of Candidates → Interaction Session with Candidates → NRC's assessment and deliberation → Recommendation for Board's Approval

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

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

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

Although the Board does not have any gender diversity policies and targets or any set measures to meet any target, nonetheless, the Group is an equal opportunity employer and all appointments and employments are based strictly on merits and are not driven by any racial or gender bias.

Re-Appointment and Re-Election of Directors

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

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

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

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

Board Effective Assessment ("BEA")

The Board conducts an annual evaluation of its activities and performance as prescribed in MCCG 2012, the Green Book on Enhancing Board Effectiveness and Listing Requirements. Through its BEA which is designed to identify the strengths and weaknesses of the Board operations and established a common understanding of the Board's roles and responsibilities with a view to maximising Board performance, the Board via NRC evaluates the overall Board's performance against criteria that the Board determines are important to its success.

Self and peer evaluation forms are sent to the Directors for their completion and at the same time to obtain their feedback, views and suggestions to improve the performance of the Board and its Board Committees. The evaluation criteria includes the Board's structure, operations and interaction and roles and responsibilities of the Board and its committees. In addition, the BEA also includes the evaluation on the Board's composition in regards to the mix of skills, character, experience, integrity, competence and time commitment.

2.3 Remuneration Policies and Procedures

Directors' 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.

The Managing Director/Chief Executive Officer is subject to a 3-year service contract with the Company. He is not paid an attendance allowance nor Directors' fees. His remuneration is structured so as to link rewards to corporate and individual performance. Performance is measured against specified targets by reference to the Group's Annual Business Plan. The reward process also takes into account relevant market comparisons and competitive pressures in the industry.

Non-executive Directors are paid a fixed base fee on a quarterly basis. With the recommendation from the Nomination and Remuneration Committee, 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 breakdown of the remuneration of the Directors of the Company as well as subsidiary companies of the Company where they are a Board member for the financial year ended 31 December 2015, by category are shown below:-

	Executive (RM'000)	Non-Executive (RM'000)	Total (RM'000)
Fees	–	1,788	1,788
Salaries and other emoluments	913	–	913
Bonus	604	–	604
Employees Provident Fund	224	–	224
Benefits-in-kind	109	–	109
Others	–	–	–
Total	**1,850**	**1,788**	**3,638**

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

Range of Directors' Remuneration	Executive	Non-Executive	Total
RM100,001 – RM150,000	–	1	1
RM150,001 – RM200,000	–	1	1
RM200,001 – RM250,000	–	1	1
RM250,001 – RM300,000	–	2	2
RM700,001 – RM750,000	–	1	1
RM1,850,001 – RM1,900,000	1	–	1

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

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

3. REINFORCE INDEPENDENCE

3.1 Annual Assessment of Independence

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

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

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

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

With the recent annual assessment of the independence for the year under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interest of the Company.

3.2 Tenure of Independent Directors

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

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

3.3 Shareholders Approval for the Retention of Independent Directors

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

3.4 Separation of Positions of the Chairman and Chief Executive Officer

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

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

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

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

3.5 Composition of the Board

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

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

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

4. FOSTER COMMITMENT

4.1 Time Commitment

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

A total of nine (9) Board meetings were held during the financial year ended 31 December 2015. The details of the Directors' attendance are as follows:-

Directors	No. of Meetings Attended	Percentage of Attendance (%)
Dato' Seri Ismail Shahudin *Non-Independent Non-Executive Chairman*	9/9	100
Dato' Izzaddin Idris *Acting Chairman, Non-Independent Non-Executive Director*	7/9	78
Azmir Merican *Managing Director/Chief Executive Officer*	9/9	100
Datuk Ir. Abdullah Sani Abd Karim *Senior Independent Non-Executive Director*	9/9	100
Robert Tan Bun Poo *Independent Non-Executive Director*	8/9	89
Elakumari Kantilal *Non-Independent Non-Executive Director*	7/9	78
Dr. Saman @ Saimy Ismail *Independent Non-Executive Director*	9/9	100

4.2 Training and Development of Directors

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

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

During the year, the Directors have attended various seminars and training programmes to gain insights into the latest regulatory and industry developments in relation to the Group's businesses. Seminars and training programmes attended by the Directors during the year ended 31 December 2015 were as follows:-

Directors	Description
Dato' Seri Ismail Shahudin	• Ministry of International Trade and Industry (MITI): Trans-Pacific Partnership Agreement • Asean Global Leadership Program (AGLP) USA • UEM Group Berhad: The Exchange of Knowledge & Ideas – Building Capabilities and Competencies
Dato' Izzaddin Idris	• Excellerate Cohort: Talk by YB Senator Dato' Sri Abdul Wahid Omar • UEM Group Lecture Series #1: YBhg. Tan Sri Dato' Seri Dr. Robaayah Zambahari, Director, Senior Consultant Cardiologist & Head of Department of IJN • UEM Group Lecture Series #2: Ms. Aireen Omar, CEO of AirAsia Berhad • UEM Group Lecture Series #3: YBhg. Tan Sri Rebecca Fatima Sta Maria, Secretary General of MITI • Exponential Innovation Workshop by Prof. Vivek Wadwha • UEM Group Berhad: The Exchange of Knowledge & Ideas – Building Capabilities and Competencies
Azmir Merican	• Maybank Kim Eng and Bursa Malaysia: ASEAN Capital Market CEO Summit 2015 • UEM Lecture Series #1: YBhg. Tan Sri Dato' Seri Dr. Robaayah Zambahari, Director, Senior Consultant Cardiologist & Head of Department of IJN • Dave Ulrich: Human Capital Programme • 2nd Annual Healthcare Facilities Asia • Bursa Malaysia Berhad: Advocacy Sessions on Management Discussion & Analysis (MD&A) for Chief Executive Officers and Chief Financial Officers • Messrs. Lee Hishammuddin Allen & Gledhill: Companies Bill 2013 • UEM Group Berhad: The Exchange of Knowledge & Ideas – Building Capabilities and Competencies • P. Unify's Un-Think Workshop • IoT Malaysia: Solving Problems and Capturing Value

Directors	Description
Datuk Ir. Abdullah Sani Abd Karim	• Bursatra Sdn Bhd: Utilising Auditors to mitigate Board risks • Bursa Malaysia Berhad: Board Chairman Series Part 2: Leadership Excellence from the Chair • UEM Group Berhad: The Exchange of Knowledge & Ideas – Building Capabilities and Competencies
Robert Tan Bun Poo	• Malaysian Institute of Accountants: Audit Committee Conference 2015 • Bursa Malaysia: Directors' Corporate Governance Series • Securities Commission: Capital Market Directors Program • Khazanah Megatrends Forum 2015: Harnessing Creative Disruption • FIDE: Beyond Compliance to Growth – Board's Strategy in Cultivating Real Growth within a Conducive Governance Environment • FIDE MASB: Impact of New Accounting Standards on Directors should be aware of • MIA/Bursa: Future of Auditors Reporting • UEM Group Berhad: The Exchange of Knowledge & Ideas – Building Capabilities and Competencies • SIDC: Capital Markets Development Programme – Doing Business in a Responsible Way • Ambank: Anti-Money Laundering Compliance Culture/Foreign Exchange Administration Rules
Dr. Saimy Ismail	• Malaysian Directors Academy (MINDA): International Directors Summit 2015 • MINDA: Growth through Innovation, Sustainability and Talent Development • MINDA: Corporate Directors Advanced Programme (CDAP) 2015: Strategy & Risks – Managing Uncertainty • MINDA: CDAP 2015: Finance for Non-Finance Directors – "Financial Language in the Boardroom" • Asian World Summit: 7th Corporate Governance Summit • UM: Department of Social and Preventive Medicine, Faculty of Medicine: Global Health Course • Khazanah Megatrends Forum 2015: Harnessing Creative Disruption • UEM Group Berhad: The Exchange of Knowledge & Ideas – Building Capabilities and Competencies
Elakumari Kantilal	• Cambridge Associates: Investing through PE Funds • Khazanah Megatrends Forum 2015: Harnessing Creative Disruption • UEM Group Berhad: The Exchange of Knowledge & Ideas – Building Capabilities and Competencies

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Reporting Standards

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

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

5.2 Assessment of Suitability and Independence of External Auditors

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

The ARC conducts yearly assessment on the suitability and independence of the External Auditors. The ARC evaluates and considers the following:

- the competency, reputation and performance of the External Auditors;
- the timeliness and quality of the External Auditor's communications with the ARC and the Company;
- the quality of services and sufficiency of resources provided by the engagement team during the audit and throughout the financial year; and
- the External Auditor's independence, objectivity and professional scepticism.

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

The Company has established policies via the Terms of Reference of the ARC on governing the provision of non-audit services that can be provided by the external auditors.

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

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

6. RECOGNISE AND MANAGE RISKS

6.1 Sound Framework to Manage Risks

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

The Statement on Risk Management and Internal Control as set out on pages 109 to 116 of this Annual Report provides an overview of the state of internal controls within the Group.

6.2 Internal Audit Function

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

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

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

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

The Board had on 25 May 2015, approved a revised 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 revised Corporate Disclosure Policy also provides guidelines in order to achieve consistent disclosure practices across the Group.

7.2 Leverage on Information Technology for Effective Dissemination of Information

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

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

8. STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND SHAREHOLDERS

8.1 Encourage Shareholder Participation at General Meetings

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

8.2 Poll Voting

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

All resolutions put forth for Shareholders' approval at the 52nd AGM held on 25 June 2015 were voted by a show of hands.

8.3 Effective Communication and Proactive Engagement with Shareholders

At the 52nd AGM, all Directors were present in person to engage directly with the shareholders. The External Auditors were in attendance to respond to any shareholders' queries. The Managing Director/Chief Executive Officer also shared with the shareholders the Company's responses to questions submitted in advance of the AGM by the Minority Shareholders Watchdog Group.

The Board has identified the Senior Independent Non-Executive Director of the Company to address any valid and appropriate issues raised by shareholders, via his email address at sid@uemedgenta.uemnet.com

9. DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF FINANCIAL STATEMENTS

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

The Directors consider that, in preparing the financial statements for the financial year ended 31 December 2015, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable Financial Reporting Standards in Malaysia have been followed and confirm that the financial statements have been prepared on a going concern basis.

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

The Board is satisfied that it has met its obligation to present a balanced and fair assessment of the Company's position and prospects in the Directors' Report on pages 126 to 129 and the Audited Financial Statements from pages 125 to 266 of this Annual Report.

10. COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement on Corporate Governance. The Board considers that this Statement on Corporate Governance provides the information necessary to enable shareholders to evaluate how the MCCG 2012 has been applied. The Board considers and is satisfied that the Company has fulfilled its obligation under the MCCG 2012, the Listing Requirements and all applicable laws and regulations throughout the financial year ended 31 December 2015.

This Statement on Corporate Governance was approved by the Board on 25 March 2016.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In accordance with the principles set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012"), a listed company should establish a sound risk management framework and internal control system to safeguard shareholders' investments and the Company's assets. The Board of Directors ("Board") is pleased to provide this Statement on Risk Management and Internal Control pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as guided by The Institute of Internal Auditor's 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 company's assets as recommended under Principle 6 of the MCCG 2012.

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

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:-

Board and Board Committees

- There are currently seven (7) Directors on the Board comprising one (1) Managing Director/Chief Executive Officer, three (3) Independent Non-Executive Directors and three (3) Non-Independent Non-Executive Directors.

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

- 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.

Executive Management Committee

- The Executive Management Committee ("EMC") is chaired by the Managing Director/Chief Executive Officer and comprises 5 other senior management team members, including the Chief Operating Officer, Chief Financial Officer, Managing Director of Opus International (M) Berhad, Head of Human Resource & Administration and Head of Corporate Planning.

- The key role of EMC is to formulate, review and ensure effective delivery of the Group's strategic plan. It is also to supervise and resolve the Group's key strategic issues and harness the Group's cross-divisional synergies.

- The EMC also serves as a platform for members to oversee the overall business and management performances against the predetermined key performance indicators and to address other matters as directed by the Board and/or the Managing Director/Chief Executive Officer.

General Management Committee

- The General Management Committee ("GMC") is chaired by the Managing Director/Chief Executive Officer and comprises the senior management team members from respective divisions.

- The key role of GMC is to deliberate and resolve the Group's key operational issues in a timely manner and keep track of key business developments.

- The GMC also serves as a platform for members to report on their respective business and operation plans to the Managing Director/Chief Executive Officer and to address other matters as directed by the Board and/or the Managing Director/Chief Executive Officer.

Risk Management Committee

- Previously Risk Management Steering Committee, the panel overseeing risk management matters at Group level, is now known as Risk Management Committee ("RMC") with its Terms of Reference established and endorsed by the Board.

- The RMC is chaired by the Managing Director/Chief Executive Officer and consists of Head of Companies of the Group and co-opted members from the management team of the Group. The RMC undertakes the following responsibilities:
  - Review and recommend risk management policies and procedures for the approval or acknowledgement of the ARC and Board;
  - Act as Primary Champion of risk management at strategic and operational levels;
  - Review the on-going adequacy and effectiveness of risk management process;
  - Review the consolidated risk registers to identify significant risks and whether these are adequately managed; and
  - Ensure that the ARC and Board receive adequate and appropriate information for review and decision-making respectively.

- The RMC is assisted by the Risk Management Department ("RMD"), which is primarily responsible for the implementation of Risk Management Framework ("RMF") and operationalisation of risk management processes and practices. A Charter, which defines RMD's responsibilities, scope and authority for the Group has been established and endorsed by the ARC and Board.

Company Values

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

Code of Conduct

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

Policies and Procedures

Written policies are established to guide how a department or an individual within the Group works or behaves and provide guidance to employees as to what their obligations are. Some policies are supported by procedures which describe the steps the employees shall take to produce an output or to complete a process. The policies and procedures also form part of the various management systems and are reviewed regularly and updated when necessary. 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, Safety, Health and Environment activities. Those teams monitor compliance to the established internal Policies and Procedures, International Management System Standards (ISO 9001 – Quality Management System, OHSAS 18001 – Health & Safety Management System, ISO 14001 – Environmental Management System, ISO 13485 – Healthcare Industry Management System and ISO/IEC 17025 – Laboratory Management System), contracts and relevant legal requirements.

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 Management System certifications:-

- Edgenta PROPEL Berhad
  - ISO 9001: 2008
  - ISO 14001: 2004
  - OHSAS 18001: 2007

- Opus International (M) Berhad
  - ISO 9001: 2008
  - ISO 14001: 2004
  - OHSAS 18001: 2007

- Edgenta Mediserve Sdn Bhd
  - ISO 9001: 2008
  - ISO 14001: 2004
  - OHSAS 18001: 2007/MS 1722: Part 1: 2011
  - ISO 13485: 2012

- Edgenta Environmental & Material Testing Sdn Bhd
  (formerly known as Soil Centralab Sdn Bhd)
  – ISO 9001: 2008
  – ISO 14001: 2004
  – OHSAS 18001: 2007
  – ISO/IEC 17025

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

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 ISO31000:2010, the RMF has been revised to include refinements to the scope and objectives, placing greater emphasis on enterprise-wide risk assessment and management, and introduction of Risk Control Effectiveness Indicators ("RCEI"), which measure the appropriateness and effectiveness of risk countermeasures based on demonstrated/observed improvements on key business, operating and financial parameters.

- The revised 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.

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

Three Lines of Defense Model

- The Group adopts the Three Lines of Defense Model ("3LOD") in implementing the RMF. The 3LOD clearly defines the responsibilities and accountability of risk management across the Group.

- The first line of defense refers to the operational and functional managers which are primarily functions that own and manage risk. RMD takes on the role as the second line of defense, providing oversight function including monitoring, facilitation, independent evaluation and risk reporting to RMC, ARC and Board. The independent internal audit, meanwhile, serves as the third line of defense, giving assurance to the ARC and Board that the internal controls and risk management activities are functioning as intended.

- The 3LOD is depicted in the following diagram:

Summary of Risk Management Activities

- Risk management activities are carried out at both the Company and subsidiary levels. Risk Management Status Reports are produced quarterly at the minimum, and to facilitate the process, the RMD has adopted the use of Automated Risk Kit ("ARK"), a "one-stop" risk register to record, report and monitor information such as risk categories, risk heat maps (gross and net rating), RCEI and key mitigating action plans. Risk Management Status Reports are presented to the RMC, ARC and Board for deliberation and approval.

- 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.

Organisational Structure

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

The Board appoints the Managing Director/Chief Executive Officer of the Company, Chief Operating Officer, Chief Financial Officer, Managing Director of Opus International (M) Berhad, Chief Operating Officer of Edgenta Mediserve Sdn Bhd and Heads of Companies of the subsidiaries within the Group.

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

Annual Business Plan and Strategies

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

Each operating 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 and strategic plan. It also includes the establishment of Key Performance Indicators ("KPI") which is deliberated and approved by the Board on a yearly basis.

The approved annual operating and strategic plan is then cascaded to the senior management team members across the Group's operating divisions for planning and execution.

The Group monitors the business performance of respective operating divisions through its KPI and measures it against the approved annual operating and strategic plan on a regular basis in the management reports. The management reports analyse and highlight 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 action, where necessary.

Employee's Authority and Responsibility

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

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

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

Discretionary Authority Limits

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

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

Insurance on Assets

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

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

Business Continuity Management ("BCM")

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

Human Resources Management

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

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

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

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

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

Management Information System ("MIS")

The Group has comprehensive MIS for effective and efficient management of budget, financial, human resource, procurement, employees' performance process as well as retaining, analysing and reporting corporate information. MIS produces reports and other analytical tools used for planning, monitoring and continuous process improvement.

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

Disaster Recovery Planning

Data Recovery Planning for the Group is a subset of Computer Disaster Recovery whereby saved critical corporate databases are able to be restored timely in the event of disaster. The Group has recently relocated its Disaster Recovery ("DR") center to a cold-site at one of its subsidiaries office. Periodic DR simulation is scheduled to test data restoration and verify data usability. The simulation also serves as a platform to capture latest changes in business applications, improve the DR planning and ensure availability of data for business continuity purpose.

Internal Audit

The Group has established its own Internal Audit Department ("IAD") and the internal audit functions of the Group were undertaken by the IAD auditors. The reviews are based on the Annual Audit Plan approved by the ARC. The results of such reviews are reported regularly to the ARC. The ARC holds regular meetings to deliberate on findings and recommendations for improvements by both the Internal and External Auditors on the state of the internal control system, and report back to the Board.

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

Corporate Social Responsibility

The Group has adopted the guidelines for Government-Linked Companies (GLCs) as contained in the Silver Book as a guide to plan, implement and report on its community initiative.

It also adopts Bursa Malaysia's Corporate Social Responsibility Framework for Public Listed Companies. As a member of UEM Group, the Group is also guided by UEM Group's Corporate Responsibility Policy and Sustainability Policy and practices.

Effective 2015, UEM Group of Companies have consolidated the reporting of corporate sustainability performance into one unified Sustainability Report. The reporting content is structured in accordance with the Global Reporting Initiative (GRI) G4 Guidelines at Core level to provide an integrated account of the UEM Group sustainability activities. This Sustainability Report focusses on the material aspects in relation to the business and value chain of UEM Group of Companies. The sustainability performance will be reported every two years.

Government-Linked Companies ("GLC") Transformation Program

In the effort to enhance stakeholders' value through improved financial and operational performance, the Group has conscientiously adopted the GLC Transformation Program and has been guided by the following colour-coded books:-

- Blue Book – Intensifying Performance Management Practices
- Green Book – Enhancing Board Effectiveness
- Orange Book – Strengthening Leadership Development
- Purple Book – Optimising Capital Management Practices
- Red Book – Procurement Guidelines & Best Practices
- Silver Book – Achieving Value Through Social Responsibility
- Yellow Book – Enhancing Operational Efficiency and Effectiveness

ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Managing Director/Chief Executive Officer and 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 have 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 Recommended Practice Guide ("RPG") 5 (Revised), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 31 December 2015, 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 25 March 2016.

CONCLUSION

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

AUDIT AND RISK COMMITTEE REPORT

The Board is pleased to present the Audit and Risk Committee ("ARC") Report for the financial year ended 31 December 2015.

COMPOSITION

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

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

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

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

MEETINGS

A total of seven (7) meetings were held during the financial year ended 31 December 2015 and the attendance of the ARC members are as follows:-

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

TERMS OF REFERENCE

A. Objectives

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

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

3. The ARC shall enhance the internal audit function by ensuring the objectivity and independence of the internal auditors and provide a forum for discussion that is independent of the management.

4. The ARC shall review and assess the quality of the audits conducted by the internal and External Auditors of the Company.

5. The ARC shall encourage high standards of corporate disclosure and transparency in financial reporting. This includes the adoption of certain practices aimed at maintaining appropriate standards of corporate responsibility, integrity and accountability to the Company's shareholders.

B. Composition

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

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

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

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

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

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

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

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

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

C. Meetings

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

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

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

4. The representatives of the internal audit and finance functions shall normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the ARC.

5. However, the ARC shall meet with the External Auditors without the executive Board members and employees present at least twice a year, and whenever deemed necessary.

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

D. Authority

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

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

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

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

   (d) Have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity;

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

   (f) Be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

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

E. Duties and Responsibilities

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

1. To review the following and report the same to the Board of Directors:-

   (a) with the External Auditors, the audit plan;

   (b) with the External Auditors, his evaluation of the system of internal controls;

   (c) with the External Auditors, his audit report;

   (d) the assistance and cooperation given by the employees of the Company to the External Auditors;

   (e) any letter of resignation from the External Auditors;

   (f) whether there is reason (supported by grounds) to believe that the External Auditors is not suitable for re-appointment.

   (g) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

(h) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

(i) the quarterly results and year end financial statements, before the approval by the Board of Directors, focusing particularly on:-

   (i) changes in major accounting policies and practices and its implementation;

   (ii) significant and unusual events; and

   (iii) compliance with accounting standards and other legal requirements;

(j) any related party transaction and conflict of interests situation that may arise within the listed issuer or group including any transaction, procedure or course of conduct that raises questions of management integrity.

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

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

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

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

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

7. Conducts yearly assessment on the suitability and independence of the External Auditors.

8. Recommends to the Board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and/or removal of the External Auditors and to review the remuneration and terms of engagement of the External Auditors.

9. Establishes policies and procedures to assess the suitability and independence of the External Auditors as well as the objectivity and the effectiveness of the audit process.

10. To ensure co-ordination between audit firms where more than one (1) audit firm is involved.

11. Discusses problems and reservations arising from the interim and final audits, and any matter the External Auditors may wish to discuss, in the absence of management, where necessary.

12. Reviews the management representation letter to the External Auditors, management letter from the External Auditors and Management's responses to the External Auditors' findings and recommendations.

13. In relation to the internal audit function:-

    (a) ensures that the internal audit function established is independent of the activities it audits and to identify a head of internal audit who reports directly to the ARC. The head of internal audit should have the relevant qualifications and be responsible for providing assurance to the ARC that the internal controls are operating effectively;

    (b) reviews the adequacy of the scope, functions, competency and resources of the internal audit function, and ensures that it has the necessary authority to carry out its work;

    (c) reviews any appraisal or assessment of the performance of the internal audit function;

    (d) approves any appointment or termination of senior staff members of the internal audit function;

    (e) take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning; and

    (f) reviews the assistance and co-operation given by the Company's employees to Internal Auditors.

14. Monitors the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance.

15. To discuss and approve the contracts for the provision of non-audit services which can be entered into and procedures that must be followed by the External Auditors.

16. Considers other matters as defined by the Board.

17. Perform any other functions or responsibilities as may be required of them as prescribed by Bursa Securities or any other relevant authorities from time to time.

F. Chairman of the ARC

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

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

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

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

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

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

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

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

8. Engages on a continuous basis with senior management, such as the Chairman, the Managing Director/Chief Executive Officer, the Chief Financial Officer, the Head of Internal Audit and the External Auditors in order to be kept informed of matters affecting the Company.

G. ARC Members

Each ARC member will be expected to:-

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

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

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

SUMMARY OF ACTIVITIES OF THE ARC

In line with the terms of reference of the ARC, the following activities were carried out by the ARC during the financial year ended 31 December 2015:-

A. Financial Results and Corporate Governance

1. Reviewed the quarterly results announcements and year-end financial statements, before the approval by the Board, focusing particularly on:-

   (a) any adoption of and changes to the accounting policies and practices;

   (b) significant adjustments arising from the audit;

   (c) significant accounting judgements and estimates;

   (d) the going concern assumption; and

   (e) compliance with financial reporting standards and other regulatory requirements.

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

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

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

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

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

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

B. Internal Audit and Risk Management

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

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

3. Reviewed and deliberated on a total of fourteen (14) audit reports arising from planned and ad-hoc audit assignments.

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

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

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

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

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

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

C. External Audit

1. Reviewed with the External Auditors:-

   (a) The audit plan, audit strategy and scope of work for the year.

   (b) The results of the annual audit, their audit report and management letter together with Management's response to the findings of the External Auditors.

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

3. Evaluated the performance and effectiveness of the External Auditors and considered their re-appointment.

4. Reviewed with the External Auditors on 24 February 2015 and 19 November 2015 without the presence of the Managing Director/Chief Executive Officer and Management, discussing the extent and quality of assistance rendered by Management, any matter that may impair their independence and issues and reservations arising from audits.

INTERNAL AUDIT FUNCTION

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

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

It is the responsibility of the internal audit function to provide the ARC with independent and objective reports on the state of internal control of the various operating divisions within the Group, and the extent of compliance of the divisions with the Group's established policies and procedures as well as relevant statutory requirements. Whenever there was any significant issue, the IAD has it monitored closely and adequately addressed by the Management. The status and closure of audit issues are presented at each planned ARC meeting.

The audit plan had incorporated the Group's identified risks and focused on those which would have most impacted the business objectives of the Group. Among the focus areas are operational risks, financial risks as well as the order book risks. During the year, the internal audit had carried out fourteen (14) audit assignments comprises of twelve (12) planned audits and two (2) ad hoc audits. The IAD had also worked closely with Group Internal Audit ("GIA") of UEM Group Berhad in audits that require specific skills and knowledge not available within the IAD. In 2015, there were a total of twelve (12) audits performed in-house by IAD while the remaining were jointly undertaken with subject matter experts from the GIA and Health, Safety, Security & Environment (HSSE) departments of UEM Group Berhad. Representatives of IAD were invited to and had attended all the ARC meetings during the year.

The total cost incurred for the internal audit function for financial year ended 31 December 2015 is approximately RM621,000, comprising mainly salaries, travelling and accommodation expenses for audit assignments.

FINANCIAL STATEMENTS

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries, joint ventures and associates are described in Note 46 to the financial statements.

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

CHANGE OF COMPANY'S NAME

On 9 April 2015, the Company changed its name from Faber Group Berhad to UEM Edgenta Berhad.

RESULTS

	Group RM'000	Company RM'000
Profit net of tax	209,533	92,962
Attributable to:		
Owners of the parent	191,181	92,962
Non-controlling interests	18,352	–
	209,533	92,962

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

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

DIVIDENDS

The amounts of dividends paid by the Company since 31 December 2014 were as follows:

	RM'000
In respect of the financial year ended 31 December 2014 as reported in the directors' report of that year:	
Single tier special Interim dividend of RM0.18 on 813,501,053 ordinary shares of RM0.25 each, declared on 12 December 2014 and paid on 22 January 2015	146,430
Single tier final dividend of RM0.05 on 813,501,053 ordinary shares of RM0.25 each, declared on 27 February 2015 and paid on 24 June 2015	40,675
	187,105

On 29 February 2016, the directors have declared a single tier interim dividend in respect of the financial year ended 31 December 2015, of RM0.15 on 813,501,053 ordinary shares of RM0.25 each, amounting to a dividend payable of RM122,025,158 to be paid on 31 March 2016. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

DIRECTORS

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

Dato' Seri Ismail bin Shahudin
Azmir Merican bin Azmi Merican
Dato' Mohd Izzaddin bin Idris
Datuk Ir. Abdullah Sani bin Abd Karim
Tan Bun Poo
Dr. Saman @ Saimy bin Ismail
Elakumari a/p Kantilal

DIRECTORS' BENEFITS

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

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

DIRECTORS' INTEREST

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

	Number of ordinary shares of RM0.50 each			
	1 January 2015	Acquired	Sold	31 December 2015
Related Company				
UEM Sunrise Berhad				
Dato' Seri Ismail bin Shahudin	7,032	–	–	7,032

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

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

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

OTHER STATUTORY INFORMATION (CONT'D.)

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

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

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

(f) In the opinion of the directors:

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

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

SIGNIFICANT AND SUBSEQUENT EVENTS

The details of the significant and subsequent events are disclosed in Note 47 and Note 48 to the financial statements respectively.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 March 2016.

Dato' Mohd Izzaddin bin Idris **Azmir Merican bin Azmi Merican**

STATEMENT BY DIRECTORS

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

We, Dato' Mohd Izzaddin bin Idris and Azmir Merican bin Azmi Merican, being two of the directors of UEM Edgenta Berhad (formerly known as Faber Group Berhad), do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 133 to 265 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended.

The information set out in Note 49 to the financial statements on page 266 have been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 March 2016.

Dato' Mohd Izzaddin bin Idris

Azmir Merican bin Azmi Merican

STATUTORY DECLARATION

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

I, Dato' Jezilee bin Mohamad Ramli, being the officer primarily responsible for the financial management of UEM Edgenta Berhad (formerly known as Faber Group Berhad), do solemnly and sincerely declare that the accompanying financial statements set out on pages 133 to 266 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
Dato' Jezilee bin Mohamad Ramli at Kuala Lumpur
in the Federal Territory on 25 March 2016

Dato' Jezilee bin Mohamad Ramli

Before me,

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

INDEPENDENT AUDITORS' REPORT

to the members of UEM Edgenta Berhad (formerly known as Faber Group Berhad)
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of UEM Edgenta Berhad (formerly known as Faber Group Berhad), which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 133 to 265.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 46 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 49 on page 266 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

Ernst & Young
AF: 0039
Chartered Accountants

Chong Tse Heng
No. 3179/05/17 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
25 March 2016

INCOME STATEMENTS
for the year ended 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Revenue	3	**3,123,033**	3,089,287	**137,387**	363,785
Cost of sales	4	**(2,101,259)**	(2,107,991)	**–**	–
Gross profit		**1,021,774**	981,296	**137,387**	363,785
Other income	5	**53,891**	76,915	**1,956**	2,981
Administrative expenses		**(695,744)**	(665,125)	**(38,183)**	(27,919)
Selling and marketing expenses		**(6,497)**	(6,948)	**–**	–
Other expenses		**(57,577)**	(46,962)	**(2,869)**	(6,374)
Operating profit		**315,847**	339,176	**98,291**	332,473
Finance costs	6	**(16,627)**	(14,283)	**(4,723)**	(904)
Share of (loss)/profit of joint ventures		**(4,269)**	57	**–**	–
Share of profit/(loss) of associates		**10,468**	(488)	**–**	–
Profit before tax	7	**305,419**	324,462	**93,568**	331,569
Zakat		**(1,494)**	(3,490)	**(606)**	(814)
Income tax expense	10	**(94,392)**	(79,063)	**–**	(50)
Profit net of tax		**209,533**	241,909	**92,962**	330,705
Profit attributable to:					
Owners of the parent		**191,181**	202,386	**92,962**	330,705
Non-controlling interests		**18,352**	39,523	**–**	–
		209,533	241,909	**92,962**	330,705
Earnings per share attributable to owners of the parent (sen)					
Basic	11	**23.5**	24.9		
Diluted	11	**23.5**	24.8		

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 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit net of tax		**209,533**	241,909	**92,962**	330,705
Other comprehensive income/(loss)					
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		**38,616**	(2,753)	**–**	–
Tax impact on translation of foreign operations	10	**1,325**	1,006	**–**	–
Net gain on hedge of net investment		**10,699**	17,191	**–**	–
Tax impact on hedge of net investment	10	**(2,994)**	(4,812)	**–**	–
		47,646	10,632	**–**	–
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods					
Remeasurement gain/(loss) on Retirement Benefit Scheme	25	**1,211**	(19)	**–**	–
Remeasurement loss on Defined Benefit Pension Scheme	26	**(2,212)**	(1,886)	**–**	–
Tax impact on remeasurement loss	10	**63**	417	**–**	–
		(938)	(1,488)	**–**	–
Other comprehensive income for the year, net of tax		**46,708**	9,144	**–**	–
Total comprehensive income for the year		**256,241**	251,053	**92,962**	330,705
Total comprehensive income attributable to:					
Owners of the parent		**223,495**	208,822	**92,962**	330,705
Non-controlling interests		**32,746**	42,231	**–**	–
		256,241	251,053	**92,962**	330,705

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

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	**213,034**	188,105
Land held for property development	14(a)	**1,115**	1,115
Prepaid land lease payments	15	**3,237**	3,324
Intangible assets	16	**453,446**	474,972
Investment in joint ventures	18(a)	**5,814**	12,985
Investment in associates	18(c)	**18,356**	6,070
Other investments	19	**272**	272
Trade and other receivables	21	**30,367**	21,110
Derivative financial instruments	23	**34**	–
Defined benefit pension plan	26	**128**	890
Deferred tax assets	32	**44,311**	44,640
		770,114	753,483
Current assets			
Property development costs	14(b)	**71,334**	41,625
Inventories	20	**41,974**	43,443
Trade and other receivables	21	**924,664**	731,098
Short term investments	22	**244,891**	256,924
Derivative financial instruments	23	**11,782**	7,454
Cash, bank balances and deposits	24	**552,614**	812,001
		1,847,259	1,892,545
Total assets		**2,617,373**	2,646,028

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

		Group	
	Note	2015 RM'000	2014 RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	33	**203,375**	203,375
Merger relief reserve	34	**313,856**	313,856
Other reserves	35	**69,259**	36,949
Retained earnings	36	**753,379**	605,206
		1,339,869	1,159,386
Non-controlling interests		**188,222**	201,740
Total equity		**1,528,091**	1,361,126
Non-current liabilities			
Retirement benefit obligations	25	**3,851**	6,404
Provisions	27	**19,829**	21,280
Borrowings	28	**329,532**	314,463
Trade and other payables	31	**5,047**	48,685
Derivative financial instruments	23	**–**	437
Deferred tax liabilities	32	**2,975**	3,637
		361,234	394,906
Current liabilities			
Retirement benefit obligations	25	**189**	106
Provisions	27	**16,408**	17,410
Borrowings	28	**44,725**	36,704
Trade and other payables	31	**651,913**	675,757
Dividend payable		**–**	146,430
Derivative financial instruments	23	**185**	–
Income tax payable		**14,628**	13,589
		728,048	889,996
Total liabilities		**1,089,282**	1,284,902
Total equity and liabilities		**2,617,373**	2,646,028

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

	Note	Company 2015 RM'000	Company 2014 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	**26,827**	27,398
Intangible asset	16	**19**	16
Investment in subsidiaries	17	**1,816,122**	1,786,792
Other investments	19	**272**	272
		1,843,240	1,814,478
Current assets			
Other receivables	21	**19,726**	2,508
Cash, bank balances and deposits	24	**22,294**	201,856
		42,020	204,364
Total assets		**1,885,260**	2,018,842
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	33	**203,375**	203,375
Merger relief reserve	34	**788,375**	788,375
Other merger reserve	34	**482,035**	482,035
Retained earnings	36	**315,163**	262,876
		1,788,948	1,736,661
Non-current liability			
Borrowings	28	**60,000**	80,000
Current liabilities			
Provision	27	**519**	–
Borrowings	28	**20,722**	20,904
Other payables	31	**15,071**	34,847
Dividend payable		**–**	146,430
		36,312	202,181
Total liabilities		**96,312**	282,181
Total equity and liabilities		**1,885,260**	2,018,842

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 2015

	Attributable to owners of the parent								
		Non-distributable							
	Share capital (Note 33) RM'000	Merger relief reserve (Note 34) RM'000	Merger reserve/ (deficit) (Note 34) RM'000	Other merger reserve (Note 34) RM'000	Other reserves (Note 35) RM'000	Retained earnings (Note 36) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group									
At 1 January 2015	**203,375**	**313,856**	–	–	**36,949**	**605,206**	**1,159,386**	**201,740**	**1,361,126**
Profit for the year	–	–	–	–	–	191,181	191,181	18,352	209,533
Other comprehensive income/(loss)	–	–	–	–	32,531	(217)	32,314	14,394	46,708
Total comprehensive income	–	–	–	–	32,531	190,964	223,495	32,746	256,241
Transactions with owners									
Issuance of ordinary shares to non-controlling interests (Note 17(a)(iii) – (iv))	–	–	–	–	–	–	–	1,470	1,470
Accretion loss on acquisition of interest in a subsidiary (Note 17(a)(i))	–	–	–	–	–	(2,026)	(2,026)	(7,974)	(10,000)
Dilution of interest in a subsidiary	–	–	–	–	–	12	12	122	134
Share-based payment issued by a subsidiary	–	–	–	–	(323)	–	(323)	(202)	(525)
Employee share option forfeited by a subsidiary	–	–	–	–	102	(102)	–	–	–
Dividends paid to:									
– Shareholders of the Company (Note 12)	–	–	–	–	–	(40,675)	(40,675)	–	(40,675)
– Non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	(39,680)	(39,680)
	–	–	–	–	(221)	(42,791)	(43,012)	(46,264)	(89,276)
At 31 December 2015	**203,375**	**313,856**	–	–	**69,259**	**753,379**	**1,339,869**	**188,222**	**1,528,091**

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

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

	Share capital (Note 33) RM'000	Merger relief reserve (Note 34) RM'000	Other merger reserve (Note 34) RM'000	Retained earnings (Note 36) RM'000	Total equity RM'000
Company					
At 1 January 2015	**203,375**	**788,375**	**482,035**	**262,876**	**1,736,661**
Total comprehensive income	–	–	–	**92,962**	**92,962**
Transactions with owners					
Dividends (Note 12)	–	–	–	**(40,675)**	**(40,675)**
At 31 December 2015	**203,375**	**788,375**	**482,035**	**315,163**	**1,788,948**
At 1 January 2014	90,750	–	–	114,901	205,651
Total comprehensive income	–	–	–	330,705	330,705
Transactions with owners					
Acquisition of subsidiaries	112,625	788,375	482,035	–	1,383,035
Dividends (Note 12)	–	–	–	(182,730)	(182,730)
	112,625	788,375	482,035	(182,730)	1,200,305
At 31 December 2014	203,375	788,375	482,035	262,876	1,736,661

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 2015

	Group		Company	
	2015 **RM'000**	**2014** **RM'000**	**2015** **RM'000**	**2014** **RM'000**
Cash flows from operating activities				
Cash receipts from customers	**2,929,598**	3,207,400	**29,777**	5,040
Cash payments to suppliers	**(2,434,521)**	(2,463,524)	**–**	–
Cash payments to employees and for expenses	**(394,379)**	(316,215)	**(89,433)**	(24,601)
Cash generated from/(used in) operations	**100,698**	427,661	**(59,656)**	(19,561)
Interest paid	**(10,131)**	(9,603)	**–**	–
Taxes (paid)/refunded	**(86,077)**	(81,073)	**(220)**	996
Net cash flows generated from/(used in) operating activities	**4,490**	336,985	**(59,876)**	(18,565)
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	**316**	6,634	**–**	10
Payment of contingent consideration	**(24,466)**	(8,935)	**–**	–
Acquisition of subsidiaries, net of cash acquired	**–**	(259,327)	**(29,330)**	(250,000)
Investment in associates	**(1,000)**	(1,560)	**–**	–
Loans to joint ventures	**(12,320)**	–	**–**	–
Advances to an associate	**–**	(960)	**–**	–
Placement of short term investments	**(131,054)**	(146,138)	**–**	–
Proceeds from withdrawal of short term investments	**153,034**	162,573	**–**	–
Proceeds from forward hedging contract	**4,689**	18,588	**–**	–
Interest received	**17,755**	19,099	**1,436**	2,360
Dividend received from joint ventures	**3,090**	1,904	**–**	–
Dividend received from an associate	**93**	50	**–**	–
Dividends received	**–**	–	**121,232**	357,305
Purchase of property, plant and equipment	**(54,246)**	(48,606)	**(1,010)**	(3,533)
Purchase of intangible assets	**(3,618)**	(9,166)	**(17)**	(4)
Net advances to related companies	**–**	–	**–**	(2,419)
Acquisition of non-controlling interest	**(10,000)**	–	**–**	–
Net cash flows (used in)/generated from investing activities	**(57,727)**	(265,844)	**92,311**	103,719

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Cash flows from financing activities				
Proceeds from issuance of ordinary shares to non-controlling interests	**1,470**	1,646	**–**	–
Capital repayment to non-controlling shareholders of a subsidiary	**–**	(29,224)	**–**	–
Repayment of shareholders' loan	**–**	(176)	**–**	–
Finance lease repayment	**(6,055)**	(5,303)	**–**	–
Drawdown of other secured bank loans	**103,696**	193,336	**–**	100,000
Repayment of other secured bank loans	**(106,979)**	(22,233)	**(24,892)**	–
Dividends paid	**(187,105)**	(36,300)	**(187,105)**	(36,300)
Dividends paid to non-controlling shareholders of subsidiaries	**(39,680)**	(37,190)	**–**	–
Withdrawal/(placement) of fixed deposits	**5,792**	4,345	**3,472**	(87)
Net cash flows (used in)/generated from financing activities	**(228,861)**	68,901	**(208,525)**	63,613
Net (decrease)/increase in cash and cash equivalents	**(282,098)**	140,042	**(176,090)**	148,767
Net foreign exchange difference	**18,374**	2,664	**–**	–
Cash and cash equivalents at beginning of year	**781,466**	638,760	**198,384**	49,617
Cash and cash equivalents at end of year (Note a)	**517,742**	781,466	**22,294**	198,384

(a) Cash and cash equivalents comprise of:

Cash on hand and at banks	**161,338**	143,537	**6,356**	103
Fixed deposits with licensed banks	**351,165**	509,414	**15,938**	200,853
Fixed deposits with other financial institutions	**40,111**	159,050	**–**	900
Less: Fixed deposits on lien	**(16,538)**	(16,502)	**–**	–
Less: Fixed deposits pledged	**(437)**	(3,902)	**–**	(3,472)
Less: Bank overdrafts	**(17,897)**	(10,131)	**–**	–
	517,742	781,466	**22,294**	198,384

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

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 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.

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 46.

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 25 March 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the requirements of the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2015 as described fully in Note 2.2.

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

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

2.2 Changes in accounting policies

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

On 1 January 2015, the Group and the Company adopted the following amended FRSs mandatory for annual financial periods beginning on or after 1 January 2015.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies (cont'd.)

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

Amendments to FRS 119: Defined Benefit Plans (Employee Contributions)

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

The application of these amendments has had no material impact on the disclosures or the amounts recognised in the Group's financial statements.

Annual Improvements to FRSs 2010-2012 Cycle

The Annual Improvements to FRSs 2010-2012 Cycle include a number of amendments to various FRSs, which are summarised below.

(a) FRS 2 Share-based Payment

This improvement clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

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

This improvement is effective for share-based payment transactions for which the grant date is on or after 1 July 2014. Thus this amendment did not impact the Group.

(b) FRS 3 Business Combinations

The amendments to FRS 3 clarify that contingent consideration classified as liabilities (or assets) should be measured at fair value through profit or loss at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of FRS 9 or FRS 139. The amendments are effective for business combinations for which the acquisition date is on or after 1 July 2014. This is consistent with Group's current accounting policy and thus, this amendment did not impact the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies (cont'd.)

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

(c) FRS 8 Operating Segments

The amendments are to be applied retrospectively and clarify that:

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

The Group has not applied the aggregation criteria as mentioned above. The Group continues to present the reconciliation of segment assets to total assets.

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

The amendments remove inconsistencies in the accounting for accumulated depreciation or amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amendments clarify that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between gross and carrying amounts of the asset. This amendment did not have any impact on the Group.

(e) FRS 124 Related Party Disclosures

The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. This amendment is not applicable to the Group as the Group does not receive any management services from other entities.

Annual Improvements to FRSs 2011-2013 Cycle

The Annual Improvements to FRSs 2011-2013 Cycle include a number of amendments to various FRSs, which are summarised below.

(a) FRS 3 Business Combinations

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

(b) FRS 13 Fair Value Measurement

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies (cont'd.)

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

(c) FRS 140 Investment Property

The amendments to FRS 140 clarify that an entity acquiring investment property must determine whether:

- the property meets the definition of investment property in terms of FRS 140; and
- the transaction meets the definition of a business combination under FRS 3, to determine if the transaction is a purchase of an asset or is a business combination.

This amendment is not applicable to the Group as the Group did not acquire any investment property.

2.3 Standards issued but not yet effective

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

Effective for financial periods beginning on or after 1 January 2016

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

Effective for financial periods beginning on or after 1 January 2018

FRS 9: Financial Instruments

Effective for financial periods beginning on or after at a date to be announced

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

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

Annual Improvements to FRSs 2012–2014 Cycle

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

(a) FRS 5 Non-current Assets Held for Sale and Discontinued Operations

The amendment to FRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in FRS 5.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

Annual Improvements to FRSs 2012-2014 Cycle (cont'd.)

(b) FRS 7 Financial Instruments: Disclosures

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

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

(c) FRS 119 Employee Benefits

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

(d) FRS 134 Interim Financial Reporting

FRS 134 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'.

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

Amendments to FRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements.

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

Amendments to FRS 101: Disclosure Initiative

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

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

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

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

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

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

FRS 14 Regulatory Deferral Accounts

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

FRS 9 Financial Instruments

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

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

The amendments clarify that:

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

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by Malaysian Accounting Standards Board. Earlier application is permitted. These amendments are not expected to have any impact on the Group.

Effective date to be announced by the Malaysian Accounting Standard Board

Malaysian Financial Reporting Standards (MFRS Framework)

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

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

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. The adoption will be mandatory for Transitioning Entities for annual periods beginning on or after 1 January 2018. The Group falls within the scope of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018.

In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings. The consolidated financial statements for the years ended 31 December 2014 and 2015 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2018.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies

(a) Basis of consolidation and subsidiaries

(i) Basis of consolidation

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

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

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its involvement with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

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

Business combinations

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.

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

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

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

Business combinations involving entities under common control

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

(ii) Subsidiaries

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(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.

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

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

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

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

(c) Joint arrangements

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

(i) Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Investments in joint venture are accounted for in the consolidated financial statements using the equity method of accounting.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(c) Joint arrangements (cont'd.)

(ii) Joint operations

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

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

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

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

(d) Transaction with non-controlling interest

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(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.

(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(x).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(f) Intangible assets (cont'd.)

(i) Goodwill (cont'd.)

Goodwill and fair value adjustments which arose on acquisition of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

(ii) Other intangible assets

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

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

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

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

Customer relationships

Customer relationships acquired through business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied. The finite useful live of customer relationships are assessed to be 7 years. Amortisation is charged on a straight line basis and the expense is recognised in the income statement.

Software

Hospital Support Services ("HSS") software

Expenditure incurred on projects to design and develop the operating systems for the provision of the hospital support services is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Development expenditure which does not meet these criteria is expensed when incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(f) Intangible assets (cont'd.)

(ii) Other intangible assets (cont'd.)

Software (cont'd.)

Hospital Support Services ("HSS") software (cont'd.)

HSS software, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over the concession period of the hospital support services of fifteen (15) years, commencing 28 October 1996. Impairment is assessed whenever there is an indication and the amortisation period and method are also reviewed at least at each reporting date. HSS software of the Group had been fully amortised in 2011.

Other software and licences

Software and licences that do not form an integral part of the related hardware have been reclassified as intangible assets. Software and licences, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products between five (5) and fifteen (15) years. Impairment is assessed whenever there is an indication of impairment and amortisation period and method are also reviewed at least at each reporting date.

(g) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

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

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

Leasehold land	1% – 2.4%
Buildings	1.8% – 2.2%
Plant and equipment	5% – 50%
Furniture and fittings	10% – 20%
Motor vehicles	20%
Computers	20% – 33%

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(g) Property, plant and equipment (cont'd.)

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

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

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

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

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statements by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statements over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statements is classified as progress billings within trade payables.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(i) Impairment of non-financial assets

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

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

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

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

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

(j) Inventories

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

Consumables are stated at the lower of cost (determined on the weighted average basis) and net realisable value. Cost of inventories comprise cost of purchase of inventories.

Property held for resale is stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and include cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(k) Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss consist of short term unquoted unit trust.

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Held-to-maturity investments

The Group and the Company do not have any financial assets classified as held-to-maturity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(k) Financial assets (cont'd.)

(iv) Available-for-sale financial assets

Available-for-sale financial assets consist of non current unquoted share held for sale and marketable securities. Available-for-sale financial assets are financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

(l) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(l) Impairment of financial assets (cont'd.)

(i) Trade and other receivables and other financial assets carried at amortised cost (cont'd.)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(m) Accrued billing/Billing in advance

(i) Accrued billing

Accrued billing is recognised either on percentage of completion or time-charge basis, whichever is applicable to the terms of the contract. The percentage of completion is estimated based on actual costs incurred and the expected total cost of the contract.

Accrued billing is reviewed on a regular basis for impairment and provision made for any irrecoverable amounts.

(ii) Billing in advance

This represents amounts where customers have been invoiced ahead of the work being undertaken.

(n) Cash 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.

(o) Share capital and share issuance expenses

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(p) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

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

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade and other payables, loans and borrowings and financial guarantee contracts.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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

(q) Offsetting of financial instruments

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(r) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

(s) Leases

(i) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.4(y).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(t) 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.

(u) Income tax

(i) Current tax

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

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

(ii) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences, except:

– where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(u) Income tax (cont'd.)

(ii) Deferred tax (cont'd.)

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 that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

(v) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(w) 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.

(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. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(w) Employee benefits (cont'd.)

(v) Employee share incentive plan

Opus International Consultants Limited ("Opus IC"), a subsidiary of the Company listed on New Zealand Exchange Limited, issues equity-settled share-based payments to certain qualified senior employees under an ESOP1.

The share option under ESOP1 is measured at the fair value at the date of grant by using the Black-Scholes-Merton model. The cost of equity-settled award is recognised in profit or loss on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous reporting date is recognised in profit or loss, with a corresponding entry in equity.

When an equity-settled award is cancelled before vesting, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised in profit or loss immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised in profit or loss over the remainder of the new vesting period for the incremental fair value of any modification award, both measured on the date of modification. No reduction is recognised if the difference is negative.

Under the terms of the ESOP1, employees may elect for Opus IC to repurchase shares issued at the time of exercising options in exchange for convertible notes issued by Opus IC. The convertible notes have a face value of the issue price and are interest bearing with semi-annual coupon payments. The notes are convertible into ordinary shares on a one for one basis at the option of Opus IC and/or the holder at any time with five business days written notice. The notes are compound financial instruments which have both a financial liability and an equity component. The financial liability component represents the interest obligations on the notes and interest is recognised on an accrual basis. All proceeds received from the issue of convertible notes have been recognised in a separate component of equity. Upon conversion to shares, the proceeds from issue of the convertible notes will be reclassified to ordinary share capital.

(x) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(x) Foreign currencies (cont'd.)

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

The principal exchange rates used for every unit of foreign currency ruling at the reporting date are as follows:

	2015 RM	2014 RM
United States Dollars (USD)	**4.30**	3.50
United Arab Emirates Dirham (AED)	**1.17**	0.95
Indian Rupees (INR)	**0.07**	0.06
New Zealand Dollar (NZD)	**2.94**	2.73
Philippines Peso (PP)	**0.09**	0.08
South African Rand (ZAR)	**0.28**	0.30
Saudi Arabian Riyal (SAR)	**1.15**	0.93
Canadian Dollars (CAD)	**3.10**	3.01
Australian Dollars (AUD)	**3.14**	2.87

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(y) Income recognition

Revenue recognition

(i) Revenue from services rendered

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

Asset development and management consultancy

Fees on project management services are recognised upon performance and when no significant uncertainty exists regarding the fees that will be derived from the projects.

Revenue on consultancy contracts services are calculated as the proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Profits on consultancy contracts services are recognised as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording revenue and related costs as contract activity progresses. 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.

Hospital support services

The Group provides hospital support services in the Northern zone encompassing the states of Perlis, Kedah, Pulau Pinang and Perak, Sabah zone and Sarawak zone, respectively. The services provided are clinical waste management, cleansing, laundry and linen, facilities engineering maintenance and biomedical engineering maintenance. These services are provided as a fixed-priced contract.

Revenue from fixed-price contracts is generally recognised in the period the services are rendered.

Non-concession services - integrated facilities management

The Group provides facilities management services which include cleansing, laundry and linen, facilities engineering maintenance, bio-medical engineering maintenance and infrastructure facilities to non-concession customers. These services are provided on a time and material basis or as a fixed-priced contract, with contract terms generally ranging from one (1) year to three (3) years.

Revenue from fixed price contracts, typically for the provision of infrastructure facility services, are recognised at contractual rates when the outcome of the claims can be determined with reasonable certainty.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(y) Income recognition (cont'd.)

Revenue recognition (cont'd.)

(i) Revenue from services rendered (cont'd.)

Infrastructure maintenance

The Group provides maintenance service and repair of civil, mechanical and electrical works on roads, infrastructure and expressways works.

Revenue for routine maintenance is recognised based on fixed sum contract and is generally recognised in the period services are rendered. Revenue for non routine maintenance service and repair is recognised upon performance of work and services, and is based on schedule of rates approved by customer when the outcome of the claims can be determined with reasonable certainty.

(ii) Sale of properties

Revenue from sale of property development is accounted for using the percentage of completion method as described in Note 2.4(h)(ii).

Revenue from sale of completed property units is recognised upon transfer of risk and rewards.

(iii) Management fees

Management fees for services provided to entities within the Group are recognised on an accrual basis.

(iv) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(v) Other income recognition

Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(z) 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 45, including the factors used to identify the reportable segments and the measurement basis of segment information.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(aa) 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.

(ab) 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 (CONT'D.)

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

(ab) Fair value measurement (cont'd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

– Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

– Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

– Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.5 Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Judgement

There are no critical judgements made by management in the process of applying the Group'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) Consultancy contracts

The Group recognises revenue and costs from consultancy contracts based on the percentage of completion method and after due allowance for any irrecoverable amounts. This requires an estimation of the stage of completion based on the progress of the contract work done as at year end. In making such estimation, management, amongst other factors, considers past experiences and inputs from internal and external specialists.

(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 2015 was RM441,468,000 (2014: RM461,287,000). Further details are disclosed in Note 16.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Significant accounting judgements and estimates (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(iii) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 21.

(iv) Depreciation of property, plant and equipment

The cost of property, plant and equipment of Group is depreciated on a straight-line basis over the assets' useful lives, estimated to be within 2 to 15 years. These are common life expectancies applied within the Group's industry. Changes in the expected level of usage and technological developments would impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If the useful lives of these property, plant and equipment vary by 1 year from management's estimates, the Group's depreciation charges will vary by RM18,649,000 (2014: RM6,244,000).

(v) Property development

The Group recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group relies on past experience and the work of specialists.

As at 31 December 2015, Chymes@Gurney development is estimated to be 43% (2014: 13%) completed.

The carrying amount of assets and liabilities of the Group arising from property development activities are disclosed in Note 14. A 10% difference in the estimated total property development revenue or costs would result in approximately 0.06% (2014: 0.02%) variance in the Group's revenue and 0.06% (2014: 0.02%) variance in the Group's cost of sales.

(vi) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Significant accounting judgements and estimates (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(vii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The deferred tax assets amounting to RM44,311,000 (2014: RM44,640,000) are mainly related to subsidiaries of which management are confident that it would be probable for the related subsidiaries to generate future taxable profits.

If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by RM6,251,000 (2014: RM6,209,000). Further details are disclosed in Note 32.

(viii) Pension and other post-employment benefits

The cost of the defined benefit pension scheme and other post benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected rate of returns, future salary increases, mortality rates and future pension costs. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. Further details are contained in Note 25 and Note 26.

(ix) Deferred consideration payable

Deferred consideration payable arose from the acquistion of Opus Stewart Weir Limited ("OSW") in 2013. At each reporting period, the Group assesses the fair value of the deferred consideration payable based on the projected profitability of OSW and considering the current and projected market conditions.

During the year, management assessed the fair value of the remaining deferred consideration payable to be nil due to the lower probability of OSW meeting the performance targets. Accordingly, the fair value change of RM21,326,000 (2014: RM30,752,000) was recognised in the income statement.

3. REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Asset development and asset management consultancy	**1,525,010**	1,612,262	**–**	–
Integrated facilities management:				
– concession	**625,669**	650,922	**–**	–
– non-concession	**37,381**	22,393	**–**	–
Infrastructure maintenance	**890,665**	762,244	**–**	–
Sale of properties	**25,275**	18,789	**–**	–
Others	**19,033**	22,677	**–**	–
Management fees	**–**	–	**16,155**	6,480
Dividend income from subsidiaries	**–**	–	**121,232**	357,305
	3,123,033	3,089,287	**137,387**	363,785

4. COST OF SALES

	Group	
	2015 RM'000	2014 RM'000
Asset development and asset management consultancy	**805,876**	900,882
Integrated facilities management:		
– concession	**483,476**	525,584
– non-concession	**31,552**	17,218
Infrastructure maintenance	**749,424**	637,160
Costs of properties sold:		
– property development costs (Note 14(b))	**13,473**	11,539
– completed property held for sale (Note 20)	**3,165**	–
– other incidental costs	**347**	987
Others	**13,946**	14,621
	2,101,259	2,107,991

5. OTHER INCOME

Included in other income are:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Dividend income from short term investments	**9,797**	11,802	**–**	–
Interest income from fixed deposits	**15,048**	20,581	**1,249**	2,540
License and commission fees from an associate	**1,125**	811	**–**	–
Rental income	**–**	30	**–**	–
Fair value gain on:				
– short term investments	**150**	238	**–**	–
– derivative financial instruments	**259**	–	**–**	–
– step-up acquisition of a joint venture to subsidiary	**–**	1,230	**–**	–
Gain on dissolution of a subsidiary	**–**	61	**–**	–
Reversal of deferred consideration payable arising from acquisition of a subsidiary (Note 31(d))	**21,326**	30,752	**–**	–
Bad debt recovered	**299**	–	**–**	–
Release of holdback charge (Note 31(d))	**763**	–	**–**	–
Liquidated and ascertained damages from subcontractors	**–**	2,258	**–**	–
Settlement of litigation	**–**	1,300	**–**	–
Realised net foreign exchange gain	**–**	49	**–**	–

6. FINANCE COSTS

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Interest expense on:				
– Loan from corporate shareholder of a subsidiary	**–**	3	**–**	–
– Bank borrowings and overdrafts	**14,515**	11,803	**4,711**	904
Finance lease liabilities	**789**	584	**–**	–
Commitment fees	**196**	348	**–**	–
Bank charges	**1,127**	1,545	**12**	–
	16,627	14,283	**4,723**	904

7. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Employee benefits expense (Note 8)	**1,184,801**	1,165,435	**29,243**	14,462
Non-executive directors' remuneration excluding benefits-in-kind (Note 9)	**1,875**	2,021	**948**	785
Auditors' remuneration:				
– statutory	**2,330**	2,183	**115**	104
– under/(over) provision in prior year	**6**	15	**–**	(1)
– others	**–**	646	**–**	–
Operating leases:				
– minimum lease payments of premises	**62,994**	55,993	**1,224**	1,165
– minimum lease payments of motor vehicles	**17,665**	18,231	**–**	–
– minimum lease payments of plant and machineries	**2,426**	3,299	**52**	54
Amortisation of:				
– prepaid land lease payment (Note 15)	**87**	87	**–**	–
– intangible assets (Note 16)	**5,443**	4,152	**14**	18
Depreciation of property, plant and equipment (Note 13)	**59,968**	43,914	**1,072**	764
Impairment of plant and equipment (Note 13)	**3,810**	2,934	**509**	–
Net loss/(gain) on disposal of plant and equipment	**416**	2	**–**	(10)
Provision for professional imdemnity claims (Note 27(a))	**3,755**	7,576	**–**	–
Provision for late delivery charges (Note 27(c))	**–**	1,632	**–**	–
Property, plant and equipment written off (Note 13)	**541**	3,633	**–**	230
Intangible assets written off (Note 16)	**794**	–	**–**	–
Impairment on financial asset:				
– Trade and other receivables (Note 21)				
– Non-current	**–**	19,423	**–**	–
– Current	**15,531**	17,017	**–**	5,369
Reversal of impairment on financial asset:				
– Trade and other receivables (Note 21)	**(3,927)**	(3,538)	**–**	–
Bad debts written off	**–**	1,043	**–**	–
Write down of inventories	**56**	705	**–**	–
Reversal of liquidated and ascertained damages from subcontractors	**257**	–	**–**	–
Impairment loss on goodwill (Note 16)	**36,126**	17,893	**–**	–
Realised net foreign exchange loss	**48**	–	**–**	–

8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Wages and salaries	**972,555**	975,038	**22,850**	11,496
Contributions to statutory Employees Provident Fund ("EPF")	**83,374**	77,832	**2,385**	1,264
Social security contributions	**2,979**	2,990	**117**	55
Defined retirement benefit obligations (Note 25)	**(1,145)**	264	**–**	–
Decrease in liability for defined benefit pension plan (Note 26)	**(1,364)**	(1,308)	**–**	–
Expense/(income) of equity-settled share-based payment	**(508)**	84	**–**	–
Employees' service entitlements (Note 27(b))	**(624)**	1,138	**–**	–
Staff rationalisation cost via mutual separation scheme	**30,589**	–	**1,274**	–
Other benefits	**98,945**	109,397	**2,617**	1,647
	1,184,801	1,165,435	**29,243**	14,462

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration excluding benefits-in-kind amounting to RM3,418,000 (2014: RM4,731,000) and RM1,801,000 (2014: RM1,963,000) respectively as further disclosed in Note 9.

9. DIRECTORS' REMUNERATION

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Directors of the Company				
Executive:				
Salaries and other emoluments	**913**	901	**913**	901
Bonus	**604**	542	**604**	542
Contributions to defined contribution plans	**224**	216	**224**	216
Allowances	**60**	57	**60**	57
Benefits-in-kind	**49**	42	**49**	42
Others	**–**	247	**–**	247
	1,850	2,005	**1,850**	2,005
Non-Executive:				
Fees	**1,788**	1,645	**948**	785
Benefits-in-kind	**–**	61	**–**	61
	1,788	1,706	**948**	846

9. DIRECTORS' REMUNERATION (CONT'D.)

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Other Directors of subsidiaries				
Executive:				
Salaries and other emoluments	**965**	1,619	**–**	–
Bonus	**429**	690	**–**	–
Contributions to defined contribution plans	**163**	307	**–**	–
Allowances	**60**	152	**–**	–
Benefits-in-kind	**57**	36	**–**	–
	1,674	2,804	**–**	–
Non-Executive:				
Fees	**87**	376	**–**	–
	87	376	**–**	–
Total	**5,399**	6,891	**2,798**	2,851
Total excluding benefits-in-kind	**5,293**	6,752	**2,749**	2,748
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 8)	**3,418**	4,731	**1,801**	1,963
Total non-executive directors' remuneration excluding benefits-in-kind (Note 7)	**1,875**	2,021	**948**	785
Total directors' remuneration excluding benefits-in-kind	**5,293**	6,752	**2,749**	2,748

The number of directors of the Company whose total remunerations during the year fell within the following bands is analysed below:

	No. of Directors	
	2015	**2014**
Executive directors:		
RM750,001 – RM800,000	**–**	1
RM1,200,001 – RM1,250,000	**–**	1
RM1,850,001 – RM1,900,000	**1**	–

9. DIRECTORS' REMUNERATION (CONT'D.)

	No. of Directors	
	2015	**2014**
Non-executive directors:		
Below RM50,000	**–**	1
RM100,001 – RM150,000	**1**	3
RM150,001 – RM200,000	**1**	1
RM200,001 – RM250,000	**1**	–
RM250,001 – RM300,000	**2**	2
RM600,001 – RM650,000	**–**	1
RM700,001 – RM750,000	**1**	–

10. INCOME TAX EXPENSE

Major components of income tax expense

Major components of income tax expense for the years ended 31 December 2015 and 2014 are:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Income statements				
Current income tax:				
– Malaysian income tax	**61,204**	62,974	**–**	–
– Foreign tax	**24,590**	24,564	**–**	–
	85,794	87,538	**–**	–
Under/(over) provision of income tax in prior years:				
– Malaysian income tax	**1,453**	(8,580)	**–**	50
– Foreign tax	**3,214**	(1,517)	**–**	–
	4,667	(10,097)	**–**	50
	90,461	77,441	**–**	50
Deferred tax (Note 32):				
– Relating to origination and reversal of temporary differences	**2,509**	(477)	**–**	–
– Relating to changes in tax rates	**308**	316	**–**	–
– Underprovision in prior years	**1,114**	1,783	**–**	–
	3,931	1,622	**–**	–
Income tax recognised in profit or loss	**94,392**	79,063	**–**	50

10. INCOME TAX EXPENSE (CONT'D.)

Major components of income tax expense (cont'd.)

Major components of income tax expense for the years ended 31 December 2015 and 2014 are: (cont'd.)

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Statements of other comprehensive income				
Deferred tax related to items recognised during the year (Note 32):				
– Exchange differences on translation of foreign operations	**(1,325)**	(1,006)	**–**	–
– Net gain on hedge of net investment	**2,994**	4,812	**–**	–
– Remeasurement loss on Retirement Benefit Scheme and Defined Benefit Pension Scheme	**(63)**	(417)	**–**	–
	1,606	3,389	**–**	–

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year. The domestic income tax will be reduced to 24% from the current year's rate of 25%, effective year of assessment 2016.

The Alberta Provincial tax rate increased from 10% to 12% effective 1 July 2015 (2014: United Kingdom tax rate decreased from 21% to 20%).

The computation of deferred tax as at 31 December 2015 has effected these changes.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Profit derived from overseas branch operations are not subject to Malaysian tax.

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 2015 and 2014 are as follows:

	2015 RM'000	**2014 RM'000**
Group		
Profit before tax	**305,419**	324,462
Less: Zakat	**(1,494)**	(3,490)
	303,925	320,972

10. INCOME TAX EXPENSE (CONT'D.)

Reconciliation between tax expense and accounting profits (cont'd.)

A reconciliation of income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2015 and 2014 are as follows: (cont'd.)

	2015 RM'000	2014 RM'000
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	**75,981**	80,243
Tax effect on share of loss/(profit) of joint ventures	**1,067**	(14)
Tax effect on share of (profit)/loss of associates	**(2,617)**	122
Income not subject to tax	**(8,720)**	(14,946)
Foreign income not subject to tax	**(62)**	(162)
Non-deductible expenses	**22,207**	19,170
Different tax rates in other countries	**171**	331
Effect of changes in tax rates on deferred tax	**308**	316
Effect of exempt income under pioneer status	**(27)**	–
Deferred tax assets not recognised during the year		
– Malaysian subsidiaries	**303**	2,317
Under provision of deferred tax in prior years	**1,114**	1,783
Under/(Over) provision of income tax expense in prior years	**4,667**	(10,097)
Income tax expense recognised in income statements	**94,392**	79,063

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

	2015 RM'000	2014 RM'000
Company		
Profit before tax	**93,568**	331,569
Less: Zakat	**(606)**	(814)
	92,962	330,755
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	**23,241**	82,689
Non-deductible expenses	**7,067**	6,637
Income not subject to tax – tax exempt dividend	**(30,308)**	(89,326)
Under provision of income tax in prior years	**–**	50
Income tax expense recognised in income statements	**–**	50

11. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year held by the Company.

	Group	
	2015 RM'000	**2014 RM'000**
Profit attributable to owners of the parent	**191,181**	202,386
	Number of shares '000	**Number of shares '000**
Weighted average number of ordinary shares in issue	**813,501**	813,501

	Group	
	2015 Sen	**2014 Sen**
Basic earnings per share:	**23.5**	24.9

For the purpose of calculating diluted earnings per share, the profit for the year attributable to owners of the parent has been adjusted for the dilutive effects of the potential ordinary shares of a subsidiary, Opus International Consultants Limited ("Opus IC").

	Group	
	2015 RM'000	**2014 RM'000**
Profit attributable to owners of the parent	**191,181**	202,386
Profit net of tax of Opus IC attributable to non-controlling interests arising from potential dilution of equity shareholding in Opus IC upon exercise of options	**–**	(656)
Diluted profit attributable to owners of the parent	**191,181**	201,730
	Number of shares '000	**Number of shares '000**
Weighted average number of ordinary shares in issue	**813,501**	813,501
	Sen	**Sen**
Diluted earnings per share:	**23.5**	24.8

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

12. DIVIDENDS

	Group and Company			
	Amount		Net Dividends per Ordinary Share	
	2015 RM'000	2014 RM'000	2015 Sen	2014 Sen
Recognised during the financial year:				
Single tier final dividend for 2013: 10.00 sen on 363,001,053 ordinary shares of RM0.25 each, declared on 28 February 2014 and paid on 22 July 2014	–	36,300	–	10.00
Single tier special interim dividend for 2014: 18.00 sen on 813,501,053 ordinary shares of RM0.25 each, declared on 12 December 2014 and paid on 22 January 2015	–	146,430	–	18.00
Single tier final dividend for 2014: 5.00 sen on 813,501,053 ordinary shares of RM0.25 each, declared on 27 February 2015 and paid on 24 June 2015	**40,675**	–	**5.00**	–
	40,675	182,730	**5.00**	28.00

On 29 February 2016, the directors have declared a single tier interim dividend in respect of the financial year ended 31 December 2015, of RM0.15 on 813,501,053 ordinary shares of RM0.25 each, amounting to a dividend payable of RM122,025,158 to be paid on 31 March 2016. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

13. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery, equipment, furniture, fittings, office equipment, motor vehicles and computers RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2015						
Cost						
At 1 January 2015	2,234	7,417	19,500	512,395	369	541,915
Additions	–	–	–	65,613	6,951	72,564
Disposals	–	–	–	(14,560)	–	(14,560)
Written off	–	–	–	(16,561)	(272)	(16,833)
Reclassification from other receivables	–	–	–	19,974	–	19,974
Exchange differences	54	–	534	16,567	–	17,155
At 31 December 2015	2,288	7,417	20,034	583,428	7,048	620,215
Accumulated depreciation and impairment loss						
At 1 January 2015	–	22	1,373	352,415	–	353,810
Charge for the year (Note 7)	–	105	393	59,470	–	59,968
Disposals	–	–	–	(13,828)	–	(13,828)
Written off	–	–	–	(16,292)	–	(16,292)
Reclassification from other receivables	–	–	–	9,394	–	9,394
Impairment loss recognised in profit or loss (Note 7)	–	–	–	3,810	–	3,810
Exchange differences	–	–	119	10,200	–	10,319
At 31 December 2015	–	127	1,885	405,169	–	407,181
Net carrying amount						
At 31 December 2015	2,288	7,290	18,149	178,259	7,048	213,034

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group (cont'd.)	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery, equipment, furniture, fittings, office equipment, motor vehicles and computers RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2014						
Cost						
At 1 January 2014	2,307	804	13,642	492,881	172	509,806
Acquisition of subsidiaries	–	–	–	683	–	683
Additions	–	2,209	58	59,831	762	62,860
Transfer from inventories	–	4,404	10,509	–	–	14,913
Disposals	–	–	–	(28,009)	–	(28,009)
Transfer	–	–	(4,578)	5,143	(565)	–
Written off	–	–	–	(17,514)	–	(17,514)
Exchange differences	(73)	–	(131)	(620)	–	(824)
At 31 December 2014	2,234	7,417	19,500	512,395	369	541,915
Accumulated depreciation and impairment loss						
At 1 January 2014	–	11	1,070	341,381	–	342,462
Charge for the year (Note 7)	–	11	190	43,713	–	43,914
Disposals	–	–	–	(21,373)	–	(21,373)
Written off	–	–	–	(13,881)	–	(13,881)
Impairment loss recognised in profit or loss (Note 7)	–	–	–	2,934	–	2,934
Exchange differences	–	–	113	(359)	–	(246)
At 31 December 2014	–	22	1,373	352,415	–	353,810
Net carrying amount						
At 31 December 2014	2,234	7,395	18,127	159,980	369	188,105

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company	Leasehold land RM'000	Buildings RM'000	Equipment, furniture, fittings, office equipment, motor vehicles and computers RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2015					
Cost					
At 1 January 2015	**9,823**	**15,611**	**4,884**	**–**	**30,318**
Additions	**–**	**–**	**538**	**472**	**1,010**
Disposals	**–**	**–**	**(24)**	**–**	**(24)**
At 31 December 2015	**9,823**	**15,611**	**5,398**	**472**	**31,304**
Accumulated depreciation and impairment loss					
At 1 January 2015	**–**	**–**	**2,920**	**–**	**2,920**
Charge for the year (Note 7)	**105**	**312**	**655**	**–**	**1,072**
Impairment loss recognised in profit or loss (Note 7)	**–**	**509**	**–**	**–**	**509**
Disposal	**–**	**–**	**(24)**	**–**	**(24)**
At 31 December 2015	**105**	**821**	**3,551**	**–**	**4,477**
Net carrying amount	**9,718**	**14,790**	**1,847**	**472**	**26,827**
At 31 December 2014					
Cost					
At 1 January 2014	–	–	4,494	–	4,494
Additions	9,823	15,611	1,986	–	27,420
Disposals	–	–	(240)	–	(240)
Written off	–	–	(1,356)	–	(1,356)
At 31 December 2014	9,823	15,611	4,884	–	30,318
Accumulated depreciation and impairment loss					
At 1 January 2014	–	–	3,522	–	3,522
Charge for the year (Note 7)	–	–	764	–	764
Disposals	–	–	(240)	–	(240)
Written off	–	–	(1,126)	–	(1,126)
At 31 December 2014	–	–	2,920	–	2,920
Net carrying amount	9,823	15,611	1,964	–	27,398

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(a) The net carrying amount of property, plant and equipment of the Group charged to a bank for banking facilities (Note 28(c)) are as follows:

	Group	
	2015 RM'000	**2014 RM'000**
Plant and equipment	**59,080**	53,915

(b) Net carrying amounts of plant and equipment held under finance lease arrangement are as follows:

	Group	
	2015 RM'000	**2014 RM'000**
Equipment	**11,328**	11,815

Details of the terms and conditions of the finance lease arrangement is disclosed in Note 29.

(c) During the year, the Group and the Company acquired property, plant and equipment by way of:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Cash payment	**54,246**	48,606	**1,010**	3,533
Finance lease arrangements	**4,728**	8,692	**–**	–
Other payables	**13,590**	5,562	–	23,887
	72,564	62,860	**1,010**	27,420

(d) During the year, impairment loss of RM3,810,000 (2014: RM2,934,000) and RM509,000 (2014: nil) representing the write down of certain property, plant and equipment in the Group and the Company respectively to their recoverable amounts. The recoverable amounts of RM35,352,000 (2014: RM36,848,000) and RM25,300,000 (2014: RM25,434,000) of these property, plant and equipment in the Group and the Company respectively were determined based on their market values by independent valuers. These impairment losses were recognised in the income statements.

14. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

Group	Land RM'000	Development expenditure RM'000	Total RM'000
At 31 December 2015			
At cost			
At 1 January 2015/31 December 2015	**830**	**6,674**	**7,504**
Accumulated impairment			
At 1 January 2015/31 December 2015	**51**	**6,338**	**6,389**
Carrying amount at 31 December 2015	**779**	**336**	**1,115**
At 31 December 2014			
At cost			
At 1 January 2014/31 December 2014	830	6,674	7,504
Accumulated impairment			
At 1 January 2014/31 December 2014	51	6,338	6,389
Carrying amount at 31 December 2014	779	336	1,115

(b) Property development costs

Group	Land RM'000	Development expenditure RM'000	Total RM'000
At 31 December 2015			
Cumulative property development costs			
At 1 January 2015	**18,500**	**27,959**	**46,459**
Costs incurred during the year	**–**	**43,182**	**43,182**
At 31 December 2015	**18,500**	**71,141**	**89,641**
Cumulative costs recognised in income statement			
At 1 January 2015	**(502)**	**(4,332)**	**(4,834)**
Recognised during the year (Note 4)	**(1,401)**	**(12,072)**	**(13,473)**
At 31 December 2015	**(1,903)**	**(16,404)**	**(18,307)**
Property development costs at 31 December 2015	**16,597**	**54,737**	**71,334**

14. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D.)

(b) Property development costs (cont'd.)

Group (cont'd.)	Land RM'000	Development expenditure RM'000	Total RM'000
At 31 December 2014			
Cumulative property development costs			
At 1 January 2014	19,485	74,195	93,680
Costs incurred during the year	–	26,734	26,734
Reversal of completed projects	(985)	(72,970)	(73,955)
At 31 December 2014	18,500	27,959	46,459
Cumulative costs recognised in income statement			
At 1 January 2014	(259)	(21,465)	(21,724)
Recognised during the year (Note 4)	(438)	(11,101)	(11,539)
Reversal of completed projects	985	72,970	73,955
Unsold units transferred to inventories	(790)	(44,736)	(45,526)
At 31 December 2014	(502)	(4,332)	(4,834)
Property development costs at 31 December 2014	17,998	23,627	41,625

15. PREPAID LAND LEASE PAYMENTS

	Group	
	2015 RM'000	**2014 RM'000**
Cost		
At 1 January/31 December	**4,320**	4,320
Accumulated amortisation		
At 1 January	**996**	909
Amortisation for the year (Note 7)	**87**	87
At 31 December	**1,083**	996
Net carrying amount	**3,237**	3,324
Amount to be amortised		
Not later than one year	**87**	87
Later than one year but not later than five years	**348**	348
Later than five years	**2,802**	2,889

Leasehold land with an aggregate carrying value of RM2,359,000 (2014: RM2,437,000) are pledged as securities for banking facilities (Note 28(c)).

16. INTANGIBLE ASSETS

Group	Goodwill RM'000 Note a	Customer relationship RM'000 Note b	Software RM'000 Note c	Total RM'000
Cost				
At 1 January 2014	454,859	–	60,315	515,174
Acquisitions of subsidiaries	2,560	–	139	2,699
Additions	–	4,213	4,953	9,166
Disposal	–	–	(743)	(743)
Finalisation of goodwill from previous acquisition:				
– Reclassified from investment in joint ventures	20,686	–	–	20,686
– Additional payment	7,820	–	–	7,820
Exchange difference	(6,745)	34	(29)	(6,740)
At 31 December 2014	**479,180**	**4,247**	**64,635**	**548,062**
Additions	**–**	**–**	**3,618**	**3,618**
Written off	**–**	**–**	**(13,185)**	**(13,185)**
Exchange difference	**16,307**	**383**	**2,752**	**19,442**
At 31 December 2015	**495,487**	**4,630**	**57,820**	**557,937**
Accumulated amortisation and impairment				
At 1 January 2014	–	–	51,614	51,614
Amortisation during the year (Note 7)	–	459	3,693	4,152
Impairment loss (Note 7)	17,893	–	–	17,893
Disposal	–	–	(743)	(743)
Exchange difference	–	27	147	174
At 31 December 2014	**17,893**	**486**	**54,711**	**73,090**
Amortisation during the year (Note 7)	**–**	**608**	**4,835**	**5,443**
Impairment loss (Note 7)	**36,126**	**–**	**–**	**36,126**
Written off	**–**	**–**	**(12,391)**	**(12,391)**
Exchange difference	**–**	**62**	**2,161**	**2,223**
At 31 December 2015	**54,019**	**1,156**	**49,316**	**104,491**
Net carrying amount				
At 31 December 2015	**441,468**	**3,474**	**8,504**	**453,446**
At 31 December 2014	461,287	3,761	9,924	474,972

16. INTANGIBLE ASSETS (CONT'D.)

Company	Software RM'000
Cost	
At 1 January 2014	436
Additions	4
At 31 December 2014	440
At 1 January 2015	**440**
Additions	**17**
At 31 December 2015	**457**
Accumulated amortisation	
At 1 January 2014	406
Amortisation for the year (Note 7)	18
At 31 December 2014	424
At 1 January 2015	**424**
Amortisation for the year (Note 7)	**14**
At 31 December 2015	**438**
Net carrying amount	
At 31 December 2015	**19**
At 31 December 2014	16

(a) Goodwill

Impairment testing of goodwill

Goodwill is allocated and monitored by management across the following cash generating units ("CGU"):

	2015 RM'000	2014 RM'000
Asset development and asset management consultancy		
New Zealand	**34,781**	32,270
United Kingdom	**46,516**	41,121
Canada	**48,503**	46,004
Canada – Opus Stewart Weir ("OSW")	**126,692**	159,742
Australia	**42,986**	40,160
Malaysia	**38,636**	38,636
Integrated facilities management	**26,982**	26,982
Infrastructure maintenance	**76,372**	76,372
	441,468	461,287

16. INTANGIBLE ASSETS (CONT'D.)

(a) Goodwill (cont'd.)

Impairment testing of goodwill (cont'd.)

Goodwill is tested for impairment on an annual basis by comparing the carrying amount of the CGU with their respective recoverable amounts, which is based on value in use. The value in use is determined by discounting future cash flows over a period of three or five years including a terminal value. The future cash flows are based on management's future business plan, which is the best estimate of immediate future performance.

For the integrated facilities management CGU, the value in use is determined by discounting cash flows covering a ten-year period over the concession period.

Key assumptions used in value-in-use calculation

The pre-tax 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	Pre-tax discount rate 2015 %	2014 %	Growth rate 2015 %	2014 %
Asset development and asset management consultancy					
New Zealand	5	**12.1**	12.3	**1.5**	2.5
United Kingdom	3	**11.3**	11.2	**2.5**	2.5
Canada	3	**12.1**	12.3	**2.5**	2.5
Canada – OSW	3	**12.1**	12.3	**2.5**	2.5
Australia	3	**15.7**	15.1	**2.5**	2.0
Malaysia	3	**14.0**	14.0	**2.0**	3.0
Integrated facilities management	10	**13.0**	13.0	*	*
Infrastructure maintenance	3	**14.0**	14.0	**2.0**	3.0

* Future cash flows for the integrated facilities management unit are estimated covering the concession period of ten years with no terminal values.

The calculation of the value in use for the CGUs are most sensitive to the following assumptions:

(i) Budgeted gross margin
The basis used to determine the value assigned to the budgeted gross margins is the average gross margins and average growth rate achieved in the years before the budgeted year, adjusted for market and economic conditions and internal resource efficiency.

(ii) Pre-tax discount rate
The pre-tax discount rates reflect the current market assessment of the risks specific to each CGU. This reflected the management's best estimate of return on capital employed required in the Group.

(iii) Growth rate
Growth rate used to extrapolate cash flows beyond the budget period is based on published industry research for each business.

16. INTANGIBLE ASSETS (CONT'D.)

(a) Goodwill (cont'd.)

Impairment loss recognised during the year

Asset development and asset management consultancy – Canada – OSW

Arising from the impairment testing, an impairment loss of RM36,126,000 was recognised against the carrying amount of goodwill attributable to the asset development and asset management consultancy CGU in Canada – OSW based on management's assessment on current and anticipated future economic environment of the Canadian Market. The impairment loss was recognised after determining the value in use of the CGU of RM199,990,000, calculated based on, amongst others, the key assumptions as disclosed above.

Impairment loss recognised in previous year

Asset development and asset management consultancy – Australia

Arising from the impairment testing, an impairment loss of RM17,893,000 was recognised against the carrying amount of goodwill attributable to the asset development and asset management consultancy CGU in Australia due to reduced growth and trading prospects in prior year. The impairment loss was recognised after determining the value in use of the CGU of RM62,483,000, calculated based on, amongst others, the key assumptions as disclosed above.

Sensitivity to changes in assumptions

Management believes that no reasonable possible change in any of the above key assumptions would cause the recoverable amount of each of the CGUs to be materially lower than its respective carrying amount, other than the Canadian OSW (2014: Australian) CGU, as follows:

	Decrease in profit before tax	
	2015 RM'000	**2014 RM'000**
Decrease of 10% in earnings before interest and tax	**19,502**	6,237
Increase of 1% in discount rates	**27,768**	4,512
Decrease of 1% in growth rates	**22,607**	6,235

(b) Customer relationship

In prior year, the Group via its subsidiary, Opus International Consultants Limited ("Opus IC") acquired the business of a New South Wales based survey, civil engineering and water design firm in Sydney. The total payment for the business was RM3.28 million (NZD1.2 million) in cash consideration, RM546,000 (NZD0.2 million) in shares and RM546,000 (NZD0.2 million) in deferred payment dependent on meeting certain performance criteria. This acquisition of the business resulted in the recognition of a customer relationship intangible asset of RM4.213 million (NZD1.555 million) and will be amortised over 7 years.

16. INTANGIBLE ASSETS (CONT'D.)

(c) Software

Computer software represents licences and other software assets that are not an integral part of property, plant and equipment assets. Sofware assets are recorded at cost and have finite useful life based on the term of the licence or other contractual basis. The cost is amortised over the asset's useful life.

17. INVESTMENT IN SUBSIDIARIES

	Company	
	2015 **RM'000**	**2014** **RM'000**
Unquoted shares at cost:		
– Malaysian subsidiaries	**2,006,810**	1,977,480
– Foreign subsidiaries	**418**	418
	2,007,228	1,977,898
Less: Accumulated impairment	**(191,106)**	(191,106)
	1,816,122	1,786,792

Further details of the subsidiaries are disclosed in Note 46.

(a) Acquisitions

Current financial year

(i) Acquisition of the remaining equity interest in Edgenta Healthtronics Sdn. Bhd. (formerly known as Healthtronics (M) Sdn. Bhd.) ("Healthtronics")

On 26 February 2015, Edgenta Mediserve Sdn. Bhd. (formerly known as Faber Medi-Serve Sdn. Bhd.) ("Edgenta Mediserve"), a 100% owned subsidiary of the Company had entered into a sale of shares agreement with SSP Medical Technologies Sdn. Bhd. ("SSP") for the acquisition of 1,200,000 ordinary shares of RM1.00 each in Healthtronics, representing the remaining 40% of the total issued and paid-up share capital of Healthtronics from SSP for a total cash consideration of RM10,000,000. The acquisition was completed on 27 February 2015 and Healthtronics became a wholly-owned subsidiary of Edgenta Mediserve.

On the date of acquisition, the carrying value of the additional interest acquired was RM7,974,000. The difference between the consideration paid and the carrying value of the interest acquired of RM2,026,000 is reflected in equity as accretion loss on acquisition.

(ii) Internal reorganisation of Edgenta Environmental & Material Testing Sdn. Bhd. (formerly known as Soil Centralab Sdn. Bhd.) ("EEMT")

On 17 August 2015, the Company acquired 1,000,000 ordinary shares of RM1.00 each, representing 100% equity interest in EEMT for a total consideration of RM25,900,000 from Opus International (M) Berhad, an indirect subsidiary of the Company. Upon completion of the reorganisation, EEMT became a direct wholly-owned subsidiary of the Company. The reorganisation has no financial impact to the results of the Group.

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisitions (cont'd.)

Current financial year (cont'd.)

(iii) Incorporation of Edgenta Energy Services Sdn. Bhd. ("EESB")

On 26 August 2015, the Company subscribed 700,000 ordinary shares of RM1.00 each in EESB, a joint venture company with Resource Data Management Asia Sdn. Bhd. for a total cash consideration of RM700,000, representing 70% of the issued and paid up capital of EESB. Following the transaction, EESB became a subsidiary of the Company.

(iv) Acquisition of Edgenta Township Management Services Sdn. Bhd. ("ETMSSB")

On 30 November 2015, the Company acquired 2 ordinary shares of RM1.00 each, representing 100% equity interest in ETMSSB for a total consideration of RM2. Following the transaction, ETMSSB became a direct wholly-owned subsidiary of the Company.

On 7 December 2015, ETMSSB increased its issued and paid-up share capital from RM2 to RM2,730,000 by way of an issue of 2,729,998 new ordinary shares of RM1.00 each fully paid at par value of cash.

Previous financial year

(v) Acquisitions of Opus Group Berhad ("Opus") and Edgenta Propel Berhad (formerly known as Projek Penyelenggaraan Lebuhraya Berhad) ("Edgenta Propel")

On 18 April 2014, the Company entered into a conditional share sale agreement ("SSA") with UEM Group Bhd ("UEMG") to acquire:

- 100% equity interest in Opus for a total consideration of RM651 million to be settled via the issuance of 325.5 million new ordinary share of the Company at an issue price of RM2 per share.
- 100% equity interest in Edgenta Propel for a total consideration of RM500 million to be settled by a combination of cash of RM250 million and the issuance of 125 million new ordinary share of RM0.25 of the Company at an issue price of RM2 per share; and

(Collectively known as "Acquisitions")

On 17 October 2014, all conditions precedent to the SSA were fulfilled and/or waived rendering the Acquisitions to be completed.

The Acquisitions was accounted for using the pooling-of-interest method whereby the results of the subsidiaries acquired are presented as if the combination had been effected throughout the current and previous financial periods. The assets and liabilities acquired are accounted for based on the carrying amount from the perspective of the common control shareholder at the date of transfer.

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisitions (cont'd.)

Previous financial year (cont'd.)

(v) Acquisitions of Opus Group Berhad ("Opus") and Edgenta Propel Berhad (formerly known as Projek Penyelenggaraan Lebuhraya Berhad) ("Edgenta Propel") (cont'd.)

The result, assets and liabilities of the subsidiaries that were accounted for under the pooling-of-interest method were as follows:

	Group 2014 RM'000
Revenue	2,420,256
Profit before tax	262,278
Profit for the year	202,038
Total assets	1,703,885
Total liabilities	838,221

(vi) Acquisition of Stewart Weir Bennet Land Surveying Limited ("SWBL")

On 30 May 2014, the Group via its subsidiary, Opus IC acquired the remaining 50.9% of the ordinary share capital of SWBL, a British Columbia based land surveying consultancy firm, resulting in SWBL becoming a wholly owned subsidiary of the Group.

The fair values of the identifiable assets and liabilities of SWBL as at the date of acquisition were:

	RM'000
Property, plant and equipment	683
Intangible assets	139
Trade and other receivables	2,573
Cash and bank balances	1,175
Trade and other payables	(2,288)
Income tax recoverable	582
Deferred tax liabilities	(60)
Net identifiable assets	2,804
Fair value of pre-existing 50% interest in SWBL	2,682
Total consideration in cash	2,682
Goodwill on acquisition	2,560

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisitions (cont'd.)

Previous financial year (cont'd.)

(vi) Acquisition of Stewart Weir Bennet Land Surveying Limited ("SWBL") (cont'd.)

The effect of the acquisition on cash flows was as follows:

	2014 RM'000
Cost of the business combination settled in cash	2,682
Less: Cash and cash equivalents of subsidiary acquired	(1,175)
Net cash outflow on acquisition	1,507

The fair value of the trade and other receivables equals to the gross amount of trade and other receivables of RM2,573,000. None of the trade and other receivables had been impaired and it is expected that the full contractual amounts can be collected.

There was no contingent liability recognised as at the acquisition date.

The acquired subsidiary contributed the following results to the Group since acquisition:

	2014 RM'000
Revenue	7,530
Profit for the year	627

The acquisition resulted in a fair value gain of RM1,230,000 due to the remeasurement of the Group's existing investment in SWBL to its fair value.

(b) Liquidation of a subsidiary

On 3 August 2015, Opus International Limited, a company incorporated in the United Kingdom which is a wholly-owned subsidiary of Opus Group Berhad, which is in turn a wholly-owned subsidiary of the Company, has entered into a Members' Voluntary Liquidation pursuant to Chapter III, Part IV of the Insolvency Act 1986.

Opus International Limited has appointed Opus Restructuring LLP as the Joint Liquidators for the purpose of the voluntary winding-up.

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Summarised financial information

Summarised financial information of Opus International Consultants Limited ("Opus IC"), Edgenta Healthtronics Sdn. Bhd. (formerly known as Healthronics (M) Sdn. Bhd.) ("Healthtronics") and Rimbunan Melati Sdn. Bhd. ("Rimbunan Melati"), which have non-controlling interests that are material to the Group, is set out below. The summarised financial information presented below is the amount before inter-company elimination. The non-controlling interests in respect of other entities within the Group are not material to the Group.

(i) Summarised statements of financial position

	Opus IC		Healthtronics		Rimbunan Melati		Total	
	2015 RM'000	2014 RM'000	2015 RM'000 (Note a)	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current assets	**394,530**	410,517	–	2,682	**8**	15	**394,538**	413,214
Current assets	**553,842**	549,046	–	87,328	**35,433**	34,892	**589,275**	671,266
Total assets	**948,372**	959,563	–	90,010	**35,441**	34,907	**983,813**	1,084,480
Non-current liabilities	**286,203**	288,464	–	320	–	–	**286,203**	288,784
Current liabilities	**218,077**	260,484	–	19,012	**7,053**	8,185	**225,130**	287,681
Total liabilities	**504,280**	548,948	–	19,332	**7,053**	8,185	**511,333**	576,465
Net assets	**444,092**	410,615	–	70,678	**28,388**	26,722	**472,480**	508,015
Equity attributable to owners of the Company	**272,690**	251,810	–	42,407	**15,613**	14,697	**288,303**	308,914
Non-controlling interests	**171,402**	158,805	–	28,271	**12,775**	12,025	**184,177**	199,101

(a) There is no non-controlling interests for Healthtronics as it has been fully acquired by the Group in the current financial year.

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Summarised financial information (cont'd.)

(ii) Summarised statements of comprehensive income

	Opus IC		Healthtronics		Rimbunan Melati		Total	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Revenue	**1,374,473**	1,460,170	**32,046**	121,277	**2,300**	–	**1,408,819**	1,581,447
Profit for the year	**42,403**	70,520	**4,820**	23,804	**1,666**	3,511	**48,889**	97,835
Profit attributable to owners of the Company	**26,394**	43,737	**2,892**	14,282	**916**	1,931	**30,202**	59,950
Profit attributable to the non-controlling interests	**16,009**	26,783	**1,928**	9,522	**750**	1,580	**18,687**	37,885
Other comprehensive income/(loss) attributable to owners of the Company	**29,342**	5,178	**–**	(12)	**–**	–	**29,342**	5,166
Other comprehensive income/(loss) attributable to the non-controlling interests	**14,346**	2,762	**–**	(8)	**–**	–	**14,346**	2,754
Other comprehensive income/(loss) for the year	**43,688**	7,940	**–**	(20)	**–**	–	**43,688**	7,920
Total comprehensive income	**86,091**	78,460	**4,820**	23,784	**1,666**	3,511	**92,577**	105,755
Total comprehensive income attributable to owners of the Company	**55,736**	48,915	**2,892**	14,270	**916**	1,931	**59,544**	65,116
Total comprehensive income attributable to the non-controlling interests	**30,355**	29,545	**1,928**	9,514	**750**	1,580	**33,033**	40,639
	86,091	78,460	**4,820**	23,784	**1,666**	3,511	**92,577**	105,755
Dividend paid to non-controlling interests	**17,680**	12,072	**22,000**	4,000	**–**	18,000	**39,680**	34,072

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Summarised financial information (cont'd.)

(iii) Summarised statements of cash flows

	Opus IC		Healthtronics		Rimbunan Melati		Total	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Net cash generated from operating activities	**52,438**	86,932	**21,694**	15,609	**1,678**	13,468	**75,810**	116,009
Net cash (used in)/generated from investing activities	**(56,158)**	(28,164)	**64**	(387)	**925**	1,337	**(55,169)**	(27,214)
Net cash (used in)/generated from financing activities	**(31,004)**	37,168	**(55,000)**	(10,000)	**–**	(40,000)	**(86,004)**	(12,832)
Net (decrease)/increase in cash and cash equivalents	**(34,724)**	95,936	**(33,242)**	5,222	**2,603**	(25,195)	**(65,363)**	75,963
Net foreign exchange differences	**11,532**	1,664	**–**	–	**–**	–	**11,532**	1,664
Cash and cash equivalents at beginning of the year	**199,195**	101,595	**38,913**	33,691	**29,346**	54,541	**267,454**	189,827
Cash and cash equivalents at end of the year	**176,003**	199,195	**5,671**	38,913	**31,949**	29,346	**213,623**	267,454

18. INVESTMENT IN JOINT VENTURES AND ASSOCIATES

(a) Investment in joint ventures

	Group	
	2015 RM'000	2014 RM'000
Unquoted shares, at cost	**17,001**	15,836
Share of post-acquisition reserves	**(11,187)**	(2,851)
	5,814	12,985

All joint ventures have been determined to be individually not material to the Group. Further details of the joint ventures are disclosed in Note 46.

The summarised financial information of the aggregated joint ventures, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	2015 RM'000	2014 RM'000
Asset and liabilities		
Current assets	**65,056**	47,189
Non-current assets	**6,127**	12,373
Total assets	**71,183**	59,562
Current liabilities	**58,637**	33,828
Non-current liabilities	**6,295**	8,738
Total liabilities	**64,932**	42,566
Net asset	**6,251**	16,996
Carrying value of Group's interest in joint venture	**5,814**	12,985
Results		
Revenue	**220,502**	155,430
(Loss)/profit for the year	**(6,058)**	3,626
Group's share of (loss)/profit for the year	**(4,269)**	57

(b) Investment in jointly controlled operations

The Group has interest in several joint operations as disclosed in Note 46. The Group's share is included as part of the Group's statement of financial position and income statement. The joint operations have been determined to be individually not material to the Group.

18. INVESTMENT IN JOINT VENTURES AND ASSOCIATES (CONT'D.)

(c) Investment in associates

	Group 2015 RM'000	Group 2014 RM'000
Investment at cost, unquoted shares		
In Malaysia	**4,000**	2,040
Outside Malaysia	**6,082**	6,082
	10,082	8,122
Share of post-acquisition reserves	**8,274**	(2,052)
	18,356	6,070

Further details of the associates are disclosed in Note 46.

In current financial year, Sedafiat Sdn. Bhd. ("Sedafiat") increased its issued paid-up ordinary share capital from RM100,000 to RM5,000,000 by way of issuance of 4,900,000 ordinary shares of RM1 each. A subsidiary of the Group, Edgenta Mediserve (Sabah) Sdn. Bhd. (formerly known as FMS Services Sabah Sdn. Bhd.) increased its investment in Sedafiat through the subscription of 1,960,000 new ordinary shares of RM1 each, which represents 40% of the equity interest in Sedafiat, at a consideration of RM1,960,000.

In prior financial year, One Medicare Sdn. Bhd. ("One Medicare") increased its issued paid-up ordinary share capital from RM100,000 to RM5,000,000 by way of issuance of 4,900,000 ordinary shares of RM1 each. A subsidiary of the Group, Edgenta Mediserve (Sarawak) Sdn. Bhd. (formerly known as FMS Services Sarawak Sdn. Bhd.) increased its investment in One Medicare through the subscription of 1,960,000 new ordinary shares of RM1 each, which represents 40% of the equity interest in One Medicare, at a consideration of RM1,960,000.

Summarised financial information of Faber Sindoori Management Services Private Limited ("Faber Sindoori"), One Medicare and Sedafiat, that are material associates of the Group are set out below. The summarised financial information represents the amounts in the FRS financial statements of the associates and not the Group's share of those amounts.

(i) Summarised statements of financial position

	Faber Sindoori		One Medicare		Sedafiat		Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current assets	**3,937**	1,752	**2,056**	18	**940**	–	**6,933**	1,770
Current assets	**20,554**	13,832	**59,408**	2,402	**65,539**	668	**145,501**	16,902
Total assets	**24,491**	15,584	**61,464**	2,420	**66,479**	668	**152,434**	18,672
Non-current liabilities	**–**	614	**–**	–	**–**	–	**–**	614
Current liabilities	**5,897**	6,771	**47,041**	19	**52,913**	834	**105,851**	7,624
Total liabilities	**5,897**	7,385	**47,041**	19	**52,913**	834	**105,851**	8,238
Net assets	**18,594**	8,199	**14,423**	2,401	**13,566**	(166)	**46,583**	10,434

18. INVESTMENT IN JOINT VENTURES AND ASSOCIATES (CONT'D.)

(c) Investment in associates (cont'd.)

(ii) Summarised statements of comprehensive income

	Faber Sindoori		One Medicare		Sedafiat		Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	**64,439**	46,689	**106,665**	–	**128,755**	–	**299,859**	46,689
Profit/(loss) before tax	**6,786**	2,205	**15,819**	(2,599)	**11,552**	(266)	**34,157**	(660)
Profit/(loss) for the year	**4,301**	1,291	**12,023**	(2,599)	**8,664**	(266)	**24,988**	(1,574)
Total comprehensive income	**4,301**	1,291	**12,023**	(2,599)	**8,664**	(266)	**24,988**	(1,574)
Dividend received from the associates during the year	**93**	50	**–**	–	**–**	–	**93**	50

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates

	Faber Sindoori		One Medicare		Sedafiat		Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net assets at 1 January	**10,018**	8,727	**2,400**	100	**–**	100	**12,418**	8,927
Profit/(loss) for the year	**4,301**	1,291	**12,023**	(2,599)	**8,664**	(266)	**24,988**	(1,574)
Dividend from associate	**(182)**	(98)	**–**	–	**–**	–	**(182)**	(98)
Net assets at 31 December	**14,137**	9,920	**14,423**	(2,499)	**8,664**	(166)	**37,224**	7,255
Interest in associates	**51%**	51%	**40%**	40%	**40%**	40%		
Additional investment in associate	**–**	–	**–**	1,960	**1,960**	–	**1,960**	1,960
Exchange differences	**(49)**	51	**–**	–	**–**	–	**(49)**	51
Unrecognised share of losses in associates	**–**	–	**–**	–	**–**	66	**–**	66
Carrying value of Group's interest in material associate	**7,161**	5,110	**5,769**	960	**5,426**	–	**18,356**	6,070

19. OTHER INVESTMENTS

	Group/Company 2015 RM'000	Group/Company 2014 RM'000
Equity instruments (unquoted shares in Malaysia), at cost	**1,200**	1,200
Less: Accumulated impairment losses	**(1,200)**	(1,200)
Unquoted shares, net	**–**	–
Club memberships	**272**	272
	272	272

20. INVENTORIES

	Group 2015 RM'000	Group 2014 RM'000
Cost		
Consumables	**6,677**	4,981
Properties held for sale	**35,297**	38,462
	41,974	43,443

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 RM75,264,000 and RM3,165,000 (2014: RM77,641,000 and RM nil) respectively.

21. TRADE AND OTHER RECEIVABLES

	Group	
	2015 RM'000	2014 RM'000
Current		
Trade receivables		
Third parties	**289,528**	379,009
Related companies	**156,442**	70,011
Associates	**91,131**	–
	537,101	449,020
Less: Allowance for impairment:		
Third parties	**(48,202)**	(39,157)
Related companies	**(778)**	(198)
	(48,980)	(39,355)
Retention receivables:		
Third parties	**1,580**	1,445
Related companies	**4,650**	6,859
	6,230	8,304
Trade receivables, net	**494,351**	417,969
Other receivables		
Amounts due from related parties:		
Associate	**2,550**	1,427
Holding company	**2**	40
Related company	**25**	9
Joint ventures	**15,599**	842
	18,176	2,318
Deposits	**8,541**	6,955
Sundry receivables	**45,691**	20,214
	72,408	29,487
Less: Allowance for impairment:		
Sundry receivables	**(1,849)**	(1,862)
Associate	**–**	(140)
Related company	**(9)**	(9)
	(1,858)	(2,011)
Other receivables, net	**70,550**	27,476
Other current assets		
Accrued billings:		
Property development	**16,871**	8,284
Infrastructure maintenance	**191,153**	124,004
Asset development and asset management consultancy	**131,063**	114,324
Others	**4,926**	2,201
Tax recoverable	**12,032**	20,712
Prepayments	**3,718**	16,128
	359,763	285,653
Total	**924,664**	731,098

21. TRADE AND OTHER RECEIVABLES (CONT'D.)

	Group 2015 RM'000	Group 2014 RM'000
Non-current		
Trade receivables		
Third parties	**28,785**	24,431
Less: Allowance for impairment:		
Third parties	**(28,785)**	(23,466)
	–	965
Retention receivables:		
Third parties	**14,758**	10,032
Related companies	**13,608**	7,855
Trade receivables, net	**28,366**	18,852
Other current asset		
Third parties – liquidated and ascertained damages	**2,001**	2,258
Total	**30,367**	21,110

	Company 2015 RM'000	Company 2014 RM'000
Current		
Other receivables		
Amounts due from subsidiaries	**36,655**	19,445
Deposits	**391**	531
Sundry receivables	**375**	439
	37,421	20,415
Less: Allowance for impairment:		
Sundry receivables	**(216)**	(216)
Subsidiaries	**(18,088)**	(18,088)
	(18,304)	(18,304)
Other receivables, net	**19,117**	2,111
Other current assets		
Tax recoverable	**609**	389
Prepayments	**–**	8
	609	397
Total	**19,726**	2,508

21. TRADE AND OTHER RECEIVABLES (CONT'D.)

Movements in allowance for impairment accounts:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
At 1 January	**64,832**	33,017	**18,304**	12,935
Charge for the year (Note 7)				
– Non-current	**–**	19,423	**–**	–
– Current	**15,531**	17,017	**–**	5,369
Acquisition of a subsidiary	**–**	24	**–**	–
Reversal of impairment (Note 7)	**(3,927)**	(3,538)	**–**	–
Written off	**(2,819)**	(1,074)	**–**	–
Exchange differences	**6,006**	(37)	**–**	–
At 31 December	**79,623**	64,832	**18,304**	18,304

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2014: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2015 RM'000	**2014 RM'000**
Neither past due nor impaired	**255,762**	219,644
1 to 30 days past due not impaired	**81,529**	76,063
31 to 60 days past due not impaired	**65,673**	58,548
61 to 90 days past due not impaired	**49,226**	24,350
91 to 120 days past due not impaired	**14,785**	31,744
More than 121 days past due not impaired	**54,919**	25,924
	266,132	216,629
Impaired	**78,588**	63,369
	600,482	499,642

21. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables (cont'd.)

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 27% of the Group's trade receivables arose from current receivable balances with a related company, while approximately 16% of the Group's trade receivables arose from current receivable balances with an associate.

At prior year end, approximately 24% of the Group's trade receivables arose from current receivable balances with the Ministry of Health ("MOH") and losses have occurred infrequently.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM266,132,000 (2014: RM216,629,000) that are past due at the reporting date but not impaired.

These receivables are unsecured. Based on past experience, the management believes that no allowance for impairment is necessary as these debtors are generally slower in their repayment and the Group is still in active trade with these customers.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date are as follows:

	Individually impaired	
	2015 **RM'000**	**2014** **RM'000**
Trade receivables		
– nominal amounts	**78,588**	63,369
Less: Allowance for impairment	**(77,765)**	(62,821)
	823	548

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.

21. TRADE AND OTHER RECEIVABLES (CONT'D.)

(b) Trade receivables (non-current)

Included in the Group's non-current trade receivables is an amount due from a debtor of a foreign subsidiary, which is non-interest bearing, unsecured and is to be paid in cash. The movement of the amount is as follows:

	2015 RM'000	2014 RM'000
Amount due from a debtor of a foreign subsidiary		
At 1 January	**23,387**	21,925
Exchange difference	**5,398**	1,462
At 31 December	**28,785**	23,387
Less: Allowance for impairment		
At 1 January	**(23,387)**	(4,043)
Charged for the year	**–**	(19,344)
Exchange difference	**(5,398)**	–
At 31 December	**(28,785)**	(23,387)
Net debt	**–**	–

(c) Other receivables

Amounts due from related parties

Related companies refer to companies within the UEM group of companies. Amounts due from all related parties are non-interest bearing and repayable on demand other than the loans to joint ventures of RM12,320,000 (2014: nil), which bear interest at market rates based on applicable term rates plus a margin and facility fees. All related parties receivables are unsecured and are to be settled in cash.

During the financial year, the Company had carried out a recoverability assessment on all amounts due from related parties and resulted in the impairment of debts due from subsidiaries of Nil (2014: RM5,369,000). These related party balances were non-interest bearing and non trade-related.

Other receivables that are impaired

At the reporting date, the Group and the Company have provided an allowance of RM1,849,000 (2014: RM1,862,000) and RM216,000 (2014: RM216,000) respectively. These mainly relate to balances due from third parties which have been long outstanding.

Further details on related party transactions are disclosed in Note 41.

22. SHORT TERM INVESTMENTS

	Group 2015 RM'000	Group 2014 RM'000
Current		
Fair value through profit or loss investments:		
– unquoted unit trusts	**184,345**	256,924
– investment in Islamic funds	**60,546**	–
	244,891	256,924
Market value	**244,891**	256,924

Short term investments represent investments with licensed fund managers in funds approved by the Securities Commissions.

23. DERIVATIVE FINANCIAL INSTRUMENTS

	Group 2015 RM'000	Group 2014 RM'000
Current		
Forward exchange rate contract:		
– due within 12 months (net settled)	**11,782**	7,454
Interest rate swap		
– due within 12 months (net settled)	**(185)**	–
	11,597	7,454
Non-current		
Forward exchange rate contract:		
– due 12 to 24 months (net settled)	**–**	(410)
Interest rate swap:		
– due 12 to 24 months (net settled)	**34**	(27)
	34	(437)

The Group uses a loan as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries. Refer to Note 43(c) for more details.

23. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D.)

A subsidiary of the Group, Opus IC has twenty (2014: twenty three) forward exchange rate contracts and two (2014: one) interest rate swap contract as at 31 December 2015. The notional principal amounts of these forward exchange contracts and interest rate swap contract are RM174.2 million (2014: RM177.8 million) and RM48.2 million (2014: RM30.1 million) respectively. These are used to partially hedge the Group's foreign currency risk. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 43(f).

24. CASH, BANK BALANCES AND DEPOSITS

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Cash in hand and at banks	**161,338**	143,537	**6,356**	103
Deposits with:				
– licensed banks	**351,165**	509,414	**15,938**	200,853
– other financial institutions	**40,111**	159,050	**–**	900
	552,614	812,001	**22,294**	201,856

(a) Included in cash at bank of the Group are amounts of RM37,908,000 (2014: RM40,182,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and Section 8A of the Housing Development Account (Control and Licensing) Sabah Act, 1978 and are restricted from use in other operations.

(b) Deposits with licensed banks of the Group amounting to RM16,538,000 (2014: RM16,502,000) are on lien for bank guarantee facilities granted to certain subsidiaries. As at 31 December 2015, the subsidiaries have utilised guarantee facilities amounting to RM13,314,000 (2014: RM13,459,000).

(c) Deposits with licensed banks amounting to RM437,000 (2014: RM429,250) are pledged to secure certain facilities granted to the Group.

(d) Deposits with licensed banks of the Company amounting to Nil (2014: RM3,472,284) are pledged as securities for bank borrowing granted to a foreign subsidiary.

Other information on financial risks of cash, bank balances and deposits are disclosed in Note 43.

25. 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 (2014: 60), on medical incapacity or on death. The present value of defined benefit obligation was based on the actuarial valuation report by independent actuarist dated 26 January 2016 (2014: 15 December 2014).

The details of the net employee benefits liability are as follows:

	Group	
	2015 RM'000	**2014 RM'000**
Present value of the defined benefit obligations ("PVDBO")		
At 1 January	**6,510**	6,437
Defined benefit obligations (Note 8)	**(1,145)**	264
Actuarial (gain)/loss	**(1,211)**	19
Contributions paid	**(114)**	(210)
At 31 December	**4,040**	6,510
Analysis of funded and unfunded PVDBO		
PVDBO from plans that are wholly unfunded	**4,040**	6,510
Analysed as:		
Current	**189**	106
Non-current:		
Later than 1 year but not later than 2 years	**262**	257
Later than 2 years	**3,589**	6,147
	3,851	6,404
	4,040	6,510

The details of net employee benefits expense recognised in profit or loss are as follows:

	Group	
	2015 RM'000	**2014 RM'000**
Current service costs	**267**	275
Past service costs	**(1,364)**	(347)
Gain on settlement	**(388)**	–
Interest cost	**340**	336
Net employee benefits expense (Note 8)	**(1,145)**	264

25. RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

Total amount recognised in statement of comprehensive income

	Group	
	2015 RM'000	**2014 RM'000**
Cumulative amount of actuarial loss recognised in statement of comprehensive income:		
At 1 January	**2,033**	2,014
Actuarial (gain)/loss recognised in other comprehensive income	**(1,211)**	19
At 31 December	**822**	2,033

	2015	**2014**
Historical experience adjustments:		
PVDBO	**4,040**	6,510
Experience adjustment (value)	**(1,211)**	–
Experience adjustment (% of PVDBO)	**–30%**	0%

Principal actuarial assumptions used:

	2015 %	**2014 %**
Discount rate	**5.25**	5.25
Expected rate of salary increases	**6.00**	6.00

Assumptions regarding future mortality are based on published statistics and mortality tables.

A one percentage point change in the below key assumptions would have the following effects:

	Increase/(decrease) in PVDBO	
	2015 RM'000	**2014 RM'000**
Discount rate		
Increase in one percentage point on discount rate	**(208)**	(487)
Decrease in one percentage point on discount rate	**227**	539
Salary increment rate		
Increase in one percentage point on salary increment rate	**493**	2,065
Decrease in one percentage point on salary increment rate	**(449)**	(1,840)

26. DEFINED BENEFIT PENSION PLAN

Opus IC UK, a subsidiary of the Group, has a defined benefit pension fund ("Fund"). The Fund is closed to new employees. The assets of the Fund are held in a legally separate fund from the reporting entity and the Fund exists solely to pay or fund employee benefits. The assets are funded by both the employer and employees. The Fund purchases an annuity at the time of an employee becoming entitled to a pension. The Fund is valued on an annual basis by independent actuary, Scottish Widows Plc, taking into account gains and losses. The unfunded plan to the Fund was assessed by the independent actuary as at 31 December 2015 at a net asset of RM1,274,000 (GBP200,000) (2014: RM1,084,000 (GBP200,000)) and has been taken up as an asset by the Group.

Amount recognised in the income statement and statement of comprehensive income:

	Group	
	2015 RM'000	**2014 RM'000**
Current service cost	**324**	268
Interest cost on benefit obligation	**1,269**	1,371
Administration cost	**161**	152
Expected return on plan assets	**(1,329)**	(1,463)
Employer's contribution	**(1,789)**	(1,636)
Total, included in employee benefits expenses (Note 8)	**(1,364)**	(1,308)
Net actuarial loss recognised for the year	**2,212**	1,886
	848	578

Amount recognised in statement of financial position:

	Group	
	2015 RM'000	**2014 RM'000**
Present value of defined benefit obligation	**39,374**	32,694
Fair value of plan assets	**(39,502)**	(33,584)
Defined benefit obligation	**(128)**	(890)

Changes in present value of defined benefit obligation:

	Group	
	2015 RM'000	**2014 RM'000**
At 1 January	**32,694**	28,798
Current service cost	**324**	268
Interest cost	**1,269**	1,371
Employees' contribution	**60**	55
Benefit paid	**(1,353)**	(645)
Actuarial loss	**505**	2,861
Exchange differences	**5,875**	(14)
At 31 December	**39,374**	32,694

26. DEFINED BENEFIT PENSION PLAN (CONT'D.)

Changes in fair value of plan assets:

	Group	
	2015 **RM'000**	**2014** **RM'000**
At 1 January	**(33,584)**	(30,252)
Expected return	**(1,329)**	(1,463)
Employer's contribution	**(1,789)**	(1,636)
Employees' contribution	**(60)**	(55)
Benefit paid	**1,353**	645
Actuarial loss/(gain)	**1,707**	(975)
Administration costs	**161**	152
Exchange differences	**(5,961)**	–
At 31 December	**(39,502)**	(33,584)

The schemes assets are invested in a Group Pension Contract insured with Clerical Medical. Other than the decision to remain invested in the Group Pension Contract, the trustees and Group do not have control over asset allocation.

The principal assumptions used in determining defined benefit obligation of the Group are shown below:

	Group	
	2015	**2014**
Discount rate	**3.7%**	3.6%
Salary escalation	**2.7%**	3.0%
Retail price inflation	**3.5%**	3.5%

Life expectancies, assuming retirement age of 65 are as follows:

	Group	
	2015 **Years**	**2014** **Years**
For a male aged 65 now	**22.6**	22.5
At 65 for a male member aged 45 now	**24.8**	24.7
For a female aged 65 now	**25.0**	24.9
At 65 for a female member aged 45 now	**27.3**	27.1

Actual return on plan assets:

	2015 **RM'000**	**2014** **RM'000**
Actual return of plan assets	**378**	(2,438)
Less: expected return on plan assets	**1,329**	1,463
Actuarial loss/(gain) recognised in the other comprehensive income	**1,707**	(975)

26. DEFINED BENEFIT PENSION PLAN (CONT'D.)

A quantitative sensitivity analysis for significant assumptions as at 31 December 2015 is as shown below:

	Increase in one percentage		Decrease in one percentage	
Sensitivity Level	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Assumptions				
Discount rate	**(359)**	(3,360)	**349**	3,414
Retail price index	**324**	1,748	**(338)**	(1,693)
Salary increase	**125**	1,147	**(125)**	(1,092)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit obligation at the end of the reporting period is 10 years.

27. PROVISIONS

	Group	
	2015 RM'000	2014 RM'000
Due within one year:		
Provision for professional indemnity claims (Note a)	**4,048**	6,848
Provision for employee service entitlements (Note b)	**11,058**	10,562
Provision for long term incentive plan (Note d)	**1,302**	–
	16,408	17,410
Due after one year:		
Provision for employee service entitlements (Note b)	**18,197**	19,554
Provision for late delivery charges (Note c)	**1,632**	1,632
Provision for sinking fund	**–**	94
	19,829	21,280
Total	**36,237**	38,690

	Company	
	2015 RM'000	2014 RM'000
Due within one year:		
Provision for long term incentive plan (Note d)	**519**	–

27. PROVISIONS (CONT'D.)

(a) Provision for professional indemnity claims

	Group	
	2015 **RM'000**	**2014** **RM'000**
At 1 January	**6,848**	4,714
Charged to the income statement (Note 7)	**3,755**	7,576
Payments made	**(6,862)**	(5,506)
Exchange differences	**307**	64
At 31 December	**4,048**	6,848

The provision for professional indemnity claim is an assessed amount relating to a number of claims the Group may be required to pay over and above its insurance cover.

(b) Provision for employee service entitlements

	Group	
	2015 **RM'000**	**2014** **RM'000**
At 1 January	**30,116**	31,335
Charged to the income statement (Note 8)	**(624)**	1,138
Acquisition of subsidiary	**–**	186
Payments made	**(2,633)**	(2,791)
Exchange differences	**2,396**	248
At 31 December	**29,255**	30,116

Provision for employee service entitlements comprises provisions for retirement leave entitlements in respect of eligible employees. The provisions are in respect of both vested and unvested entitlements, and are made by reference to independent actuarial valuations by Melville Jessup Weaver. The timing of such payments depends on when vesting occurs and the subsequent retirement date of the eligible employees.

(c) Provision for late delivery charges

	Group	
	2015 **RM'000**	**2014** **RM'000**
At 1 January	**1,632**	–
Charged to the income statement (Note 7)	**–**	1,632
At 31 December	**1,632**	1,632

Provision for late delivery charges is in respect of a property development project undertaken by a subsidiary. The provision is recognised for expected liquidation damages claims payable to the purchasers based on terms of the applicable sale and purchase agreements.

27. PROVISIONS (CONT'D.)

(d) Provision for long term incentive plan ("LTIP")

The Company and 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.

28. BORROWINGS

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Short term borrowings				
Secured:				
Commodity Murabahah Term Financing-i ("CMTF-i") (Note (a))	**20,722**	20,904	**20,722**	20,904
Finance leases (Note 29)	**6,106**	5,669	**–**	–
	26,828	26,573	**20,722**	20,904
Unsecured:				
Bank overdrafts (Note (b))	**17,897**	10,131	**–**	–
Total short term borrowings	**44,725**	36,704	**20,722**	20,904
Long term borrowings				
Secured:				
CMTF-i (Note (a))	**60,000**	80,000	**60,000**	80,000
Finance leases (Note 29)	**6,436**	7,505	**–**	–
	66,436	87,505	**60,000**	80,000
Unsecured:				
Term loan (Note (b))	**263,096**	226,958	**–**	–
Total long term borrowings	**329,532**	314,463	**60,000**	80,000
Total borrowings				
Secured:				
CMTF-i (Note (a))	**80,722**	100,904	**80,722**	100,904
Finance leases (Note 29)	**12,542**	13,174	**–**	–
	93,264	114,078	**80,722**	100,904
Unsecured:				
Term loan (Note (b))	**263,096**	226,958	**–**	–
Bank overdrafts (Note (b))	**17,897**	10,131	**–**	–
	374,257	351,167	**80,722**	100,904

28. BORROWINGS (CONT'D.)

The maturity profile of the loans and borrowings are as follows:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
On demand or within one year	**44,725**	36,704	**20,722**	20,904
More than 1 year and less than 2 years	**25,510**	75,970	**20,000**	20,000
More than 2 years and less than 5 years	**304,022**	238,493	**40,000**	60,000
	374,257	351,167	**80,722**	100,904

(a) Commodity Murabahah Term Financing-I ("CMTF-i")

On 17 October 2014, the Company obtained a CMTF-i facility of RM100 million to part finance the purchase consideration for the acquisition of Edgenta Propel Berhad ("Edgenta Propel") (formerly known as Projek Penyelenggaraan Lebuhraya Berhad).

The facility is secured by 21,012,000 units of shariah compliant Edgenta Propel's shares and is repayable by way of 10 equal semi-annual payments, or until full settlement of the financing from the date of the first drawdown on 29 October 2014. The interest is serviced semi-annually in arrears at the end of each profit period of 6 months.

The weighted average effective interest rate of facility at the reporting date was 5.15% (2014: 5.15%) per annum.

(b) Bank overdrafts and term loans

The multi-currency bank overdrafts and term loans are held with various entities of HSBC and ANZ Banking Group. All bank overdrafts and term loans are unsecured and subject to a deed of negative pledge. The bank facility with HSBC and ANZ Banking Group will expire from 2016 to 2019.

The average interest rate on the bank overdrafts and term loans was 3.03% (2014: 3.53%) per annum.

Interest is paid on monthly, quarterly or semi-annual basis in arrears. The principal is repayable at the maturity date of the facility.

(c) Syndicated banking facilities (secured)

A subsidiary of the Group has Syndicated Banking Facilities which comprise revolving 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, licences and concessions and all its present and future plant, equipment and machinery, motor vehicles and furniture and fittings; and

(ii) A first floating charge over all the present and future lands undertakings and other properties and assets of the subsidiary both movable and immovable, not otherwise charged in (c)(i) above.

28. BORROWINGS (CONT'D.)

(d) Debt restructuring

In previous years, the Company restructured its debt due to Jeram Bintang Sdn. Bhd. which are further disclosed in Note 30.

29. FINANCE LEASES

	Group	
	2015 **RM'000**	**2014** **RM'000**
Future minimum lease payments:		
Not later than 1 year	**6,416**	6,367
Later than 1 year and not later than 2 years	**5,866**	4,911
Later than 2 years and not later than 5 years	**987**	3,037
Total future minimum lease payments	**13,269**	14,315
Less: Future finance charges	**(727)**	(1,141)
Present value of finance lease liabilities	**12,542**	13,174
Analysis of present value of finance lease liabilities:		
Not later than 1 year	**6,106**	5,669
Later than 1 year and not later than 2 years	**5,510**	4,587
Later than 2 years and not later than 5 years	**926**	2,918
	12,542	13,174
Less: Amount due within 12 months (Note 28)	**(6,106)**	(5,669)
Amount due after 12 months (Note 28)	**6,436**	7,505

The Group has finance leases for various items of computer equipment and surveying equipment (see Note 13). These lease contracts expire within one to five years. The leases have terms of renewal, purchase options and escalation clauses. These terms are at the option of the specific entity that holds the lease.

These obligations are secured by a charge over the leased assets (Note 13). Other information on financial risks of finance lease are disclosed in Note 43.

The average interest rate on the finance leases was 2.57% (2014: 3.86%) per annum.

30. CHARGES RELATING TO THE BALANCE SUM DUE TO JERAM BINTANG SDN. BHD. ("JBSB")

On 30 September 2004, following the completion of its Debt Restructuring, the Company acknowledged the Balance Sum of RM51,442,000 due to JBSB.

The Balance Sum was interest free and was repayable over a period of 8 years from the date of completion of the restructuring scheme. The Balance Sum was secured as follows:

(i) assignment of dividends receivable from Edgenta Medi-Serve Sdn. Bhd. ("EMS") on 315,000 ordinary shares held by Intensive Quest Sdn. Bhd. ("IQSB") in EMS amounting to RM24 million by the Company;

(ii) assignment of net profits from the development of Casa Palma land amounting to RM15.330 million by Faber Union Sdn. Bhd.;

(iii) assignment of a share of the Group's portion of net profits from the joint venture in respect of the development of Taman Sri Desa land amounting to RM3.207 million by Faber Union Sdn. Bhd.;

(iv) assignment of net profits from the development of Faber Grandview land amounting to RM1.810 million by Faber Grandview Development (Sabah) Sdn. Bhd.;

(v) assignment of net profits from the development of Country View land amounting to RM7.093 million by Country View Development Sdn. Bhd.;

(vi) charge over 30,599,998 issued and paid-up ordinary shares of RM1.00 each in EMS by Edgenta Healthcare Management Sdn. Bhd.; and

(vii) charge over 2 issued and paid-up ordinary shares of RM1.00 each in EMS by the Company.

All Balance Sum due to JBSB was fully settled in prior years. The release of charges over the Balance Sum securities was completed in current financial year.

31. TRADE AND OTHER PAYABLES

	Group	
	2015 RM'000	**2014 RM'000**
Current		
Trade payables		
Third parties	**184,769**	188,554
Accrued costs	**76,936**	103,231
Retention payables:		
– Property development	**9,057**	6,147
– Infrastructure maintenance	**46,905**	13,747
Due to related companies	**567**	15,514
	318,234	327,193
Other payables		
Employee costs payable	**137,263**	131,392
Accruals	**79,797**	67,044
Refundable deposits	**2,858**	3,588
Sundry payables	**46,830**	63,299
Deferred consideration payable	**–**	14,678
Due to holding company	**340**	4,053
	267,088	284,054
Other current liability		
Billing in advance	**66,591**	64,510
Total	**651,913**	675,757
Non-current		
Trade payables		
Retention payables:		
– Property development	**1,438**	1,477
– Infrastructure maintenance	**3,503**	14,906
	4,941	16,383
Other payables		
Sundry payables	**106**	–
Deferred consideration payable	**–**	32,302
	106	32,302
Total	**5,047**	48,685

31. TRADE AND OTHER PAYABLES (CONT'D.)

	Company	
	2015 RM'000	**2014 RM'000**
Current		
Other payables		
Accruals	**14,386**	10,505
Amount due to a subsidiary	**–**	23,887
Sundry payables	**685**	455
Total	**15,071**	34,847

(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 (2014: 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 41.

(d) Deferred consideration payable

This was in relation to the fair value of the remaining purchase consideration payable to the vendors of Opus Stewart Weir Limited ("OSW"), which is contingent on certain integration criteria being met.

	Group	
	2015 RM'000	**2014 RM'000**
At 1 January	**46,980**	86,897
Release of holdback charge to income statement (Note 5)	**(763)**	–
Fair value changes recognised in income statement (Note 5)	**(21,326)**	(30,752)
Payment	**(24,466)**	(8,935)
Reclassified to current sundry payables	**(3,101)**	–
Exchange differences	**2,676**	(230)
At 31 December	**–**	46,980

31. TRADE AND OTHER PAYABLES (CONT'D.)

(d) Deferred consideration payable (cont'd.)

	Group	
	2015 RM'000	**2014 RM'000**
Analysed as:		
Current	–	14,678
Non-current	–	32,302
	–	46,980

At the reporting date, management re-measured the fair value of the deferred consideration payable to be lower than the estimated amount at the acquisition date due to lower probability of OSW meeting the performance targets. Accordingly, the fair value change of RM21,326,000 (2014: RM30,752,000) was recognised in the income statement in the current financial year.

(e) Amount due to a subsidiary

This amount was in relation to the remaining purchase consideration payable to a subsidiary for the purchase of completed properties in prior year. The Company had fully settled the amount in current financial year.

Further details on related party transactions are disclosed in Note 41.

32. DEFERRED TAX

	Group	
	2015 RM'000	**2014 RM'000**
At 1 January	**(41,003)**	(42,078)
Recognised in profit or loss (Note 10)	**3,931**	1,622
Recognised in other comprehensive income (Note 10)	**1,606**	3,389
Acquisition of subsidiaries	–	60
Exchange differences	**(5,870)**	(3,996)
At 31 December	**(41,336)**	(41,003)
Presented after appropriate offsetting as follows:		
Deferred tax assets	**(44,311)**	(44,640)
Deferred tax liabilities	**2,975**	3,637
	(41,336)	(41,003)

32. DEFERRED TAX (CONT'D.)

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:

	Provisions and others RM'000	Unused tax losses and other tax credits RM'000	Total RM'000
At 1 January 2015	**(48,973)**	**(9,470)**	**(58,443)**
Recognised in profit or loss	**7,031**	**(2,284)**	**4,747**
Recognised in other comprehensive income	**1,606**	**–**	**1,606**
Exchange differences	**(3,735)**	**(1,940)**	**(5,675)**
	(44,071)	**(13,694)**	**(57,765)**
Less: Set off with deferred tax liabilities			**13,454**
At 31 December 2015			**(44,311)**
At 1 January 2014	(49,216)	(9,376)	(58,592)
Recognised in profit or loss	803	(160)	643
Recognised in other comprehensive income	3,389	–	3,389
Exchange differences	(3,949)	66	(3,883)
	(48,973)	(9,470)	(58,443)
Less: Set off with deferred tax liabilities			13,803
At 31 December 2014			(44,640)

32. DEFERRED TAX (CONT'D.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows: (cont'd.)

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Prepayment RM'000	Total RM'000
At 1 January 2015	**13,764**	**3,676**	**17,440**
Recognised in profit or loss	**2,860**	**(3,676)**	**(816)**
Exchange differences	**(195)**	**–**	**(195)**
	16,429	**–**	**16,429**
Less: Set off with deferred tax assets			**(13,454)**
At 31 December 2015			**2,975**
At 1 January 2014	13,154	3,360	16,514
Recognised in profit or loss	663	316	979
Acquisition of a subsidiary	60	–	60
Exchange differences	(113)	–	(113)
	13,764	3,676	17,440
Less: Set off with deferred tax assets			(13,803)
At 31 December 2014			3,637

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.

Deferred tax assets have not been recognised in respect of the following items:

Malaysian Companies

	Group	
	2015 RM'000	**2014 RM'000**
Unused tax losses	**22,095**	20,578
Unabsorbed capital allowances	**1,977**	1,961
Others	**1,973**	2,296
	26,045	24,835
Deferred tax of 24% (2014: 25%)	**6,251**	6,209

32. DEFERRED TAX (CONT'D.)

Unused tax losses

At the reporting date, the Group has tax losses of approximately RM22,095,000 (2014: RM20,578,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia is subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority. The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

Unrecognised temporary differences relating to investments in subsidiaries

At the reporting date, there is no unrecognised temporary differences (2014: nil) relating to investments in subsidiaries.

Tax consequences of proposed dividends

There are no income tax consequences (2014: nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 12).

33. SHARE CAPITAL

	Number of ordinary shares of RM0.25 each		Amount	
Group and Company	**2015 RM'000**	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Authorised				
At 1 January/31 December	**3,000,000**	3,000,000	**750,000**	750,000
Issued and fully paid up				
At 1 January	**813,501**	363,001	**203,375**	90,750
Issued for acquisition of subsidiaries (Note 17(a)(v))	**–**	450,500	**–**	112,625
31 December	**813,501**	813,501	**203,375**	203,375

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

34. MERGER RELIEF RESERVE

The acquisitions of Opus Group Berhad ("Opus") and Edgenta Propel Berhad (formerly known as Projek Penyelengaraan Lebuhraya Berhad) ("Edgenta Propel") in prior year (Note 17(a)(v)), which was accounted for using the pooling of interest method, gave rise to the following at acquisition date:

(a) Merger deficit/reserve

This represents the excess of the consideration paid over the share capital and capital reserves of both Opus and Propel at the acquisition date. As the combination assumes to have been effected at the relevant balance sheet dates due to the application of the pooling of interest method, it gave rise to a merger reserve of RM676,477,000 as at 1 January 2014. The excess of the consideration paid over the share capital and capital reserves of both Opus and Propel (merger deficit) has been fully set off against the other merger reserve and merger relief reserve in Note (b) and Note (c) below at date of acquisition.

(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.

(c) Merger relief reserve

This reserve represents the excess of issue price of the Company's shares over the par value in accordance with Section 60(4)(a) of the Companies Act 1965. This reserve had been partially set off against the merger deficit reserve for the purpose of presentation in the financial statements of the Group.

35. OTHER RESERVES

Group	Statutory reserve RM'000 (Note a)	Share based payment RM'000 (Note b)	Foreign currency translation reserve RM'000 (Note c)	Capital redemption reserve RM'000 (Note d)	Total RM'000
At 1 January 2015	**279**	**221**	**27,286**	**9,163**	**36,949**
Foreign currency translation	**–**	**–**	**32,531**	**–**	**32,531**
Share-based payment issued by a subsidiary	**–**	**(323)**	**–**	**–**	**(323)**
Employee share option forfeited by a subsidiary	**–**	**102**	**–**	**–**	**102**
At 31 December 2015	**279**	**–**	**59,817**	**9,163**	**69,259**
At 1 January 2014	279	178	19,939	9,163	29,559
Foreign currency translation	–	–	7,347	–	7,347
Share-based payment issued by a subsidiary	–	43	–	–	43
At 31 December 2014	279	221	27,286	9,163	36,949

35. OTHER RESERVES (CONT'D.)

(a) Statutory reserve

In accordance with the United Arab Emirates ("UAE") Commercial Companies Law, 10% of profit for each year from a Limited Liability Company incorporated in the UAE is transferred to a legal reserve until such time as the reserve equals 50% of the paid-up capital. Faber L.L.C. ("FLLC") has resolved to discontinue such annual transfers since the reserve is equal to 50% of its share capital. This reserve is not available for distribution except as stipulated by UAE law.

(b) Share based payment

In 2008, Opus IC, a subsidiary of the Company, established the Opus IC Employee Share Ownership Plan. The Share Ownership Plan established a framework under which Opus IC could, from time to time, offer selected employees the opportunity to acquire shares in Opus IC. During the year, the Share Ownership Plan was wound up.

(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) Capital redemption reserve

Capital redemption reserve arises from the redemption of redeemable preference shares in the prior year by a subsidiary in accordance with Section 61(5) of Companies Act, 1965.

36. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings under the single tier system.

37. OPERATING LEASE COMMITMENTS

The Group has entered into non-cancellable operating lease agreements for the use of premises and certain plant and machineries. These leases have an average tenure of between 3 and 5 years with no renewal or purchase option included in the contracts.

The Group also leases various plant and machinery under cancellable operating lease agreements. The Group is required to give a six-month notice for the termination of those agreements.

37. OPERATING LEASE COMMITMENTS (CONT'D.)

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Future minimum rental payable of premises:				
Not later than 1 year	**83,403**	51,768	**1,224**	1,224
Later than 1 year and not later than 2 years	**75,053**	47,972	**102**	1,224
Later than 2 years and not later than 5 years	**179,383**	86,434	**–**	102
More than 5 years	**130,685**	108,790	**–**	–
	468,524	294,964	**1,326**	2,550
Future minimum rental payable of equipment and others:				
Not later than 1 year	**16,018**	14,103	**57**	57
Later than 1 year and not later than 2 years	**12,080**	9,814	**52**	57
Later than 2 years and not later than 5 years	**10,122**	7,579	**–**	52
More than 5 years	**208**	183	**–**	–
	38,428	31,679	**109**	166

38. CAPITAL COMMITMENTS

	Group	
	2015 RM'000	**2014 RM'000**
Capital expenditure		
Approved and contracted for:		
Purchase of property, plant and equipment	**20,626**	23,060
Approved but not contracted for:		
Purchase of property, plant and equipment	**9,106**	37,160

39. PERFORMANCE BONDS AND GUARANTEES

	Group	
	2015 RM'000	2014 RM'000
Secured:		
Performance bond extended to Government of Malaysia in respect of security for the due performance of the Hospital Support Services Concession Agreement dated 28 October 1996 (Note 28(c))	**25,642**	26,126
Performance bond to Western Region Municipality of Abu Dhabi for Facilities Management Services in Abu Dhabi	**11,606**	11,696
Other bank performance bonds and letter of credit	**15,611**	26,798
Bank guarantee issued to authorities	**1,708**	1,762
Bank guarantee issued to others	**2,325**	1,216
Total	**56,892**	67,598
Unsecured:		
Bank guarantees extended to third parties – trade related	**53,655**	32,904
Performance bond extended to third parties – trade related	**27,069**	19,802
Retention guarantee extended to third parties – trade related	**9,492**	9,949
	90,216	62,655

40. CONTINGENT LIABILITY

	Group	
	2015 RM'000	2014 RM'000
Potential tax liability	–	5,975

The potential tax liability in prior year was in respect of an additional assessment from the Inland Revenue Board for additional tax payable and tax penalties imposed on a subsidiary, amounting to RM5,975,000 for which the subsidiary had filed an appeal during the current financial year. The appeal was rejected and accordingly the additional tax assessment and the penalty have been recognised in the income statement.

41. RELATED PARTY DISCLOSURES

(a) Sale and purchase of goods and services

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions at terms agreed between the related parties during the financial year:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Income received/receivable from				
Management fees from subsidiaries	**–**	–	**(16,155)**	(6,480)
Asset consultancy services fees received from:				
– immediate holding company	**(3,573)**	(2,912)	**–**	–
– related companies	**(84,675)**	(94,286)	**–**	–
Infrastructure maintenance fees received from:				
– related companies	**(725,141)**	(598,996)	**–**	–
Facilities management fees received from:				
– related companies	**(9,325)**	(8,623)	**–**	–
– associates	**(197,279)**	–	**–**	–
License and commission fees received from an associate	**(1,125)**	(811)		
Others				
Loans to joint ventures	**12,320**	–	**–**	–
Expenses paid/payable to				
Management fee expense to immediate holding company	**587**	596	**207**	216
Rendering of services				
– Immediate holding company	**10,335**	7,370	**145**	77
– Related companies	**52,098**	26,544	**–**	38
– non-controlling shareholder of a subsidiary	**5,706**	5,107	**–**	–
Rental paid to:				
– related companies	**7,154**	6,459	**1,235**	1,017
Purchase of completed properties	**–**	–	**–**	25,434

41. RELATED PARTY DISCLOSURES (CONT'D.)

(b) Compensation of key management personnel

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly including any directors.

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Salaries and other emoluments	**7,403**	8,391	**3,149**	3,269
Contributions to defined contribution plans	**719**	877	**294**	356
	8,122	9,268	**3,443**	3,625

Included in total key management personnel compensation are:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Directors' remuneration excluding benefit-in-kind (Note 9)	**5,293**	6,752	**2,749**	2,748

42. FINANCIAL INSTRUMENTS

<u>Classification of financial instruments</u>

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:

2015 Group	**Fair value through profit or loss RM'000**	**Loans and receivables RM'000**	**Available-for-sale RM'000**	**Total RM'000**
Assets				
Other investments (Note 19)	–	–	**272**	**272**
Trade receivables, net (Note 21)	–	**522,717**	–	**522,717**
Other receivables, net (Note 21)	–	**70,550**	–	**70,550**
Cash, bank balances and deposits (Note 24)	–	**552,614**	–	**552,614**
Short term investments (Note 22)	**244,891**	–	–	**244,891**
Derivative financial instruments (Note 23)	**11,816**	–	–	**11,816**
Total financial assets	**256,707**	**1,145,881**	**272**	**1,402,860**
Total non financial assets				**1,214,513**
Total assets				**2,617,373**

42. FINANCIAL INSTRUMENTS (CONT'D.)

2015 Group (cont'd.)	Fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Liabilities			
Trade payables (Note 31)	**–**	**323,175**	**323,175**
Other payables (Note 31)	**–**	**267,088**	**267,088**
Derivative financial instruments (Note 23)	**185**	**–**	**185**
Borrowings (Note 28)	**–**	**374,257**	**374,257**
Total financial liabilities	**185**	**964,520**	**964,705**
Total non financial liabilities			**124,577**
Total liabilities			**1,089,282**

2014 Group	Fair value through profit or loss RM'000	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Assets				
Other investments (Note 19)	–	–	272	272
Trade receivables, net (Note 21)	–	436,821	–	436,821
Other receivables, net (Note 21)	–	27,476	–	27,476
Cash, bank balances and deposits (Note 24)	–	812,001	–	812,001
Short term investments (Note 22)	256,924	–	–	256,924
Derivative financial instruments (Note 23)	7,454	–	–	7,454
Total financial assets	264,378	1,276,298	272	1,540,948
Total non financial assets				1,105,080
Total assets				2,646,028

	Fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Liabilities			
Trade payables (Note 31)	–	343,576	343,576
Other payables (Note 31)	46,980	269,376	316,356
Derivative financial instruments (Note 23)	437	–	437
Dividend payable	–	146,430	146,430
Borrowings (Note 28)	–	351,167	351,167
Total financial liabilities	47,417	1,110,549	1,157,966
Total non financial liabilities			126,936
Total liabilities			1,284,902

42. FINANCIAL INSTRUMENTS (CONT'D.)

2015 Company	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Assets			
Other investments (Note 19)	**–**	**272**	**272**
Other receivables, net (Note 21)	**19,117**	**–**	**19,117**
Cash, bank balances and deposits (Note 24)	**22,294**	**–**	**22,294**
Total financial assets	**41,411**	**272**	**41,683**
Total non financial assets			**1,843,577**
Total assets			**1,885,260**

	Financial liabilities at amortised cost RM'000	Total RM'000
Liabilities		
Other payables (Note 31)	**15,071**	**15,071**
Borrowings (Note 28)	**80,722**	**80,722**
Total financial liabilities	**95,793**	**95,793**
Total non financial liabilities		**519**
Total liabilities		**96,312**

2014 Company	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Assets			
Other investments (Note 19)	–	272	272
Other receivables, net (Note 21)	2,111	–	2,111
Cash, bank balances and deposits (Note 24)	201,856	–	201,856
Total financial assets	203,967	272	204,239
Total non financial assets			1,814,603
Total assets			2,018,842

42. FINANCIAL INSTRUMENTS (CONT'D.)

2014 Company (cont'd.)	Financial liabilities at amortised cost RM'000	Total RM'000
Liabilities		
Other payables (Note 31)	34,847	34,847
Borrowings (Note 28)	100,904	100,904
Dividend payable	146,430	146,430
Total financial liabilities	282,181	282,181
Total non financial liabilities		–
Total liabilities		282,181

43. 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 of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances, derivatives and non-current investments), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group controls its credit risk by the application of credit approvals, limits and monitoring procedures. Credit evaluations are performed on all customers requiring credit over a certain amount and strictly limiting the Group's associations to business partners with high credit worthiness. Trade receivables are monitored on an ongoing basis.

The Group's receivables are monitored on an ongoing basis and the status of major receivables are reported to the Board of Directors.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's net trade receivables at the reporting date are as follows:

	2015		2014	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	**341,104**	**65**	224,100	51
India	**217**	**0**	2,804	1
United Arab Emirates	**1,163**	**0**	7,391	2
Indonesia	**837**	**0**	2,819	1
New Zealand	**88,153**	**17**	90,053	21
Australia	**17,636**	**4**	23,796	5
United Kingdom	**21,919**	**4**	16,547	4
Canada	**41,869**	**8**	67,467	15
United States	**1,160**	**0**	1,844	0
Fiji	**8,659**	**2**	–	–
	522,717	**100**	436,821	100

At the reporting date:

– The Group's ten largest customers account for approximately 54% (2014: 40%) of total trade receivables. The 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 21. 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 21.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

2015	On demand or within one year RM'000	One to five years RM'000	Total RM'000
Group			
Financial liabilities:			
Trade and other payables (Note 31)	**651,913**	**5,047**	**656,960**
Loans and borrowings:			
– Bank overdrafts (Note 28)	**17,897**	**–**	**17,897**
– Term loan	**6,206**	**274,315**	**280,521**
– CMTF-i	**23,864**	**65,404**	**89,268**
– Finance leases	**6,416**	**6,853**	**13,269**
Total undiscounted financial liabilities	**706,296**	**351,619**	**1,057,915**
Company			
Financial liabilities:			
Other payables (Note 31)	**15,071**	**–**	**15,071**
Loans and borrowings:			
– CMTF-i	**23,864**	**65,404**	**89,268**
Total undiscounted financial liabilities	**38,935**	**65,404**	**104,339**

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. (cont'd.)

2014	On demand or within one year RM'000	One to five years RM'000	Total RM'000
Group			
Financial liabilities:			
Trade and other payables (Note 31)	675,757	49,086	724,843
Loans and borrowings:			
– Bank overdrafts (Note 28)	10,131	–	10,131
– Term loan	6,437	234,050	240,487
– CMTF-i	24,879	89,228	114,107
– Finance leases	6,367	7,948	14,315
Dividend payable	146,430	–	146,430
Total undiscounted financial liabilities	870,001	380,312	1,250,313
Company			
Financial liabilities:			
Other payables (Note 31)	34,847	–	34,847
Dividend payable	146,430	–	146,430
Loans and borrowings:			
– CMTF-i	24,879	89,228	114,107
Total undiscounted financial liabilities	206,156	89,228	295,384

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. The foreign currencies in which these transactions are denominated are mainly New Zealand Dollar, Canadian Dollar, Australian Dollar and British Pound.

As a result of the significant investments in New Zealand, Australia, United Kingdom and Canada, the Group's statement of financial position is affected by the movements in the respective functional currencies of the investees against the Ringgit Malaysia.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the investments are located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

As and when the Group undertakes significant transactions denominated in foreign currencies, with continuing exposure over the applicable periods of settlement, the Group evaluates its exposure and the necessity to hedge such exposure, as well as the availability and cost of such hedging instruments.

Hedges of net investments in foreign operations

The Group adopts hedge accounting for net investments in foreign operations. The Group currently hedges investments in the United Kingdom, Canadian, United States and Australian operations.

Net investment hedges are hedges of the Group's exposure to foreign currency risk associated with foreign operations. The Group has designated a portion of bank borrowings in the same currency as the foreign operations and forward exchange rate contracts, as hedges of the net investment in those operations. Gains and losses arising on the effective portion of the hedge are recognised directly in other comprehensive income within the Statement of Comprehensive Income. Any gains or losses arising on the ineffective portion are recognised directly in the Income Statement.

On loss of control or disposal of foreign operation, the cumulative value of any such gains or losses recognised in other comprehensive income is transferred to the Income Statement.

The hedges were effective throughout 2015 and there was no ineffectiveness recognised in the Income Statement (2014: nil).

	2015 **RM'000**	**2014** **RM'000**
Bank borrowings designated as hedges:		
Short term bank borrowings	**17,897**	10,131
Long term bank borrowings	**263,096**	226,958

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Foreign currency risk (cont'd.)

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances are as follows:

	Functional currency of Group Companies	
	2015 RM'000	**2014 RM'000**
United Arab Emirates Dirham (AED)	**167**	323
Australian dollar (AUD)	**(1,252)**	(1,321)
British pound (GBP)	**(15,529)**	(8,311)
Euro dollar (EURO)	**(18)**	(56)
United States dollar (USD)	**22**	(149)
Canadian dollar (CAD)	**(1,093)**	(274)
Indonesian Rupiah (IDR)	**14,536**	5,548
	(3,167)	9,804

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit after tax to a reasonably possible change in the following exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group	
		2015 RM'000	**2014 RM'000**
AED/RM	– strengthened 23% (2014: 6%)	**38**	19
AUD/RM	– strengthened 10% (2014: 2%)	**(125)**	(26)
GBP/RM	– strengthened 17% (2014: 1%)	**(2,640)**	(83)
EURO/RM	– strengthened 5% (2014: 6%)	**(1)**	(3)
USD/RM	– strengthened 23% (2014: 7%)	**5**	(10)
CAD/RM	– strengthened 3% (2014: 2%)	**(33)**	(5)
IDR/RM	– strengthened 11% (2014: 4%)	**1,599**	222

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(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.

Interest Rate Swap Contracts

The Group may enter into interest rate swap contracts where it agrees to exchange interest rate cash flows, either from a fixed rate to a floating rate (or vice versa) on a specified notional principal amount. The objective is to protect the Group from the possibility of material losses from interest rate fluctuation.

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.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Interest rate risk (cont'd.)

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

	Note	WAEIR %	Within 1 year RM'000	1-2 years RM'000	2-5 years RM'000	Total RM'000
At 31 December 2015						
Group						
Fixed rate						
Deposits with licensed banks and other financial institutions	24	**4.14**	**391,276**	**–**	**–**	**391,276**
Finance leases	29	**2.57**	**(6,106)**	**(5,510)**	**(926)**	**(12,542)**
CMTF-i	28	**5.15**	**(20,722)**	**(20,000)**	**–**	**(40,722)**
Floating rate						
Term loans and bank overdrafts	28	**3.03**	**(17,897)**	**(263,096)**	**–**	**(280,993)**
CMTF-i	28	**5.15**	**–**	**–**	**(40,000)**	**(40,000)**
Company						
Fixed rate						
Deposits with licensed banks and other financial institutions	24	**3.54**	**15,938**	**–**	**–**	**15,938**
CMTF-i	28	**5.15**	**(20,722)**	**(20,000)**	**–**	**(40,722)**
Floating rate						
CMTF-i	28	**5.15**	**–**	**–**	**(40,000)**	**(40,000)**

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Interest rate risk (cont'd.)

	Note	WAEIR %	Within 1 year RM'000	1-2 years RM'000	2-5 years RM'000	Total RM'000
At 31 December 2014						
Group						
Fixed rate						
Deposits with licensed banks and other financial institutions	24	3.77	668,464	–	–	668,464
Finance leases	29	3.86	(5,669)	(4,587)	(2,918)	(13,174)
CMTF-i	28	5.15	(20,904)	(20,000)	(20,000)	(60,904)
Floating rate						
Term loans and bank overdrafts	28	3.53	(10,131)	(51,383)	(175,575)	(237,089)
CMTF-i	28	5.15	–	–	(40,000)	(40,000)
Company						
Fixed rate						
Deposits with licensed banks and other financial institutions	24	3.54	201,753	–	–	201,753
CMTF-i	28	5.15	(20,904)	(20,000)	(20,000)	(60,904)
Floating rate						
CMTF-i	28	5.15	–	–	(40,000)	(40,000)

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.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(f) Fair value

The carrying amounts of financial assets and financial liabilities at the reporting date approximate fair values either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Determination of fair value

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Group	Quoted prices in active markets Level 1 RM'000	Significant observable inputs Level 2 RM'000	Significant unobservable inputs Level 3 RM'000	Total RM'000
2015				
Assets measured at fair value:				
Short term investments*	**–**	**244,891**	**–**	**244,891**
Derivative financial instruments*	**–**	**11,816**	**–**	**11,816**
	–	**256,707**	**–**	**256,707**
Liabilities measured at fair value:				
Derivative financial instruments*	**–**	**185**	**–**	**185**
2014				
Assets measured at fair value:				
Short term investments**	–	256,924	–	256,924
Derivative financial instruments**	–	7,454	–	7,454
	–	264,378	–	264,378
Liabilities measured at fair value:				
Derivative financial instruments**	–	437	–	437

* The valuation date of these financial instruments is 31 December 2015.
** The valuation date of these financial instruments is 31 December 2014.

There have been no transfers between levels during the period.

The following methods and assumptions were used to estimate the fair values:

– Derivative financial instruments are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying assets and liabilities.

– Short term investments are valued based on currently available deposits with similar terms and maturities.

44. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group also aims to maintain a capital structure that has an appropriate cost of capital available to the Group.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 31 December 2014.

The Group manages capital by reference to the debt to asset ratio. The Group's debt to asset ratio is as follows:

	Group		**Company**	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Bank overdrafts	**17,897**	10,131	**–**	–
CMTF-i	**80,722**	100,904	**80,722**	100,904
Term loan	**263,096**	226,958	**–**	–
Finance leases	**12,542**	13,174	**–**	–
Total debt	**374,257**	351,167	**80,722**	100,904
Total assets	**2,617,373**	2,646,028	**1,885,260**	2,018,842
Debt to asset ratio	**14%**	13%	**4%**	5%

45. SEGMENT INFORMATION

(a) Business unit segments

For management purposes, the Group is organised into business units based on their products and services, and has five reportable operating segments as follows:

(i) the asset development and asset management consultancy segment is in respect of roads infrastructure, civil and building related works;

(ii) the integrated facilities management segment includes provision of hospital support services, provision of facilities management and provision of infrastructure facility services;

(iii) the infrastructure maintenance segment is in the business of maintenance and repair of civil, mechanical and electrical works on roads, and infrastructure and expressways works;

(iv) the property segment is in the business of developing residential properties; and

(v) the other segment is in the business of geotechnical investigation, instrumentation and pavement condition assessment works, as well as involved in Group-level corporate services and investment holdings.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

45. SEGMENT INFORMATION (CONT'D.)

(a) Business unit segments (cont'd.)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

(b) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's five business segments operate in eight geographical areas:

(i) Malaysia – the operations in this area are principally integrated facilities management, asset development and asset management consultancy services, infrastructure maintenance, property development and investment holding.

(ii) New Zealand – the operation in this area are principally consultancy services which include asset management services, property management and asset maintenance services.

(iii) Canada – the operation in this area are principally consultancy services for land surveying, engineering and environmental consultancy.

(iv) Australia – the operations in this area are principally consultancy services for engineering, rail infrastructure, survey and road infrastructure.

(v) United Kingdom – the operations in this area are principally consultancy services for roads, survey, civil and building.

(vi) Indonesia – the operations in this area are principally asset management consultancy services and road infrastructure.

(vii) Middle East – the operation in this area are principally integrated facilities management and asset management consultacy services.

(viii) India – the operations in this area are principally integrated facilities management.

45. SEGMENT INFORMATION (CONT'D.)

At 31 December 2015	Notes	Asset development and asset management consultancy RM'000	Integrated facilities management RM'000	Infrastructure maintenance RM'000	Properties RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue								
External revenue		1,525,010	663,050	890,665	25,275	19,033	–	3,123,033
Inter-segment revenue	A	–	2,974	3,673	–	171,640	(178,287)	–
Total revenue		1,525,010	666,024	894,338	25,275	190,673	(178,287)	3,123,033
Results								
Segment results		117,302	95,836	110,698	3,566	120,097	(131,652)	315,847
Finance costs		(11,368)	(133)	(353)	(20)	(4,753)	–	(16,627)
Share of results of associates		–	10,468	–	–	–	–	10,468
Share of results of joint ventures		(4,269)	–	–	–	–	–	(4,269)
Profit/(loss) before tax		101,665	106,171	110,345	3,546	115,344	(131,652)	305,419
Zakat		(113)	(1,000)	–	500	(881)	–	(1,494)
Income tax expense		(38,880)	(25,012)	(27,609)	67	(2,962)	4	(94,392)
Profit/(loss) net of tax		62,672	80,159	82,736	4,113	111,501	(131,648)	209,533
Assets								
Segment assets	B	1,240,198	413,386	488,608	265,425	280,891	(71,135)	2,617,373
Liabilities								
Segment liabilities	B	568,056	227,172	217,386	46,609	119,280	(89,221)	1,089,282
Other segment information								
Capital expenditure	C	28,229	30,920	14,831	46	2,156	–	76,182
Investments in associates		–	18,356	–	–	–	–	18,356
Investments in joint ventures		5,814	–	–	–	–	–	5,814
Interest income		(9,410)	(1,991)	(831)	(1,425)	(1,391)	–	(15,048)
Dividend income		(5,129)	(84)	(2,476)	(2,108)	–	–	(9,797)
Impairment loss on goodwill (Note 16)		36,126	–	–	–	–	–	36,126
Impairment of property, plant and equipment (Note 13)		–	3,810	–	–	–	–	3,810
Depreciation (Note 7)		24,567	24,792	8,590	175	1,962	(118)	59,968
Amortisation	D	5,304	8	179	13	26	–	5,530
Non cash (income)/expense other than impairment, depreciation, and amortisation	E	(12,059)	1,909	2,866	241	823	–	(6,220)

45. SEGMENT INFORMATION (CONT'D.)

At 31 December 2014	Notes	Asset development and asset management consultancy RM'000	Integrated facilities management RM'000	Infrastructure maintenance RM'000	Properties RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue								
External revenue		1,612,262	673,315	762,244	18,789	22,677	–	3,089,287
Inter-segment revenue	A	–	1,986	2,873	25,434	473,521	(503,814)	–
Total revenue		1,612,262	675,301	765,117	44,223	496,198	(503,814)	3,089,287
Results								
Segment results		161,082	78,834	102,269	5,940	436,338	(445,287)	339,176
Finance costs		(12,594)	(202)	(572)	(20)	(1,071)	176	(14,283)
Share of results of associates		–	(488)	–	–	–	–	(488)
Share of results of joint ventures		57	–	–	–	–	–	57
Profit/(loss) before tax		148,545	78,144	101,697	5,920	435,267	(445,111)	324,462
Zakat		(915)	(1,000)	–	(761)	(814)	–	(3,490)
Income tax expense		(32,317)	(16,001)	(24,880)	(3,699)	(2,166)	–	(79,063)
Profit/(loss) net of tax		115,313	61,143	76,817	1,460	432,287	(445,111)	241,909
Assets								
Segment assets	B	1,228,021	358,188	437,362	259,423	424,620	(61,586)	2,646,028
Liabilities								
Segment liabilities	B	605,573	199,437	217,857	44,720	296,987	(79,672)	1,284,902
Other segment information								
Capital expenditure	C	41,738	8,162	13,030	685	4,198	–	67,813
Investments in associates		–	6,070	–	–	–	–	6,070
Investments in joint ventures		12,985	–	–	–	–	–	12,985
Interest income		(6,499)	(6,007)	(1,346)	(4,189)	(2,540)	–	(20,581)
Dividend income		(8,764)	–	(3,038)	–	–	–	(11,802)
Impairment loss on goodwill (Note 16)		17,893	–	–	–	–	–	17,893
Impairment of plant and equipment (Note 13)		–	2,934	–	–	–	–	2,934
Depreciation (Note 7)		24,657	11,553	6,746	194	764	–	43,914
Amortisation	D	3,797	268	155	1	18	–	4,239
Non cash (income)/expense other than impairment, depreciation, and amortisation	E	(22,033)	29,015	6,670	(664)	230	–	13,218

45. SEGMENT INFORMATION (CONT'D.)

Notes **Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements**

A Inter-segment revenues are eliminated on consolidation.

B The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2015 RM'000	2014 RM'000
Inter-segment assets	**(71,135)**	(61,586)

The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2015 RM'000	2014 RM'000
Inter-segment liabilities	**(89,221)**	(79,672)

C Capital expenditure consist of:

	2015 RM'000	2014 RM'000
Property, plant and equipment	**72,564**	62,860
Intangible assets – software	**3,618**	4,953
	76,182	67,813

D Amortisation consist of:

	2015 RM'000	2014 RM'000
Prepaid land lease payments	**87**	87
Intangible assets	**5,443**	4,152
	5,530	4,239

45. SEGMENT INFORMATION (CONT'D.)

Notes **Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd.)**

E Other material non-cash (income)/expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2015 RM'000	2014 RM'000
Fair value gain on:			
– short term investments	5	**(150)**	(238)
– step-up acquisition of a joint venture to subsidiary	5	**–**	(1,230)
– derivatives financial instruments	5	**(259)**	–
Gain on dissolution of a subsidiary	5	**–**	(61)
Reversal of deferred consideration arising from acquisition of a subsidiary	5	**(21,326)**	(30,752)
Release of holdback charge	5	**(763)**	–
Liquidated and ascertained damages from subcontractors	5,7	**257**	(2,258)
Net loss on disposal of plant and equipment	7	**416**	2
Provision for professional indemnity claims	7	**3,755**	7,576
Provision for late delivery charges	7	**–**	1,632
Property, plant and equipment written off	7	**541**	3,633
Intangible assets written off	7	**794**	–
Impairment on financial assets:			
– Trade and other receivables			
– Non-current	7	**–**	19,423
– Current	7	**15,531**	17,017
Reversal of impairment on financial assets:			
– Trade and other receivables	7	**(3,927)**	(3,538)
Bad debts written off	7	**–**	1,043
Write down of inventories	7	**56**	705
Defined retirement benefit obligations	8	**(1,145)**	264
		(6,220)	13,218

45. SEGMENT INFORMATION (CONT'D.)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue	
	2015 **RM'000**	**2014** **RM'000**
Malaysia	**1,732,783**	1,627,547
United Arab Emirates	**697**	2,139
New Zealand	**754,534**	779,065
Australia	**137,483**	174,540
Canada	**305,875**	372,091
United Kingdom	**174,927**	133,585
Indonesia	**16,734**	320
Consolidated	**3,123,033**	3,089,287

	Non-current assets	
	2015 **RM'000**	**2014** **RM'000**
Malaysia	**309,878**	282,754
United Arab Emirates	**228**	1
India	**–**	15
New Zealand	**76,360**	62,357
Australia	**51,911**	50,464
Canada	**201,325**	242,852
United Kingdom	**50,195**	41,577
Indonesia	**9**	25
Others	**5,368**	6,798
Consolidated	**695,274**	686,843

Non-current assets information presented above consist of the followings items as presented in the consolidated statement of financial position:

	2015 **RM'000**	**2014** **RM'000**
Property, plant and equipment	**213,034**	188,105
Land held for property development	**1,115**	1,115
Prepaid land lease payments	**3,237**	3,324
Intangible assets	**453,446**	474,972
Investment in joint ventures	**5,814**	12,985
Investment in associates	**18,356**	6,070
Other investments	**272**	272
	695,274	686,843

45. SEGMENT INFORMATION (CONT'D.)

Information about major customers

Revenue from two (2014: two) major customers amounted to RM587,572,000 and RM428,130,000 (2014: RM516,950,000 and RM650,922,000) respectively, arising from sales in the infrastructure maintenance and integrated facilities management – concession segment.

46. SUBSIDIARIES, JOINT VENTURE 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 2015 %	2014 %	Principal activities
Subsidiary of the Company:					
Faber Hotels Holdings Sdn. Bhd.	Malaysia	95,279,551	**100**	100	Investment holding
Faber Development Holdings Sdn. Bhd.	Malaysia	28,260,006	**100**	100	Investment holding
Edgenta Facilities Sdn. Bhd. (formerly known as Faber Facilities Sdn. Bhd.)	Malaysia	200,000	**100**	100	Investment holding and integrated facilities management
Edgenta Healthcare Management Sdn. Bhd. (formerly known as Faber Healthcare Management Sdn. Bhd.)	Malaysia	2	**100**	100	Investment holding
TC Parking Sdn. Bhd.	Malaysia	20,002	–	100	Dissolved in current year
Renown Alliance Sdn. Bhd.	Malaysia	2	**100**	100	In members' liquidation
Edgenta PROPEL Berhad (formerly known as Projek Penyelenggaraan Lebuhraya Berhad)	Malaysia	70,000,000	**100**	100	Maintenance and repair of civil, mechanical and electrical works on roads, infrastructure and expressways and industrial cleaning services
Opus Group Berhad	Malaysia	89,822,472	**100**	100	Investment holding
Faber LLC (b)	Emirates of Dubai	AED600,000	**75**	75	Facilities management services in United Arab Emirates
Sate Yaki Sdn. Bhd.	Malaysia	5,000,000	**60**	60	In liquidation

46. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONT'D.)

Details of subsidiaries, joint ventures and associates are as follows: (cont'd.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2015 %	2014 %	Principal activities
Subsidiary of the Company (cont'd.):					
Edgenta Environmental & Material Testing Sdn. Bhd. (formerly known as Soil Centralab Sdn. Bhd.)	Malaysia	1,000,000	**100**	–	Geotechnical investigation, instrumentation and pavement condition assessment works
Edgenta Energy Services Sdn. Bhd.	Malaysia	1,000,000	**70**	–	Energy management services
Edgenta Township Management Services Sdn. Bhd.	Malaysia	2,730,000	**100**	–	Management of real estate
Subsidiary of Edgenta Healthcare Management Sdn. Bhd. (formerly known as Faber Healthcare Management Sdn. Bhd.):					
Edgenta Mediserve Sdn. Bhd. (formerly known as (Faber Medi-Serve Sdn. Bhd) (c)	Malaysia	54,000,010	**100**	100	Provision of hospital support services
Subsidiary of Edgenta Mediserve Sdn. Bhd. (formerly known as Faber Medi-Serve Sdn. Bhd.):					
Edgenta Healthtronics Sdn. Bhd. (formerly known as (Healthtronics (M) Sdn. Bhd.)	Malaysia	3,000,000	**100**	60	Provision of biomedical and electronic engineering maintenance services
Fresh Linen Services (Sabah) Sdn. Bhd.	Malaysia	3,000,000	**60**	60	Provision of laundry processing activities
Edgenta Mediserve (Sabah) Sdn. Bhd. (formerly known as FMS Services Sabah Sdn. Bhd.)	Malaysia	100,000	**100**	100	Investment holding

46. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONT'D.)

Details of subsidiaries, joint ventures and associates are as follows: (cont'd.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2015 %	2014 %	Principal activities
Subsidiary of Edgenta Mediserve Sdn. Bhd. (formerly known as Faber Medi-Serve Sdn. Bhd.) (cont'd.):					
Edgenta Mediserve (Sarawak) Sdn. Bhd. (formerly known as FMS Services 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. (formerly known as FMS Services 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. (formerly known as FMS Services Sarawak Sdn. Bhd.):					
One Medicare Sdn. Bhd. (b)	Malaysia	5,000,000	**40**	40	Provision of hospital support services
Subsidiary of Faber Development Holdings Sdn. Bhd.:					
Faber Union Sdn. Bhd.	Malaysia	97,000,000	**100**	100	Property development
Rimbunan Melati Sdn. Bhd.	Malaysia	5,000,000	**55**	55	Property development
Faber Grandview Development (Sabah) Sdn. Bhd.	Malaysia	4,500,000	**100**	100	Property development
Faber Heights Management Sdn. Bhd.	Malaysia	2	**100**	100	Property management
Country View Development Sdn. Bhd.	Malaysia	11,200,000	**100**	100	Property development and provision of facilities management services

46. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONT'D.)

Details of subsidiaries, joint ventures and associates are as follows: (cont'd.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2015 %	2014 %	Principal activities
Subsidiary of Edgenta Facilities Sdn. Bhd. (formerly known as Faber Facilities Sdn. Bhd.):					
Edgenta Facilities Management Sdn. Bhd. (formerly known as Faber Facilities Management Sdn. Bhd.)	Malaysia	1,000,000	**100**	100	Facilities management services
Faber Star Facilities Management Limited (b)	India	Rs3,57,10,770	**100**	100	Facilities management in India
General Field Sdn. Bhd.	Malaysia	2	**100**	100	Provision of energy performance management services
Associate of Edgenta Facilities Sdn. Bhd. (formerly known as Faber Facilities Sdn. Bhd.):					
Faber Sindoori Management Services Private Limited (b)	India	Rs9,23,780	**51**	51	Facilities management in India
Subsidiary of Edgenta PROPEL Berhad (formerly known as Projek Penyelenggaraan Lebuhraya Berhad):					
Aquatrans Sdn. Bhd.	Malaysia	100,000	**100**	100	Undertaking of water projects
Jointly Controlled Operation of Edgenta PROPEL Berhad (formerly known as Projek Penyelenggaraan Lebuhraya Berhad):					
Edgenta Propel-NRC JO	Not applicable	–	**55**	–	Providing highway maintenance services

46. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONT'D.)

Details of subsidiaries, joint ventures and associates are as follows: (cont'd.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2015 %	Effective proportion of ownership interest 2014 %	Principal activities
Subsidiary of Opus Group Berhad:					
Builders Credit & Leasing Sdn. Bhd.	Malaysia	600,000	**100**	100	Investment holding
International Business Link, Inc. (a)	The British Virgin Islands	US$1	**100**	100	Investment holding
Opus International Limited (a)	United Kingdom	GBP0.50	**100**	100	In members' voluntary liquidation
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	Dormant
Pengurusan Lantas Berhad	Malaysia	5,000,000	**100**	100	Dormant
Pengurusan LRT Sdn. Bhd.	Malaysia	5,000,000	**100**	100	Dormant
Opus International India Pte Ltd (b)	India	Rs4,60,000	**100**	100	Provision of asset development and asset management services
Edgenta Environmental & Material Testing Sdn. Bhd. (formerly known as Soil Centralab Sdn. Bhd.)	Malaysia	1,000,000	**–**	100	Geotechnical investigation, instrumentation and pavement condition assessment works
Opus Consultants DMCC (formerly known as Opus Consultants JLT) (a)(d)	Emirates of Dubai	AED100,000	**81**	81	Engineering consultancy services

46. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONT'D.)

Details of subsidiaries, joint ventures and associates are as follows: (cont'd.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2015 %	2014 %	Principal activities
Joint Venture of Opus International (M) Berhad:					
Opus Middle East LLC (a)(e)	Emirates of Dubai	–	**39**	39	Professional engineering services
Subsidiary of Opus International (NZ) Limited:					
Opus International Consultants Limited (a)	New Zealand	NZD54,784,556	**61**	61	Multidisciplinary infrastructure consultancy providing asset development and asset management solutions
Subsidiary of Opus International Consultants Limited:					
Opus International Consultants (Canada) Limited (a)	Canada	CAD800	**61**	61	Engineering consultancy services
Opus International Consultants Sdn. Bhd.	Malaysia	300,000	**61**	61	Technical consultancy services
Opus International Consultants (OPC) Limited (a)	New Zealand	Not called/ paid up	**61**	61	Consultancy services
Opus International Pty Limited (a)	Australia	A$10,000	**61**	61	Investment holding
Opus International Consultants (Pte) Limited (a)	Singapore	S$1,000,000	**61**	61	Dormant
Opus International Consultants Holdings (UK) Limited (a)	United Kingdom	GBP20,120,000	**61**	61	Investment holding
Opus International Consultants Inc. (a)	United States of America	US$10	**61**	61	Engineering consultancy services
Opus Stewart Weir Limited (a)	Canada	CAD33,103,036.60	**61**	61	Land surveying, engineering and environmental consultancy
Opus International Consultants (Samoa) Limited (a)	Samoa	Nil	**61**	61	Engineering consultancy services

46. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONT'D.)

Details of subsidiaries, joint ventures and associates are as follows: (cont'd.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2015 %	2014 %	Principal activities
Subsidiary of Opus International Consultants Limited (cont'd.):					
Opus International Consultants (Fiji) Limited (a)	Fiji	NZ$2	**61**	61	Engineering consultancy services
Opus International North America Principals Inc. P.S. (a)(g)	United States of America	Nil	**61**	–	Engineering consultancy services
Opus Al-Dauliyyah LLC (a)	The Kingdom of Saudi Arabia	Nil	**81**	–	Engineering consultancy services
Joint Venture of Opus International Consultants Limited:					
NZ Water and Environment Training Academy (a)	New Zealand	–	**31**	31	Providing water services training
Total Bridge Services (a)(f)	New Zealand	–	**15**	15	Providing engineering services
Marlborough Roads (a)(f)	Not applicable	–	**15**	15	Providing engineering services
Capital Journeys (a)(f)	Not applicable	–	**15**	15	Providing engineering services
Jacobs Opus Huntly JV (a)(f)	Not applicable	–	**31**	–	Providing engineering services
Jointly Controlled Operation of Opus International Consultants Limited:					
HCC Joint Operation (a)	United Kingdom	–	**31**	31	Providing road network management services
Bay of Plenty West One Network Maintenance Contract (a)	Not applicable	–	**31**	–	Engineering consultancy services
Central Waikato Network Maintenance Contract (a)	Not applicable	–	**31**	–	Engineering consultancy services

46. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONT'D.)

Details of subsidiaries, joint ventures and associates are as follows: (cont'd.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2015 %	2014 %	Principal activities
Subsidiary of Opus International Consultants Holdings (UK) Limited:					
The Joynes Pike Group Limited (a)	United Kingdom	GBP6	–	61	Struck-off in current year
Opus International Consultants (UK) Ltd (a)	United Kingdom	GBP7,200,000	**61**	61	Engineering consultancy services
Opus International Consultants (Projects) Limited (a)	United Kingdom	GBP217,100	**61**	61	Engineering consultancy services
Opus Structural Surveys Limited (a)	United Kingdom	GBP100	–	61	Struck-off in current year
Tower Surveys Limited (a)	United Kingdom	GBP100	**61**	61	Survey consultancy work
Subsidiary of Opus Stewart Weir Ltd:					
Steward Weir Wood Buffalo Holdings Ltd (a)	Canada	CAD100	**61**	61	Investment holding
Opus Stewart Weir Consulting Inc (a)	Canada	CAD100	**61**	61	Surveying services
USW Gamma Industrial Services Ltd (a)	Canada	CAD2	**61**	61	Survey consulting
Stewart Weir Australia Pty Ltd (a)	Australia	AUD100	**61**	61	Survey consulting
USW Surveys Limited (a)	Canada	CAD10	**61**	61	Dormant
Opus Stewart Weir (BC) Limited (a)(f)	Canada	CAD100	**61**	61	Surveying services
Joint Venture of Opus Stewart Weir Ltd:					
Athabaskan Resources Company Limited Partnership (a)	Canada	CAD100	**31**	31	Providing engineering services and surveying services

46. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONT'D.)

Details of subsidiaries, joint ventures and associates are as follows: (cont'd.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2015 %	2014 %	Principal activities
Subsidiary of Opus International Consultants (Canada) Limited:					
Opus DaytonKnight Consultants Limited (a)	Canada	CAD100	**61**	61	Engineering consultancy services
Subsidiary of Opus International Consultants Sdn. Bhd.:					
Kejuruteraan Opus Sdn. Bhd.	Malaysia	2	**61**	61	Dormant
Subsidiary of Opus International Pty Limited:					
Opus International Consultants (Australia) Pty Limited (a)(f)	Australia	AUD2,134	**61**	61	Engineering consultancy services
Opus Rail Pty Limited (a)	Australia	AUD1	**61**	61	Rail infrastructure consultancy
Opus International Consultants (PCA) Pty Limited (a)	Australia	Not called/ paid up	**61**	61	Road infrastructure consultancy
Subsidiary of Opus International Consultants (PCA) Pty Limited:					
Opus International Consultants (NSW) Pty Limited (a)	Australia	AUD1,174.94	**61**	61	Engineering consultancy services
Subsidiary of Edgenta Township Management Services Sdn. Bhd.:					
UEM Sunrise Edgenta TMS Sdn. Bhd. (formerly known as ETMS Sdn. Bhd.)	Malaysia	3,900,000	**70**	–	Management of real estate

46. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONT'D.)

Details of subsidiaries, joint ventures and associates are as follows: (cont'd.)

(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. (formerly known as Faber Medi-Serve Sdn. Bhd.) is 43% owned by UEM Edgenta Berhad (formerly known as Faber Group Berhad) and 57% owned by Edgenta Healthcare Management Sdn. Bhd. (formerly known as Faber Healthcare Management Sdn. Bhd.)

(d) Opus Consultants DMCC (formerly known as Opus Consultants JLT) is 50% owned by Opus International (M) Berhad and 50% owned by Opus International Consultants Limited

(e) Opus Middle East LLC is 25% owned by Opus International (M) Berhad and 25% owned by Opus International Consultants Limited

(f) Financial year ended other than 31 December

(g) Opus International North America Principals Inc. P.S was incorporated on 2 February 2015 and has stock buy-sell agreements with the Opus International Consultants Limited, giving Opus International Consultants Limited 100% accounting control over Opus International North America Principals Inc. P.S

47. SIGNIFICANT EVENTS

(a) On 11 March 2015, Edgenta Mediserve Sdn. Bhd. (formerly known as Faber Medi-Serve Sdn. Bhd.) ("EMS") entered into the new Concession Agreement ("CA") with Ministry of Health ("MOH") for the provision of Hospital Support Services ("HSS") at contract hospitals in the states of Perak, Pulau Pinang, Kedah and Perlis, the development of an asset and services information system and the implementation of the Sustainability Programme for a period of ten (10) years in accordance with the terms and conditions of the new CA.

Upon execution of the new CA, the interim concession agreement dated 2 July 2012 entered into between the MOH and EMS to continue providing HSS on an interim basis pending the negotiation and finalisation of the terms and conditions of the new CA shall automatically be terminated.

On the same day, Sedafiat Sdn. Bhd. ("SSB") and One Medicare Sdn. Bhd. ("OMSB") entered into new CA with the MOH for the provision of HSS at contract hospitals in the states of Sabah and Sarawak respectively.

(b) On 27 July 2015, the Company entered into a Joint Venture cum Shareholders' Agreement ("JVA") with Resource Data Management Asia Sdn. Bhd. ("RDM Asia") to establish and operate a private limited company to be incorporated in Malaysia ("JV Company") for the following purposes:

(i) to offer energy management services, remote monitoring and control solutions; and

(ii) to develop active facility management capabilities for the commercial and industrial buildings/facilities segment (excluding hypermarkets, supermarkets, food and retail outlets and food factories) within South East Asia.

On 26 August 2015, all conditions precedent to the JVA have been fulfilled and the Company had subscribed 700,000 ordinary shares of RM1.00 each, representing 70% of the total issued and paid-up share capital of the JV Company, Edgenta Energy Services Sdn. Bhd. ("EES"). Following the transaction, EES became a subsidiary of the Company.

47. SIGNIFICANT EVENTS (CONT'D.)

(c) On 23 November 2015, the Company entered into a binding term sheet with Nurolamin Abas and Fardan Abdul Majeed (collectively known as the "Vendors") in relation to the proposed acquisition of 12,000,000 ordinary shares of RM1.00 each in KFM Holdings Sdn. Bhd. ("KFM") ("Sale Shares") representing 80% of the total issued and paid up share capital of KFM from the Vendors for a total consideration of up to RM128.0 million to be satisfied by a combination of the following:

(i) Upfront payment of RM92.0 million upon completion of the Shares Sale Agreement as follows:

- cash payment of RM36.0 million, and
- RM56.0 million from the issuance and allotment of 18,122,977 new ordinary share of RM0.25 each in the Company at an issuance price of RM3.09 per share ("UEM Edgenta Consideration Shares"),

(ii) The balance of the RM36.0 million will be disbursed over the next three financial years subject to achievement of key financial targets as follows:

- deferred cash payment of RM20.0 million upon achievement of targets for financial years ending ("FYE") 2016, 2017 and 2018, and
- incremental value payment of RM16.0 million upon achievement of specific financial milestones.

On 15 December 2015, the Company had entered into a share sale agreement with the Vendors in relation to the proposed acquisition. The proposed acquisition has yet to be completed as at 31 December 2015, pending the fulfilments of its condition precedents.

(d) On 30 November 2015, the Company acquired 2 ordinary shares of RM1.00 each, representing 100% equity interest in Edgenta Township Management Services Sdn. Bhd. ("ETMSSB") for a total consideration of RM2. Following the transaction, ETMSSB became a direct wholly-owned subsidiary of the Company. On 7 December 2015, ETMSSB increased its issued and paid-up share capital from RM2 to RM2,730,000 by way of an issue of 2,729,998 new ordinary shares of RM1.00 each fully paid at par value at cash. ETMSSB is incorporated to provide property and township management services to assets developed by third parties. The services offered by ETMSSB include but is not limited to township management services, stratified management services and security management services.

On 30 November 2015, ETMSSB entered into a Joint Venture Shareholders' Agreement ("JVA") with UEM Sunrise Berhad to establish and operate a joint venture company in Malaysia ("JV Company"). On 9 December 2015, ETMSSB subscribed 2,730,000 ordinary shares of RM1.00 each, representing 70% of the total issued and paid-up share capital of the JV Company, ETMS Sdn. Bhd. Following the transaction, ETMS Sdn. Bhd. became a subsidiary of the Company via ETMSSB.

47. SIGNIFICANT EVENTS (CONT'D.)

(d) On 10 December 2015, ETMS Sdn. Bhd. changed its name to UEM Sunrise Edgenta TMS Sdn. Bhd. ("UEMSET").

UEMSET is incorporated to provide property and township management services to assets developed by UEM Sunrise Berhad in Malaysia and international markets, as well as assets developed by Medini Iskandar Malaysia Sdn. Bhd. The services offered by UEMSET include but is not limited to township management services, stratified management services and security management services.

On 13 January 2016, UEMSET entered into a Joint Venture Shareholders' Agreement ("JVA") with Township Management Services Sdn. Bhd. ("TMS") to establish and operate a joint venture company in Malaysia ("JV Company"). On 12 February 2016, UEMSET subscribed 3,850,000 ordinary shares of RM1.00 each, representing 70% of the total issued and paid-up share capital of the JV Company, Edgenta TMS Sdn. Bhd. Following the transaction, Edgenta TMS Sdn. Bhd. became a subsidiary of UEMSET, which in turn is a 70% owned subsidiary of ETMSSB.

Edgenta TMS Sdn. Bhd. is incorporated to provide integrated facilities management services, security management services, estate management services and related services for building owners and residents of Medini and Iskandar Puteri (formerly known as Nusajaya) Townships.

48. SUBSEQUENT EVENT

On 11 January 2016, Edgenta Mediserve (Sarawak) Sdn. Bhd. (formerly known as FMS Services (Sarawak) Sdn. Bhd.) ("EMSS"), a wholly-owned subsidiary of EMS, which in turn is a 100% owned subsidiary of the Company entered into a Shareholders' Agreement ("SHA") with Biocare Systems Sdn. Bhd. ("BSSB") and Biomedix Solutions Sdn. Bhd. ("Biomedix" or "JV Company") to jointly provide biomedical engineering maintenance services ("BEMS") to hospitals operated by the Government in the state of Sarawak via Biomedix as the joint venture company.

On 27 January 2016, EMSS subscribed 400,000 ordinary shares of RM1.00 each, representing 40% of the total issued and paid-up share capital of Biomedix. Following the transaction, Biomedix became an associate of EMSS.

49. SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2015 and 31 December 2014 into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2011 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Total retained earnings of the Company and its subsidiaries				
– Realised	**814,038**	687,262	**315,163**	262,876
– Unrealised	**61,145**	39,535	**–**	–
	875,183	726,797	**315,163**	262,876
Total share of retained earnings from associates – realised	**8,416**	(2,052)	**–**	–
Total share of retained earnings from joint ventures – realised	**(6,441)**	(2,172)	**–**	–
	877,158	722,573	**315,163**	262,876
Consolidation adjustments	**(123,779)**	(117,367)	**–**	–
Retained earnings as per financial statements	**753,379**	605,206	**315,163**	262,876

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2016

SHARE CAPITAL

Authorised Share Capital	:	RM750,000,000.00 divided into 3,000,000,000 ordinary shares of RM0.25 each
Issued and Paid–up Share Capital	:	RM203,375,263.25 comprising 813,501,053 ordinary shares of RM0.25 each
Class of Shares	:	Ordinary shares of RM0.25 each
Voting Rights	:	One (1) vote per ordinary share held

DISTRIBUTION SCHEDULE FOR ORDINARY SHARES

Size of Holdings	No. of Shareholders	%	Total Shareholdings	%
Less than 100	1,028	6.87	36,834	0.01
100 to 1,000	10,879	72.71	3,836,659	0.47
1,001 to 10,000	2,505	16.74	8,856,677	1.09
10,001 to 100,000	370	2.47	11,964,143	1.47
100,001 to 40,675,051*	179	1.20	222,034,472	27.29
40,675,052 and above**	1	0.01	566,772,268	69.67
TOTAL	**14,962**	**100.00**	**813,501,053**	**100.00**

Notes:
* Less than 5% of issued shares
** 5% and above of issued shares

30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

as at 31 March 2016

No.	Name of Shareholder	No. of Shares Held	% of Issued Shares
1.	UEM Group Berhad	566,772,268	69.67
2.	AMSEC Nominees (Tempatan) Sdn Bhd AmTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	22,847,800	2.81
3.	AmanahRaya Trustees Berhad Public Smallcap Fund	15,677,500	1.93
4.	AmanahRaya Trustees Berhad Public Ittikal Sequel Fund	12,012,300	1.48
5.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 14)	8,884,800	1.09
6.	Lembaga Tabung Haji	8,565,900	1.05
7.	UEM Group Berhad	8,195,657	1.01
8.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (NOMURA)	6,141,300	0.75

30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONT'D.)

as at 31 March 2016

No.	Name of Shareholder	No. of Shares Held	% of Issued Shares
9.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AMUNDI)	6,000,000	0.74
10.	AmanahRaya Trustees Berhad Public Islamic Optimal Growth Fund	5,769,000	0.71
11.	AmanahRaya Trustees Berhad Public Strategic Smallcap Fund	5,409,000	0.66
12.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd	5,159,800	0.63
13.	Affin Hwang Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Tan Ju Hong	4,541,900	0.56
14.	AmanahRaya Trustees Berhad PB Islamic Equity Fund	4,385,900	0.54
15.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for AMB Value Trust Fund (4249)	3,680,000	0.45
16.	AmanahRaya Trustees Berhad Public Index Fund	3,544,900	0.44
17.	AmanahRaya Trustees Berhad Public Islamic Treasures Growth Fund	3,517,500	0.43
18.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for The Bank of New York Mellon (Mellon Acct)	3,322,500	0.41
19.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	3,265,508	0.40
20.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for PB Asean Dividend Fund (270334)	3,235,000	0.40
21.	AmanahRaya Trustees Berhad Public Sector Select Fund	3,085,000	0.38
22.	Citigroup Nominees (Tempatan) Sdn Bhd Universal Trustee (Malaysia) Berhad for CIMB-Principal Equity Fund	2,901,300	0.36
23.	Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Small Cap Series	2,870,200	0.35
24.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AM Inv)	2,700,000	0.33
25.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	2,478,300	0.30
26.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	2,206,800	0.27

30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONT'D.)

as at 31 March 2016

No.	Name of Shareholder	No. of Shares Held	% of Issued Shares
27.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (ARIM)	2,000,000	0.25
28.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Pertubuhan Keselamatan Sosial (CIMB-P 6939-404)	1,864,000	0.23
29.	AmanahRaya Trustees Berhad Public Islamic Select Treasures Fund	1,839,300	0.23
30.	AmanahRaya Trustees Berhad Public Islamic Opportunities Fund	1,823,600	0.22
	TOTAL	**724,697,033**	**89.08**

SUBSTANTIAL SHAREHOLDERS

as at 31 March 2016

Name	Direct Interest No. of Shares	Direct Interest %	Indirect Interest No. of Shares	Indirect Interest %
UEM Group Berhad	574,967,925	70.68	–	–
Khazanah Nasional Berhad#	–	–	574,967,925	70.68

Note:

Deemed interested pursuant to Section 6A(4) of the Companies Act, 1965.

DIRECTORS' INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

as at 31 March 2016

Directors' Interest in Ordinary Shares in UEM Edgenta Berhad

Name of Directors	Direct Interest No. of Shares	Direct Interest %	Indirect Interest No. of Shares	Indirect Interest %
Dato' Seri Ismail Shahudin	–	–	–	–
Dato' Izzaddin Idris	–	–	–	–
Azmir Merican	–	–	–	–
Datuk Ir. Abdullah Sani Abd Karim	–	–	–	–
Robert Tan Bun Poo	–	–	–	–
Dr. Saman @ Saimy Ismail	–	–	–	–
Elakumari Kantilal	–	–	–	–

PROPERTIES HELD BY THE GROUP

Location and Address	Description of Properties	Approx. Land Area	Gross Built-Up Area (Sq. Meters)	Existing Use	Land Tenure (Expiry Date)	Building Approx. Age (Years)	Net Book Value as at 31.12.2015 (RM'000)	Last Date of Revaluation or If None; Date of Acquisition
CORPORATE								
UEM EDGENTA BERHAD								
Lot 30 & 46 Armada Villa No. 6, Jalan 109F Taman Danau Desa 58100 Kuala Lumpur	Two units of three-storey bungalows	0.49 acres	1,207	Corporate Facilities	Leasehold (31.8.2108)	3	8,052	23.11.2015
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)	2	8,788	23.11.2015
ASSET CONSULTANCY								
OPUS INTERNATIONAL CONSULTANTS LIMITED								
56 Port Road Whangarei New Zealand	Laboratory Land & Building	0.33 acres	430	Laboratory	Freehold	35	835	1.9.2012
Vivian House 21 Vivian Avenue Nottingham England	Office building	–	404	Office building	Freehold	141	2,018	17.3.2008
104 Cree Road Fort McMurray, Alberta Canada	Mobile home Land	0.10 acres	113	Crew accommodations	Freehold	16	263 729	15.12.2014 15.12.2014
HEALTHCARE SERVICES								
EDGENTA MEDISERVE SDN BHD								
Lot No. 65 Kamunting Raya Industrial Estate Kamunting, Perak	Incineration plant with double-storey administration block plus laundry plant	5.87 acres	23,760	Incinerator for clinical waste and laundry plant	Leasehold (7.12.2097)	20	1,126	31.12.2015
Lot No. 37 Kuala Ketil Industrial Estate Mukim of Tawar District of Baling, Kedah	Laundry plant with 2-storey administration block and ancillary facilities	2.24 acres	9,058	Laundry plant	Leasehold (26.3.2056)	13	836	31.12.2015
Lot No. 131 (CL215359890) & Lot No. 132 (CL215359907) SEDCO Industrial Estate Lok Kawi, Sabah	Incineration plant with single-storey detached factory with mezzanine office	0.51 acres	2,066	Incinerator for clinical waste	Leasehold (13.12.2042)	11	397	31.12.2015

Location and Address	Description of Properties	Approx. Land Area	Gross Built-Up Area (Sq. Meters)	Existing Use	Land Tenure (Expiry Date)	Building Approx. Age (Years)	Net Book Value as at 31.12.2015 (RM'000)	Last Date of Revaluation or If None; Date of Acquisition
HEALTHCARE SERVICES (CONT'D.)								
EDGENTA MEDISERVE SDN BHD (CONT'D.)								
Lot 10486, Seksyen 20 Serendah, Ulu Selangor Selangor Darul Ehsan	Research and development center	1.47 acres	5,945	Research and development	Freehold	5	1,160	31.12.2015
FRESH LINEN SERVICES (SABAH) SDN BHD								
Lot 34-5 Industrial Zone 4 (IZ 4) Kota Kinabalu Industrial Park Kota Kinabalu, Sabah	Laundry plant with 2-storey office and warehouse	0.96 acres	3,885	Laundry plant	Leasehold (13.12.2105)	7	878	31.12.2015
INFRA SERVICES								
EDGENTA PROPEL BERHAD								
No. C1-16-08, Block C1 Vista Komanwel, Bukit Jalil 57700 Kuala Lumpur	Penthouse (duplex)	–	850	Staff accommodation	Freehold	3	362	19.4.2013
LMD Dengkil Office Kawasan Rehat dan Rawat Dengkil KM238, Arah Selatan Lebuhraya ELITE 43800 Dengkil, Selangor	Office Building and Warehouse Storage	–	5,000	Logistic and Machinery Depot	Leasehold	11	1,933	1.5.2005
ENVIRONMENTAL & MATERIAL TESTING SERVICES								
EDGENTA ENVIRONMENTAL & MATERIAL TESTING SDN BHD ***(formerly known as Soil Centralab Sdn Bhd)***								
Suite 4801-1-05, Block 4801 CBD Perdana, Jalan Perdana 63000 Putrajaya, Selangor	Office building	–	175	Office lot	Freehold	6	327	7.12.2015
No. 3 & No. 5, Jalan P18 Kawasan Perindustrian MIEL 43650 Bandar Baru Bangi Selangor	Two adjoining units of one and a half storey semi detached factory	0.83 acres	1,303	Laboratory & office building	Leasehold (29.9.2086)	26	2,494	7.12.2015
PROPERTY DEVELOPMENT								
COUNTRY VIEW DEVELOPMENT SDN BHD								
CL 010502737 and CL 015395196 Kota Kinabalu, Sabah	Vacant land for development	7.72 acres	–	Vacant land	Leasehold 999 years (2.12.2920 and 20.8.2925)	–	1,115	2013

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

There were no proceeds raised by the Company from corporate proposals during the financial year ended 31 December 2015.

SHARE BUY-BACKS

There were no share buy-backs during the financial year ended 31 December 2015.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

No options, warrants or convertible securities were issued by the Company during the financial year ended 31 December 2015.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme for the financial year ended 31 December 2015.

SANCTIONS AND/OR PENALTIES

There were no other sanctions or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended 31 December 2015.

NON-AUDIT FEES

There were no non-audit fees paid to the External Auditors by the Company and its subsidiaries for the financial year ended 31 December 2015.

VARIATION IN RESULTS

There was no material variation between the audited results for the financial year ended 31 December 2015 and the unaudited results previously announced by the Company.

There was no profit forecast announced during the financial year.

PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year ended 31 December 2015.

MATERIAL CONTRACTS

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

REVALUATION POLICY

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

RECURRENT RELATED PARTY TRANSACTIONS

The Company proposes to seek 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 on 12 May 2016. Please refer to pages 273 to 285 of this Annual Report on the disclosure of the recurrent related party transactions conducted during the financial year ended 31 December 2015 pursuant to the shareholders' mandate approved at the last Annual General Meeting.

RECURRENT RELATED PARTY TRANSACTIONS

The shareholders of UEM Edgenta Berhad ("UEM Edgenta" or "the Company") had at the 52nd Annual General Meeting held on 25 May 2015 granted their approval for the Company and/or its subsidiaries ("UEM Edgenta Group") to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations and are in the ordinary course of business in order to comply with Paragraph 10.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

In accordance to Practice Note 12 of the MMLR of Bursa Securities, the details of recurrent related party transactions made during the financial year ended 31 December 2015 pursuant to the shareholders' mandate are as follows:-

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2015 to 24 May 2015 (RM)	Value incurred from 25 May 2015 to 31 December 2015 (RM)	Aggregate Value of Transactions during the financial year (RM)
1	UEM Edgenta Group	UEM Group Berhad ("UEMG") and its subsidiaries ("UEMG Group")	Khazanah Nasional Berhad ("Khazanah") is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 70.68% subsidiary of UEMG. Dato' Seri Ismail Shahudin and Dato' Izzaddin Idris are Directors of UEM Edgenta and UEMG. Dato' Seri Ismail Shahudin and Dato' Izzaddin Idris do not have any equity interest in UEMG.	a) Provision of Directors and staff training and development by UEMG Group	119,251	215,960	335,211
				b) Provision of administrative and audit and tax services by UEMG Group	244,568	342,396	586,964
				c) Rental of office space in Tower 1, Avenue 7, Bangsar South and ancillary facilities from UEMG Group	2,745,764	4,253,540	6,999,304
				d) Rental of archive store at Taman Desa and ancillary facilities from UEMG Group	39,881	35,816	75,697
				e) Rental of meeting rooms in Tower 1, Avenue 7, Bangsar South ancillary facilities from UEMG Group	4,622	10,281	14,903

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2015 to 24 May 2015 (RM)	Value incurred from 25 May 2015 to 31 December 2015 (RM)	Aggregate Value of Transactions during the financial year (RM)
2	UEM Edgenta Group	PLUS Malaysia Berhad ("PLUS Malaysia") and its subsidiaries ("PLUS Malaysia Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. PLUS Malaysia is a 51% subsidiary of UEMG. UEM Edgenta is a 70.68% subsidiary of UEMG. Dato' Izzaddin Idris is a Director of UEM Edgenta and PLUS Malaysia. Dato' Izzaddin Idris does not have any equity interest in PLUS Malaysia.	Provision of facilities maintenance services to PLUS Malaysia Group	1,410,205	2,208,105	3,618,310
3	UEM Edgenta Group	UEM Sunrise Berhad ("UEM Sunrise") and its subsidiaries ("UEM Sunrise Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Sunrise is a 66.06% subsidiary of UEMG. UEM Edgenta is a 70.68% subsidiary of UEMG. Dato' Izzaddin Idris is a Director of UEM Edgenta and UEM Sunrise. Dato' Izzaddin Idris does not have any equity interest in UEM Sunrise.	Provision of facilities maintenance services to UEM Sunrise Group	2,398,663	3,308,366	5,707,029
4	UEM Edgenta Group's property development companies	Any Related Party who may wish to purchase properties developed by UEM Edgenta Group's property development companies	All Directors and Major Shareholders of UEM Edgenta are interested in this transaction. All Directors of UEM Edgenta do not have any direct and/or indirect shareholding in UEM Edgenta. All Directors and Major Shareholders of UEM Edgenta will abstain and ensure that all Persons Connected to them will abstain from voting on the relevant resolution. Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 70.68% subsidiary of UEMG.	Sale of property units by UEM Edgenta Group's property development companies	–	–	–

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2015 to 24 May 2015 (RM)	Value incurred from 25 May 2015 to 31 December 2015 (RM)	Aggregate Value of Transactions during the financial year (RM)
5	UEM Edgenta	Telekom Malaysia Berhad ("TM")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 70.68% subsidiary of UEMG. TM is a 28.95% associated company of Khazanah.	Provision of energy-saving initiatives through shared saving concept for TM	–	–	–
6	UEM Edgenta	CIMB Group Holdings Berhad ("CIMBGH")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 70.68% subsidiary of UEMG. CIMBGH is a 29.71% associated company of Khazanah.	Provision of integrated facilities management services for Menara SBB & Academy CIMB, Bangi to CIMBGH	–	–	–
7	UEM Edgenta	Pantai Hospital Sungai Petani Sdn Bhd ("Pantai Hospital Sungai Petani")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 70.68% subsidiary of UEMG. Pantai Hospital Sungai Petani is a wholly-owned subsidiary of Pantai Hospitals Sdn Bhd, which in turn is a wholly-owned subsidiary of Pantai Holdings Berhad, which in turn is a wholly-owned subsidiary of Parkway Pantai Limited, which in turn is a wholly-owned subsidiary of Integrated Healthcare Holdings Limited, which in turn is a wholly-owned subsidiary of IHH Healthcare Berhad ("IHH Healthcare"), which in turn is a 43.4% associated company of Pulau Memutik Ventures Sdn Bhd, which in turn is a wholly-owned subsidiary of Khazanah.	Provision for the supply and delivery service required for maintenance outsource for facilities engineering maintenance services and biomedical engineering maintenance services to Pantai Hospital Sungai Petani	–	–	–

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2015 to 24 May 2015 (RM)	Value incurred from 25 May 2015 to 31 December 2015 (RM)	Aggregate Value of Transactions during the financial year (RM)
8	Edgenta Mediserve Sdn Bhd ("EMS")	Cenviro Sdn Bhd ("Cenviro") and its subsidiaries ("Cenviro Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Kualiti Alam Sdn Bhd ("Kualiti Alam") is a wholly-owned subsidiary of Cenviro, which in turn is a wholly-owned subsidiary of Khazanah. EMS is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. Dato' Seri Ismail Shahudin is a Director of UEM Edgenta, Cenviro and Kualiti Alam. Dato' Seri Ismail Shahudin does not have any equity interest in Cenviro and Kualiti Alam.	Provision of healthcare waste management services by Kualiti Alam	3,909,778	5,771,125	9,680,903
9	EMS and its subsidiaries ("EMS Group")	SMS Kg. Likas (Sabah) Sdn Bhd ("SMS Likas")	SMS Likas holds 40% of the equity interest in Fresh Linen Services (Sabah) Sdn Bhd ("FLS Sabah"). FLS Sabah is a 60% subsidiary of EMS, which in turn is a wholly-owned subsidiary of UEM Edgenta. Zohari Mahur is a Director of SMS Likas and FLS Sabah. Zohari Mahur has a 58.33% equity interest in SMS Likas.	Provision of linen processing involving washing, drying and folding of linen, linen transportation involving transportation of linen from the plant to hospitals and vice versa, and manpower supply by SMS Likas	2,359,401	3,346,714	5,706,115
10	Faber Sindoori Management Services Private Limited ("Faber Sindoori")	Apollo Hospitals Enterprise Limited ("Apollo Hospitals") and its subsidiaries ("Apollo Hospitals Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Apollo Hospitals is a 10.85% associated company of Integrated (Mauritius) Healthcare Limited, which in turn is a wholly-owned subsidiary of Integrated Healthcare Holdings (Bharat) Limited, which in turn 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 43.4% associated company of Pulau Memutik Ventures Sdn Bhd, which in turn is a wholly-owned subsidiary of Khazanah. UEM Edgenta is a 70.68% subsidiary of UEMG.	Provision of facilities maintenance services to Apollo Hospitals Group	21,322,359	38,052,663	59,375,022

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2015 to 24 May 2015 (RM)	Value incurred from 25 May 2015 to 31 December 2015 (RM)	Aggregate Value of Transactions during the financial year (RM)
11	Faber Sindoori	PCR Investment Ltd ("PCR Investment")	PCR Investment is the investment holding company of Dr. P.C. Reddy and his family members. Dr. P.C. Reddy and Persons Connected to him are major shareholders of Apollo Sindoori Hotels Limited ("ASHL") with 68.52% equity interest. ASHL holds 49% of the equity interest in Faber Sindoori. Faber Sindoori is 51% owned by Edgenta Facilities Sdn Bhd, which in turn is a wholly-owned subsidiary of UEM Edgenta.	Payment of licensee fee for the usage of the brand name "Sindoori" to PCR Investment	495,975	629,220	1,125,195
12	Edgenta PROPEL Berhad ("Edgenta PROPEL")	UEM Construction Sdn Bhd ("UEM Construction")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. UEM Construction is a wholly-owned subsidiary of UEM Builders Berhad ("UEM Builders"), which in turn is a wholly-owned subsidiary of UEMG.	a) Upgrade works for Bayan Lepas Expressway for UEM Construction	14,281,423	20,578,999	34,860,422
				b) Provision of fourth lane widening ("FLW") civil works, mechanical, electrical and electronic ("MEE") works and street lighting and traffic management services to UEM Construction	11,455,129	21,780,577	33,235,706
13	Edgenta PROPEL	UEM Builders	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. UEM Builders is a wholly-owned subsidiary of UEMG.	a) Pavement, civil, MEE works, utilities relocation and traffic management works for UEM Builders	–	760,693	760,693
				b) Provision of cleaning services and mechanical and electrical ("M&E") maintenance to UEM Builders	81,850	114,590	196,440

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2015 to 24 May 2015 (RM)	Value incurred from 25 May 2015 to 31 December 2015 (RM)	Aggregate Value of Transactions during the financial year (RM)
14	Edgenta PROPEL	UEMG	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. Dato' Seri Ismail Shahudin is a director of Edgenta PROPEL and UEMG. Dato' Seri Ismail Shahudin does not have any equity interest in UEMG.	a) Payment of annual nomination fee to UEMG	4,166,667	5,833,333	10,000,000
				b) Pavement, civil, MEE works, utilities relocation and traffic management works for UEMG	–	–	–
				c) Provision of cleaning and landscaping services for UEM Learning Centre by Edgenta PROPEL	59,834	98,032	157,866
15	Edgenta PROPEL	Projek Lebuhraya Usahasama Berhad ("PLUS")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. PLUS is a wholly-owned subsidiary of PLUS Malaysia, which in turn is a 51% subsidiary of UEMG.	a) Provision of highway operations & maintenance services to PLUS	–	278,131	278,131
				b) Annual pavement structural overlay ("PSO") works to PLUS	–	53,317,334	53,317,334
				c) Provision of annual routine maintenance – civil and MEE works to PLUS	86,263,154	126,246,148	212,509,302
				d) Annual work orders – civil works commissioned by PLUS	23,818,859	60,021,335	83,840,194
				e) Annual work orders – pavement works commissioned by PLUS	51,744,130	128,943,550	180,687,680
				f) Repair and replacement works by PLUS	13,823,784	20,766,007	34,589,791
				g) Other works secured via tender from PLUS	12,114,944	37,259,718	49,374,662

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2015 to 24 May 2015 (RM)	Value incurred from 25 May 2015 to 31 December 2015 (RM)	Aggregate Value of Transactions during the financial year (RM)
16	Edgenta PROPEL	TT dotCom Sdn Bhd	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. TT dotCom Sdn Bhd is a wholly-owned subsidiary of TIME dotCom Berhad ("TdC"). TdC is a 11.38% associated company of Khazanah. TdC is a 31.5% associated company of Pulau Kapas Ventures Sdn Bhd, which in turn is a 30.0% associated company of Khazanah.	Provision of fiber optic maintenance on highway by TT dotCom Sdn Bhd	759,574	787,657	1,547,231
17	Edgenta PROPEL	TM	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. TM is a 28.95% associated company of Khazanah.	Provision of infrastructure maintenance of telecommunications network by TM	–	–	–
18	Edgenta PROPEL	PT Lintas Marga Sedaya ("PT Lintas")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. PT Lintas is a 55% subsidiary of PLUS Expressways International Berhad ("PEIB"), which in turn is a wholly-owned subsidiary of UEMG.	Provision of maintenance services for highway to PT Lintas	–	3,176,032	3,176,032

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2015 to 24 May 2015 (RM)	Value incurred from 25 May 2015 to 31 December 2015 (RM)	Aggregate Value of Transactions during the financial year (RM)
19	Edgenta PROPEL	Teras Teknologi Sdn Bhd ("TERAS")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.	a) Provision of FLW utilities and services to TERAS	953,688	–	953,688
			Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG.	b) Provision of cleaning services at warehouse to TERAS	15,226	21,316	36,542
			TERAS is a wholly-owned subsidiary of PLUS Malaysia, which in turn is a 51% subsidiary of UEMG.				
20	Edgenta PROPEL	PT Karabha Gryamandiri – PT Nusa Raya Cipta Consortium	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.	Contract awarded by PT Karabha Gryamandiri – PT Nusa Raya Cipta Consortium for highway pavement works	–	–	–
			Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG.				
			PT Karabha Gryamandiri is a 55% subsidiary of UEM Construction, which in turn is a wholly-owned subsidiary of UEM Builders, which in turn is a wholly-owned subsidiary of UEMG.				
21	Edgenta PROPEL	Setia Haruman Sdn Bhd ("Setia Haruman")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.	a) Provision of facilities maintenance services to Setia Haruman	2,282,898	3,242,289	5,525,187
			Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG.	b) Rental payable on a monthly basis by Edgenta PROPEL for office space	26,755	37,454	64,209
			Setia Haruman is a 25% associated company of UEM Land Berhad ("UEM Land"), which in turn is a wholly-owned subsidiary of UEM Sunrise, which in turn is a 66.06% subsidiary of UEMG.				

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2015 to 24 May 2015 (RM)	Value incurred from 25 May 2015 to 31 December 2015 (RM)	Aggregate Value of Transactions during the financial year (RM)
22	Edgenta PROPEL	Symphony Hills Sdn Bhd ("Symphony Hills")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. 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.	Provision of cleaning services at sales gallery, office and unit show houses to Symphony Hills	112,406	217,869	330,275
23	Edgenta PROPEL	UEM Sunrise	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. UEM Sunrise is a 66.06% subsidiary of UEMG.	Provision of cleaning services of pedestrian bridge to UEM Sunrise	3,750	750	4,500
24	Edgenta PROPEL	Kualiti Alam	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. Kualiti Alam is a wholly-owned subsidiary of Cenviro, which in turn is a wholly-owned subsidiary of Khazanah. Dato' Seri Ismail Shahudin is a Director of Edgenta PROPEL, Cenviro and Kualiti Alam. Dato' Seri Ismail Shahudin does not have any equity interest in Cenviro and Kualiti Alam.	Provision of waste collection services by Kualiti Alam	–	–	–

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2015 to 24 May 2015 (RM)	Value incurred from 25 May 2015 to 31 December 2015 (RM)	Aggregate Value of Transactions during the financial year (RM)
25	Edgenta PROPEL	Kuad Sdn Bhd ("Kuad")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. Kuad is a 70% subsidiary of Cement Industries of Malaysia Berhad ("CIMA"), which in turn is a wholly-owned subsidiary of UEMG.	Purchase of material for provision of pavement works from Kuad	5,442,584	12,108,367	17,550,951
26	Edgenta PROPEL	Kuari Pati Sdn Bhd ("Kuari Pati")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. Kuari Pati is a wholly-owned subsidiary of CIMA, which in turn is a wholly-owned subsidiary of UEMG.	Purchases of materials for pavement works from Kuari Pati	15,842,477	8,771,936	24,614,413
27	Edgenta Environmental & Material Testing Sdn Bhd (formerly known as Soil Centralab Sdn Bhd) ("Edgenta EMT")	PLUS Malaysia Group	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta EMT is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. PLUS Malaysia is a 51% subsidiary of UEMG.	a) Provision of maintenance services of the real time monitoring system to PLUS Malaysia Group	165,790	483,914	649,704
				b) Proposed soil investigation works for upgrading of existing and new facilities for PLUS Malaysia Group	–	–	–
28	Edgenta EMT	UEM Sunrise	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta EMT is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. UEM Sunrise is a 66.06% subsidiary of UEMG.	Proposed soil investigation works at Nusajaya for UEM Sunrise	–	–	–

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2015 to 24 May 2015 (RM)	Value incurred from 25 May 2015 to 31 December 2015 (RM)	Aggregate Value of Transactions during the financial year (RM)
29	Edgenta EMT	UEM Builders	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta EMT is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. UEM Builders is a wholly-owned subsidiary of UEMG.	Proposed soil investigation works at Rapid Pengerang, Johor for UEM Builders	–	–	–
30	Edgenta EMT	UEM Construction	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta EMT is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. UEM Construction is a wholly-owned subsidiary of UEM Builders, which in turn is a wholly-owned subsidiary of UEMG.	a) Material testing and quality assurance/ quality control works for Alor Pongsu Interchange for UEM Construction	–	–	–
				b) Construction and completion of viaduct guide way and other associated works for UEM Construction	–	–	–
				c) Design, construction and completion of Penang second bridge and repair works on highways to UEM Construction	163,358	2,188,048	2,351,406
				d) Proposed PSO works for UEM Construction	219,004	62,940	281,944
				e) Proposed instrumentation works for Mass Rapid Transit projects for UEM Construction	19,838	332,853	352,691
				f) FLW works for roadway from Shah Alam to Sungai Buloh by UEM Construction	1,220,646	82,396	1,303,042

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2015 to 24 May 2015 (RM)	Value incurred from 25 May 2015 to 31 December 2015 (RM)	Aggregate Value of Transactions during the financial year (RM)
				g) Proposed design and construction of expressway for UEM Construction	–	–	–
				h) Pavement rehabilitation and associated works for UEM Construction	–	–	–
				i) Alor Pongsu Interchange and Toll Plaza Phase 1 advance earthworks for UEM Construction	–	434,037	434,037
31	Opus International (M) Berhad ("OIM")	PLUS Malaysia Group	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. OIM is a wholly-owned subsidiary of Opus Group Berhad ("Opus"), which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. PLUS Malaysia is a 51% subsidiary of UEMG.	a) Provision of maintenance management & technical services for highways and bridges to PLUS Malaysia Group	14,049,757	19,669,659	33,719,416
				b) Payment of project management fee for roadway projects by PLUS Malaysia Group	1,132,175	14,966,815	16,098,990
				c) Development of expressway by PLUS Malaysia Group	3,035,643	1,347,330	4,382,973
				d) FLW works of a highway by PLUS Malaysia Group	–	1,820,195	1,820,195
				e) Payment of proposed network maintenance fees for expressway by PLUS Malaysia Group	–	481,414	481,414

No.	UEM Edgenta or its subsidiaries	Related Party	Nature of Relationship	Nature of Transaction	Value incurred from 1 January 2015 to 24 May 2015 (RM)	Value incurred from 25 May 2015 to 31 December 2015 (RM)	Aggregate Value of Transactions during the financial year (RM)
32	OIM	First Impact Sdn Bhd ("First Impact")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. OIM is a wholly-owned subsidiary of Opus, which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. First Impact is a wholly-owned subsidiary of UEMG.	a) Provision of asset management service for office buildings to First Impact	3,357,221	4,380,913	7,738,134
				b) Provision of consultancy services for proposed interior works for new office to be occupied by UEM operating companies to First Impact	330,000	35,000	365,000
33	OIM	PT Lintas	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. OIM is a wholly-owned subsidiary of Opus, which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG. PT Lintas is a 55% subsidiary of PEIB, which in turn is a wholly-owned subsidiary of UEMG.	Payment of project management fees for Cikampek Palimanan Toll Road by PT Lintas	4,664,680	8,886,674	13,551,354
34	OIM	UEMG	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. OIM is a wholly-owned subsidiary of Opus, which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 70.68% subsidiary of UEMG.	Payment of project management fees for tender submissions by UEMG	–	–	–

NOTICE OF THE 53RD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 53rd Annual General Meeting of UEM Edgenta Berhad ("UEM Edgenta" or "the Company") will be held at the **Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan** on **Thursday, 12 May 2016** at **10.00 a.m.** for the purpose of transacting the following businesses:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2015 together with the Directors' and Auditors' reports thereon.

2. To re-elect the following Directors who are retiring in accordance with Article 65 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-

   - Dato' Mohd Izzaddin Idris **Ordinary Resolution 1**
   - Ms. Elakumari Kantilal **Ordinary Resolution 2**

   Datuk Ir. Abdullah Sani Abd Karim who retires in accordance with Article 65 of the Company's Articles of Association, has expressed his intention not to seek re-election. Hence, he will retain office until the conclusion of the 53rd Annual General Meeting.

3. To approve the Directors' fees and the payment thereof to the Directors in respect of the financial year ending 31 December 2016, to be payable on a quarterly basis, as follows:-

   - Directors' fees amounting to RM210,000 per annum for the Non-Executive Chairman and RM108,000 per annum for each Non-Executive Director;
   - Directors' fees amounting to RM50,000 per annum for the Non-Executive Audit and Risk Committee Chairman and RM30,000 per annum for each Non-Executive Audit and Risk Committee member; and
   - Directors' fees amounting to RM25,000 per annum for the Non-Executive Committee Chairman and RM15,000 per annum for each Non-Executive Committee member of other Committees. **Ordinary Resolution 3**

4. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 4**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without modifications:

5. **Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965**

   "**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot shares in the Company at any time and upon such terms and conditions, and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company as at the date of this Annual General Meeting ("AGM") and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next AGM of the Company." **Ordinary Resolution 5**

6. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"**THAT** pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of the shareholders' mandate for the Company and/or its subsidiaries ("UEM Edgenta Group") to enter into recurrent related party transactions of a revenue or trading nature ("Proposed Renewal of Shareholders' Mandate"), which are necessary for the day-to-day operations in the ordinary course of business of 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 20 April 2016 **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 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier,

AND FURTHER THAT the Directors of the Company and/or any of them be and are/is (as the case may be) hereby authorised to complete and do all such acts and things (including executing all such documents under the common seal in accordance with the provisions of the Articles of Association of the Company, as may be required) as they may consider expedient or necessary to give full effect to the Proposed Renewal of Shareholders' Mandate." **Ordinary Resolution 6**

7. **Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature**

"**THAT** pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the shareholders' mandate for the Company and/or its subsidiaries ("UEM Edgenta Group") to enter into additional recurrent related party transactions of a revenue or trading nature ("Proposed New Shareholders' Mandate"), which are necessary for the day-to-day operations in the ordinary course of business of 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 20 April 2016 **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 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier,

AND FURTHER THAT the Directors of the Company and/or any of them be and are/is (as the case may be) hereby authorised to complete and do all such acts and things (including executing all such documents under the common seal in accordance with the provisions of the Articles of Association of the Company, as may be required) as they may consider expedient or necessary to give full effect to the Proposed New Shareholders' Mandate." **Ordinary Resolution 7**

8. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

CHIEW SIEW YUEN (MAICSA 7063781)
Company Secretary

Kuala Lumpur
20 April 2016

NOTES:

1. A member of the Company entitled to attend and vote at the meeting, is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.

2. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds in the Company. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act 1991.

3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.

4. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing and in the case of a corporation shall be given under its common seal or signed on its behalf by an attorney or officer of the corporation so authorised.

5. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof.

6. For the purpose of determining a member who shall be entitled to attend this 53rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the provisions under Articles 45A(b) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors ("ROD") as at 5 May 2016. Only a depositor whose name appears on the ROD as at 5 May 2016 shall be entitled to attend this 53rd 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.

TO RECEIVE THE AUDITED FINANCIAL STATEMENTS

Agenda Item No. 1 is meant for discussion only as the provisions of Section 169(1) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item of the Agenda is not put forward for voting.

EXPLANATORY NOTES ON SPECIAL BUSINESS:-

ORDINARY RESOLUTION 5 – AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

The existing general mandate for the authority to issue and allot shares pursuant to Section 132D of the Act was approved by the shareholders of the Company at the 52nd AGM held on 25 May 2015. Pursuant to the general mandate granted, the Company had on 6 April 2016 allotted and issued 18,122,977 ordinary shares of RM0.25 in the Company. The shares allotted were issued at an issue price of RM3.09 per share, equivalent to RM56.0 million, which was part of the consideration for the acquisition of 80% equity interest in KFM Holdings Sdn Bhd.

The proposed Ordinary Resolution 5 is a renewal of the general mandate for the authority to issue and allot shares pursuant to Section 132D of the Act. The Ordinary Resolution 5, if passed, will empower the Directors to allot and issue up to 10% of the issued and paid up share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s). This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares.

ORDINARY RESOLUTION 6 – PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The proposed Ordinary Resolution 6, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions which are of a revenue or trading nature and necessary for the UEM Edgenta Group's day to day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

In addition, it will eliminate the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives 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 the Circular to Shareholders dated 20 April 2016, which is despatched together with the Company's 2015 Annual Report.

ORDINARY RESOLUTION 7 – PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Ordinary Resolution 7 is to seek shareholder's mandate in relation to additional recurrent related party transactions to be entered into by the Company and/or its subsidiaries.

This resolution, if passed, will enable the Group to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders of the Company.

This mandate will eliminate the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses 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 the Circular to Shareholders dated 20 April 2016, which is despatched together with the Company's 2015 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF THE 53RD ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

a) 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 53rd Annual General Meeting.

b) A statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The proposed Ordinary Resolution 5 for the general mandate for issue of securities is a renewal mandate.

Pursuant to the general mandate granted at the 52nd Annual General Meeting held on 25 May 2015, the Company had on 6 April 2016 allotted and issued 18,122,977 ordinary shares of RM0.25 in the Company. The shares allotted were issued at an issue price of RM3.09 per share, equivalent to RM56.0 million, which was part of the consideration for the acquisition of 80% equity interest in KFM Holdings Sdn Bhd.

FORM OF PROXY

UEM EDGENTA BERHAD (5067-M)
Incorporated in Malaysia

UEM EDGENTA
A member of **UEM Group**

Total of number of ordinary share(s) held		
CDS Account No.		
Proportion of holdings to be represented by each proxy	Proxy 1 %	Proxy 2 %

I/We ____
(block letters)

NRIC/Company No. ____________________ of ____________________
(full address)

____________________ being a member of UEM EDGENTA BERHAD ("the Company")

hereby appoint ____

NRIC/Passport No. ____________________ of ____________________
(full address)

____________________ and/or failing him/her, ____________________

NRIC/Passport No. ____________________ of ____________________
(full address)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 53rd Annual General Meeting of the Company to be held at the **Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan** on **Thursday, 12 May 2016** at **10.00 a.m.** or at any adjournment thereof.

(Please indicate your vote with an "X" in the respective boxes of each resolution. If you do not do so, the proxy will vote or abstain from voting on the resolutions at his/her discretion.)

ORDINARY RESOLUTIONS	NO.	FOR	AGAINST
To re-elect Dato' Mohd Izzaddin Idris who is retiring in accordance with Article 65 of the Company's Articles of Association	1		
To re-elect Ms. Elakumari Kantilal who is retiring in accordance with Article 65 of the Company's Articles of Association	2		
To approve the payment of Directors' fees in respect of the financial year ending 31 December 2016, to be payable on a quarterly basis	3		
To re-appoint Messrs Ernst & Young as Auditors and to authorise the Board of Directors to fix their remuneration	4		
To empower Directors to allot and issue shares pursuant to Section 132D of the Companies Act 1965	5		
To approve the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	6		
To approve the Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature	7		

____
Signature of Shareholder(s)/Common Seal

Date:

Contact No.:

NOTES:

1. *A member of the Company entitled to attend and vote at the meeting, is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.*
2. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds in the Company. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act 1991.*
3. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.*
4. *The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing and in the case of a corporation shall be given under its common seal or signed on its behalf by an attorney or officer of the corporation so authorised.*
5. *The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the Annual General Meeting or any adjournment thereof.*
6. *For the purpose of determining a member who shall be entitled to attend this 53rd Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the provisions under Articles 45A(b) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors ("ROD") as at 5 May 2016. Only a depositor whose name appears on the ROD as at 5 May 2016 shall be entitled to attend this 53rd Annual General Meeting or appoint a proxy(ies) to attend, speak and vote on his behalf.*

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 20 April 2016.

Fold Here

STAMP

The Share Registrar's Office
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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GROUP DIRECTORY

CORPORATE OFFICE

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

ASSET CONSULTANCY

Opus Group Berhad
Level 6, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 6688
Fax : +603 2711 8057

Opus International (M) Berhad
Level 6, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 6688
Fax : +603 2711 8057

Opus International Consultants Limited
Level 9, Majestic Centre
100 Willis Street
Wellington 6011
New Zealand
Tel : +64 4 471 7243
Fax : +64 4 473 3017
www.opusinternational.com

HEALTHCARE SERVICES

Edgenta Healthcare Management Sdn Bhd
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

Edgenta Mediserve Sdn Bhd
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 6888

INFRA SERVICES

Edgenta PROPEL Berhad
Level 17, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 7777
Fax : +603 2725 7778

FACILITIES SERVICES

Edgenta Facilities Sdn Bhd
Level 3A, 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
Door No. 25 & 26, Prince Tower
7th Floor, College Road
Nungambakkam Chennai – 600006
Tel : +91 44 4264 9404

Faber L.L.C.
208 and 209, 2nd Floor
Al Nasriyah Building Baghdad Street
Al Qusais, P.O. Box 232283
Dubai, United Arab Emirates
Tel : +971 4267 4845/258 4561
Fax : +971 4267 4855/258 4560

ENERGY SERVICES

Edgenta Energy Services Sdn Bhd
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

PROPERTY SERVICES

Edgenta Township Management Services Sdn Bhd
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

UEM Sunrise Edgenta TMS Sdn Bhd
(formerly known as ETMS Sdn Bhd)
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

ENVIRONMENTAL & MATERIAL TESTING SERVICES

Edgenta Environmental & Material Testing Sdn Bhd
(formerly known as Soil Centralab Sdn Bhd)
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

PROPERTY DEVELOPMENT

Faber Development Holdings Sdn Bhd
Level 2, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 6688
Fax : +603 2725 6670

UEM EDGENTA BERHAD (5067-M)

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

www.uemedgenta.com