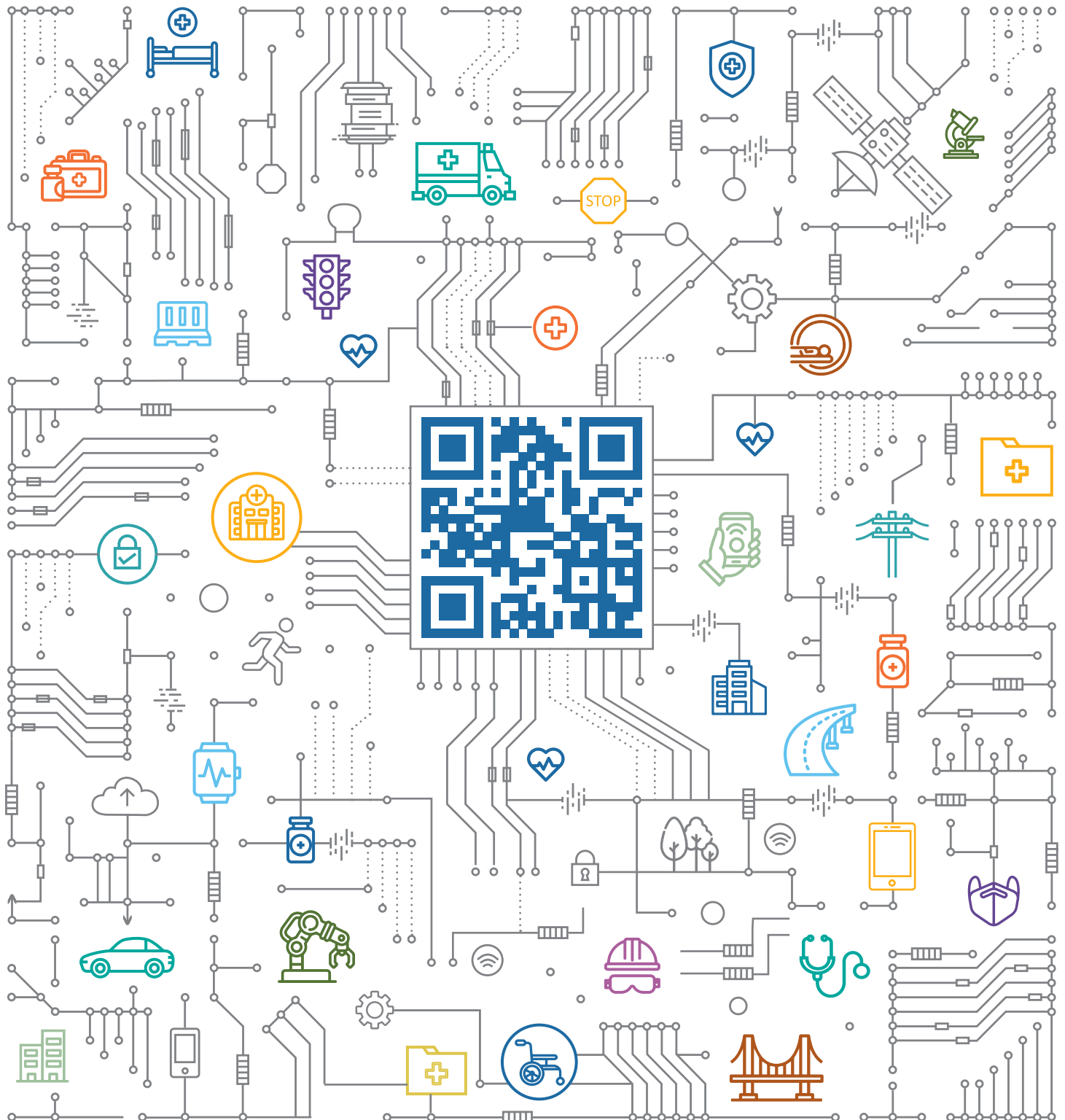


GROWTH THROUGH TECH-BASED TRANSFORMATION



A member of UEM Group

ANNUAL REPORT 2021





GROWTH THROUGH TECH-BASED TRANSFORMATION

Our Annual Report cover this year depicts UEM Edgenta Berhad's ("UEM Edgenta" or "Group" or "Company") foray to becoming a Technology-Enabled Solutions Company with a focus on healthcare by 2025 in our next phase of growth through new products and market expansion which is in line with our Edgenta of the Future 2025 ("EoTF2025") vision to drive digital transformation.

As a market leader in Asset Management and Infrastructure Solutions in the region, we embrace technological advancements to improve productivity and enable the Company to grow swiftly through the Edgenta Way, which is our promise to go above and beyond in delivering world-class standards, whether we are creating opportunities, generating assets or providing services and solutions.



Scan QR code to view UEM Edgenta Annual Report 2021 microsite.

WHAT THESE ICONS REPRESENT

- Private PPV
- Medical
- Field Hybrid ICU
- Experiment & Mobile Lab
- Computed Tomography Scanning System
- Facilities Management Services
- COVID-19 Support
- Healthcare Support
- Health Attendant Services
- Facility Management
- Digital Healthcare
- RFID e-Bracelets
- Smart Facilities Management
- Road Asset Management System
- Infrastructure Assets
- Network Maintenance Services
- Project Management
- Engineering & Technical
- Expressways and State Roads
- Cyber Security

INSIDE THIS REPORT

ABOUT THIS REPORT

1 OVERVIEW OF UEM EDGENTA BERHAD

2021 Key Highlights	4
Who We Are	6
Vision Mission Our Values	7
Our Presence	8
Our Corporate Structure	10
What We Do	12
Edgenta Digital Ecosystem Platform	16

2 KEY MESSAGES

Chairman's Statement	20
MD/CEO's Statement	24
CFO's Review	30
• 5-Year Group Financial Summary	34
• Financial Highlights	36
• Simplified Statements of Financial Position	37
• Segmental Analysis	38
• Value Added Statement & Value Distribution	39
• Group Quarterly Performance	40

3 MANAGEMENT DISCUSSION & ANALYSIS

HOW WE RUN OUR BUSINESS

Our Operating Environment	42
Market Trends	44
Stakeholder Engagement	46
• Investor Relations	48
Our Material Matters	52
Our Value Creation Business Model	54
Edgenta of the Future 2025	56
Key Risks and Mitigation	58

HOW WE PERFORMED

<u>Business Review</u>	
Healthcare Support	62
Property & Facility Solutions	66
Infrastructure Services	68
Asset Consultancy	70
<u>Sustainability Review</u>	
Sustainability at UEM Edgenta	72
Sustainability Governance	72
Sustainable Economic Growth	76
Minimising Environmental Impact	79
Social Value Creation	85

4 LEADERSHIP

Corporate Information	107
Board of Directors	108
Board of Directors' Profile	110
Company Secretary's Profile	120
Executive Leadership	121
Executive Leadership Profile	122
Organisation Structure	126

5 GOVERNANCE

Corporate Governance Overview Statement	128
Audit Committee Report	146
Additional Compliance Information	149
Statement on Risk Management and Internal Control	150
Corporate Integrity and Ethical Business Conduct	160

6 FINANCIAL STATEMENTS

Directors' Report	163
Statement by Directors	169
Statutory Declaration	169
Independent Auditors' Report	170
Statements of Comprehensive Income	176
Statements of Financial Position	178
Statements of Changes in Equity	182
Statements of Cash Flows	185
Notes to the Financial Statements	187

7 SHAREHOLDERS' INFORMATION

Analysis of Shareholdings	315
Properties Held by the Group	318
Recurrent Related Party Transactions	320
Glossary	332
Notice of the 59 th Annual General Meeting	335
Statement Accompanying Notice of the 59 th Annual General Meeting	340
• Form of Proxy	
• Group Directory	

ABOUT THIS REPORT

ABOUT THIS REPORT

REPORTING THAT IS BUILT ON BENCHMARKED PRINCIPLES, FRAMEWORKS AND GUIDELINES.

At UEM Edgenta, technology and digitalisation is our business licence to operate. It is a conduit for how we live our lives and work. It not only allows our people to work more efficiently, but also enables cost savings and more importantly, it is a critical tool in the creation of new revenue streams for the Group. With our EoTF2025 strategies, we have aligned our growth to meeting the needs of the world, innovating, responding and improving the asset management and infrastructure solutions for our clients.

Although our business strategies have been calibrated to deliver sustainable returns for our shareholders, our responsibility does not end there. It goes beyond financial considerations, to supporting the needs of our wider community, being positive stewards to protect our precious environment and underpinning all that we do with a committed foundation of strong governance.

SCOPE AND BOUNDARY

This Annual Report covers the reporting period from 1 January 2021 to 31 December 2021, unless otherwise stated. The information presented relates to the activities of UEM Edgenta comprising our subsidiaries, joint operations, joint ventures and associates.

The sustainability Statement 2021 marks the 4th year of UEM Edgenta's Sustainability Reporting journey. The Sustainability Statement 2021 will communicate the Group's key sustainability initiatives,

performance and commitments in relation to material matters the Group prioritised. The reporting period of the Statement is aligned with Annual Report.

Further, the Sustainability Statement covers UEM Edgenta's operations in Malaysia and select geographical locations it operates in, namely Singapore, Taiwan and the United Arab Emirates ("UAE"). UEM Edgenta will strive to include other geographical areas in future reports.

OUR TARGETED READERS

This is our primary report to stakeholders and is intended to address the information requirements of our shareholders and prospective investors. We also present information relevant to the way we create value for other key stakeholders, including our employees, clients, regulators and communities.

REPORTING GUIDELINES AND FRAMEWORKS

Corporate Section	Financial Section
<ul style="list-style-type: none"> Bursa Malaysia's Main Market Listing Requirements Bursa Malaysia's Corporate Governance Guidelines, 4th Edition Bursa Malaysia's MD&A Guidelines Bursa Malaysia's Sustainability Guidelines 2nd Edition Malaysian Code on Corporate Governance 2021 Companies Act 2016 With reference to the Global Reporting Initiative ("GRI") Standards Value Reporting Foundation United Nations' Sustainable Development Goals ("UNSDGs") The International Integrated Reporting Council's ("IIRC") framework for integrated reporting 	<ul style="list-style-type: none"> Bursa Malaysia Securities Berhad Main Market Listing Requirements Malaysian Financial Reporting Standards ("MFRS") International Financial Reporting Standards ("IFRS") Requirements of the Companies Act 2016 in Malaysia

UEM Edgenta is pleased to present the Annual Report 2021 with the confidence that it is a fair representation of UEM Edgenta's performance throughout the year 2021. We believe that the report addresses all material matters and presents a balanced and fair account of the Group's performance for the financial year from 1 January 2021 to 31 December 2021. It takes guidance from an internationally recognised integrated reporting framework and provides an accurate reflection of our strategic commitments for the short, medium and long term.

The credibility of this report is supported by strong governance practices and external verification by Ernst & Young PLT, our auditors for financial information.

NAVIGATING OUR REPORT

We aim to produce a report that is interactive, engaging and easy to understand. To help you navigate around our Annual Report, we use the following navigational icons to highlight our reporting of the six capitals of value creation, as described in the IIRC Framework, as well as the material matters that impact our value-creation process:

THE CAPITALS

- Financial Capital
- Intellectual Capital
- Manufactured Capital
- Human Capital
- Social And Relationship Resource Capital
- Natural Capital

THE MATERIAL MATTERS

- M1 Business Ethics
- M2 Innovation and Technology-based Operational Excellence
- M3 Economic Development
- M4 Supply Chain Management
- M5 Climate Change & Energy
- M6 Environmental Management
- M7 Occupational Health and Safety
- M8 Employment Culture
- M9 Customer Satisfaction
- M10 Human Rights Assessment
- M11 Local Community

The Group's sustainability efforts are aligned to the UNSDGs. This year, following our materiality review, we identified five UNSDGs that have material impact on our businesses and stakeholders

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements relating to future performance. These statements and forecasts are based on current assumptions and circumstances, which could change, hence involve uncertainty. Various factors could cause actual results to differ materially from those expressed or implied by these forward-looking statements.

FEEDBACK

We look forward to receiving and responding to any feedback on this report from our stakeholders. Please channel your feedback or query to:

Head, Corporate Communications

Level 16, 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
 E-mail : communications@edgenta.com



Online Version

This report and additional information on UEM Edgenta is available online at our corporate website, www.uemedgenta.com

2021 KEY HIGHLIGHTS

2021 KEY HIGHLIGHTS

AWARDS & ACHIEVEMENTS



Malaysia Facilities Management Company of the Year



The Malaysia Technology Expo ("MTE") Outstanding Innovation Award
One Gold Award
Four Silver Awards



Enabling Mark Award Silver Award



Occupational Health and Safety Management General Guideline for Safe Working during the COVID-19 Pandemic



Safeguard Certification First Malaysia Corporate Building Certified



Malaysian Society For Occupational Safety & Health ("MSOSH") Occupational Safety & Health ("OSH") Award
Three Gold Class 1 Award
Three Gold Class 2 Award



Energy Management Gold Standard 3-Star for 30 Hospitals in Perak, Kedah, Perlis and Penang
2-Star for two hospitals in Penang and Kedah



1st Runner Up for Energy Management Small and Medium Building Category Hospital Yan



Winner for Energy Management Small and Medium Building Category Hospital Yan



Annual Productivity & Innovation Showcase ("ArISe") Three "5 Star" Awards



Mini Innovation Showcase Team Excellence ("MTEx") Three Gold Awards



Regional Innovation Showcase Team Excellence ("RISTEx") Three Gold Awards

BUSINESS HIGHLIGHTS

Edgenta of the Future 2025 transformation strategy contributed to a fundamental shift towards a highly sustainable and future-proof business model



Healthy prospects of **RM10.8 billion order book**. More than **RM1 billion** new contract wins



Developed **Clinical Home Quarantine Management System** and deployed **30,000 units of Radio-frequency Identification e-Bracelets** for real-time monitoring of COVID-19 patients



Completed installation of **14 units Field Hybrid ICU facilities** which increase the ICU beds to 140 units nationwide



Converted our **UEM Edgenta Learning Centre** into a private COVID-19 Assessment & Vaccination Centre and administered **over 25,500 vaccine doses**



Registered **23 new accounts** for soft services contracts in Taiwan at Wanfang Hospital, National Taiwan University Hospital East and Taiwan Semiconductor Manufacturing



Signed a **Memorandum of Business Exploration** with Asma Advanced Solutions LLC to explore the **Middle East market**



FINANCIAL HIGHLIGHTS

Revenue (RM million)	EBITDA (RM million)	Profit Before Tax (RM million)	Profit After Tax (RM million)
2,292.4	157.1	78.6	43.4

Normalised PAT (RM million)	PATANCI (RM million)	Gross Gearing Ratio	Net Cash Position (RM million)	Net Assets Per Share (RM)
57.3	42.0	0.29x	185.2	1.85

Shareholders' Fund (RM million)	Total Cash, Bank Balances, Deposits & Short Term Investment (RM million)	Total Assets (RM million)	Earnings Per Share (sen)
1,535.8	628.7	2,855.1	5.10

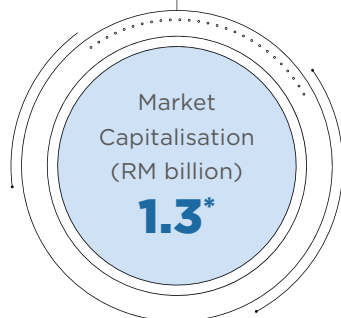
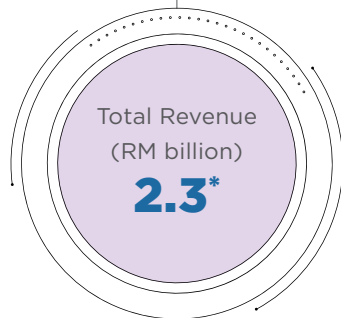
WHO WE ARE



UEM Edgenta is the region's leading Asset Management & Infrastructure Solutions company, with a clear vision to optimise assets and improve lives.

Our expertise encompasses Healthcare Support and Property & Facility Solutions within our Asset Management segment; Infrastructure Services covering expressways and rail; and project management and engineering design capabilities through Asset Consultancy.

We promise the Edgenta Way of providing quality services to our clients by going beyond standards and offering technology-based solutions as a guarantee of efficiency. Our mindset is anchored on safety across our operations for the benefit of all our stakeholders. Towards realising our vision of Edgenta of the Future, we are leveraging the implementation of digital solutions across multiple industries to turn the Group into a powerhouse Technology-Enabled Solutions Company with a focus on healthcare by 2025.



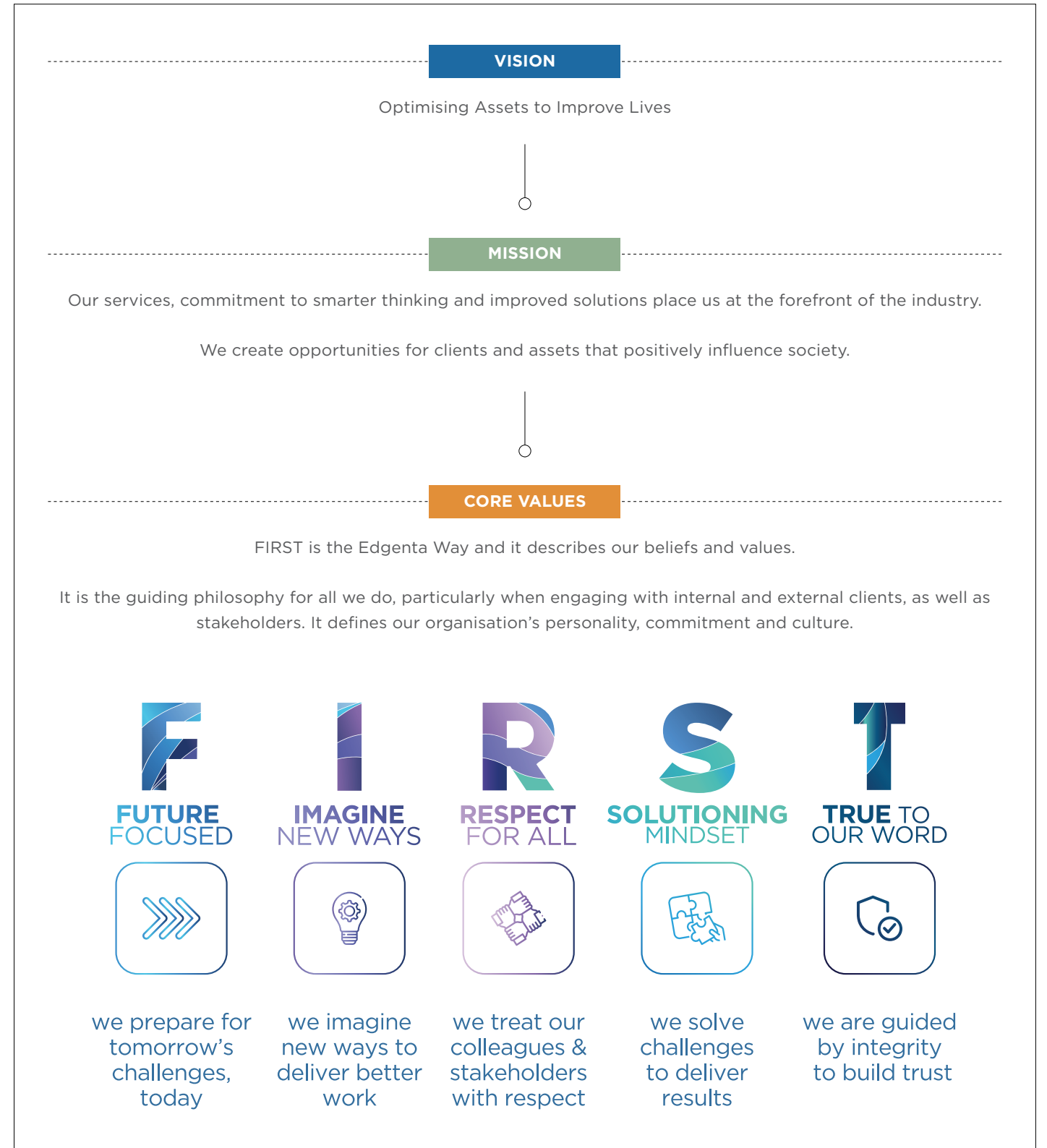
●● One of the region's largest Asset Management & Infrastructure Solutions entities with group assets of **2.9***

●● Employees serving our clients in the region **22,359***

●● Combined experience in Asset Management & Infrastructure Solutions of more than **80 years**

* as at 31 December 2021

VISION, MISSION & OUR VALUES



OUR PRESENCE

As the region's leading Asset Management and Infrastructure Solutions company, we have demonstrated our expertise in Healthcare Support and Property & Facility Solutions, Infrastructure Services for expressways and rail, among others, as well as project management & engineering design capabilities through Asset Consultancy.

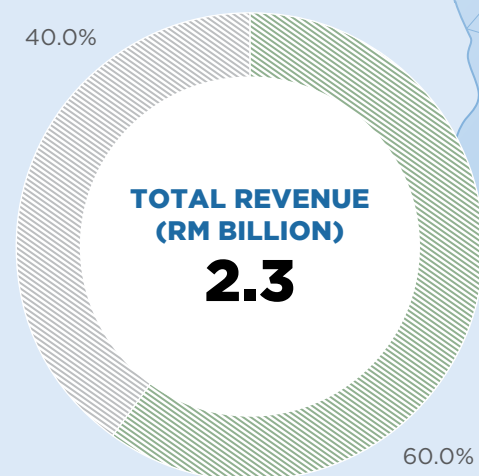
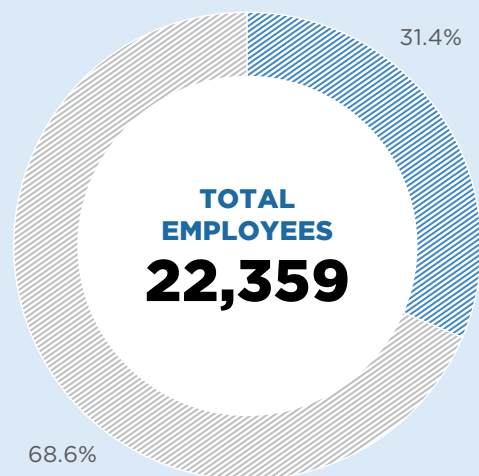
Our dedicated personnel have gone above and beyond to deliver essential services with cutting-edge technologies and solutions, while making significant contributions to communities through our social responsibility efforts.

Throughout the pandemic, UEM Edgenta has stood resilient, working diligently at the front lines, together with our clients at hospitals, highways, buildings and other facilities under our care.

Our agility and continuous ability to deliver uninterrupted services, even in the face of the toughest of circumstances, have benefited our clients, society and markets. We endeavour to expedite our journey with our clients, whilst maintaining our vision of optimising assets and improving lives for all our stakeholders, the Edgenta Way.



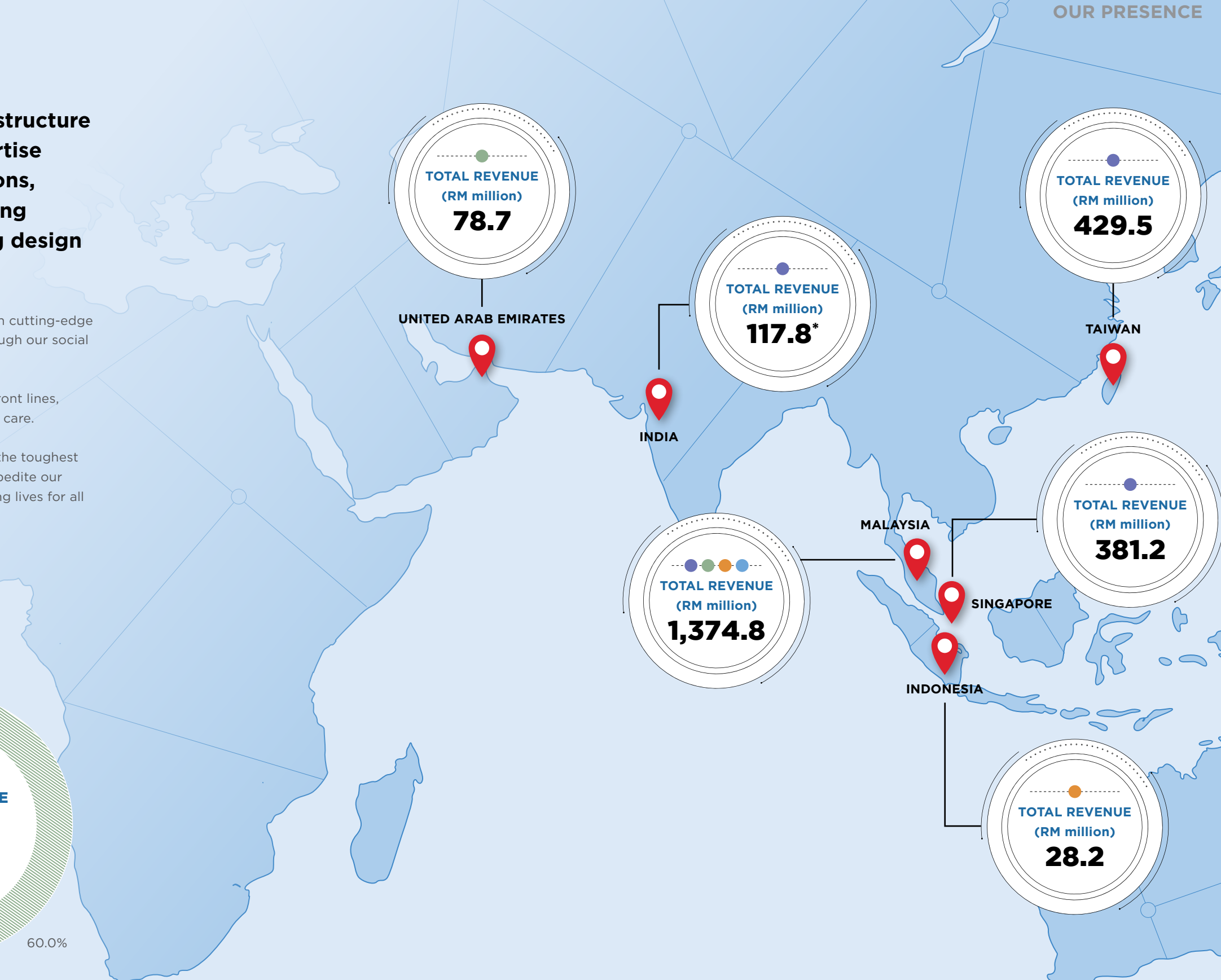
Presence in 6 countries



● Malaysian ● Non-Malaysian

● Malaysia Operations ● Non-Malaysia Operations

OUR PRESENCE



LEGEND: ● Healthcare Support ● Property & Facility Solutions ● Infrastructure Services ● Asset Consultancy

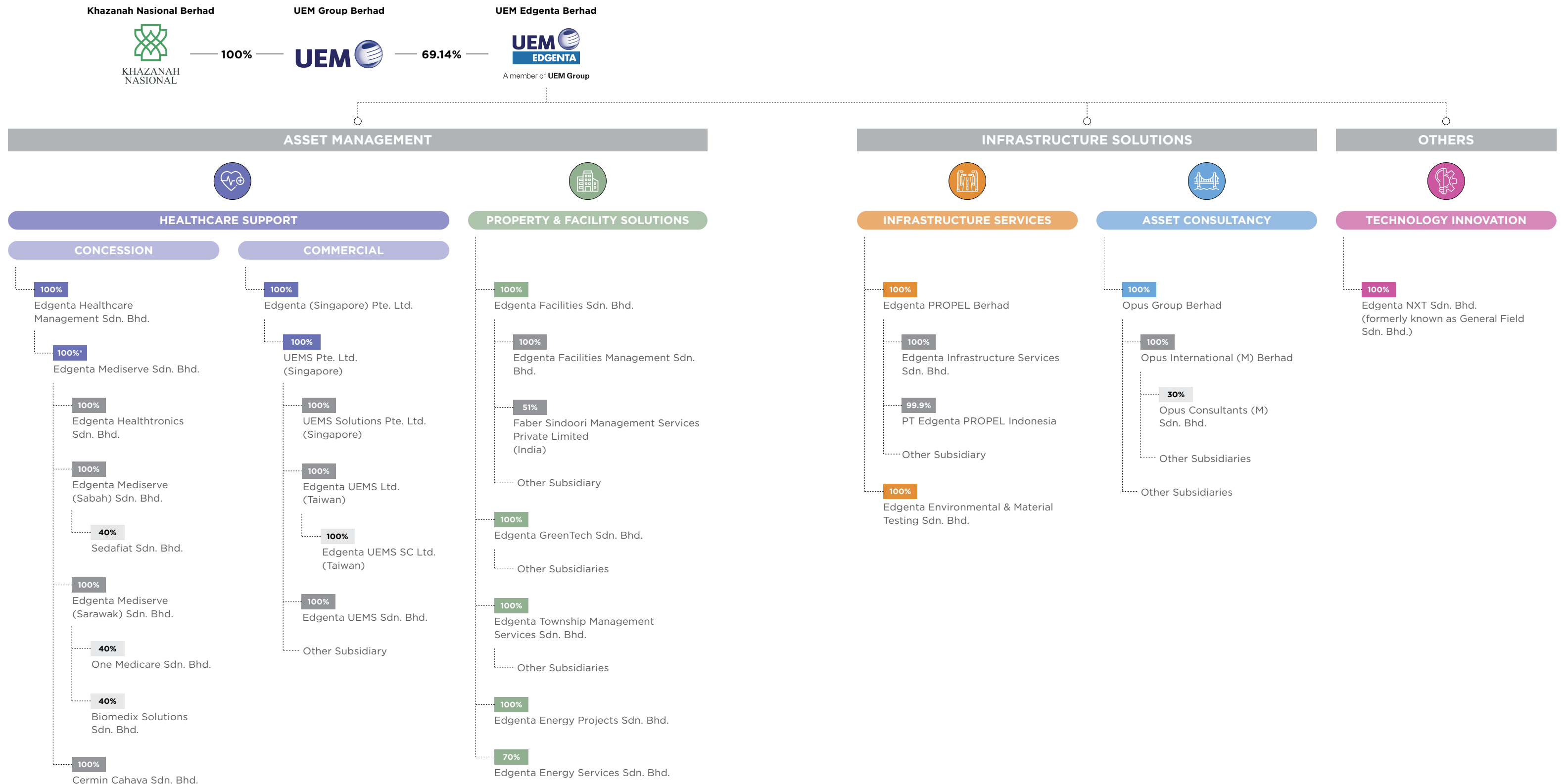
* Faber Sindoori Management Services Pte. Ltd. is accounted as an associate of UEM Edgenta

OUR CORPORATE STRUCTURE

As at 21 March 2022

OUR CORPORATE STRUCTURE

As at 21 March 2022



* Direct & Indirect Interest

WHAT WE DO

ASSET MANAGEMENT



•• Contribution to Group Revenue (RM million)

1,432.5

•• Contribution to Group Profit (RM million)

77.4



For more information about **HEALTHCARE SUPPORT**, please scan the QR Code.



HEALTHCARE SUPPORT

As the largest hospital support services provider in Southeast Asia, serving over 300 hospitals in Malaysia, Singapore, Taiwan, and India, UEM Edgenta's Healthcare Support division is an internationally recognised market leader in non-clinical healthcare support services.

Our extensive expertise and experience from many industries gives us an advantage in delivering optimal solutions to improve the non-clinical support services demanded by today's healthcare providers and other commercial sectors. As a strategic partner to healthcare institutions, we are highly dedicated to ensuring that our clients' hospital assets and facilities work at peak efficiency.

Our innovative technology-driven solutions are the product of our desire to modernise and enable smart healthcare infrastructure to enhance patient care experiences. The new digital healthcare platform such as *UETrack™*, Clinical Home Quarantine Management System for COVID-19 RFID E-Bracelet Tracking Programme and QuickMed allows healthcare providers to manage their daily operations efficiently, making it easier to focus on their clinical and non-clinical services delivery.

The division will continue to focus on developing and using new technologies specifically in the area of robotics, IoTisation and digitalisation in line with Healthcare of the Future vision and transformation of UEM Edgenta to be a Technology-Enabled Solutions Company by 2025.

- Annual processing output of **19,200 tonnes** of soiled linen
- Incinerating **7,900 metric tonnes** of clinical waste annually
- Preserving the lifespan of more than **51,000 BEMS** assets worth over **RM1.4 billion**
- Caring for more than **RM1.8 billion** worth of FEMS assets
- Maintaining over **3.0 million sqm²** of cleanable area daily

WHAT WE DO

ASSET MANAGEMENT



•• Contribution to Group Revenue (RM million)

163.0

•• Contribution to Group Profit (RM million)

17.9



For more information about **PROPERTY & FACILITY SOLUTIONS**, please scan the QR code.



PROPERTY & FACILITY SOLUTIONS

UEM Edgenta's Property & Facility Solutions provides performance-based programmes, supported by technology-driven green building solutions and data-driven building asset management solutions.

The division adopts a people-centric strategy to deliver world-class services centered on occupant wellbeing and user experience. From innovative workplace solutions to infrastructure and commercial property facilities management, our aim is to improve experiences by connecting people, assets, and processes.

Ongoing reliance on fossil fuel energy poses an increasing risk to businesses and communities, as the country transitions towards a low-carbon economy. Being the market leader in developing and managing energy efficient solutions, we offer impartial and specialised guidance for accelerated problem troubleshooting and resolution; making it our goal to remove all implementation barriers towards a sustainable future for generations to come.

Underlining our programmes, the Edgenta SmartConnect technology platform, which allows our clients to experience better governance with the convergence of human, big data analytics and IoT technologies.

- **Facility management services at over 500** buildings and facilities
- Energy Efficiency Solutions at **14 GBI-rated** buildings in Malaysia
- Our **Energy Efficiency Solutions** reduce electricity consumption between **20 to 40%**
- More than **RM30 million kWh energy savings** per annum

WHAT WE DO

INFRASTRUCTURE SOLUTIONS



•• Contribution to Group Revenue (RM million)

594.4

•• Contribution to Group Profit (RM million)

17.3



For more information about **INFRASTRUCTURE SERVICES**, please scan the QR Code.



INFRASTRUCTURE SERVICES

As Malaysia's foremost infrastructure maintenance specialist, we have over 30 years of experience in the infrastructure industry, providing network maintenance services for expressways and state roads across Malaysia and Indonesia.

Today, our services have expanded beyond highways to include trains, airports, ports, oil and gas, plantation roads, and other commercial and industrial sectors.

Our team of experienced and skilled professionals has the ability to deliver optimal results, making us an ideal partner to provide new solutions and shape landscapes that meet our clients' demands.

The division strives for continual performance improvement by deploying technology systems and process improvement concepts for quality project delivery to further strengthen our forte in asset maintenance.

•• **>RM10 billion** worth of infrastructure assets managed

•• Approximately **4,000 km** of expressways and state roads in Malaysia and Indonesia

•• **Road Asset Management System** bringing **1,500 km** expressway & state road assets online

•• Involved in **Expressways, State Roads, Airports, Plantations & Rail**

WHAT WE DO

INFRASTRUCTURE SOLUTIONS



•• Contribution to Group Revenue (RM million)

82.5

•• Contribution to Group Profit (RM million)

(20.9)



For more information about **ASSET CONSULTANCY**, please scan the QR code.



ASSET CONSULTANCY

UEM Edgenta's Asset Consultancy is represented by Opus Consultants, a leading engineering and asset management consultant with more than three decades of experience in delivering mega projects.

Our continuous efforts to bring the best out of our clients' investments by providing innovative and practical solutions for large-scale infrastructure and transportation projects have propelled us to the forefront of the Asset Consultancy industry.

Backed by a team of committed and innovative individuals, we are dedicated to working closely with our clients to deliver highly professional project management, asset management and technical consultancy services, with a strong emphasis on quality, thoroughness, and timeliness.

With a proven track record in delivering quality services and results within the specified time, budget, and standards, we are well-positioned to expand our client base.

•• Represented by **OPUS CONSULTANTS** AN EDGENTA COMPANY

•• **2 Sectors**

- Highways & Bridges
- Rail

•• Involved in over **RM110 billion** worth of infrastructure projects (including projects currently under construction)

•• **400 professionals**, including engineers and project managers across Malaysia

EDGENTA DIGITAL ECOSYSTEM PLATFORM

EDGENTA NXT

Edgenta
NXT
Transforming today.
Advancing tomorrow.



Edgenta NXT is the Company's first digital focused subsidiary, spearheading the vision of EoTF2025. The mission of Edgenta NXT is to transform UEM Edgenta into a technology powerhouse, creating resilience in the digital age by establishing a digital ecosystem to unlock the potential of platform economies. With Edgenta NXT, this is the commitment of the Company to foray into tech-enabled business and accelerate innovation.

Edgenta NXT specialises in the commercialisation of technologies and the development of tech-based intellectual properties, with the aim of accelerating organisation-wide digital transformation whilst enabling rapid international expansion. Since its inception in July 2021, Edgenta NXT has established a range of offerings, namely Smart Asset Management, Smart Roadways, Smart Project Management, and more importantly, the two new tech platforms, Asseto and QuickMed.

The platforms are hosted within the Edgenta NXT Cloud, powered by Alibaba Cloud. Beyond that, the Edgenta NXT Marketplace is where the partners' solutions are stored. The concept is similar to most tech marketplaces, fusing all the relevant technologies into a single place for ease of integration to better serve our customers. Edgenta NXT Procure is another initiative in the pipeline to expand the digital ecosystem.

How Can We Transform What We Are Doing Right Now Into A Better Tomorrow?

FIVE KEY BUSINESS PRIORITIES:



World-class cloud technology, as well as access to a suite of proprietary cloud-based management solutions



Access to a host of solutions, developed in collaboration and supported by Edgenta NXT technologies



Find, secure quotes and procure faster, with a platform that aims to streamline the process more efficiently

EDGENTA DIGITAL ECOSYSTEM PLATFORM

EDGENTA NXT



Challenging Industry Norms:

- Disrupt business norms in the industries in which we operate
- Reset boundaries
- Challenge status quo
- Spur growth and expansion



Leading Technology Transformation:

- Accelerate technology transformation and at the forefront of enabling future innovations
- Start-up culture
- Agile, fast-paced team
- Always innovate, always ahead



Establishing a Digital Ecosystem:

- Build a future-ready platform that houses and connects all solutions in a single, efficient and convenient ecosystem
- Connects all solutions
- Provide ecosystem for local and international start-up
- Bolster expansion



Enabling Integrated Connectivity:

- Enable seamless and integrated connectivity by consolidating a broad range of solutions in one place
- Digitalising our core businesses
- Seamless integration



Establishing Healthcare Info Exchange:

- Expanding possibilities in digital healthcare
- Expansion into new frontiers
- Providing a platform for different players

EDGENTA DIGITAL ECOSYSTEM PLATFORM
QUICKMED

QuickMed is a digital healthcare solution by UEM Edgenta, that aims to improve accessibility and the quality of healthcare by bridging the gap between healthcare professionals and the public.



Our Specialties

- Clinic Management System (QuickMed Clinic)
- COVID-19 screening booking platform
- Home Quarantine Monitoring System (“HQMS”) which has vastly contributed to the fight against the COVID-19 pandemic in the country

Healthcare at Your Fingertips

Beyond its COVID-19 products, QuickMed Clinic offers a cloud-enabled solution for medical professionals to digitally manage the entire clinic’s operations by automating data processes and providing the ability to attend to patients remotely.



Our Response to the COVID-19 Global Pandemic

- QuickMed HQMS is a cloud-based COVID-19 management system that uses teleconsultation to triage home quarantined COVID-19 patients
- It was used by the country’s first private CAC and deployed to several other CAC and Private Quarantine Centres shortly thereafter
- Paired with an RFID and GPS-equipped e-Bracelet to track inbound passengers to Malaysia
- It was deployed in airports and used by the Ministry of Health of Malaysia’s (“MoH”) CAC across the country
- Focused on developing a platform to improve the quality of care for Malaysian



EDGENTA DIGITAL ECOSYSTEM PLATFORM
QUICKMED



QuickMed HQMS has processed more than **7,000 COVID-19 patients** and managed over 50,000 home quarantine days

HQMS with digital tracker capabilities has successfully ensured more than **48,000 users** adhered to their home quarantine orders

QuickMed COVID-19 Screening Solution has helped screen more than **1,000 patients**

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

“
The challenges brought about by the pandemic tested the determination and agility of our teams, who tackled them head on, focusing on maximising synergies across the businesses, making transformative organisational changes and introducing innovation and agility into the operating model.
 ”

TAN SRI DR. AZMIL KHALID
 Independent Non-Executive Chairman



Despite an unprecedented external environment, UEM Edgenta has delivered a resilient set of results. The challenges brought about by the pandemic tested the determination and agility of our teams, who tackled them head on, focusing on maximising synergies across the businesses, making transformative organisational changes and introducing innovation and agility into the operating model. Given the significant disruption and uncertainty they faced every day, the remarkable resourcefulness of our people left a lasting impression on me and I am very grateful to everyone in our organisation for their hard work and dedication. Our sympathies go to our colleagues who have suffered or are suffering from the COVID-19, or who may have lost their family members or friends during the pandemic. We remain committed to doing all we can to support them. While the accelerated vaccine rollout is encouraging, the road ahead remains treacherous. However, I am confident that our purposeful culture of innovation and collaboration, our passion for quality, and our ‘can do’ attitude – all of which have made this business successful – will continue to underpin the Group’s performance through the next phase of growth.

COMMENDABLE PERFORMANCE AND A RETURN TO DIVIDENDS

The Group delivered commendable results for the financial year ended 31 December 2021 (“FY2021”) through our collective efforts in taking swift action to respond to the continual operational challenges brought about by the COVID-19 pandemic and the constant improvisation of new strategies to manage the headwinds caused by the start-stop economy and rapid transmissions of the new pandemic variants. The Group’s topline revenue returned to pre-pandemic levels, recording RM2.3 billion at the end of FY2021, a growth of 13% from RM2.0 billion in the previous year. We are pleased to report that the Group is resuming dividend payments this year, a testament to the promises made to uphold the Company’s Dividend Policy. In line with the Dividend Payout Ratio Policy of between 50% and 80% of the Profits-After-Tax and Non-Controlling Interests (“PATANCI”), the Board has declared a single tier interim dividend of 3.00 sen per ordinary share for the year in appreciation of the continuous support and trust from our shareholders.

CREATING STRATEGIC VALUE

FY2021 was a year of transition for the Group as its new business model anchored on EoTF2025 took hold and delivered immediate results.

In advancing the development of technology-enabled solutions, the Group launched its first digital ecosystem platform – Edgenta NXT. Venturing into cloud-enabled and Software-as-a-Service (“SaaS”) model, Edgenta NXT facilitates the development of a full-suite of ready-solutions which include digital healthcare and smart asset management platforms, supported by our cloud partner, Alibaba Cloud. Its maiden healthcare product - QuickMed, aims to improve the

accessibility and quality of healthcare by bridging the divide between healthcare service providers and the public through an intelligent, mobile-friendly platform. During the year under review, a Memorandum of Understanding (“MoU”) was signed with Universiti Teknologi Mara (“UiTM”) to collaborate in accelerating digital healthcare solutions. This is in line with our EoTF2025 vision of becoming a scalable technology-enabled solutions company through new products and market expansion.

The sustainability of our business has been anchored by our diversification strategy with our international businesses accounting for 40% of Group revenue and 54% of new contracts wins. Significant contributions from Taiwan where new verticals and Integrated Facilities Management (“IFM”) contracts amounting to RM336.7 million and Singapore where IFM services accounted for RM144.1 million sustained the growth for FY2021. In expanding our international footprint, the Group signed a Memorandum of Business Exploration (“MoBE”) with Asma Advanced Solutions LLC on 29 April 2021. This partnership leverages on the growth of the healthcare support services and integrated facilities management services in the region. This was followed with a MoBE with Byte Blanket FZE (“Byte Blanket”) and Disrupt-X DMCC (“Disrupt-X”) on 1 April 2022. Our partnership with Byte Blanket and Disrupt-X looks to introduce the concept of ‘Hyper-Aware Buildings’, utilising a combination of Internet of Things (“IoT”) and contextual data to ensure buildings are made more adaptive to the environment as well as its occupants’ needs, which in turn allows situational awareness for better efficiency, productivity, reliability, safety and security.

On 10 March 2022, a joint venture agreement was signed between Opus International (M) Berhad and PPES Consults Sdn. Bhd. to provide project management services and engineering design consultancy for mega infrastructure

CHAIRMAN'S STATEMENT

projects in the State of Sarawak. This strategic partnership serves as an anchor to our Pan Malaysia Strategy for Infrastructure Solutions and is expected to support the development of the State's local engineering expertise.

In broadening our integrated healthcare solutions, the Group took a leading position and proactively supported the Government's efforts in combating the pandemic through a wide range of pandemic management solutions, ranging from the construction of 14 Field Hybrid Intensive Care Units ("ICU") to assist the MoH in relieving pressure on the Nation's ICU capacity, conversion of our private COVID-19 Assessment Centre ("CAC") to a private Vaccination Centre ("PPV") in support of the National COVID-19 Immunisation Programme and the deployment of Radio-frequency Identification ("RFID") digital tracker and Home Quarantine Monitoring System for the tracking and monitoring of inbound travellers by the MoH. Additionally, through our Biomedical Engineering Maintenance Services ("BEMS"), we successfully assisted MoH to replace 20 units of medical equipment through the Replacement-Through-Maintenance programme ("RTM").

DRIVING THE SUSTAINABILITY AGENDA

Our commitment to sustainability has never been greater. We recognise that in order to remain relevant and self-sustaining, preserving our core business must remain a priority. To protect the core elements of our existence, we have started taking a measured approach in tackling sustainability issues prevalent to our business and industry. This year we produced the fourth edition of our Sustainability Statement. It describes how we craft our very own sustainability story and path at UEM Edgenta, underpinned by environmental, economic and social commitments. I am proud to note that in December 2021, we kick started a project to improve our sustainability reporting practices and develop an Environmental, Social, and Governance ("ESG") roadmap for UEM Edgenta. Some of the work undertaken is demonstrated through enhancements we have incorporated in our Sustainability Statement. The Statement carried elevated levels of disclosures to better communicate how we approach sustainability, how we engage with our valued stakeholders and the work we have done in making our business more viable. We interact with a multitude of stakeholders, and through these interactions, we have become cognisant of the various matters that our stakeholders deem as important for us to address when delivering our services. I am pleased to communicate with our stakeholders that in December 2021 as part of our ESG roadmap project, we undertook an initiative to analyse the internal and external matters that matter most to our business operating environment. We prioritised these matters into a materiality



The Group took a leading position and proactively supported the Government's efforts in combating the pandemic through a wide range of pandemic management solutions, ranging from the construction of 14 Field Hybrid Intensive Care Units ("ICU") to assist the MoH in relieving pressure on the Nation's ICU capacity, conversion of our private COVID-19 Assessment Centre ("CAC") to a private Vaccination Centre ("PPV") in support of the National COVID-19 Immunisation Programme and the deployment of Radio-frequency Identification ("RFID") digital tracker and Home Quarantine Monitoring System for the tracking and monitoring of inbound travellers by the MoH.



matrix that is guiding us in addressing our sustainability risks and achieving our ESG goals and targets. Some of these goals and targets have been expressed in our Sustainability Statement.

Corporate responsibility will remain the core component of our sustainability framework. It will continue to shape the day-to-day running of our business. We will maintain our stance to set a high bar for ourselves in terms of the way we manage our business overall. We believe that it is important for us to act in a way that means we are responsible corporate citizens, whether that is how we relate to our clients, employees, local communities, or wider society. We know that the way we conduct our business matters – and we do so, in ways that will continue to have a positive impact.

COMMITTED TO STRONG GOVERNANCE

Adherence to regulatory standards and the management of operational risks have remained our priorities. This helps to ensure excellent client outcomes and enable us to demonstrate transparency and value to our clients. I am proud to note that as we rode our sustainability journey in 2021, we started work to put in place a sustainability governance structure to be driven by the Board of Directors well supported by the Board Governance and Risk Committee and an internally set up ESG Steering Committee to shape and implement the Group's sustainability roadmap in our business. Work is currently progressing at great momentum to further develop this nascent governance framework into a fully operational sustainability corporate structure run by the best talent to implement our sustainability endeavours and initiatives.

Through a robust governance structure, we have and will continue to invest significant resources needed to meet the complexities of the evolving regulatory agenda, such as those relating to ESG and the Malaysian Code on Corporate Governance ("MCCG") 2021.

The Board therefore shall remain steadfast to deliver high standards of corporate governance and embed the right culture and behaviour throughout the business to ensure that stakeholders' interests are given due consideration. It is also essential to ensure that we have the right balance of skills, diversity and experience to challenge and guide the business through its next stage of growth. These factors have been key as we have evolved and strengthened the skill set of the Board throughout the year.

In July 2021, we were delighted to announce the appointments of Shirley Goh and Jenifer Thien Bit Leong to the Board. Both bring exceptional experience and strengthen the skills and diversity of the Board. In January 2022, we also welcomed Mohd Asrul Ab Rahim as a Non-Independent Non-Executive Director, bringing us sound investment and consultancy experience across a range of industries. We thank our outgoing Directors Elakumari Kantilal, Emily Kok and Wong Shu Hsien, for their invaluable contributions to our Board oversight agendas.

THE ROAD AHEAD

The Government is maintaining the Nation's economic growth projection in the range of 5.5% to 6.5% for 2022, driven primarily by:

- 1 The expansionary Budget 2022
- 2 Normalisation in economic and social activities premised on high vaccination rates
- 3 The resumption of projects with high multiplier effects
- 4 Strong external demand, especially from major trading partners

Budget 2022 initiatives such as the RM4.8 billion *JaminKerja* that will guarantee 600,000 jobs, as well as *SemarakNiaga* worth RM40 billion to help businesses restart, will further support our growth for the coming year.

As the global economic recovery gathers pace in 2022, on the back of transitioning to an endemic phase, our global expansion strategy will be executed in earnest by integrating facilities management with technology through IoT and real-time analytics, while actively positioning ESG solutions as our key competitive advantage in our target growth markets.

The Group's EoTF2025 strategy promises a greater focus on our solutions base and continued expansion into international markets in our pursuit to transform ourselves to becoming a leading technology-based solutions Company by the year 2025. Increased emphasis on the importance of ESG in our strategies will bolster our fundamentals and lead us towards a path of sustainable growth.

We will be commercialising more technology solutions such as SaaS and Platform-as-a-Service ("PaaS") with our array of Artificial Intelligence ("AI") solutions as a differentiator and disruptor. Prime examples of the adoption of our solutions can be seen in the development of the smart facilities management systems for the Integrated Building Command Centre ("IBCC") at KLCC. IBCC was designed modularly to monitor and control energy management, life and safety, and vertical transportation. In Healthcare Support, we have implemented BEMS IoT to track asset movement and utilisation, in addition to leveraging on mechanisation and robotics to increase productivity in service delivery.

On Infrastructure Services, the Group will be actively pursuing opportunities in Sabah and Sarawak as part of our Pan Malaysia expansion strategy, in addition to exploring opportunities in neighbouring countries, including Indonesia's East Kalimantan capital city development. With the successful trial of the recycled pavement product developed inhouse, we are building a Recycled Asphalt Premix ("RAP") plant, hence reducing waste and its consequent use natural resources, whilst also lowering our emissions that will enable us to utilise sustainable products in our road pavement projects.

I look forward to the future with confidence as UEM Edgenta delivers on its vision of Optimising Assets to Improve Lives. I truly believe that through our focus on transforming our technology base towards the needs of the industry, backed by the commitment of our talented colleagues and the financial strength of our business, the Group is well placed to deliver high-quality, sustainable growth to all stakeholders in our ecosystem.

TAN SRI DR. AZMIL KHALID
Independent Non-Executive Chairman

CHAIRMAN'S STATEMENT

MD/CEO'S STATEMENT

In this year's statement, UEM Edgenta's Managing Director/Chief Executive Officer, Syahrudin Samsudin, describes how the Group has continued to grow despite the challenges of the pandemic, as well as how it has further embraced its supporting role in the Government's response to the COVID-19 pandemic in 2021.



We have certainly delivered good results from our diversification strategy which has delivered new contracts across multiple geographies and in new business verticals and sectors



SYAHRUDIN SAMSUDIN
Managing Director/Chief Executive Officer



MD/CEO'S STATEMENT

Q1

The year 2021 saw the resurgence of the pandemic, an event that disrupted economic recovery and threatened livelihoods. What was the Group's main approach in navigating this year's challenges?

We approached 2021 in two ways. Firstly, a sustained focus on business execution and growth, and in this context, we have certainly delivered good results from our diversification strategy, which has delivered new contracts across multiple geographies and in new business verticals and sectors. We have also seen higher revenues in almost all our business segments and profits boosted by a disciplined approach to drive cost efficiencies. I will expand more on this below.

Secondly, I would like to recognise the Group's unrelenting effort in helping the Government in its fight against the COVID-19 pandemic. Ever since COVID-19 first arrived on our shores, the Group has been proactive in leveraging our capabilities, assets and technology to bolster the nation's health defence. In 2021, we continued along this path, supporting the Government's vaccination efforts by converting our private CAC at the UEM Edgenta Learning Centre ("UELC") facility in Petaling Jaya into a private COVID-19 Assessment & Vaccination Centre.

In addition, from the single Field Hybrid ICU that we constructed in 2020, we have established an additional 14 Field Hybrid ICUs to support the needs of the MoH, especially when the number of critically ill patients rose significantly in 2021. As part of our frontline efforts, we also helped to boost the MoH's capabilities in pandemic management solutions with the introduction of the QuickMed application, which served as a digital tracker and was crucial for managing Malaysia's home quarantine programme for inbound travellers.

While these efforts represent new revenue streams, it was not our main consideration before embarking on these initiatives. We needed to do what was right, and in my mind, this meant helping to protect lives and ensuring the continuity of service for critical assets like hospitals, highways, offices and



industrial assets. The result of doing the right thing has inevitably led to some interesting spinoff business opportunities that I believe will balance the interests of our shareholders against our broader obligation to help the nation.



We needed to do what was right, and in my mind, this meant helping to protect lives and ensuring the continuity of service for critical assets like hospitals, highways, offices and industrial assets.



MD/CEO'S STATEMENT

MD/CEO'S STATEMENT

Q2 In supporting the government and the nation during this time, it would appear that the Social aspect of the ESG agenda has driven the Group's approach of late and has also contributed to positive business results. What else has the Group focused on in this area?

Within the ESG agenda, the Social aspect has been of particular importance as we viewed our business through the lens of the pandemic over the past two years and learnt over time what we needed to do to ensure we would all exit this unprecedented situation intact. This is where I have shared with our stakeholders that the challenging situation that we are in is one that we have to face together. More importantly, while imparting this message, I also explained to our business partners in particular that while we are all affected, UEM Edgenta would definitely not be leaving anyone behind. For our business partners, their main concern is ultimately about the business continuity of the Group and we were able to address this effectively as we did not stop investing or spending or innovating even during the most challenging of times. I hope it has inspired confidence within our ecosystem as we supported them, as they supported us, through thick and thin as we demonstrated that we are a resilient organisation that can always be relied upon.

To our people, the message of togetherness has been similar. This has been a period where a human-centred approach has prevailed over everything else and we have responded accordingly. We have maintained open channels of communication during this challenging time, clearly indicating our willingness to listen to and support our employees, especially in the context of their mental wellbeing. We have also, for the first time, engaged directly with the union representatives who we recognise as important stakeholders within our value creation ecosystem. While significant, I believe that the intention is more important, as making an effort to engage will compel the other party to also engage. It also puts to rest the 'corporate versus the people' narrative which is clearly counter-productive to the progress of any organisation. While we may not be able to solve all the issues overnight, it is a starting point that brings us closer and helps us understand their concerns better. In engaging with our employees domestically and in our international locations, cognisant of the fact that a one-size fits all approach will not work in managing our greatest assets.

“
Within the ESG agenda, the Social aspect has been of particular importance as we viewed our business through the lens of the pandemic over the past two years and learnt over time what we needed to do to ensure we would all exit this unprecedented situation intact.
 ”

Q3 How did the Group's business perform in 2021 given the challenging operating environment?

I am pleased to share that from the financial perspective, we finished strong in 2021, delivering higher revenue with year-on-year (“Y-o-Y”) growth of 13% to RM2.29 billion. Of this revenue, 75% was from our non-concession business. In addition, our market diversification initiative, which is part of the EoTF2025 strategy, has also yielded results with almost 40% of our revenue in 2021 being derived from our international business, and setting the scene for an even bigger share of revenue going forward.

Normalised Profit After Tax (“PAT”) grew by 27% Y-o-Y to RM57.3 million and as a result, we were able to resume dividend payouts after pausing in 2020 due to the pandemic-induced economic downturn. The higher profits were driven by higher revenue from most of our divisions, especially from the Healthcare Support division's COVID-19 management business, as well as lower operating expenses and finance cost as a result of cost optimisation initiatives.

In terms of business performance, we signed new contracts totalling more than RM1 billion, which is a significant achievement given the difficult operating environment. As alluded to above, the international segment is growing steadily, accounting for 54% of the new contracts. This is the trend we are seeing globally as the healthcare sector improves on the back of the large addressable market and is therefore aligned with our strategy to diversify our revenue base. The continued fight against COVID-19 is also giving us the added opportunity to apply our skills in hospital support services, facilities management, energy efficiency and asset management, enabled by technology.

Our order book also remains strong at RM10.8 billion which indicates the resiliency of our cash flows and our ability to continue building on our track record to chart our way forward. I am very proud of the team's achievement in 2021 as they brought together resources, talent and technology to produce a strong performance.

● ●
Revenue
 RM2.29 billion
 ▲ **13%**

● ●
Normalised Profit After Tax
 RM57.3 million
 ▲ **27%**

Q4 The higher profits in 2021 were partly a result of disciplined cost optimisation initiatives. What can you share about where the Group is on this journey, as well as its targets?

The impetus to lower our costs is clear given that we operate in a low-margin environment, but it was certainly the pandemic that accelerated our efforts and in fact, enabled certain shifts in behaviour to take place faster. For instance, because of the pandemic, we had to streamline our operations and become sharper, leaner and more efficient in procurement to obtain best-in-class service from our contractors and suppliers.

We also took this opportunity to work more closely with our clients and partners to extract greater value from our ongoing engagements. In 2021, we continued implementing new measures to improve the efficiency of our maintenance works for our client, PLUS Malaysia Berhad (“PLUS”), while maintaining our focus on reducing cost. As a result, we have achieved annual savings of approximately RM90 million, including routine maintenance work and Research & Development of Stress Absorbent Membrane Interlayer (“SAMI”) pavement.

Internally, we optimised the efficiency of a significant portion of our processes and operations. I encouraged our leaders to challenge the norm to unlock greater efficiencies and will continue to challenge them to do so. The pandemic also impacted work patterns, for example, working from home allows people to do more when commuting time is saved, resulting in cost optimisation.

We were also fortunate that we were able to harness and leverage the technology that we have to enable business continuity, which has also helped lower costs. Our strong digital presence enabled us to seamlessly transition to working from home and we enhanced this further to ensure that crucial parts of the business could also be run remotely.

These initiatives will remain the cornerstone of how we manage our operations and are also helping to globalise how we work in Malaysia, which is important for us to implement rapidly given our growing global footprint.

MD/CEO'S STATEMENT

MD/CEO'S STATEMENT

Q5 Could you share further on how digitalisation has helped the Group's business progress as well as the developments that took place in this area in 2021?

Digitalisation has always been an important enabler for UEM Edgenta. It not only allows our people to work more efficiently but also enables cost savings and more importantly, it is a critical tool in the creation of new revenue streams for the Group.

I challenged our people to think about this, premised on the basic idea of fundamentally tying our business with technology and therefore enable us to capture new business in entirely new verticals or by disrupting existing markets.



Our new offering, Edgenta NXT, which we launched in 2021, addresses this. As a cloud-enabled, SaaS digital solution, this digital ecosystem offers our customers in building and asset management, highways and healthcare, an access to a range of solutions that will connect, optimise and streamline their operations. Through Edgenta NXT, we have already made some headway in 2021, launching QuickMed in August 2021 as both a pandemic and clinic management system where it has tracked the quarantine, assessment and vaccination status of more than 87,000 individuals as of February 2022. We also won the contract to design and build an Integrated Building Command Centre for the Kuala Lumpur City Centre buildings which, through Edgenta NXT technology, integrates analytics with IoT devices to drive building automation.

These developments, which are under our broader EoTF2025 strategy, signify our intent to explore new business avenues, transition into technology centric businesses, accelerate our growth and fuel rapid international expansion.

Considering the uncertain business landscape, it is inevitable for a traditional assets and infrastructure operators such as UEM Edgenta to explore innovative ventures to maintain our competitive advantage. Being technology-led enables us to shift our business model from one that is headcount-based to one that is more performance-based.

The active adoption of digital technology is also important for us to stay relevant and sustainable. Young talents today are generally attracted to tech-related careers. While UEM Edgenta's legacy business may often be perceived as staid and dull, we believe that our newly established technology platform, Edgenta NXT, changes this narrative as it has been designed to emulate how technology startups operate. It is a platform for the next generation to test their mettle and be part of our future, and therefore an important talent succession strategy.

Q6 Could you please describe what the future holds for UEM Edgenta? What can stakeholders expect going forward into 2022 and beyond?

As we emerge from the pandemic and move into the endemic stage, our prospects continue to be positive as can be seen in the progress we have made in our journey to being a Technology-Enabled Solutions Company with a focus on healthcare by 2025. However, there remain some downside risks due to the potential emergence of new COVID-19 variants that may once again disrupt the economic recovery.

Going forward, our growth is predicated on the EoTF2025 strategy, in which we have already seen good traction, especially in the areas of digitalisation and the diversification of geographical and revenue streams. We expect our international business to account for 70% of our revenue by the end of EoTF2025 as we take advantage of the opportunities present in a market that, in our view, is ready for the solutions that we can provide. From the COVID-19 perspective, our pandemic management solutions have been honed through our experience in assisting the Malaysian Government and puts us in a strong position to help countries that are at different stages of their recovery paths.

“
Going forward, our growth is predicated on the EoTF2025 strategy, in which we have already seen good traction, especially in the areas of digitalisation and the diversification of geographical and revenue streams.
 ”

From the asset management perspective, many asset owners are now reimagining the way that companies like UEM Edgenta can support them. With our strong technological foundations and new platforms, we are well-prepared to meet their evolving needs. In the medium term, the Company will remain agile and resilient as it pursues its growth strategy with a focus on new products and solutions, deepening our existing footprints and expanding into new geographies such as East Malaysia and Saudi Arabia.

Notwithstanding this, I believe our opportunities are inextricably linked to the needs of the world and this is what will drive our future direction. Although our business strategies have been calibrated to deliver sustainable returns for our shareholders, our responsibility does not end there. As a global Company born in Malaysia, we must also be able to provide solutions that are global in nature. This is one of the reasons why ESG is incredibly important to us, as to how we are perceived by investors and the international community will determine our relevance in the global market.

While we have certainly been embracing ESG practices over the years, we also acknowledge that our ESG performance goes beyond what we do. It is also mission critical that we describe what we do to the market in more direct terms to ensure that we are understood correctly by the public and our investors. By embedding this approach into our DNA, we then become far more relevant to a corporate landscape that is constantly pushing for corporations to share more balanced and insightful disclosures.

SYAHRUNIZAM SAMSUDIN

Managing Director/Chief Executive Officer

CFO'S REVIEW

CFO'S REVIEW

FINANCIAL PROGRESS AND CAPITAL DISCIPLINE



I am pleased to report our commendable set of results amidst the challenging economic and operating environment. Despite the prolonged movement control order (“MCO”) and subdued economy, our financial performance strengthened with the gradual recovery of the economy post-pandemic. We are progressing well towards our EoTF2025 goals.



The lifting of various restrictions and gradual reopening of the economic and social sectors augured well for the Group. As we progress towards normalcy in the second half of 2021, we witness recovery in our revenue to the pre-pandemic level. Under the new COVID-19 environment, while we continue to deliver our project on-hand with an order book of RM10.8 billion, we also managed to capitalise on various COVID-19 management solutions such as Field Hybrid ICUs and RFID e-Bracelets for the Ministry of Health.

Our strategic focus, operational resilience and revenue diversification to international markets have enabled us to successfully navigate the impacts and uncertainties caused by the continual global pandemic. Stringent cash flow management and various cost optimisation initiatives were in-place as we learnt to operate in the new normal despite rising COVID-19 compliance cost.

Group Financial Performance

	FY2021	FY2020	Variance	
	RM'mil	RM'mil	RM'mil	%
Revenue	2,292.4	2,028.7	263.7	13.0
PBT	78.6	46.9	31.7	67.6
PAT	43.4	14.4	29.0	201.4
Normalised PBT*	94.8	77.7	17.1	22.0
Normalised PAT*	57.3	45.2	12.1	26.8

* Normalised profit excluding:
 FY2021: Staff rationalisation cost (RM10.3 million) and one-off forex translation loss following completion of voluntary wind-up of Faber LLC (RM3.6 million)
 FY2020: Write-down of unsold property inventories (mixed residential developments by Faber Development Holdings) (RM50.0 million) and one-off forex translation gain upon settlement an intercompany loan (RM19.2 million)



HILLARY CHUA PEI SUM
Chief Financial Officer

Financial strength underpins delivery of our strategy

Heading into FY2021, the New Normal brought with it margin erosion and higher operating costs as a result of compliance with pandemic SOPs. Correspondingly, the Group's financial strategy was centred on growing top line revenue whilst managing overall costs. The Group looked to enlarge its addressable market and build capabilities as well as exploring new revenue streams in driving top line growth. In managing costs, the Group sought cost savings and efficiencies through process improvements, cost restructuring and operational efficiencies. These initiatives included adopting the LEAN programme, Edgenta Idea Bank, Innovation Garage, staff rationalisation and various procurement cost optimisation initiatives. In addition, tech-based solutions were deployed to further drive cost reduction as we provide value added services to our clients.

As a result of our financial strategies, the Group achieved higher revenue for the year under review of RM263.7 million (13.0% Y-o-Y), from RM2,028.7 million to RM2,292.4 million. This was attributed to higher pavement work orders and billable expressway work, in-line with increasing traffic volume on expressways. There were also increase in revenue from COVID-19 related businesses, i.e. Field Hybrid ICUs, RFID e-Bracelets and other billable work from the Healthcare Support division in Malaysia, Singapore and Taiwan. Most business segments recorded revenue growth except Asset Consultancy, as the business was impacted by interstate border restrictions which resulted in the delay of staff deployment to our East Malaysia projects, as well as the deferment of award of major works and contracts.

For better analysis of operating profitability of the Group, we excluded staff rationalisation costs and one-off foreign exchange (“forex”) translation loss following the completion of voluntary wind-up of Faber LLC in FY2021 and the write-down of unsold property inventories and one-off forex translation gains upon settlement of an intercompany loan in FY2020.

Normalised PAT was higher by RM12.1 million (or 26.8% Y-o-Y) driven by better business performance, successful cost optimisation initiatives and cash flow management. This has resulted to lower operating expenses and finance cost in FY2021.

Financial performance by segments



Healthcare Support

A major contributor to Group revenue, the division reported higher revenue of RM199.1 million (or 16.1% Y-o-Y) contributed by new revenue streams such as Field Hybrid ICUs and RFID e-Bracelets. There were also successful installation of nine BEMS assets under RTM for MoH and increase in billable works for Malaysia. The division also recorded higher revenue from Singapore and Taiwan contributed by mobilisation of new contracts, including housekeeping and portering services at Sengkang General & Community Hospital and kitchen stewarding services at Ng Teng Fong General Hospital.



Property & Facility Solutions

Recorded both higher revenue and PBT of RM13.8 million (9.2% Y-o-Y) and RM8.5 million (68.2% Y-o-Y), respectively. This was due to higher contributions from projects in Dubai and new projects in Malaysia, which includes contracts from Menara Etiqa, Synthomer, Perbadanan Insurans Deposit Malaysia (“PIDM”), IBCC-KLCC and H&M stores nationwide. Higher PBT was a direct result of flow through of higher revenue and share of profits from an associate in India.



Infrastructure Services

Achieved higher revenue of RM45.3 million (8.3% Y-o-Y) on the back of increases in pavement and maintenance works done for expressways in Malaysia. This was in line with the recovery of traffic volume as we saw less restrictive inter-state travel. Excluding staff rationalisation costs amounting to RM10.3 million in FY2021, normalised PBT was higher by RM2.3 million (5.9% Y-o-Y) comparative to the previous year, primarily driven by higher revenue.

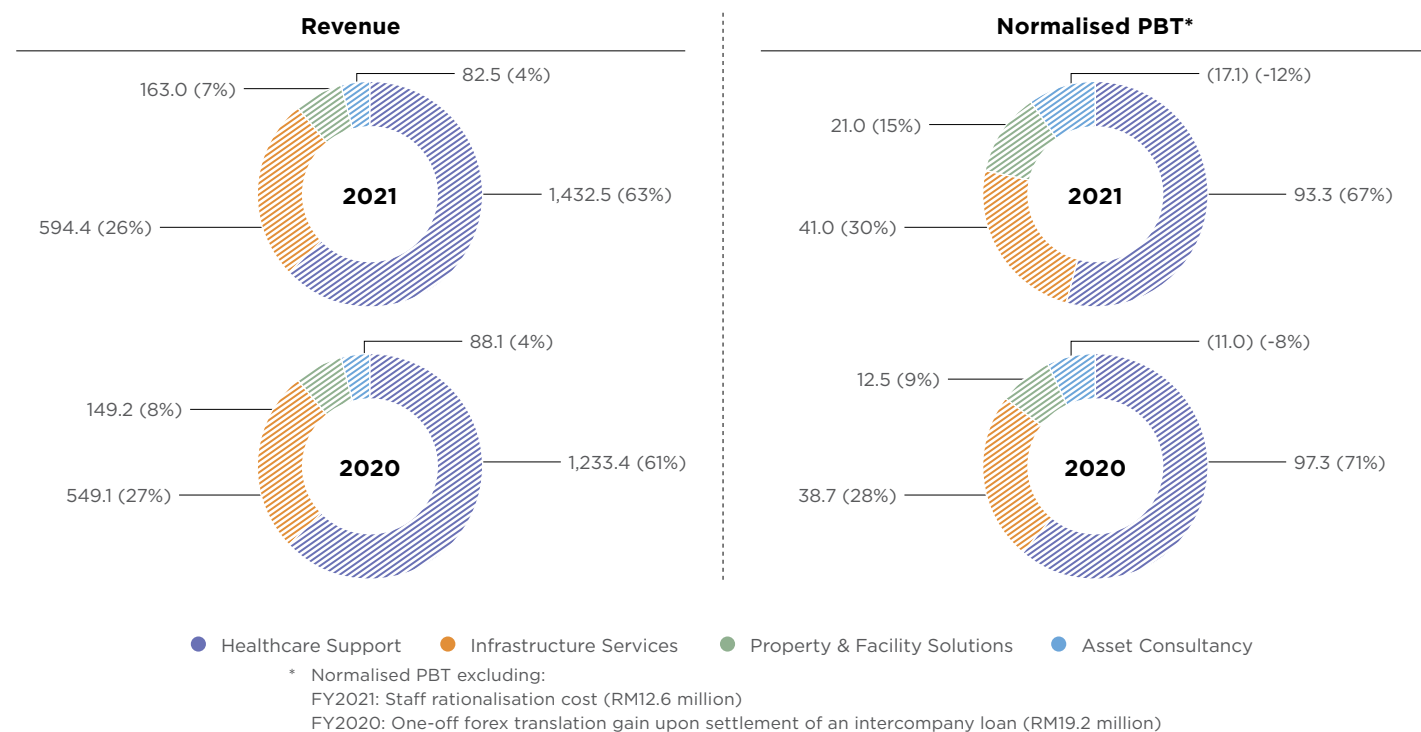


Asset Consultancy

Recorded lower revenue of RM5.6 million (-6.4% Y-o-Y) stemming from the delay in staff mobilisation to East Malaysia and a reduction in contract value for Network Maintenance Management (“NMM”) contract. Excluding staff rationalisation costs amounting to RM2.3 million in FY2021 and one-off forex translation gain amounting to RM19.2 million in FY2020, normalised loss before tax increased by RM6.1 million (-55.6% Y-o-Y).

CFO'S REVIEW

CFO'S REVIEW



Summary of Statement of Financial Position

	FY2021 RM'mil	FY2020 RM'mil	Variance	
			RM'mil	%
Total Assets	2,855.1	2,807.4	47.7	1.7
Property, plant and equipment	166.5	193.7	(27.2)	(14.0)
Right-of-use assets	37.3	40.8	(3.5)	(8.7)
Intangible assets	699.2	718.3	(19.1)	(2.7)
Inventories	66.8	77.9	(11.1)	(14.2)
Trade and other receivables	700.4	580.0	120.4	20.8
Contract-related assets	389.3	361.0	28.3	7.8
Short-term investment	28.3	11.8	16.5	139.9
Cash, bank balances and deposits	600.4	678.0	(77.6)	(11.4)
Total Liabilities	1,315.7	1,298.1	17.6	1.4
Borrowings	443.5	483.2	(39.6)	(8.2)
Trade and other payables	738.5	670.6	67.9	10.1
Lease liabilities	33.6	37.6	(4.0)	(10.5)
Contract liabilities	30.3	30.7	(0.4)	(1.1)
Total Equity	1,539.4	1,509.3	30.1	2.0
Shareholder's fund	1,535.8	1,500.7	35.2	2.3
Non-controlling interest	3.5	8.6	(5.1)	(59.0)
Net asset per share	1.85	1.80	0.05	2.8
Gross gearing ratio	0.29	0.32	(0.03)	(9.4)
Net cash position	185.2	206.6	(21.4)	(10.4)

RM1.85
NET ASSET PER SHARE
▲ 2.8%

RM185.2 million
NET CASH POSITION
▼ 10.4%

0.29x
GROSS GEARING RATIO
▼ 9.4%

RM2,855.1 million
TOTAL ASSETS
▲ 1.7%

Financial Position

During the period under review, our net cash position remained healthy as we focused on cash flow management through improved collections from customers and optimised payments to suppliers. However, higher upfront payments for COVID-19 related businesses and higher working capital requirements from the Healthcare Support division, resulted in a Y-o-Y lower net cash position of RM185.2 million as at year end (FY2020: RM206.6 million). The Group ended the year with a net asset per share of RM1.85 per share (FY2020: RM1.80 per share), the increase is in line with the growth of our assets from RM2.81 billion to RM2.86 billion.

Continued strengthening of our working capital in tandem with an optimised capital structure reduced our borrowings by 8.2% Y-o-Y to RM443.5 million. In addition, a final settlement of a loan in relation to the acquisition of subsidiary companies in Singapore in 2016 drove our gross gearing ratio to a low of 0.29x (FY2020: 0.32x). Our low gearing, strong financial position and healthy cash balance augurs well for the Group to navigate any short term volatility whilst still maintaining the capacity to leverage for future strategic and opportunities growth.

Outlook

The Group is taking a great effort to mitigate the effects of the ongoing COVID-19 pandemic and proactively address developments in order to best manage its effect on our businesses. As border re-opens and Malaysia transition into endemic phase, the Group expects a gradual recovery in the operating environment and the business performance in the coming financial year.

We will continue to remain agile and adaptable as we pursue our growth strategy with a focus on new products and solutions, expansion into new geographies and forging regional partnerships. Operating in the New Normal, our priorities are driven by the need to optimise and enhance the way we operate to ensure we create sustainable long-term return to our shareholders.

Cost escalation and margin erosion are some of the key business challenges that our business face. Market competition, minimum wage in Malaysia and progressive wages in Singapore and Taiwan, will continue to drive down our business margins. To remain competitive and to be market relevant, the Group will continue to differentiate our capabilities and competencies, rather than just competing on pricing strategy.

Operationally, the Group will look into various cost savings initiatives as well as structural cost transformation. This will ensure we build long-term competitive advantage and drive long-term sustainability. Dedicated cross-functional cost restructuring team are looking at various business and operational processes, which includes LEAN programme, rationalisation exercises and strategic cost saving initiatives. Further, the development of a Group-wide supplier financing programme and strategic vendor management programme, will lead to the creation of a sustainable vendor system/supply chain programme which in turn will further optimise costs without compromising on quality from our suppliers and vendors.

The Group's ability to generate sustainable cashflows from existing businesses, maintain structural cost advantages and to be agile in the way we operate will highly depend on our ability to optimise cost and set a lean cost structure.

Our key focus for the year ahead will be on prudent cash and liquidity management to optimise our business. We will continue to invest cautiously to explore new revenue streams and businesses, expand to new geographical market and monetise our digital products and solutions under EoTF2025.

Our improved performance in FY2021 enable us to resume a single-tier interim dividend of 3 sen per share for financial year ended 31 December 2021. We will continue to deliver shareholders' value and commit to our dividend policy of 50%-80% of PATANCI.

HILLARY CHUA PEI SUM
Chief Financial Officer

5-YEAR GROUP FINANCIAL SUMMARY

5-YEAR GROUP FINANCIAL SUMMARY

STATEMENTS OF FINANCIAL POSITION

In RM million	2017	2018	2019	2020	2021
ASSETS					
Non-current assets	1,139.2	1,143.3	1,229.9	1,235.5	1,205.9
Current assets	1,866.8	1,731.3	1,682.9	1,571.9	1,649.2
Asset held for sale	-	3.1	-	-	-
TOTAL ASSETS	3,006.0	2,877.7	2,912.8	2,807.4	2,855.1
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	268.1	268.1	268.1	268.1	268.1
Reserves	301.1	312.8	317.2	297.5	313.7
Retained earnings	1,014.2	921.4	986.7	935.1	954.0
Shareholder's funds	1,583.4	1,502.3	1,572.0	1,500.7	1,535.8
Non-controlling interests	18.5	14.5	12.4	8.6	3.5
Total equity	1,601.9	1,516.8	1,584.4	1,509.3	1,539.3
Non-current liabilities	549.8	468.2	443.4	398.6	147.9
Current liabilities	854.3	892.7	885.0	899.5	1,167.9
Total liabilities	1,404.1	1,360.9	1,328.4	1,298.1	1,315.8
TOTAL EQUITY AND LIABILITIES	3,006.0	2,877.7	2,912.8	2,807.4	2,855.1
Net asset per share attributable to owners of the parent (RM)	1.90	1.81	1.89	1.80	1.85
Net tangible asset per share (RM)	1.03	0.93	1.01	0.94	1.01
Current ratio (times)	2.2	1.9	1.9	1.7	1.4
Liquidity ratio (times)	0.6	0.6	0.6	0.8	0.5
Gearing ratio (times)	0.3	0.3	0.3	0.3	0.3

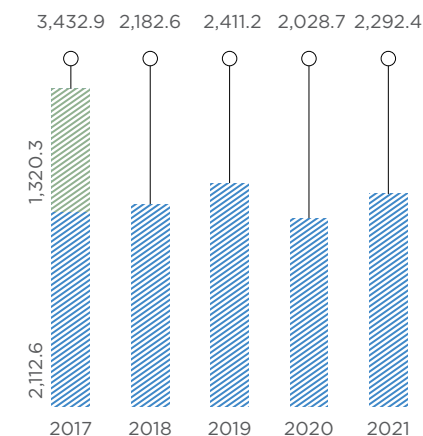
STATEMENTS OF COMPREHENSIVE INCOME

In RM million	2017	2018	2019	2020	2021
Revenue					
- continuing operations	2,112.6	2,182.6	2,411.2	2,028.7	2,292.4
- discontinued operation	1,320.3	-	-	-	-
Total Revenue	3,432.9	2,182.6	2,411.2	2,028.7	2,292.4
Earnings before interest, taxation, depreciation and amortisation (EBITDA)					
- continuing operations	243.5	266.5	325.1	131.6	157.1
- discontinued operation	90.4	-	-	-	-
Total EBITDA	333.9	266.5	325.1	131.6	157.1

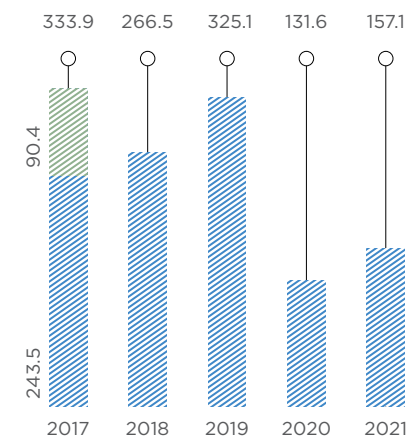
In RM million	2017	2018	2019	2020	2021
Profit before tax					
- continuing operations	172.9	198.5	245.0	46.9	78.6
- discontinued operation	68.4	-	-	-	-
Total Profit before tax	241.3	198.5	245.0	46.9	78.6
Profit after tax					
- continuing operations	125.1	152.4	188.0	14.4	43.4
- discontinued operation	34.8	-	-	-	-
Sub-total	159.9	152.4	188.0	14.4	43.4
- gain on disposal of OIC	274.9	-	-	-	-
Total Profit after tax	434.8	152.4	188.0	14.4	43.4
Attributable to:					
Owners of the parent (PATANCI)					
- continuing operations	124.6	148.4	181.8	12.9	42.0
- discontinued operation	18.7	-	-	-	-
Sub-total	143.3	148.4	181.8	12.9	42.0
- gain on disposal of OIC	274.9	-	-	-	-
Total PATANCI	418.2	148.4	181.8	12.9	42.0
Non-controlling interests	16.6	4.0	6.2	1.5	1.4
	434.8	152.4	188.0	14.4	43.4
Earnings per share (sen)					
- continuing operations	15.0	17.8	21.9	1.5	5.1
- discontinued operation	2.2	-	-	-	-
Sub-total	17.2	17.8	21.9	1.5	5.1
- gain on disposal of OIC	33.1	-	-	-	-
	50.3	17.8	21.9	1.5	5.1
Dividend per share - gross (sen)	31	14	14	-	3
For continuing operations:					
Earnings before interest, taxation, depreciation and amortisation as a percentage of revenue (%)	12	12	13	6	7
Profit before tax as a percentage of revenue (%)	8	9	10	2	3
Profit before tax as a percentage of total equity at year end (%)	11	13	15	3	5
Profit after tax and non-controlling interests as a percentage of shareholders' funds at year end (%)	26	10	12	1	3

FINANCIAL HIGHLIGHTS

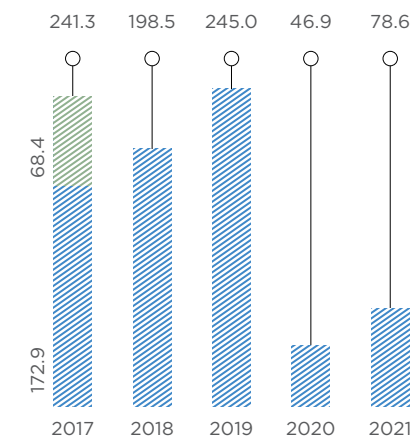
REVENUE (RM million)



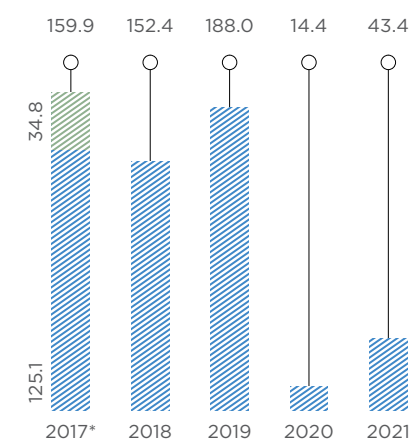
EBITDA (RM million)



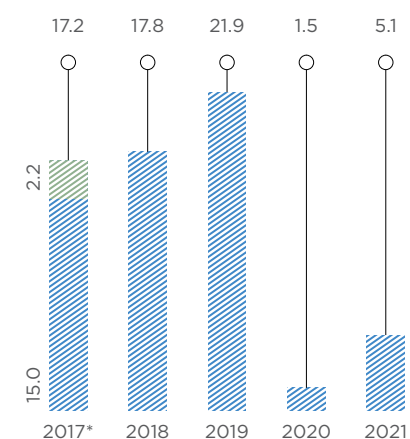
PROFIT BEFORE TAX (RM million)



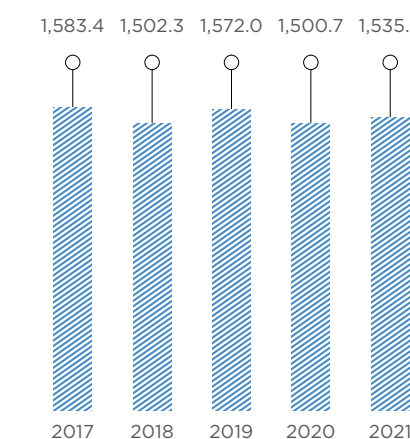
PROFIT AFTER TAX (RM million)



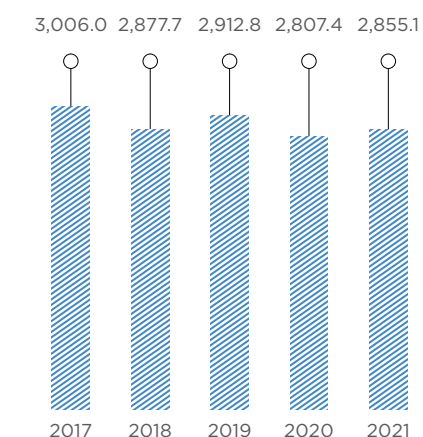
EARNING PER SHARE (In Sen)



SHAREHOLDERS FUND (RM million)



TOTAL ASSETS (RM million)



NET ASSETS PER SHARE (RM)

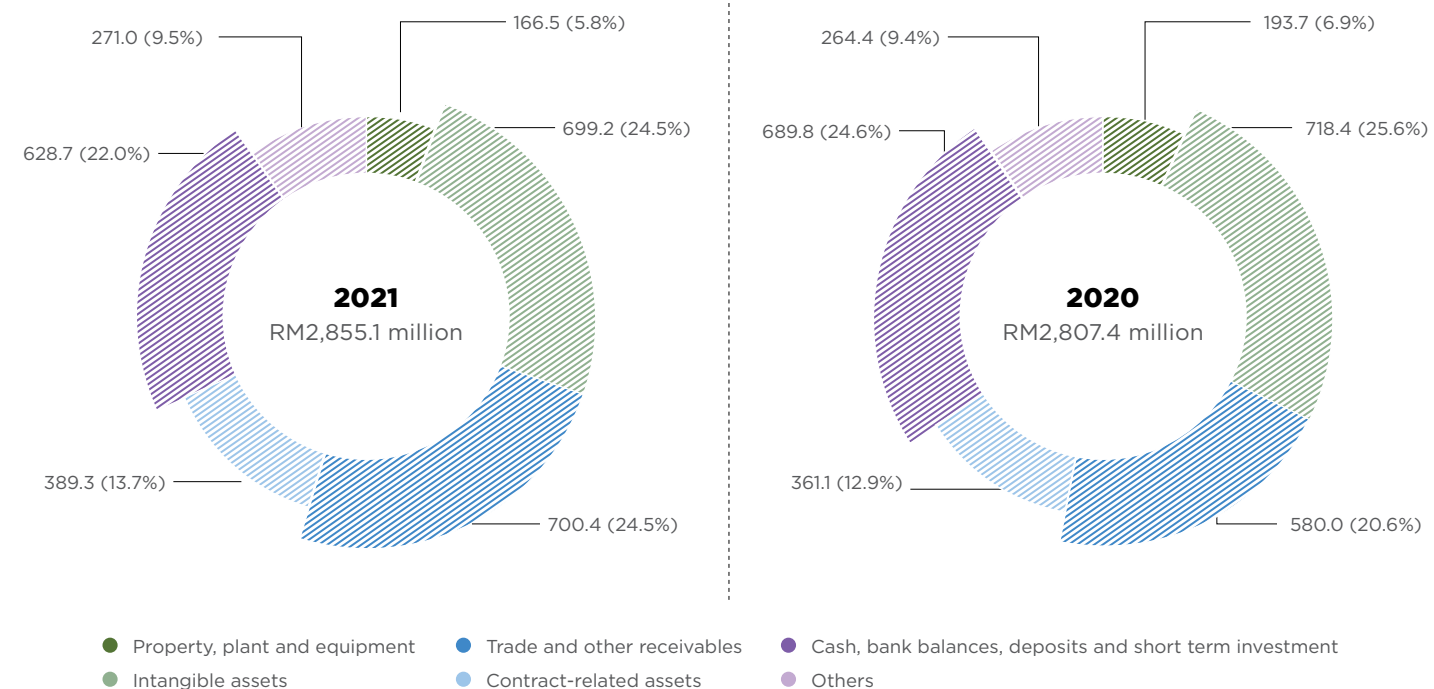


* Excluding one-off gain on disposal of Opus International Consultants Limited ("OIC") in 2017 of RM274.9 million.

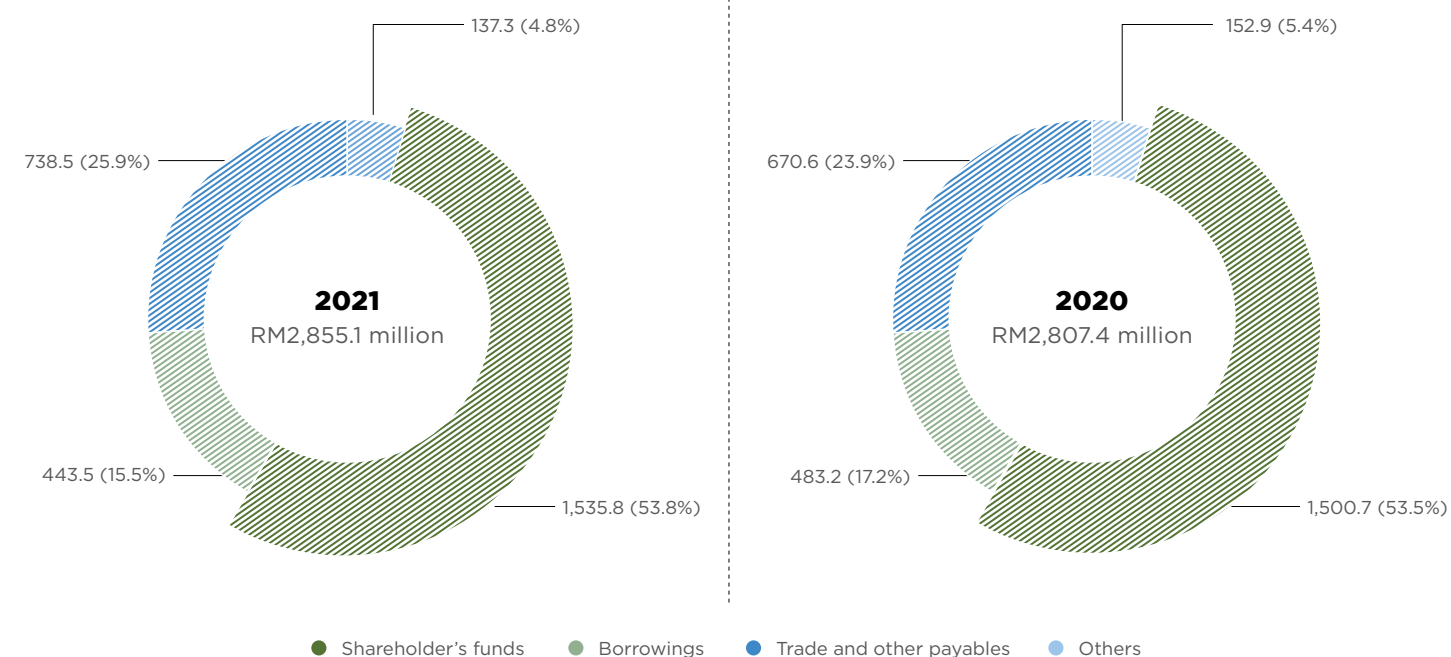
- Continuing operations
- Discontinued operations

SIMPLIFIED STATEMENTS OF FINANCIAL POSITION

Total Assets



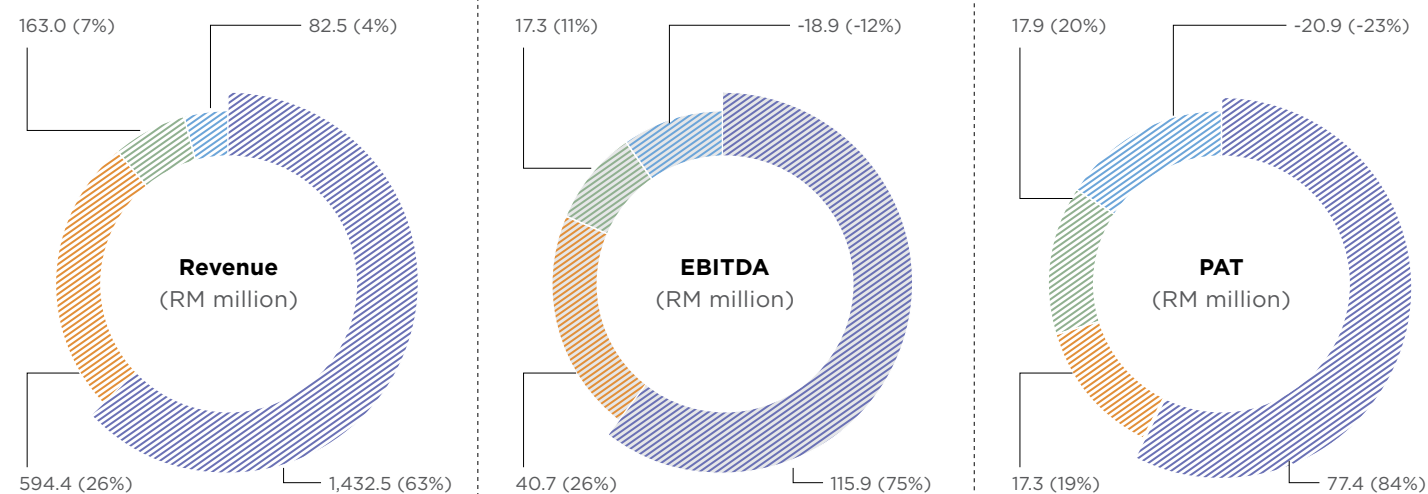
Total Equity & Liabilities



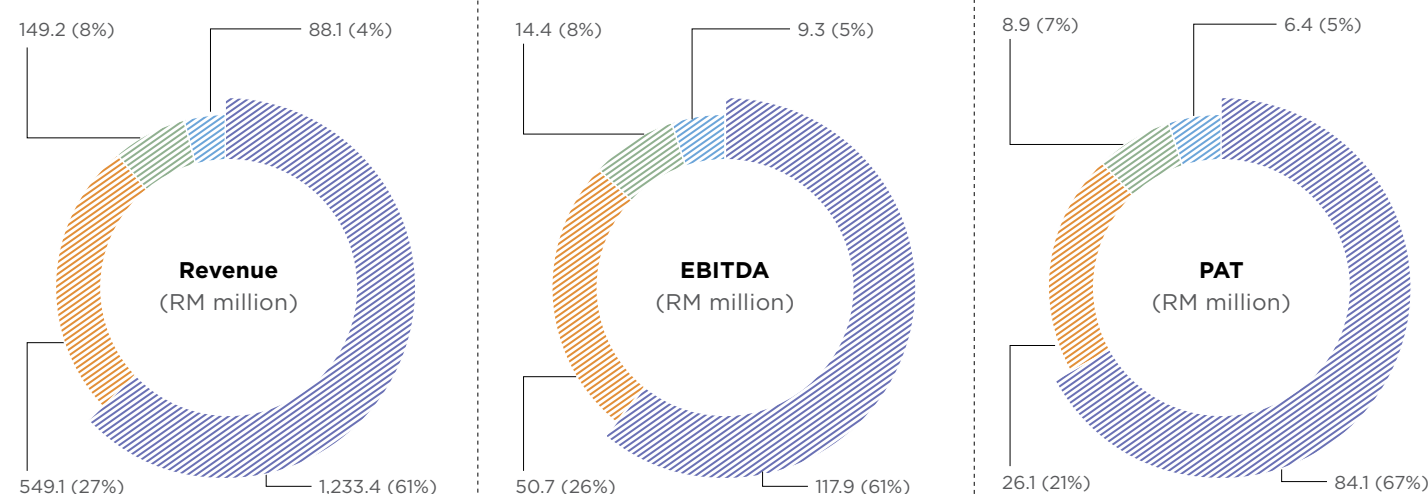
SEGMENTAL ANALYSIS

VALUE ADDED STATEMENT & VALUE DISTRIBUTION

Financial Year Ended 31 December 2021



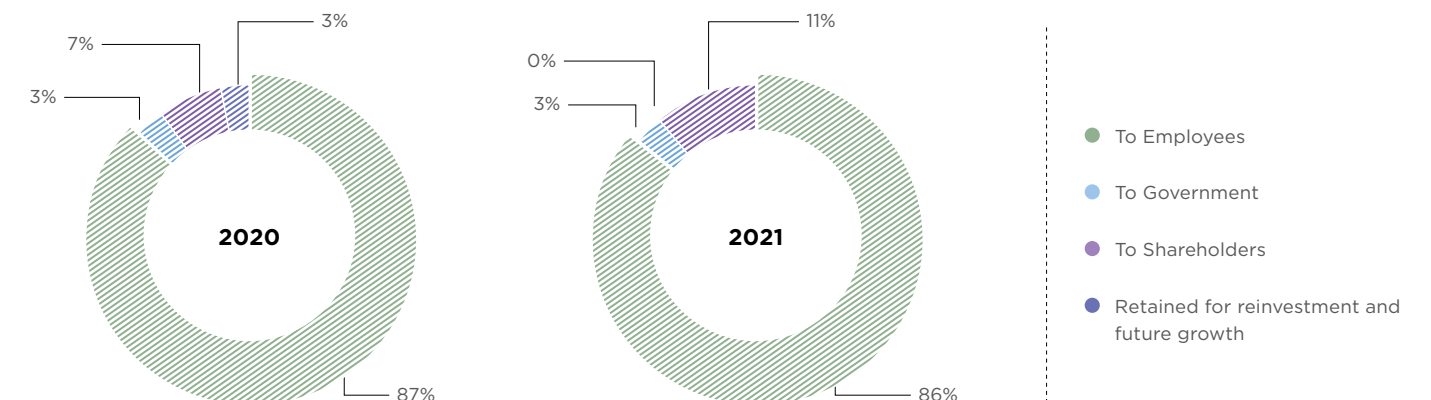
Financial Year Ended 31 December 2020



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

	2020 RM Million	2021 RM Million
VALUE ADDED		
Revenue	2,028.7	2,292.4
Other income	53.5	31.6
Interest income	4.3	4.4
Operating expenses	(1,042.2)	(1,134.7)
Finance cost	(23.5)	(20.9)
Share of profit of associates	15.8	24.2
Value added available for distribution	1,036.6	1,197.0
DISTRIBUTION OF VALUE ADDED		
To Employees		
Employee cost	907.3	1,031.1
To Government		
Taxation and zakat	32.6	35.2
To Shareholders		
Dividend paid to shareholders	66.5	-
Non-controlling interests	1.5	1.4
Retained for reinvestment and future growth		
Depreciation and amortisation	82.3	87.3
Retained earnings	(53.6)	42.0
Value added available for distribution	1,036.6	1,197.0

DISTRIBUTION OF VALUE ADDED



● To Employees
● To Government
● To Shareholders
● Retained for reinvestment and future growth

GROUP QUARTERLY PERFORMANCE

Financial Year Ended 31 December 2021

RM million	Q1	Q2	Q3	Q4	Full Year
Revenue	483.6	538.6	571.9	698.3	2,292.4
Gross profit	66.6	77.1	81.9	84.7	310.3
Other income	7.9	8.5	6.8	12.8	36.0
Operating expenses	(58.6)	(72.2)	(70.4)	(69.8)	(271.0)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	33.0	33.8	34.8	55.5	157.1
Profit before tax	15.9	13.7	15.7	33.3	78.6
Profit after tax	8.1	6.3	8.7	20.3	43.4
Profit attributable to owners of the parent	6.7	6.1	9.1	20.1	42.0
Earning per share (sen)	0.8	0.7	1.1	2.5	5.1

Financial Year Ended 31 December 2020

RM million	Q1	Q2	Q3	Q4	Full Year
Revenue	501.9	448.5	482.9	595.4	2,028.7
Gross profit	70.1	43.3	52.5	106.8	272.7
Other income	9.2	31.9	7.5	9.2	57.8
Operating expenses	(56.8)	(89.2)	(72.5)	(57.3)	(275.8)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	37.2	7.2	8.3	78.9	131.6
Profit before tax	20.3	(16.3)	(15.2)	58.1	46.9
Profit after tax	12.1	(27.3)	(19.4)	49.0	14.4
Profit attributable to owners of the parent	11.2	(26.9)	(19.0)	47.6	12.9
Earning per share (sen)	1.3	(3.2)	(2.3)	5.7	1.5

MANAGEMENT DISCUSSION & ANALYSIS

HOW WE RUN OUR BUSINESS

Our Operating Environment	42
Market Trends	44
Stakeholder Engagement	46
• Investor Relations	48
Our Material Matters	52
Our Value Creation Business Model	54
Edgenta of the Future 2025	56
Key Risks And Mitigation	58

HOW WE PERFORMED


<u>Business Review</u>	
Healthcare Support	62
Property & Facility Solutions	66
Infrastructure Services	68
Asset Consultancy	70
<u>Sustainability Review</u>	
Sustainability at UEM Edgenta	72
Sustainability Governance	72
Sustainable Economic Growth	76
Minimising Environmental Impact	79
Social Value Creation	85



OUR OPERATING ENVIRONMENT

COVID-19 continued to play a disruptive role globally, with volatility and uncertainty remaining as common themes. Respite came following the improved levels of vaccinations and containment of the virus, resulting in an economic recovery around the world – albeit to varying degrees. Supply disruptions that prevailed in the first half of 2021 eased towards the second half as supply chains were gradually restored to meet increased demand and heightened economic activities. These positive developments helped push the global economic growth to an estimated 6.0%¹ in 2021 compared to negative growth in 2020.

In Malaysia, varying forms of nationwide MCOs dramatically changed people’s daily activities and business operations. Safety and health concerns, reduced disposable income and rising unemployment resulted due to extended lockdowns, which continued well into 2021. Industries and businesses were severely impacted by cross-border closures and restrictions on people’s movements and business activities, which limited production capacity and sales. To cushion the economic impact of the pandemic, the Government took action and implemented assistance and economic stimulus packages totalling RM530 billion, with RM225 billion allocated in 2021. Further, the adoption of the National Recovery Plan, and implementation of the National COVID-19 Immunisation Programme served to ease hospital admissions and transition to an endemic phase.

 **MALAYSIA**


Providing engineering maintenance services, clinical waste management, laundry, housekeeping & cleaning, portering, sustainability, digital solutions in healthcare facilities. In addition to managing highways and roads, we also provide building facilities management and consultancy services for various infrastructure projects

Impact

- Increased operational costs e.g. PPE
- Reduced clients’ spending
- Mobility and resource allocation challenges
- Deferment of non-critical works
- Opportunity to further support the Government in providing pandemic solutions
- Increased demand to support the healthcare industry (increasing COVID-19 cases, nationwide vaccination effort, home quarantine requirements) on the back of increased operating costs (e.g. PPE, manpower to ensure safe and timely delivery of services)
- Muted recovery in property and facility solutions, infrastructure solutions (lower occupancy rate in offices/ commercial buildings with continuing working from home arrangement, lower traffic on highways and roads, inability to mobilise project teams)

Mitigating Measures

- Asset Management & Infrastructure Solutions
 - > Pivoted our efforts to drive vaccination rates in UELC, Petaling Jaya to support the nationwide effort in combating COVID-19, construction of Field Hybrid ICUs and provision of a cloud-based Epidemic Management System for the National Crisis Preparedness & Response Centre (“CPRC”)
 - > Leveraged our technology solution, QuickMed, to support COVID-19 testing (drive through, clinic testing, Mobile On-Site Testing Facility) and quarantine requirements (RFID e-bracelet and HQMS)
 - > Diversified into non-PLUS and energy performance contracts, new industry verticals, new geographies in Saudi Arabia
 - > Encouraged performance-based contracts and productisation of Road Asset Management System (“RAMS”) to JKR and PLUS
 - > Group-wide cost optimisation exercise

 **SINGAPORE**

Providing hospital support services in portering, housekeeping, kitchen stewarding and cleansing to public and private hospitals. Housekeeping services expanded to other commercial sectors


Impact

- Escalating cost of operations
- Manpower supply challenges due to border closure
- Higher healthcare expectations and requirements
- Fast-changing and uncertain market environment
- Changes in regulations i.e. Progressive Wage Model, which increases minimum wage

Mitigating Measures

- Government grants to ease manpower shortage due to border closure
- Diversified clientele base into recovery sectors, namely hospitality, education and commercial sectors
- Continue to embark on technology-based solutions such as autonomous equipment and robotics to increase productivity
- Strengthen business and product offerings by embarking on opportunities beyond the provision of existing hospital support services

OUR OPERATING ENVIRONMENT

 **TAIWAN**


In the healthcare support sector, undertaking hospital support services in portering, housekeeping and cleansing for public and private hospitals. Housekeeping services expanded to other commercial sectors

Impact

- Escalating cost of operations
- Higher healthcare expectations and requirements

Mitigating Measures

- Increased automation and mechanisation efforts to optimise resource utilisation and reduce the reliance on manpower
- Diversified clientele base into recovery sectors, namely hospitality, education and commercial sectors

 **UAE**


Presence in Dubai via Operon Middle East, a subsidiary of the Property & Facility Solutions division, providing mainly FM services

Impact

- Tightening in spending is shifting financing to alternative models such as Public Private Partnership
- Limited and suboptimal engagement for business development efforts
- Increasing use of technologies, data and IoT in facilities management

Mitigating Measures

- Resumed engagement with asset owners with a large portfolio under management
- Building tech-enabled IFM service capabilities
- Expansion beyond current operations in Dubai to other countries in the UAE i.e. Sharjah, Abu Dhabi and Fujierah
- Deployment of technology and development of a host of IoT and smart city solutions based on client needs

 **INDONESIA**


Involved in the infrastructure sector via road maintenance and asset management contracts

Impact

- Limited engagement for business development efforts due to border closure
- Delay in major infrastructure projects and new projects

Mitigating Measures

- Right-sized team and resources are gearing up for expansion
- Enhanced our technology proposition in RAMS and gained a competitive advantage in road asset maintenance

 **INDIA**

Involved in the healthcare support sector via our associate, Faber Sindoori, providing housekeeping, biomedical engineering and facility engineering services to Government hospitals and other medical institutions

Impact

- Intensifying competitive pressure in bidding for healthcare support services contracts

Mitigating Measures

- Provision of high-value services that require technical and engineering capabilities

¹ Source: World Bank

MARKET TRENDS

MARKET TRENDS

New challenges and opportunities have emerged as the global economy recovers from the COVID-19 fallout. Besides the need to learn to adapt to the pandemic situation in the market, UEM Edgenta is making every effort to adapt and adjust to changing global trends to maintain its relevance and competitiveness across our core businesses in Healthcare Support, Property & Facility Solutions, Infrastructure Services, as well as Asset Consultancy. These trends are outlined below.

Disruptions as opportunities to innovate

Trend

The pandemic has forced us to not only adapt to a confluence of disruptions, but also to innovate new ways of doing things and change our thinking to navigate through uncharted territory to achieve success

Response

- The execution of the third pillar of our EoTF2025 strategy - Enhance product and technology proposition - has accelerated UEM Edgenta's digital transformation journey
- Our proprietary technology solutions were launched during the year 2021, namely Edgenta NXT - digital solutions featuring tech-enabled and cloud-based products; and QuickMed - our B2B2C digital healthcare platform that transforms the delivery of and access to healthcare
- Automation and mechanisation technologies have been deployed in our services delivery model, e.g. RAMS, UETrack™, MULAG Mechanised Grass Cutter
- Our IoT-enabled solutions provide real-time data collection and analytics, enabling preventive maintenance and early detection of anomalies to manage clients' assets more efficiently and effectively



Adapting to the New Norm

Trend

In the state of endemicity, ubiquitous testing and integration of vaccine infrastructure with the healthcare system has become a norm. As we have gained a better understanding of the virus and its transmission, monitoring and care delivery systems will be able to trigger necessary actions to reduce the health burden of COVID-19 and contain the societal and economic impacts arising from outbreaks

Response

- Disease management protocols have transitioned to one where disease-surveillance metrics are tracked, enabling rapid interventions to be undertaken in response to local/widespread outbreaks and expected seasonal fluctuations. Our Edgenta NXT platform continues to improve its digital capabilities that revolutionise pandemic management solutions, enabling seamless integration for users and providing actionable insights for authorities through our platform. Beyond the pandemic, our vision is to be able to apply future-proof technology solutions that support sustainable urbanisation and the wellbeing of the community, shaped by connectivity, mobility, resilience and sustainability
- With the changing dynamics of the new environment, we are adopting a lean and fit-for-purpose delivery model by focusing on building up capabilities through technology, digitalisation, and innovation. This enables us to remain agile and adaptable in responding to our clients' business needs and market demands



Uneven recovery across sectors and countries entering endemic phase

Trend

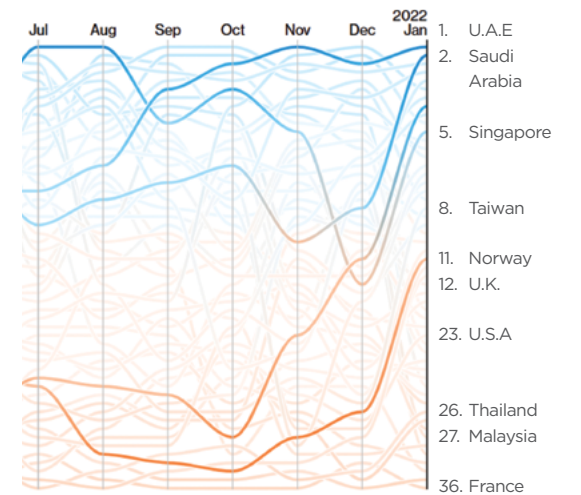
The global economy is beginning to recover, as containment measures are now replaced with relaxation measures. While some countries are taking a more gradual approach (e.g. Malaysia), there are those that have taken a more drastic and accelerated path in relaxing COVID-19 restrictions (e.g. Dubai, Kingdom of Saudi Arabia). Hence, post-pandemic recovery will likely be uneven across sectors and countries, depending on the infection rates, vaccination rates and the degree of openness in their economies

Response

- UEM Edgenta's diversification strategy in terms of geographical and sector exposure has positioned us as a good proxy for post-pandemic economic recovery
- Our financial and operating resilience is supported by the multi-speed recovery in our operating markets, with faster recovery seen in Singapore and Taiwan. This is in line with our EoTF2025 footprint expansion strategy, through which international business contributed 40% to the Group revenue during FY2021
- Whilst COVID-19 has created uncertainties and resulted in cost escalation in operations, our exposure to a diversified base of sectors helped soften the blow to our Group business. This was demonstrated by our resilient financial performance, which charted 13% Y-o-Y revenue growth and 27% normalised PAT growth

KSA, Dubai, Singapore, Taiwan are amongst the most resilience countries according to Bloomberg's survey on Covid resilience

RESILIENCY IN MARKETS Bloomberg Resilience Score



(Source: Bloomberg)



Sustainability and ESG as a competitive advantage

Trend

The Group is stepping up our efforts in ESG-related matters, as we recognise the role of ESG in developing and sustaining our competitive advantage

Response

- ESG is a market-driven, supplier-driven, customer-driven and investor-driven agenda that forms the core value of our business decisions and operations
- Our Sustainability Solutions, namely Green Building Audits and Energy Performance Contracting Services form the building blocks of climate-smart infrastructure in supporting the ESG journey of our clients and the country's goal of reaching net zero as early as 2050



STAKEHOLDER ENGAGEMENT

UEM Edgenta has a broad range of stakeholders whom we impact and, who in turn, impact us. They include clients and partners; the Government and regulators; industry and business associates; shareholders and investors; supply chain partners; media and community; and our Board of Directors and employees.

The Group strives to actively and regularly engage with stakeholders. We invest in maintaining an open and transparent dialogue with them to gain insights into their expectations of ESG aspects related to our business. This helps us set our business priorities, whilst responding to their needs more effectively, and ultimately, enables us to deliver long-term value to all stakeholders.

Key Stakeholder: Board of Directors and Employees

Method of Engagement	Key topics and concerns raised by stakeholders	Our Response
<ul style="list-style-type: none"> Quarterly Board and Board Committee meetings Board Strategy meetings and retreats Regular interaction with line manager during meeting Regular announcement on corporate developments, campaigns and topical updates Employee engagement survey MD/CEO monthly message Employee induction programmes and engagement activities Employee focus group discussions, virtual talks & dialogues Volunteering and CSR programmes 	<ul style="list-style-type: none"> Protecting and preserving core business to remain relevant and self sustaining, pursuing focused growth, balancing priorities in delivering value Regular updates on dynamic changes in our operating markets and businesses and management approach to mitigate the risks Effective and transparent in communication across the Group Priority for vaccination of frontliners Financial and mental support for employees' well-being 	<ul style="list-style-type: none"> Enhance business operation in creating long-term value for various stakeholders post-pandemic recovery in three areas: <ol style="list-style-type: none"> Identify operating model of existing core business that will withstand the test of time Restructure delivery model to enhance agility and resilience Reinvest into focused growth themes that improve earnings profile Accelerated frontliners vaccination by purchasing vaccines Provided subsidy on internet bill, provide flexibility to work from home and staggered working hours during the COVID-19 pandemic

Key Stakeholder: Clients and Partners

Method of Engagement	Key topics and concerns raised by stakeholders	Our Response
<ul style="list-style-type: none"> Regular ad-hoc meetings Client satisfaction survey Visit to corporate office/region office/projects Industry Thought Leadership Programme as speaker/representative Industry conferences & exhibitions Printed marketing materials, digital, social media 	<ul style="list-style-type: none"> The quality of service delivery Fatalities, injuries and HSE compliance on work and construction sites Operating in an endemic environment Active anticipation of project risk and challenges Transforming products and services in-line with technological advancement 	<ul style="list-style-type: none"> Incorporation of HSE system and control from conception of the project Establishing Safety Guidelines for safe working environment Improving forward planning system and highlighting the project risks and challenges

Key Stakeholder: Government and Regulators, Industry and Business Associates

Method of Engagement	Key topics and concerns raised by stakeholders	Our Response
<ul style="list-style-type: none"> Active membership in industry associations and Government bodies Scheduled/ad-hoc meetings Printed marketing material, digital & social media Annual Report 	<ul style="list-style-type: none"> Construction sector economic recovery through initiation of mega projects in West Malaysia Renewable energy sector development Facility Management ("FM") best practices Better governance to reduce non-competitive practices in bidding for projects Demonstrate commitment to sustainability capacity building networks 	<ul style="list-style-type: none"> Constantly communicating with stakeholders to express our interest in mega projects Continuous engagement with potential clients for renewable energy solutions Promotion of quality FM services to reduce organisation asset amortisation and depreciation Continuous engagement with regulators to understand license requirements Optimisation of business structure to improve governance Acceptance of UEM Edgenta's MD/CEO to the CEO Action Network ("CAN") as one of the 54 members of CAN pledging our support to the Capacity Building and Diversity, Equity and Inclusivity workstreams

STAKEHOLDER ENGAGEMENT

Key Stakeholder: Shareholders and Investors

Method of Engagement	Key topics and concerns raised by stakeholders	Our Response
<ul style="list-style-type: none"> Annual General Meeting Annual Report Bursa Announcements Quarterly Results Briefing 1-on-1 Investor Engagement Retail Investor Presentation Investor Conferences 	<ul style="list-style-type: none"> Prospects & strategies of the Company Dividend payout Migration towards better disclosure of ESG risks and impact Impact of COVID-19 and post-pandemic recovery Group overall performance Group future plans and strategy execution 	<ul style="list-style-type: none"> Regular transparent updates on Company's strategy, COVID-19 impact and financial performance Undertook materiality assessment to identify sustainability matters Healthy balance sheet, disciplined capital deployment and resilient earnings from long-term orderbook

Key Stakeholder: Supply Chain Partners

Method of Engagement	Key topics and concerns raised by stakeholders	Our Response
<ul style="list-style-type: none"> Vendor Training Project Perintis Council Meeting 	<ul style="list-style-type: none"> Effective supply chain management Transparent procurement procedures 	<ul style="list-style-type: none"> Conduct training and provide Oracle system support Contractor HSE development programme through <i>Projek Perintis</i> initiative Commit to Corruption-Free Pledge with The Malaysian Anti-Corruption Commission ("MACC") to enhance anti-corruption in business practice

Key Stakeholder: Media

Method of Engagement	Key topics and concerns raised by stakeholders	Our Response
<ul style="list-style-type: none"> Media briefing on financial results Media Interviews Advertorial placement Informal Engagements 	<ul style="list-style-type: none"> Financial and Business Performance COVID-19 related issues Employees' welfare related issues 	<ul style="list-style-type: none"> Issued 32 media statements, conducted 4 media briefings and 3 media interviews Provided Financial and Business Performance reporting/releases on growth and resilience against challenging environment Continuous engagement with stakeholders (Government and public) in ensuring safety and health of our employees and those we serve are safeguarded Released formal statements to the media to ensure balanced, accurate and neutral reporting of news

Key Stakeholder: Community

Method of Engagement	Key topics and concerns raised by stakeholders	Our Response
<ul style="list-style-type: none"> Corporate responsibility activities and programmes Strategic and ad-hoc meetings/visits to identify opportunities to collaborate on events/projects Print, digital & social media 	<ul style="list-style-type: none"> Quality of living and continued livelihood Access to quality and affordable healthcare and education B40 accessibility to job/income opportunities Mitigation and adaptation in climate change Wildlife and environment preservation 	<ul style="list-style-type: none"> Donated RM50,000 to <i>Tabung Ikhtiar Selangor Bangkit</i> flood relief fund by the Selangor State Government Distributed food packs and tablets for underprivileged families across three schools in Klang Valley Distributed 1,000 copies of COVID-19 awareness handbooks to 10 selected primary schools nationwide Developed a cloud-based Epidemic Management System in the National CPRC for MoH Converted our UEM Edgenta Learning Centre in Petaling Jaya to a private COVID-19 Assessment & Vaccination Centre and administered over 25,500 vaccine doses Organised food donation drive with B40 communities at <i>Program Perumahan Rakyat</i> ("PPR") and Asnaf recipients in Pantai Dalam, Bangsar that were impacted by COVID-19 pandemic Supported Zoo Negara in maintaining the animals' annual food supply Tree adoption at Taman Tugu, Kuala Lumpur to ensure green spaces are sustained

LEGEND: ● Ongoing ● As needed ● Monthly ● Quarterly ● Bi-annual ● Annually

INVESTOR RELATIONS

INVESTOR RELATIONS

UEM Edgenta’s Investor Relations continued to cultivate strong and positive relationships with the investment community and stakeholders, which comprises analysts, fund managers, institutional investors, retail investors and media through consistent engagements. Our utmost priority is to provide relevant and detailed information of our businesses to our shareholders in a timely and transparent manner.

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

INVESTOR RELATIONS ENGAGEMENT CHANNELS








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

ANALYST & MEDIA BRIEFINGS

UEM Edgenta hosts bi-annual Analyst & Media Briefing sessions for our half-year and full-year results announcements. In 2021, the Company held Analyst & Media Briefing sessions for the full-year FY2020 financial results update and first-half FY2021 financial results. The Investor Relations team ensures that the briefing materials, which include the financial statements to the stock exchange, an investor presentation and a press release, are made available via the Company’s website.

Financial Results	Date of Announcement	Date of Analyst Briefing
UEM Edgenta FY21 Results	24 February 2022	25 February 2022
UEM Edgenta 3Q21 Results	25 November 2021	26 November 2021
UEM Edgenta 1H21 Results	26 August 2021	1 September 2021
UEM Edgenta 1Q21 Results	27 May 2021	28 May 2021
UEM Edgenta FY20 Results	25 February 2021	1 March 2021

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

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

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

INVESTOR RELATIONS

OUR CONDUCT AT THE ANNUAL GENERAL MEETING

The Company held its 58th Annual General Meeting (“AGM”) virtually on 17 June 2021. The move to an online meeting was to ensure that the safety and health of both our shareholders, as well as key stakeholders are constantly safeguarded, and remain our main priority, especially in the midst of the COVID-19 pandemic.

During the AGM, our Chairman led the proceedings, which focused on the Company’s commendable results in FY2020. Our Board of Directors, along with key members of the senior management team also participated in the event virtually. We provided responses to questions from shareholders wherever possible; however, queries which could not be answered immediately were duly taken note of and followed up subsequent to the meeting.

Focus Areas

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

- Group’s performance
- Future plans
- Strategy execution



Below is a calendar of our key investor meetings, conferences, and briefings held from March 2021 until February 2022:

Events	Date
Meeting with CIMB Principal Asset Management, Kuala Lumpur	15 March 2021
UOB Kay Hian Corporate Day’s road show	13 April 2021
Meeting between Firth Investment and UEM Edgenta	14 April 2021
Meeting between Aberdeen Asset Management and UEM Edgenta	20 April 2021
Meeting between Kenanga Investors and UEM Edgenta	26 April 2021
Meeting between Nomura’s sell side analyst and UEM Edgenta	26 April 2021
Meeting between Bursa Malaysia and UEM Edgenta on Index Inclusion	11 May 2021
Meeting between Aberdeen Asset Management and UEM Edgenta	10 June 2021
58 th Annual General Meeting	17 June 2021
Re-inclusion into FTSE Bursa Emas Index	21 June 2021
Non-deal roadshow by Nomura with UEM Edgenta	7 July 2021
Rakuten Retail Briefing	22 July 2021
RHB Uniquely Sarawak Investor Day	7 September 2021
HLIB Institutional Investors Briefing	12 October 2021
Meeting between BullBearBursa and UEM Edgenta	15 October 2021
Bursa Opportunities Series Webinar	17 January 2022
Small group site visit to UEM Edgenta’s Command & Contact Centre (analysts)	9 February 2022

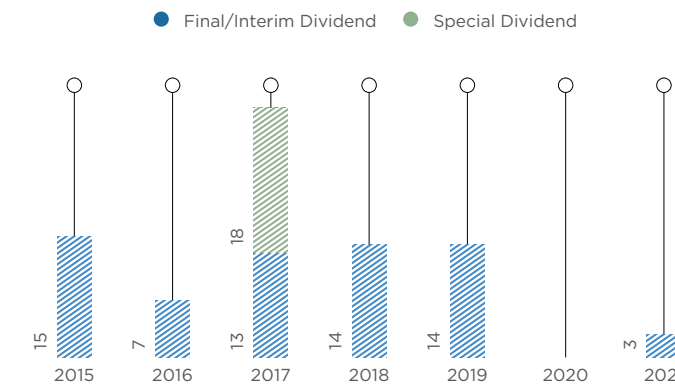
MARKET PERFORMANCE AND EXPECTATION

Dividend Policy

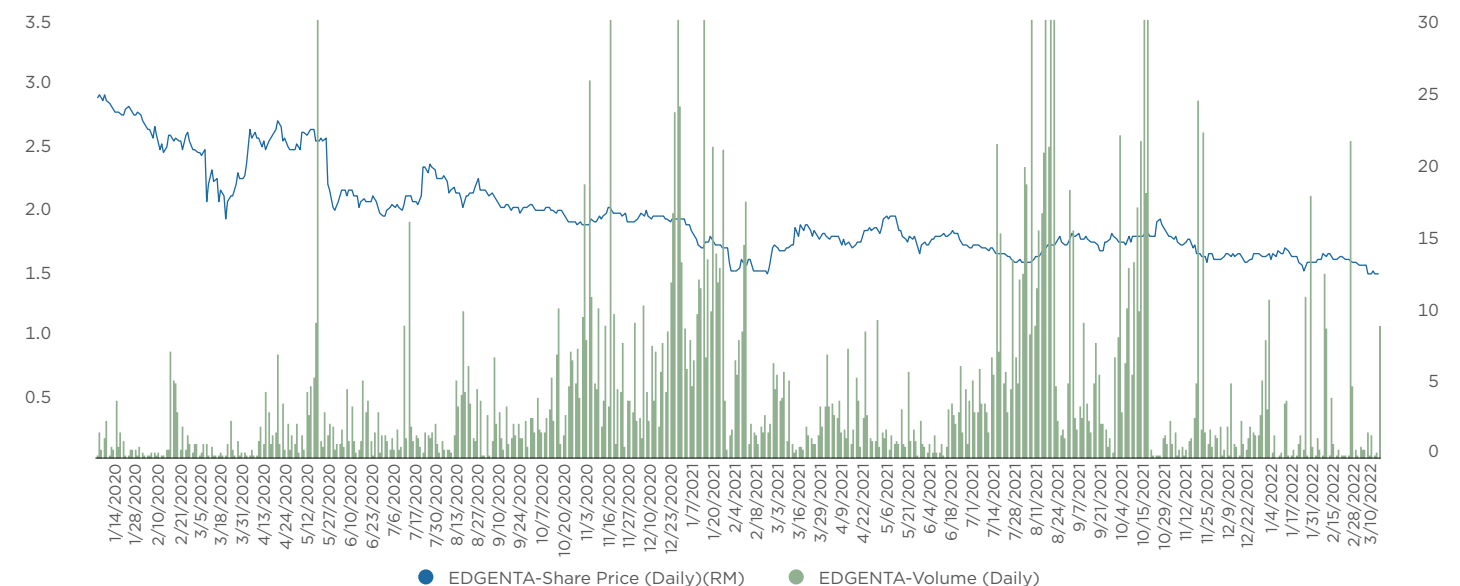
UEM Edgenta maintains its dividend policy to distribute at least 50% and up to 80% of its PATANCI, subject to the availability of the Company’s cash flow and future capital expenditure requirements. The dividend policy reflects the Company’s commitment to provide healthy returns to our shareholders.

Dividend Declared

For FY2021, UEM Edgenta declared a total dividend of 3 sen per share.



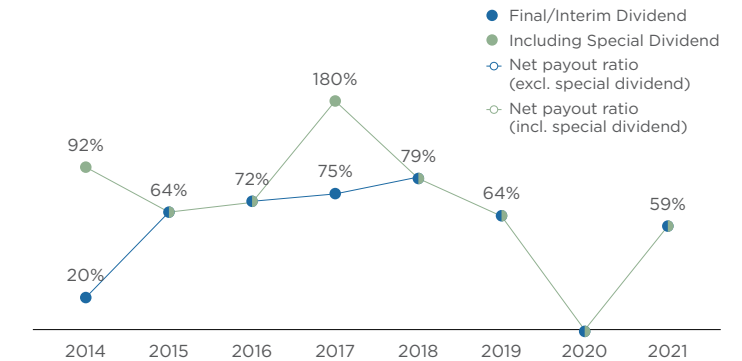
SHARE PRICE MOVEMENT AND VOLUME TRADED



INVESTOR RELATIONS

Return to Shareholders

Dividend payout for FY2021 amounts to RM24.9 million, bringing the total return to shareholders of more than RM875 million in the last 8 years.



Research Coverage

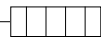
In 2021, UEM Edgenta was covered by 3 research houses as summarised below:

Research House	Call	Target Price
Hong Leong Investment Bank	BUY	RM2.23
RHB Research	NEUTRAL	RM1.70
UOB Kay Hian	BUY	RM2.09
MIDF*	BUY	RM2.16

Note: Analyst recommendations as at 28 February 2022 (post Full-Year FY2021 results announcement)
* MIDF’s analyst recommendation as at 26 November 2021

OUR MATERIAL MATTERS

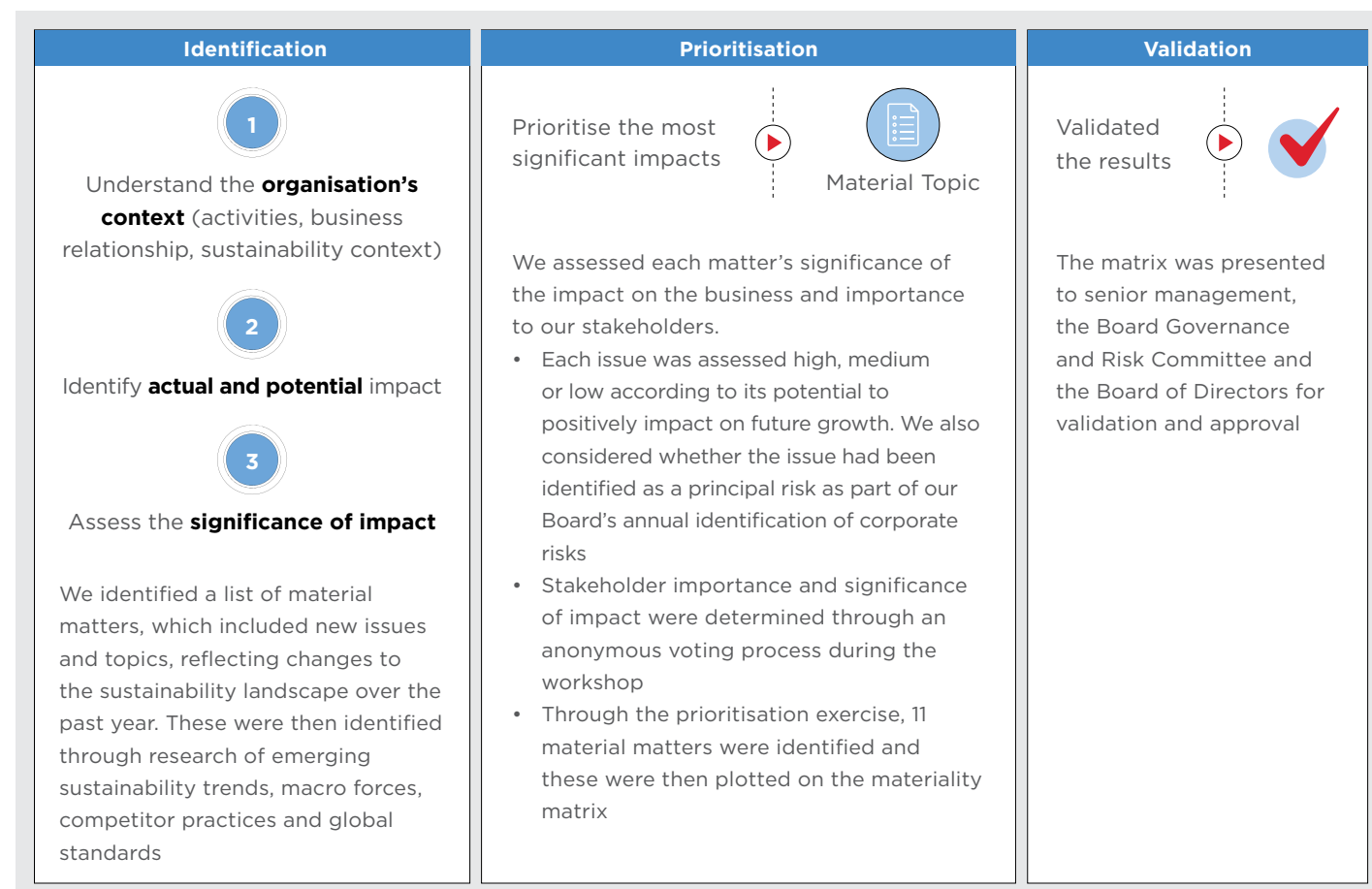
Listening is vital as we focus our sustainability ambition on the most important current and emerging issues for our stakeholders and our business.



Each year, we assess the changing sustainability landscape to understand and prioritise UEM Edgenta's material matters, to help ensure alignment of our strategy to the material matters. We use our materiality assessment to help us evolve our strategy and tailor our reporting, communications and disclosures so that it aligns with the interests and needs of our stakeholders, as well as those of the Company.

Our most recent materiality assessment was conducted internally. As part of the process, key stakeholders acted as proxies for external stakeholders, due to their knowledge of and interactions with those stakeholders. It highlighted new and emerging issues, and provided a fresh check on whether we are disclosing information and being transparent in the right areas. We define material matters as either UEM Edgenta's current or potential impact on the economic, environment, and social.

OUR MATERIALITY PROCESS

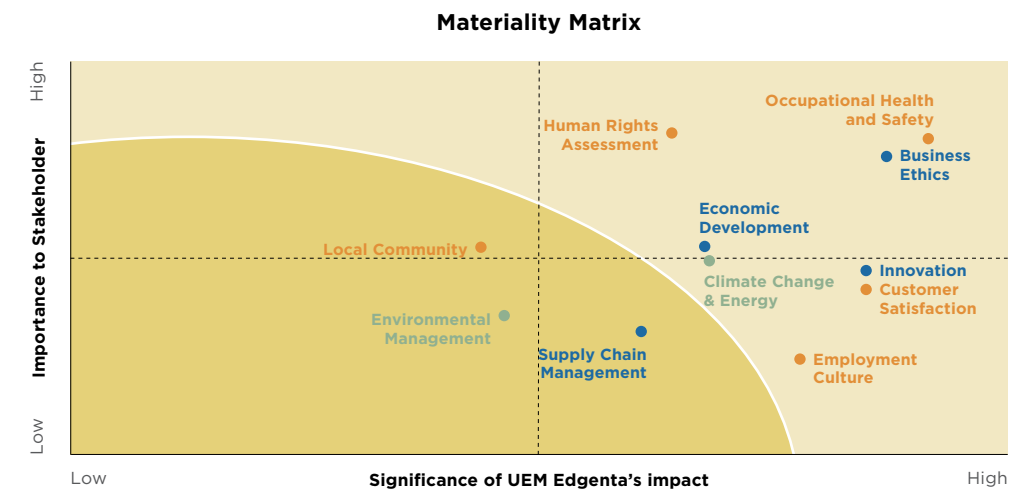


OUR MATERIAL MATTERS

The insights gathered from our materiality assessment are helping to shape our disclosure and transparency on material matters, and inform strategic discussions.

LEGEND:

- Economic
- Environment
- Social
- High Priority
- Medium Priority



Note: Innovation = Innovation and Technology-based Operational Excellence

Sustainability Pillar	Material Topics	Definition and Detailed Description
● Economic	Business Ethics	Conducting business ethically, by preventing abuse of entrusted power for private gain, compliant with laws and regulations, and protecting UEM Edgenta and Stakeholders' data from cyber security breach. We incorporate business ethics in our business practices and governance structure*
	Innovation and Technology-based Operational Excellence	Using technology to revolutionise the way work is done, enhancing efficiency and reducing costs, leading to providing customers with the most effective solutions which tend to be the most technologically advanced**
	Economic Development	Economic value generated and distributed by UEM Edgenta and contribution to economic development in the local areas or communities where it operates. Including UEM Edgenta's approach to remuneration or local hiring and market expansion as a subset of the broader context of sustainable business strategy
	Supply Chain Management	UEM Edgenta's support, including spending, for the development of local suppliers throughout its operations, such as Bumiputra vendor development, in addition to management of supply chain through fair practices
● Environment	Climate Change & Energy	Reduction in UEM Edgenta's direct and indirect emission into the atmosphere, from reduction of greenhouse gases ("GHG") emission and energy consumption from our operations
	Environmental Management	Responsible environmental management in terms of handling hazardous and non-hazardous waste, use of material resources, and water consumption in UEM Edgenta's business operations
● Social	Occupational Health and Safety	UEM Edgenta's anticipation, recognition, evaluation and control of hazards arising in or from the workplace that could impair the health and well-being of workers, including mental health
	Employment Culture	Employees' fair treatment in all aspects based on merit, as well as development to support talent growth and succession planning
	Customer Satisfaction	Provision of quality services as required by customers of UEM Edgenta, including ensuring customers' health and safety and data privacy at all times
	Human Rights Assessment	UEM Edgenta's approach to monitoring and managing human rights matter across the value chain
	Local Community	UEM Edgenta's management of communities surrounding its operating location, via voluntary community engagement initiatives and development to create a positive social impact

* Further details on how we embed business ethics in our governance structure is described in the Sustainability Statement on page 73.
 ** Further details on how this material matter affects our business is described in the Edgenta Digital Ecosystem Platform on pages 16 to 19.

OUR VALUE CREATION BUSINESS MODEL

OUR VALUE CREATION BUSINESS MODEL



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.

CORE VALUES

F FUTURE FOCUSED | **I** IMAGINE NEW WAYS | **R** RESPECT FOR ALL | **S** SOLUTIONING MINDSET | **T** TRUE TO OUR WORD

EDGENTA OF THE FUTURE 2025

EDGENTA OF THE FUTURE 2025

In 2021, UEM Edgenta renewed the Group's focus on deepening our solutions base and expanding our footprint in the international market as we continued to pursue our transformation agenda to become a leading technology-based solutions company by the year 2025. We also increased our emphasis on ESG, integrating sustainability elements into the EoTF2025 vision, in tandem with the growing importance of these considerations in the global economy. This new emphasis will further strengthen our fundamentals and put us on a more sustainable growth path.

EoTF2025 with a renewed focus in deepening our solutions and footprint, as well as a new emphasis on ESG.

OUR TRANSFORMATION PILLARS TOWARDS ACHIEVING EDGENTA OF THE FUTURE 2025 GOALS

EXPAND footprint and deepen solutions base

EXTRACT value from core businesses

ENHANCE product and technology proposition

Progress Updates

Integrated Healthcare Solution:

- **Beyond traditional IFM services**
 - 14 units of Field Hybrid ICUs
 - RTM programme for 9 units of BEMS asset
- **Pandemic Management Solutions**
 - Developed HQMS and RFID e-Bracelet for real-time monitoring of COVID-19 patients
 - Converted our UEM Edgenta Learning Centre in Petaling Jaya as a private COVID-19 Assessment & Vaccination Centre
 - COVID-19 Mobile On-site Testing Facility ("MOSTFac™") as full-fledged COVID-19 screening lab at Penang International Airport

International Growth:

- **Saudi Arabia expansion:** Pilot at a leading healthcare cluster in Saudi Arabia
- **Integrated and SMART FM play:** Expanding IFM solutions in international markets (Singapore, Taiwan & Dubai)

Procurement/Continuous Improvement Savings:

Met savings target, moving towards greater operational efficiency and enhanced project delivery

Fit-for-purpose organisation with enhanced delivery model:

Continued focus on cost rationalisation initiatives and right-sizing manpower deployment to deliver fit-for-purpose solutions

Performance Based Contracting ("PBC"):

Ongoing discussions with key customers

Edgenta NXT
Transforming Today, Advancing Tomorrow.

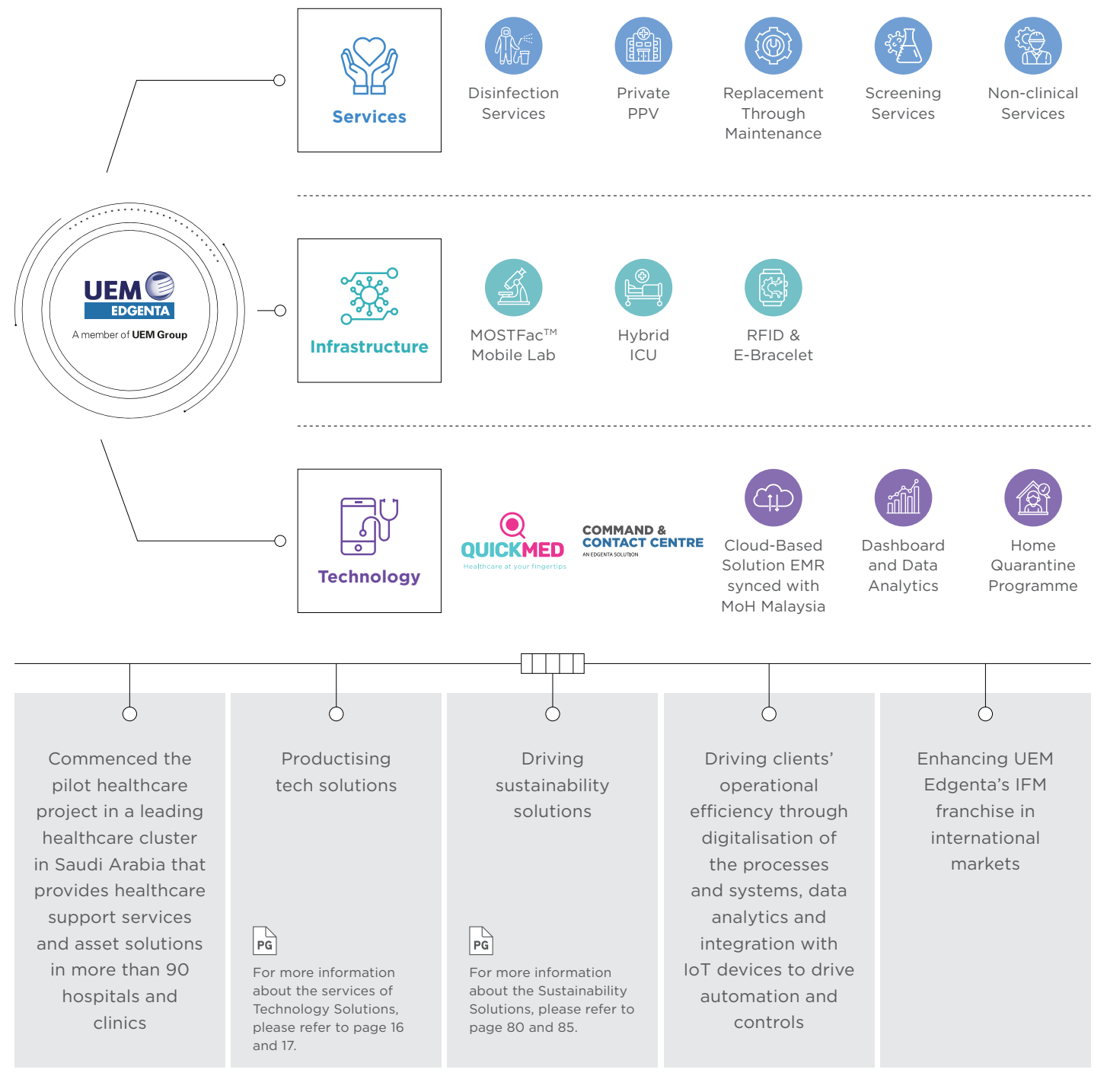
Edgenta NXT:
Launched on 28 July 2021; onboarded 14 partners in Marketplace; secured IBCC-KLCC project as 1st client for NXT Cloud; commenced development of Asseto and QuickMed 2.0

RAMS
AN EDGENTA SOLUTION

Productisation of RAMS:
JKR & PLUS implementation in 2022

QuickMed:
Early commercialisation of QuickMed Book, QuickMed CMS and QuickMed C-19. Developing QuickMed 2.0 to improve interoperability and accessibility

Building an integrated facility management (IFM) franchise globally through technology and sustainability solutions




KEY RISKS AND MITIGATION

The Group remains vigilant in managing risks and are mindful of the presence of risks in our decisions and activities. As such, effective risk management is important in managing our risk exposure whilst pursuing our strategic and business objectives successfully.

Risks, inherent to our business, as well as external risks are identified and managed through our robust risk management framework. Going beyond compliance, we adopt policies, principles and practices which help to minimise our risk exposure, maximise our performance and provide greater certainty and strengthen stakeholders' confidence.

We see risks as opportunities to strengthen our internal controls, compliance procedures and management strategies. The risks identified are mapped against the likelihood of occurrence and potential business impact.

 Details of our risk management framework and control processes can be found on pages 150 to 159 under the Statement on Risk Management and Internal Control of this Annual Report.

The principal risks described below, whilst not exhaustive or in any order of priority, are those which we believe could have the greatest impact on our business. The Board regularly reviews these risks in the knowledge that currently unknown, non-existent or immaterial risks could turn out to be significant in the future.

Market/Industry (Strategy) Risk

<p>Risk Description</p> <p>Market/Industry (Strategy) risk relates to potential exposure to the changing market environment which could affect UEM Edgenta's business strategy and growth. Evolving market environment, inclusive of industry uncertainties or emerging issues could impact our strategy, performance (i.e., market share and growth), shareholders' value or even reputational damage.</p>	<p>Context</p> <ul style="list-style-type: none"> • The operational nature of our business (which tends to be deprioritised as a strategic business imperative by clients/potential clients in price sensitive industries). Service commoditisation leads to competitive prices. • Margin compression in the market continues to pose challenges to growing our revenue stream and maintaining a healthy order book. • The pandemic and the resulting response (i.e., MCOs) were challenging for the Malaysian infrastructure industry due to the deferment of higher-value infrastructure projects. <p>Mitigation</p> <ul style="list-style-type: none"> • Expansion and broadening of the addressable market to diversify revenue streams through the Pan-Malaysia Strategy, regional expansion and new adjacency sectors. • Developing and deploying technology solutions to set new benchmarks and enhance service delivery in the healthcare and infrastructure sectors. • Productisation and scalability of existing sector technology solutions to current and potential clients. • Continued focus on cost rationalisation initiatives, driving organisational efficiency and increasing competitiveness via product and technology proposition. • Cross-selling, expanding client base and new delivery model via performance-based contracting in addition to sustaining existing concession businesses.
--	--

KEY RISKS AND MITIGATION

OPERATIONAL RISK

<p>Risk Description</p> <p>Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events which include uncertainties and hazards a Company faces when it attempts to undertake its day-to-day business operational functions within the industry.</p>	<p>Context</p> <p>Our continuing challenges are:</p> <ul style="list-style-type: none"> • Manual and labour-intensive aspects of operations. • Focusing on cost stewardship and improving service efficiency to protect margins and improve cash flow. • Inculcating a safety-first mindset and continuous monitoring of our work environment to ensure compliance with HSE standards. • Curtailing the spread of the COVID-19 pandemic and the increase in operating costs to implement COVID-19 precautionary and safety measures. <p>Mitigation</p> <ul style="list-style-type: none"> • Continuous enhancement of operational processes and embedding the use of technology and digitisation to improve overall operational efficiency and productivity. • Manage cost and preserve margins by keeping fundamentals strong. • Implementation of occupational HSE programmes designed to improve UEM Edgenta's safety culture. • Established safety and precautionary measures across all our operations to mitigate the risk of COVID-19 infection. • Business Continuity Plans are in place for effective response to enable continuous operations and delivery of critical services in the event of crisis and business disruption.
--	--

FINANCIAL RISK

<p>Risk Description</p> <p>Financial risks are risks that will directly impact the Group's financial performance and cashflows.</p>	<p>Context</p> <p>Our continuing challenges are:</p> <ul style="list-style-type: none"> • Reduced margins & profitability amid higher competition and an increase in operating costs. • Delayed collection from customers for trade and other receivables which could impede cash management. <p>Foreign exchange risk, i.e., risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in foreign exchange rates against the Malaysian Ringgit.</p> <p>Mitigation</p> <ul style="list-style-type: none"> • Focus on managing cost and preserving margin through tighter cost controls, leveraging technology and operational excellence to derive work and cost efficiencies. • Leverage on Enterprise Resource Planning ("ERP") to streamline financial information and processes across our companies, improve spending and strategic sourcing analysis, as well as cost control and increase the visibility of spending. • Diligently manage credit risk by undertaking credit evaluations, monitoring recovery procedures by customers and receivables respectively. We keep the Company's balance sheet healthy with a low gross gearing ratio and strong net cash position. • Maintain a natural hedge by borrowing in the same functional currency as the future revenue stream to be generated from the overseas entities.
--	--

KEY RISKS AND MITIGATION

KEY RISKS AND MITIGATION

REGULATORY COMPLIANCE RISK

<p>Risk Description</p> <p>Regulatory compliance risk relates to non-compliance with or arising from revisions in regulations, laws, Government policies, etc. Non-compliance may impact the Group's business operations, legal and regulatory penalties, financial implications and reputational damage.</p>	<p>Context</p> <ul style="list-style-type: none"> • A sizeable portion of our businesses are concessions, especially Healthcare Support and Infrastructure Services, and are subject to a broad range of rules and regulations. • Potential exposure to non-compliance and litigation given the Group's geographical diversity of its business and customers. • Adherence to good corporate governance practices, regulatory and listing requirements in upholding of integrity throughout our business undertakings and proceedings. • Any adversity could result in the suspension of necessary authorisation, licence and/or rights. Lack of regulatory certainty impacts our operations, reputation, and investment decisions. <p>Mitigation</p> <ul style="list-style-type: none"> • The Group has in place service level agreements and contracts to govern contractual agreements with its customers, contractors and vendors. • Regular review assessments undertaken to ensure compliance at all times, with continuous updates on policies and procedures to ensure adequacy, effectiveness and relevance. • Instill a culture of integrity & compliance within the organisation, with the enforcement of internal processes to operations. • Maintain close collaboration with regulatory bodies on emerging legal & regulatory requirements and industry standards & practices. • Have in place appropriate Whistleblowing channels as an avenue for employees, stakeholders and members of the public to report any actual or suspected malpractice, misconduct or violation of Group's policies and procedures.
--	--

PEOPLE RISK

<p>Risk Description</p> <p>Obtaining and fostering an engaged and talented team that has the knowledge, training, skills and experience to deliver our strategic objectives is vital to our success. Difficulties in attracting, integrating and retaining of talents and competencies required may impact UEM Edgenta's sustainable growth and performance.</p>	<p>Context</p> <ul style="list-style-type: none"> • People are one of our greatest assets and key pillars of success for the Group as it underpins our ability to implement the Group's strategies and deliver the required services and deliverables to our customers and stakeholders. <p>Mitigation</p> <ul style="list-style-type: none"> • We are establishing an Employee Value Proposition to offer the best experience for our employees in exchange for productivity and high performance. We not only hire the right talent, but also retain the best talent by continuously benchmarking against competitive industry practices. • Succession planning framework and plan in place to identify and develop appropriate talents for mission critical positions. • Continuous training and development programmes to be undertaken by Edgenta Academy to upskill and reskill our people, equip them with new talents and knowledge.
---	--

MANAGEMENT INFORMATION SYSTEM RISK

<p>Risk Description</p> <p>Management information system risk is linked to the Group's expansion and growing footprint into the IT environment and digitalisation, and increased reliance on the internet as well as increased instances of remote/offsite network access. Any major infrastructure failure, cyberattacks or breaches may cause operational disruptions to UEM Edgenta's operations.</p>	<p>Context</p> <ul style="list-style-type: none"> • Organisation-wide, we see technology as a key enabler and the biggest game changer which will allow UEM Edgenta to productise existing technology solutions, develop digital healthcare solutions, optimise resources, reduce costs, increase productivity and improve our offerings for better customer and operational outcomes. • Due to the growing connectivity of our systems, there is an increasing risk of exposure to cyber threat, malicious threats to corporate cloud networks, breach of information security, compromised data integrity and privacy, and prolonged disruption of the IT ecosystem. <p>Mitigation</p> <ul style="list-style-type: none"> • Continuous monitoring and strengthening of IT security measures via cyber security solutions covering the network, application, information, end-user and data security. This includes the enhancement of cloud security, monitoring of critical information, security control (utilising infrastructure security protection solutions via firewall, anti-spam/virus, vulnerability assessment, penetration tests, etc). • Regular trainings and constant updates related to cyber threats are provided to all employees to maintain awareness level. • Disaster Recovery Plan in place to ensure continuity of key business operations in the event of information and communications technology failure such as malicious activities, cyber-attacks, malware or major equipment malfunction.
---	---

BUSINESS REVIEW

BUSINESS REVIEW

HEALTHCARE SUPPORT

Our Healthcare Support division provides non-clinical healthcare support services and technology solutions to more than 300 public and private healthcare institutions in Malaysia, Singapore, Taiwan and India. We look to harness digital transformation to pave the way for the Company to be a Technology-Enabled Solutions Company with a focus on healthcare by 2025.



KEY FOCUS AREAS

- Facility Engineering Maintenance Services ("FEMS")
- Biomedical Engineering Maintenance Services
- Healthcare Waste Management Services ("HWMS")
- Linen and Laundry Services ("LLS")
- Cleansing Services ("CLS")
- Facilities Management Services ("FMS")
- Sustainability Programme
- Porterage Services
- Housekeeping Services
- Kitchen Stewarding Services
- Visitor Management Services
- Health Attendant Services
- Healthcare Technology Centre ("HTeC") - Centre of Excellence ("COE")
- Digital Healthcare Solutions

KEY INITIATIVES

Operational Excellence and Continuous Improvement in Service Delivery

COVID-19 Management Programme

Exploration and Expansion

RESULTS

- Completed installation of 14 units Field Hybrid ICU facilities which increase the ICU beds to 140 units nationwide
 - Successful RTM installation for nine BEMS assets including Computed Tomography Scanning System, Fluoroscopy Radiography System, Angiography Radiography System, Gamma Camera, Single Photon Computed Tomography Scanning System
 - Implemented BEMS IoT to track asset movement and utilisation
 - Successful mobilisation of housekeeping and portering services at Sengkang General & Community Hospital, kitchen stewarding services at Ng Teng Fong General Hospital and managing agent services for Community Clubs and Properties under People's Association in Singapore
 - Leveraged on mechanisation and robotics to increase productivity in service delivery
-
- Converted our UEM Edgenta Learning Centre in Petaling Jaya as a private COVID-19 Assessment & Vaccination Centre and administered over 25,500 vaccine doses
 - Introduced MOSTFac™ an integrated facility for remote location testing, and monitoring & surveillance for quick detection and isolation
 - Developed Clinical Home Quarantine Management System and deployed 30,000 units of RFID e-Bracelets for real-time monitoring of COVID-19 patients
 - Offered drive-through & on-site COVID-19 screenings for corporate and individuals who require the RTK and the PCR tests
 - Launched UEM Edgenta COVID-19 Screening Programme for our essential front liners nationwide as part of our efforts to support national COVID-19 recovery initiatives
 - Published the Edgenta COVID-19 Business Solutions brochure, a publication that markets our holistic business solutions to existing and prospective clients, providing easy access to the highest quality solutions available in the market today to combat the COVID-19
-
- Delivered Proof of Concept on FEMS Consultancy, BEMS and E-Sianah Asset Solutions for Makkah Healthcare Cluster in Saudi Arabia
 - Established a collaboration with healthcare provider to implement Hospital Management & Administration
 - Developed POC for Elderly Care System and e-Petty Cash Requisition System as part of our digital healthcare solutions
 - Registered 23 new accounts for soft services contracts from Taiwan including Wanfang Hospital, National Taiwan University Hospital East and Taiwan Semiconductor Manufacturing
 - MoU signed with UiTM to embark into digital healthcare initiatives

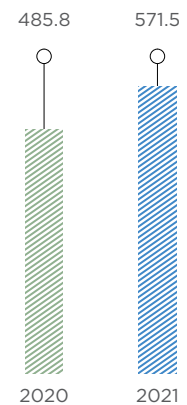
BUSINESS REVIEW

BUSINESS REVIEW

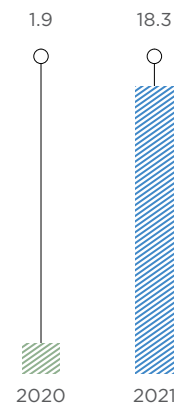
FINANCIAL PERFORMANCE

CONCESSION

REVENUE (RM mil)

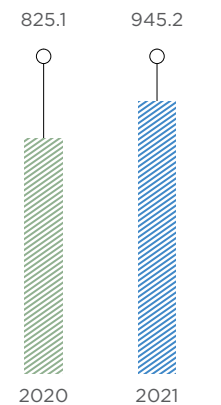


PBT (RM mil)

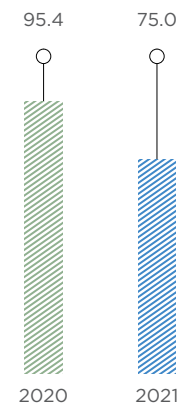


COMMERCIAL

REVENUE (RM mil)



PBT (RM mil)



KEY CHALLENGES

- Escalating Cost of Operations
- Expansion and Growth – Solutions and Skills Readiness
- Fast-Changing & Uncertain Market Environment
- Manpower Challenges
- Change in Regulations



MITIGATING ACTIONS

- Focused on cost optimisation, including shifting to in-house works, enhancing staff efficiencies, revising contracting strategies and prioritising expenses
- Continue to embark on technology-based solutions such as autonomous equipment and robotics to increase productivity
- Formed partnerships with service providers and tied up with ever-ready small and medium-sized enterprises with the right capabilities
- Strengthen business and product offerings by embarking into opportunities beyond non-clinical and existing services
- Undertook collaborative research & development with established institutions to expedite technology-based solutions development and deployment
- Focused on performance-based model delivery, providing digital and technical solutions
- Offering of UETrack™ 360 to multiple support services features in a single application for enhanced services delivery and client engagement
- Upskill employees' competency and skillset to create a highly productive, efficient and diversified workforce

KEY ACHIEVEMENTS

- ASEAN Energy Award and National Energy Award**
 Hospital Yan, Kedah
- MSOSH Gold Class II Award**
 Hospital Sg Siput, Perak, and Hospital Kuala Nerang, Kedah
- Energy Management Gold Standard**
 3-Star for 30 Hospitals in Perak, Kedah, Perlis and Penang
 2-Star for two hospitals in Penang and Kedah
- ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018**
 for Management and Provision of Hospital Support Services, Incineration Plant Operation and Laundry Plant Operation by SGS United Kingdom Ltd
- ISO 13485: 2016 Quality Management System**
 for Medical Devices by SIRIM QAS International
- Enabling Mark - Silver (Singapore)**
- Clean Mark Gold Accreditation (Singapore)**
- Better Workplace Mark (Singapore)**
- ISO 41001:2018**
 Facility Management Certification from Socotec (Singapore)



OUTLOOK

- Expand our footprint in the international market and continue to rationalise and optimise costs to maintain competitiveness
- Explore and exploit the focus on healthcare support services, clinical services and digital healthcare towards Healthcare of the Future
- Embarking on a journey towards a more sustainable business framework to carry out initiatives guided by ESG principles

BUSINESS REVIEW

BUSINESS REVIEW



PROPERTY & FACILITY SOLUTIONS

UEM Edgenta's Property & Facility Solutions offers performance-based approaches, supported by technology-driven green building solutions and data-driven asset management with a focus on asset optimisation and energy solutions. The division's goal is to remove all implementation barriers towards a sustainable energy future.



KEY FOCUS AREAS

- Digitalisation Management
- Energy Management
- Smart Facilities Management
- Health & Hygiene: Indoor Air Quality, Sanitisation and Disinfection

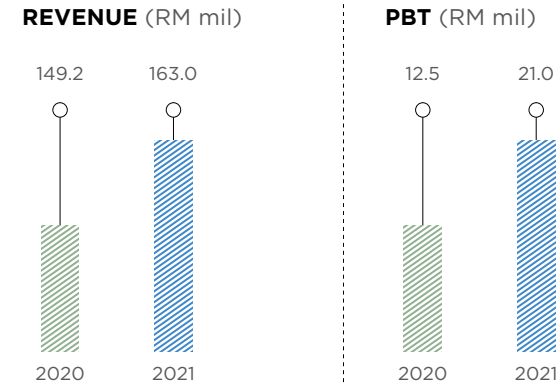
KEY INITIATIVES

- Secured new contract wins and renewals from Lotus-Tesco, Menara Etiqa, Synthomer, Perbadanan Insurans Deposit Malaysia, IBCC-KLCC, H&M stores nationwide, Setia Haruman and Johor State New Administrative Centre
- Garnered continuous trust from clients with variation order projects being awarded throughout the financial year
- Internalised digitalisation of processes
- Expanded digitalisation management programmes

RESULTS

- Contributed RM96.1 million to the division's new order book, bringing the total outstanding order book to RM163 million (Malaysia – RM89.9 million; Operon Middle East – RM73.1 million)
- Contributed RM55.9 million (Prime Minister's Office ("PMO"), CIMB, OME) to revenue
- Rolled out real-time energy management dashboard for energy performance contracts
- Successful implementation of cloud-based work order management system ("WORMS") at PETRONAS Twin Towers, Kuala Lumpur City Centre, Kuala Lumpur For KLCC Urusharta Sdn. Bhd.

FINANCIAL PERFORMANCE



KEY CHALLENGES

- Dampened by stringent COVID-19 SOPs imposed by the Government
- Virtual customer engagements were less effective due to the nature of our business and clients' workplace SOPs
- Integrated Facilities Management – commoditised and cost-sensitive market translated to loss in tender submissions

MITIGATING ACTIONS

- Closer and more personalised follow-ups with key clients and prospects since the gradual reopening of businesses in the fourth quarter of 2021
- Reviewed product offerings and adopted a go-to-market strategy, focusing on client engagement and cost structure effectiveness

KEY ACHIEVEMENTS

- **MPC Gold Award from MTEEx 2021**
Soft Service Optimisation for PMO project
- **"5 Star" Award**
at Annual Productivity & Innovation Showcase ("ArISe") 2021: Team OPTIMIZENATOR

OUTLOOK

- Property & Facility Solutions will focus on growing beyond its traditional Facilities Management business through selective clients with demand for technology and energy components
- The division will continue to expand the Energy & Engineering business by exploring ESG opportunities in energy efficiency, Green Building Index ("GBI") certification programme as well as the Design & Build sector, particularly in green building design and retrofitting for GBI

BUSINESS REVIEW

BUSINESS REVIEW



INFRASTRUCTURE SERVICES

Our Infrastructure Services division has more than 30 years of experience in highway maintenance operations. We currently manage approximately 4,000 km of highways and roads in Malaysia and Indonesia. Today, our business has expanded into trains, airports, ports, oil and gas, plantations, and other commercial and industrial sectors. Our goal is to deliver optimal solutions with quality to meet clients' needs.



KEY FOCUS AREAS

- Network Maintenance Services
- Pavement Products and Services
- Traffic Management & Safety Services
- Environmental & Material Testing Services
- Road Asset Management System

KEY INITIATIVES

Programme for PLUS Malaysia Berhad

Sustaining & Expansion of Roads Maintenance

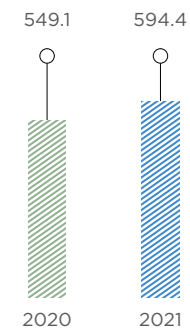
Developing capabilities & broadening income streams

RESULTS

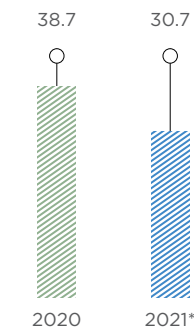
- Completed Benchmarking Exercise ("BMX") II & III exercise with PLUS, highlighting initiatives towards operational efficiency and optimisation
- Successfully launched our Infrastructure Services Vendors Development Programme ("IVDP"), aims to boost vendors' values and market competitiveness
- Launched supplier portal and RAMS for subcontractors
- Made further inroads into Pan Malaysia expansion, specifically, the Pan Borneo Highway Sarawak Project
- Our team serving Selangor Public Works Department ("JKR") exceeded the target for work orders beyond contract
- Secured Routine Maintenance Services contract along the Lebuhraya Pantai Timur 2 ("LPT2")
- The Pavement Research Centre ("PRC") team successfully developed up to 10 new innovative pavement mixes
- Plan to set up a Recycled Asphalt Premix plant as one of Infrastructure Services' ESG initiatives

FINANCIAL PERFORMANCE

REVENUE (RM mil)



PBT (RM mil)



* Including one-off staff rationalisation cost

KEY CHALLENGES

- Reduction in fees & provisional works from PLUS
- Securing new projects in a competitive environment
- Challenges caused by the pandemic

MITIGATING ACTIONS

- Operational and efficiency initiatives to improve margin
- Focused on developing unsolicited proposals and strategic collaborations
- Formed strategic alliances for new markets/sectors and technology solutions to broaden income streams
- Developed capabilities in road construction and created new products through the PRC (commercialisation and productisation)

KEY ACHIEVEMENTS

- **Gold Class 1 Award** Malaysian Society for Occupational Safety and Health ("MSOSH")
- **Certified ISO39001: 2012**
- **Contractors Engagement Roadshow & Infrastructure Services Vendors Development Programme Pre-launch**

OUTLOOK

- In adapting to the new normal and competitive environment, we focus on finding new ways and solutions to keep the business profitable
- Focus on our sustainability compliance standards to demonstrate our commitment to long-term sustainable value creation
- Continue to expand our local presence and strengthen our position as the main contractor in road construction
- We are committed to grow our subcontractor database and relationships, as well as to expand our presence in Southeast Asia
- In line with UEM Edgenta's Sustainability and ESG agenda, we are gearing towards setting up our first RAP plant, thereby, generating cost savings by recycling milling waste and reducing the use of virgin materials

BUSINESS REVIEW

BUSINESS REVIEW



ASSET CONSULTANCY

Our Asset Consultancy division, represented by Opus Consultants has a strong track record of delivering service excellence in asset consultancy & management, engineering design & consultancy, project advisory, planning & management as well as research and development. The Group's mission is to bring the best out of clients' investments through innovative and practical solutions, effectively making us a leader in the Asset Consultancy industry.



KEY FOCUS AREAS

- Project Management
- Engineering & Technical
- Asset Management

KEY INITIATIVES

Actively pursue new markets and opportunities

Expand business capabilities by offering new services

Deploy cutting-edge technologies to inspire sustainable outcomes

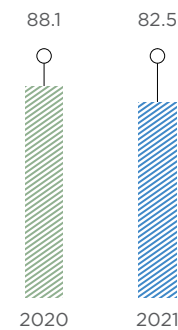
Intensify implementation of our Pan Malaysia expansion strategy

RESULTS

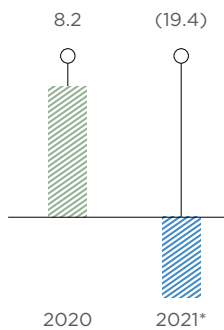
- Secured a 3-year NMM contract for the North-South Expressway ("NSE"), North-South Expressway Central-Link ("ELITE"), Malaysia Singapore Second Crossing ("LINKEDUA"), Butterworth-Kulim Expressway ("BKE"), Penang Bridge and LPT2
 - Received an Extension of Time and Scope with a cost from the Sarawak Pan Borneo Highway contract for Independent Consulting Engineer ("ICE") services
 - Entered initial stage of establishing a joint venture with PPES Consults Sdn. Bhd. as a strategic partner to strengthen our position in Sarawak
 - Collaborated with a Rail Technology Partner for Asset Management in Rail
 - Secured Keretapi Tanah Melayu Berhad ("KTMB") Rolling Stock Procurement Consultancy Service with an emphasis on the asset life-cycle approach, the work marks OPUS' first foray into rail asset management
 - Secured our first 1-year contract to provide Independent Safety Audit services for the Sungai Besi - Ulu Kelang Expressway ("SUKU") project
- On-going Initiatives
- Completed assessment of our first field trial on sustainable pavement technology using the cold recycled mix in collaboration with Taiping Municipal Council
 - Commenced the second field trial on the cold recycled mix at the NSE
 - Initiated trial for drone technology application using photogrammetry for asset inspection works on road and rail assets
- Accelerated local capacity building to support expansion into Sabah and Sarawak
 - Amplify business development activities to pursue infrastructure opportunities

FINANCIAL PERFORMANCE

REVENUE (RM mil)



PBT (RM mil)



* Including one-off staff rationalisation cost for Built Environment team and impairment for receivables from a Client

KEY CHALLENGES

- Uncertainty in the infrastructure sector
- Postponement by the Government on anchor projects such as Klang Valley Mass Rapid Transit 3 ("KVMRT") project and Klang Valley Double Tracking Phase 2 ("KVDT2") project
- Slow project progress during COVID-19 pandemic

MITIGATING ACTIONS

- Continue to pursue opportunities in the Pan Malaysia Strategy, and explored opportunities to expand our footprint in other markets
- Incorporate innovative project funding solutions in our project proposals
- Evaluate our position and opportunities in emerging areas within the ESG space
- Continue to become an integrator of technology to modernise Project Management and Asset Management services
- Continue to enhance resources capabilities via training programmes to increase competitiveness

KEY ACHIEVEMENTS

- Renewal of Network Maintenance Management's contract for North-South Expressway and Lebuhraya Pantai Timur 2 for a duration of 3 years through a concessionaire agreement
- Commenced construction of 5 cable-stayed bridges in Sarawak Coastal and Second Trunk Road ("CSTR") Project, where Batang Lupar Cable-Stayed Bridge 2 will have the longest span length of 450 metres in Malaysia
- Appointed by Projek Lintasan Kota Holdings ("PROLINTAS") to provide Independent Safety Audit Services for a period of 1 year for Sungai Besi - Ulu Kelang Expressway Project
- Executed indicative term sheet for a proposed joint venture with PPES Consults Sdn Bhd, a wholly owned subsidiary of Sarawak Economic Development Corporation ("SEDC") through Opus Consultants (Sarawak) Sdn Bhd

OUTLOOK

- We expect challenges to remain in the infrastructure sector, as spending priorities may continue to revolve around COVID-19 related matters
- Thus, in the current market environment, we believe innovative funding is a probable option to stimulate the infrastructure industry
- The Business will continue to explore opportunities in environmental sustainability initiatives in order to support Malaysia's climate change adaption and plan to be carbon-neutral by 2050

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

SUSTAINABILITY AT UEM EDGENTA

At UEM Edgenta, sustainability means managing and operating a responsible business while striking a balance between our economic aspirations, environmental commitments, social and governance responsibilities. We envision becoming an industry leader with sustainability as our hallmark of operation excellence and corporate citizenry, building positive and impactful relationships with our stakeholders for the long term.

In realising our ambition, we continue to improve our sustainability performance disclosures through progressively enhancing our data measurement and monitoring processes. Additionally, we are developing a sustainability roadmap which will guide us on our sustainability journey.

Our sustainability strategy is underpinned by our environmental, economic and social commitments, which revolve around three key themes:



Governance supports the oversight of our sustainability strategies, ensuring appropriate checks and balances are in place to support our journey.

Sustainability Governance

With operations across multiple industries and geographies, sustainability governance is crucial for UEM Edgenta as it shapes our sustainability direction and drives the effectiveness of our sustainability initiatives.

The Group recognises that having a strong and effective governance framework is essential to ensure sustainability is embraced within our operations. Towards this end, we have formalised a sustainability governance structure that reflects the intention to integrate sustainability as part of our business imperative, aligning with the call for greater accountability in managing our sustainability performance, as part of stakeholder accountability.

Governance Structure

In UEM Edgenta, Board Governance & Risk Committee plays an oversight role for sustainability performance and risks. The ESG Steering Committee (“SC”) established in FY2021, drives the development of UEM Edgenta’s sustainability strategy and oversees the sustainability implementation. The ESG Working Team which reports to ESG SC, supports the development and monitoring of the Group’s sustainability target and performance.

UEM Edgenta’s Board of Directors (“Board”) holds the ultimate responsibility in ensuring that sustainability is integrated into the Group’s strategic direction and oversees the overall sustainability strategy and direction.

The Board discharges its responsibilities directly and through its committees, i.e. Board Governance and Risk Committee (“BGRC”), which oversees the approval and implementation of sustainability programmes and monitors sustainability performance and risks; and the Nomination and Remuneration Committee (“NRC”), which reviews Board and senior management performance evaluation against the agreed key performance indicators (“KPIs”).

Working with the senior management, the Risk Management Committee (“RMC”) oversees the management of sustainability risks as part of Enterprise Risk Management (“ERM”), whilst the ESG Steering Committee is responsible for developing and monitoring our sustainability strategy and frameworks and deliberates and reviews the Group’s sustainability matters and risks, KPIs and performance for Board’s consideration. The Board has also identified the Managing Director/Chief Executive Officer as a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group.

Coordinating with the RMC to consider and incorporate sustainability risks within the Group’s risk profile, together, the Corporate Strategy and Planning department and Operational Excellence & Health, Safety, Security and Environment (“HSSE”) department formed an ESG Working Team which is tasked with monitoring, tracking and reporting sustainability performance on a quarterly basis. The ESG Working Team is also responsible for developing sustainability strategy, frameworks, planning and roadmaps; coordinating the implementation of sustainability activities; supporting the development of sustainability targets and KPI settings; developing plans and timeline for disclosures; and aligning the Group’s sustainability agenda with business practices on the ground. Corporate policies and sustainability strategies are cascaded down to business units/corporate support functions through the ESG and business units/corporate support functions will provide progress reports on sustainability performance and support the implementation of our sustainability strategy and initiatives.

To further demonstrate our strong intent to implement a robust governance structure in our organisation, we forged relationships with sustainability oriented networks. In December 2021, UEM Edgenta was accepted as one of more than 50 members of the CAN. CAN is a closed door, informal, peer-to-peer network of CEOs and Board members in Malaysia focused on sustainability advocacy, capacity building, and action. CAN drives sustainability performance of members by supporting the implementation of sustainability initiatives and securing collective commitments on climate action and social stewardship. By becoming a member, we affirmed our active participation in the Awareness and Capacity Building workstream. Through this workstream, we strive to engage with various stakeholders including our supply chain partners, regulators and policy makers, Government and peers across various sectors to form partnerships and shape responsible business practices to achieve collective sustainable development agenda.



On 7 October 2021, a Pre-Board Convergence session themed Reshaping the Business Towards a Sustainable Future was held virtually, to discuss topics centering around the need to embed sustainability in business strategy, what companies can do to respond to ESG expectations, as well as measurement of impact of ESG within companies. This knowledge-sharing session featured sustainability experts from various backgrounds including finance, consulting and industry, seeking to build capacity within UEM Edgenta’s top management as well as Board of Directors, who also acted as moderators in the event.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

BUSINESS ETHICS

Acting with Integrity

Upholding good business ethics practices is a crucial part of UEM Edgenta's value creation process as we are cognisant that the risks related to corruption and bribery as well as poor governance can have an adverse impact on our operations. At UEM Edgenta, the BGRC is assisted by the Risk, Integrity & Compliance Department ("RICD") in overseeing corruption, fraud, malpractice and unethical conduct within the organisation. The BGRC is chaired by an independent non-executive director.

Through our Anti-Bribery & Anti-Corruption ("ABAC") Guide, UEM Edgenta takes a zero-tolerance approach to bribery and corruption and is committed to adhering to the highest standards of ethical behaviour in the conduct of all its business dealings and relationships. This is an essential guide to managing bribery and corruption risk. In addition, we conduct a periodic Corruption Risk Assessment of every department.

We are also governed by the Code of Conduct, which is aimed at curbing bribery and corruption, where, among others, we require our personnel to declare any conflict of interest. This Code of Conduct is also extended to our business partners.

UEM Edgenta is committed towards addressing any violations to the Code of Conduct, as well as any applicable law, regulations or policies. We have put in place several procedures to mete out specific and appropriate disciplinary actions against any unethical or improper practices. UEM Edgenta also has a Whistleblowing Policy & Procedure as well as confidential or anonymous whistle-blowing or equivalent channels to notify of breaches of Company codes or policies. Material whistleblowing cases are reported to the Board of Directors who have a supervisory overview of the ethical environment within UEM Edgenta.

Over the short term, the RICD targets to strengthen integrity and governance practices are:

- Integrity:
- Implementing training for employees and senior management/ Board;
 - Organising an Integrity Day for employees and business partners;
 - Organising Anti-Bribery Management System ("ABMS") Technical Training for representatives of departments;
 - ABMS Awareness Training for the Board and senior management;
 - Periodic communication on integrity issues to all employees; and
 - 100% completion and pass rate by all employees for the Integrity E-Learning Module.

- Governance & Compliance:
- Embarking on MS ISO 37001: 2016 ABMS certification;
 - No major non-compliance reporting;
 - 100% Conflict of Interest declaration by employees which must be vetted by the Head of Department in a timely manner; and
 - Periodic revision of Corruption Risk Assessment by every department.

- Complaint Management & Investigation (Detection & Verification):
- Independent Whistleblowing Channel; and
 - Independent Investigation Team.

In the year under review, we continued to communicate our anti-bribery and anti-corruption policies and procedures to our employees and business partners. Examples of initiatives we carried out in 2021 included:

- Launching the Risk, Integrity & Compliance Resource Page
- Annual Management Dialogue ("AMD")
- Conducting an annual management dialogue on integrity
- Organising the UEM Edgenta Integrity Day 2021
- Launch of Risk, Integrity and Compliance Mandatory E-Learning (dual language)
- Launch of Whistleblowing Microsite (Dual Language)
- Awareness Training on ISO 37001:2016 ABMS for all employees
- Knowledge Sharing Session with staff from business units on S17A Corporate Liability Provision and ABAC guide

In 2021, there was no internal disciplinary action taken due to non-compliance with Anti-Bribery and Anti-Corruption policies involving UEM Edgenta employees.

Compliance with Quality Management Systems

Beyond our efforts to combat bribery and corruption, we are also committed to ensuring that we comply with all the requirements established under internal policies and procedures, as well as the International Quality Management Systems that we are certified for. In this context, the Group has dedicated teams to carry out Quality Assurance/Quality Control, and Health, Safety and Environment audit activities.

Some of the certifications that the Group has obtained include:

- 1 ISO 9001:2015 - Quality Management System
- 2 ISO 45001:2018 - Occupational Health and Safety Management Systems
- 3 ISO 14001:2018 - Environmental Management System
- 4 ISO 13485:2016 - Medical Devices Quality Management System
- 5 ISO/IEC 17025:2017 - Laboratory Management System

In the year under review, the Healthcare Support division reported zero incidents of non-compliance with socio-economic laws and regulations, including legal requirements. The Healthcare Support division in Malaysia has also sourced and used four environmentally friendly detergent and supplies for private and commercial use, in compliance with the Ministry of Health's list of approved chemicals. Going forward, our Middle East operations is pursuing Integrated Management System ("IMS") for ISO 9001, 14001 and 45001 which would help it to manage its environmental compliance.

Cybersecurity & Data Privacy

UEM Edgenta relies on its information technology systems for the successful operation of its business, and it is therefore crucial to ensure our systems are protected and safe from cyberthreats which can compromise our operations and data privacy. Failure to do so can affect our reputation with clients

and employees who expect us to exercise diligence in keeping the information we manage safe and secure. The UEM Edgenta Digital Transformation Innovation ("DTI") department is responsible for overseeing cybersecurity and data protection related matters at the UEM Edgenta Group level. The DTI's coverage excludes Operon Middle East and UEMS.

UEM Edgenta ensures strong management of information security of its employees, customers and suppliers through our IT General Governance policy. The policy was last reviewed in November 2021. UEM Edgenta also complies with the Personal Data Protection Act 2010 or any Non-Disclosure Agreements ("NDA") that we have signed with clients. Meanwhile our Singapore Operations has achieved ISO 27001:2013 credentials for information management and will strive to maintain it through their Information Security Policy.

In the year under review, we have embarked on a Cyber Security and Information Security project to establish our Cyber Security roadmap with the overall goal of obtaining ISO 27001 Information Security Management Systems certification at the Group level. We also continuously conduct training and share communications on cybersecurity topics and best practices. Beyond this, we actively monitor for any cyber threats and attacks across our operations, which include conducting vulnerability assessments to prevent possible attacks while ensuring that our security tools, hardware and software are constantly updated.

At the divisional level, our Middle East Operations implemented a secure communication, file sharing and collaboration platform between employees with the wider use of MS Teams and One Drive. It also utilises Microsoft Azure and Office 365 that has advanced threat protection against malicious files, links and software. In Singapore, we upgraded our security tools to a cloud-based analytics setup and actively receive notifications for malware threats in our IT network to enable a proactive response. We also updated our HQ infrastructure to the latest hardware and software to minimise any potential threats.

In 2021, there were zero substantiated complaints concerning breaches of customer privacy and loss of customer data. There were also zero cases of identified leaks, thefts or loss of customer data.

Looking forward, at the Group level, we will continue to work towards establishing a Cyber Security and Information Security framework and policy as part of our remediation against overall cyber risks and information security. The goal is to obtain ISO 27001 Information Security Management Systems certification to increase our reliability for our customers.

Stakeholder Engagement

UEM Edgenta has a broad range of stakeholders who we impact and, who in turn, impact us. They include clients and partners; the Government and regulators, industry and business associates; shareholders, investors; supply chain partners; media, community; and our Board as well as employees.

The Group strives to actively and regularly engage with stakeholders. We invest in maintaining an open and transparent dialogue with them to gain insights into their expectations of ESG aspects related to our business. This helps us set our business priorities, whilst responding to their needs more effectively, and ultimately, enable us to deliver long-term value to all stakeholders.

For more information about Our Stakeholder Engagement, please refer to page 46.

Materiality Assessment

Materiality assessments are undertaken to identify UEM Edgenta's actual and potential sustainability risks and opportunities. Our corporate strategy and business planning consider these material matters in view of providing mitigating actions.

These material matters are reviewed every year to ensure continued relevance, and to help us refine our strategies so as to better manage our risks and leverage current opportunities.

Our methodology is guided by Bursa Malaysia's Sustainability Reporting Guidelines (2nd edition) and the GRI Standards.

Materiality assessment process

The Group's materiality assessment process is based on a three-step approach in accordance to the GRI standards. The first step is to review and identify, followed by prioritisation and finally, validation.

In FY2021, UEM Edgenta conducted an internal survey to understand and gather feedback on the relative importance of various Economic, Environmental, Social ("EES") matters to the Group. We reviewed our material matters through analysing internal and external factors such as business operating environment, emerging trends, COVID-19 impact, risks and opportunities, regulatory requirements, peer benchmarking, and analyst reports, as well as insightful internal and external stakeholder feedback.

Following that, the Group prioritised the sustainability matters based on their influence to stakeholders to impact to the Group through a materiality assessment workshop. The result of the workshop was a materiality matrix which prioritised the material matters accordingly. This was then submitted to the senior management, BGRC and Board for validation and approval.

Materiality matrix

In 2021, 11 EES matters were identified as major drivers of our sustainability efforts. Of these, four had economic impact (business ethics, economic development, supply chain management, and innovation); two had environmental impact (climate change & energy and environmental management); and five had social impact (human rights assessment, occupational health & safety, customer satisfaction, employment culture, and local community).

By focusing on these matters, we were able to better manage our stakeholders' expectations and create long-term value for them in a manner that is consistent with our business strategies and objectives.

For more information about Our Material Matters, please refer to pages 52 to 53.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT



SUSTAINABLE ECONOMIC GROWTH



The Group is committed to creating positive economic impact for stakeholders and the local economy through our operations either by contributing to the development in the local areas or communities in which we operate by prioritising local suppliers in procurement process or expanding our presence in the international market.

In 2021, we continue to push ahead with our journey of optimisation to deliver sustainable economic value to our clients through cost and operational efficiency measures. One notable example is from our Infrastructure Services business where we managed to obtain substantial savings from various initiatives jointly conducted with PLUS Malaysia Berhad.

As we continue to spearhead our EoTF2025 vision, we developed our first digital ecosystem platform, Edgenta NXT, with the objective of propelling businesses towards

digital transformation and sustaining resilience in the new normal. Our emphasis is on digitalising our operations through data engineering and AI to reflect our core philosophy in employing new approaches to achieve our sustainability goals.

In terms of supply chain management, our efforts are centred on upholding ethical procurement practices as well as supporting local vendors in the regions of our operating locations. In addition, we continue to emphasise on our contractor development programme through our very own *Projek Perintis*, where we are committed in ensuring our business partners achieve a 5-Star Rating in HSSE performance by providing a healthy and safe workplace for their employees. This was done through a series of trainings and assessments to ensure our sub-contractors adhered to all the health and safety policies set by the Group.



ECONOMIC DEVELOPMENT

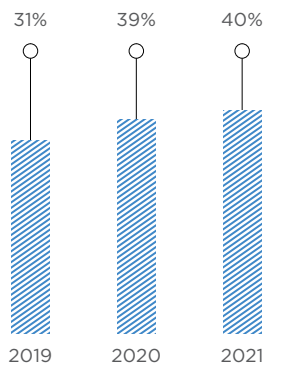
UEM Edgenta's focus is on creating positive economic impact for its stakeholders and the local economy through its operations. We contribute to economic development in the local communities through remuneration and local hiring, as well as market expansion as a subset of our broader business strategy.

Expanding Marketplace

One of the main ways in which we contribute to local economies is through our business strategies which now sees the Group operating in six countries in Asia and the Middle East, with more than 22,000 employees serving our customers worldwide. In 2021, 40% of our revenue and 54% of new contracts originated from international markets, indicating its importance to the long-term sustainability of our business. This outcome was a result of our EoTF2025 business strategy, which saw us pursuing market expansion through diversification into new geographies and services.

In April 2021, we have made further headway in our expansion strategy by exploring how we can establish a more solid presence in Saudi Arabia to demonstrate our capabilities, technology and solutions to potential clients. The potential establishment of a local entity in Saudi Arabia would increase the number of countries that the Group has operations in to seven, while generating job opportunities and economic activities.

% of UEM Edgenta revenue from international markets



Economic Development

At UEM Edgenta, we create positive economic impact through our business activities which contribute to the local economy directly by distributing value to our employees, supporting the nation through taxes paid and by providing returns on the investments made in us by Khazanah Nasional Berhad, the Malaysian sovereign wealth fund and our minority shareholders.

Across all our operations, we adhere to minimum wage legislation. In Malaysia, our minimum wage exceeds local requirements, whereas in Singapore, we adhere to the progressive wage model that is compulsory for the cleaning sector. We also support the hiring of locals for senior management positions, where 85% of UEMS Singapore's senior management are from the local community.

Beyond wage considerations, we are committed to distributing value to our employees via contributions to retirement savings. In Malaysia, this involves mandatory contributions to the Employees Provident Fund, and in Singapore, to the Central Provident Fund. In Taiwan, we provide a retirement plan that provides benefits based on the length of service and base salary at the point of retirement.



For more information of Business and Financial Highlights, Value Added Statement & Value Distribution and Financial Statements, please refer to pages 5, 39, and 163 to 314.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

SUPPLY CHAIN MANAGEMENT

Responsible supply chain management is crucial to the productivity and efficiency of our operations. To ensure a reliable supply chain, we are required to uphold ethical procurement practices, while maintaining a strong relationship with our suppliers. We also support local vendors in areas where we operate.

Responsible Supply Chain Management

In selecting our vendors for participation in our tenders, we carry out screening of vendors' background and credentials to ensure legible vendors are invited. The process is part of our requirement for vendors to participate in our tender exercise. Depending on the nature and scope of work, some of the vendors are required to possess the license related to their scope of work.

Onboarded vendors are also required to read and fully understand the Code of Conduct for Business Partner and Letter of Declaration to ensure that they are fully compliant with our business ethics and integrity practices.

In 2021, we enhanced our screening process by:

- Submitting our vendors records through the Credit Tip Off System ("CTOS") to assist us in mitigating the risk of onboarding vendors with financial and legal issues that could impact their operations.

- UEMS Singapore conducting environmental impact assessments on 42 suppliers and initiating Health and Safety assessments and training programmes.
- Initiating *Projek Perintis*, a Contractor HSSE Development Programme that involved 15 contractors, where the contractors' health and safety practices were refined to meet UEM Edgenta's HSSE standards.

We have also continued to make the procurement process more efficient and transparent for our suppliers as demonstrated by our Oracle Procure to Pay self-service system which enables vendors to self-manage administrative procedures such as profile updates, participation in Requests for Proposals and tender exercises, and payment, among others. In 2021, we organised seven training sessions for our Healthcare Support vendors to enable them to better understand the system.

UEM Edgenta will continue to enhance our supply chain by incorporating more sustainable criteria beyond health and safety requirements in our supplier assessments. Meanwhile, our Property & Facility Solutions division (Operon Middle East) plans to implement ISO 14001 in 2022 and carry out supplier environmental screening in 2023. On the other hand, the Healthcare Support division aims to bring onboard suppliers that provide environmental friendly detergents.

Providing Business Opportunities

UEM Edgenta focuses on the procurement of materials and services from local suppliers, as well as capacity development of suppliers. Since 2014, we have been supporting the Bumiputera Vendor Development Programme ("BVDP") which forms part of the Government's Bumiputera Empowerment Agenda. In line with this, we have given priority in our procurement exercise to capable and credible Bumiputera vendors who met our requirements without compromising on our governance and policy standards. We will continue to assist our local suppliers and develop our Bumiputera vendors.

Malaysian Operations:

Percentage of procurement budget spent on Bumiputra vendors

FY2021	Vendors	FY2020
RM951.0 million for 1,605 vendors		RM801.9 million for 1,756 vendors
RM617.0 million (65%)	Total outsourced contracts for Bumiputra vendors	RM335.3 million (41.8%)

Moving forward, UEM Edgenta will expand our supply chain disclosures to include local supplier procurement details.



MINIMISING ENVIRONMENTAL IMPACT



As a responsible corporation, the Group undertakes various initiatives to contribute to the global climate agenda. We continuously seek to improve energy consumption at our premises and at premises of our clients by promoting the use of renewable energy and energy efficiency solutions as well as reducing the resultant emissions from our operations and across our value chain. In 2021, our EPC are examples of the way we work with clients to assist them in reducing their carbon emissions, which in turn translate to annual energy cost savings.

In-line with the 12th Malaysia Plan to achieve carbon neutrality by 2050, we are enhancing the measurement and monitoring mechanisms of our carbon footprint to

enable us to set our climate goals and ultimately support the nation's net zero emission target. Additionally, we are committed to contributing towards global climate agenda by continuing to provide energy efficiency and renewable energy solutions.

The Group also focuses on waste, material and water management as part of our environmental management programmes. In response to our substantial use of these resources, UEM Edgenta attempts to promote efficiencies through efforts such as the usage of recycled content materials and consuming resources thoughtfully.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

13 CLIMATE CHANGE AND ENERGY

Our aim is to be a sustainable business that takes responsibility on managing our climate footprint towards the environment and climate change to minimise negative impacts. Given the evolving challenges brought by climate change – from extreme weather, tighter regulations and higher public and investor expectations, our approach enhances portfolio resilience. This approach will provide competitive advantage in the market place while also attracting and engaging younger generation of employees.

Our environmental practices are fundamental to our whole business:

- It is supported by our Quality, Health, Safety, Security and Environment (“QHSSE”) Policy and Sustainability Policy;
- There is a commitment to managing and reducing the environmental impact across our value chain; and
- Our businesses are constantly assessed to maintain their certifications in compliance with ISO 14001:2018 - Environmental Management System and ISO 9001:2015 - Quality Management System

Energy Efficiency

A key area for us in terms of managing energy consumption is lowering the energy demands of our assets. We share the benefits of greater efficiency with our customers, helping them to reduce their energy bills. Over time, we have worked to reduce our energy requirements through active energy management at our sites. We focus not only on energy used within landlord-controlled areas, but also on energy used by our customers when sub-metered from landlord suppliers. This allows us to examine every relevant aspect of an asset and then collaborate closely with our customers and partners to find and implement better ways to manage energy consumption.

Energy Performance Contracts

Through our EPC, we collaborate with customers to reduce their carbon emissions and overall energy expenditure. The EPC covers:

- Lighting system retrofitting to replace existing lighting with LED lighting;
- Chiller plant retrofitting by optimising Air-Conditioning and Mechanical Ventilation systems. This includes the replacement of inefficient chillers with high-efficiency chillers with Variable Speed Drives;
- Air compressor plant retrofitting to improve energy efficiency, system reliability and decreasing operating cost.

In 2021, we expected to achieve approximately 38 million kWh in annual energy savings from our 11 EPC projects, with potentially RM16 million of total annual electricity cost savings for our clients. This is a substantial increase in energy savings when compared with our performance between 2017 and 2020, where we only achieved a cumulative 81.4 million kWh in energy savings for our clients.

11 EPC Contracts	37,186.157 kWh Total Energy savings	RM16,246,155 Total Annual Electricity Cost Saving for Clients
----------------------------	---	---

Renewable Energy

We continue to demonstrate that using clean energy to power operations is beneficial not only to the environment, but also to business. Our efforts in harnessing the benefits of renewable energy remain promising, showing results on an annual basis.

Solar Panels at Menara UEM

Installed photovoltaic solar panels on the roof of Menara UEM which reduced our electricity consumption by approximately

4.5%
from FY2020 to FY2021



SmartConnect

Our SmartConnect platform enables real-time monitoring of energy consumption on all floors within a building and benchmarks the consumption against the Building Energy Index. Collection of data and monitoring of energy use is made possible through the connectivity of all critical building support systems. Developed by our Property & Facility Solutions division, SmartConnect leverages on AI which allows advanced Energy Management on the digital platform with machine learning for prescriptive analytics.

YEAR 1	YEAR 3	YEAR 5
BUNDLED FEATURE <ol style="list-style-type: none"> Asset Management <ul style="list-style-type: none"> Asset and Area Management Inventory Management Facilities Management <ul style="list-style-type: none"> Scheduled Maintenance Corrective Maintenance Mobile Workforce Client Management <ul style="list-style-type: none"> Client Portal Dashboard Reporting Workforce Management <ul style="list-style-type: none"> Auto Assign Geotracking <p>(Year 1 refers to FY2020)</p>	ASSET-LOT INTERFACE <ol style="list-style-type: none"> Chiller Air Compressor Monitoring System Energy Monitoring System Production Monitoring System Boiler Monitoring System Effluent Treatment Monitoring System File System Monitoring Feedback Management System Toilet Demand Inspection System Indoor Air Quality Monitoring ADDITIONAL BUNDLED FEATURES <ol style="list-style-type: none"> Smart Notification Predictive Analytics 	AUTONOMOUS BUILDING <ol style="list-style-type: none"> Prescriptive Analytics Artificial Intelligence Machine Learning Inventory Mining Machine Production Process Automation

In FY2021, four clients' buildings managed by us obtained GBI Certification. Certified green building have lower total annual energy demand as the mechanical system installed are optimised to provide high energy consumption efficiency.

Property & Facility Solutions' client facilities' average environmental impact reduction in 2021

27% Reduction in Electricity Consumption	20% Increase in Chiller Coefficient of Performance
--	--

12 Tonnes of Recyclable Waste diverted from landfills annually	11% Reduction in Water Consumption
--	--

430 KG of Organic Waste diverted from landfills daily	More than 10 GBI-certified Green Buildings
---	--

OUR CARBON EMISSIONS

Since 2018, we have been monitoring our GHG emissions based on the following metrics:

- Scope 1: Emissions from petrol and diesel fuel consumption from UEM Edgenta's fleet of vehicles.
- Scope 2: Emissions from our buildings' electricity consumption
- Scope 3: Business travel and water consumption emissions

For FY2021, our overall GHG emissions were lower compared to 2019. This was primarily due to the impact of the COVID-19 global pandemic, which resulted in a reduction in office-based work, as well as vehicle and air travel.

Moving forward, our commitment to reducing our carbon footprint across our supply chain will continue through the provision of smart and sustainable solutions for our clients, improving GHG reduction initiatives and optimising energy consumption. Furthermore, we will enhance our GHG emissions measurement and monitoring to enable us to set defined targets for the future.

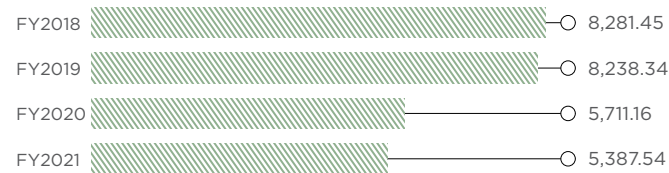
SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

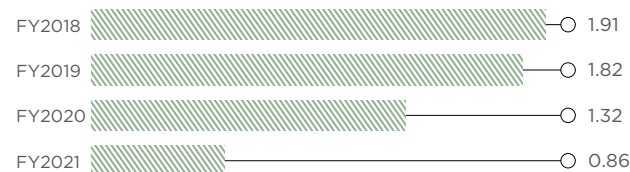
Total Electricity Consumption (kWh) at Menara UEM, 25 UEM Edgenta's site offices and EMSB operations



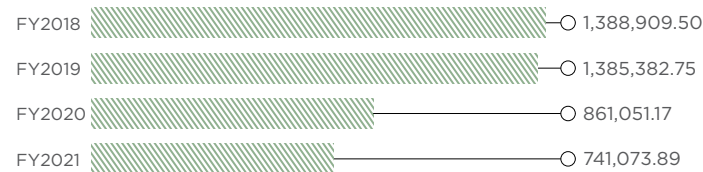
Scope 1 emissions (fuel) (tonnes CO₂)



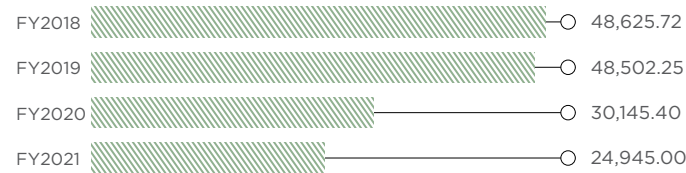
Scope 1 (fuel - petrol & diesel) emissions intensity (tonnes CO₂ employee)



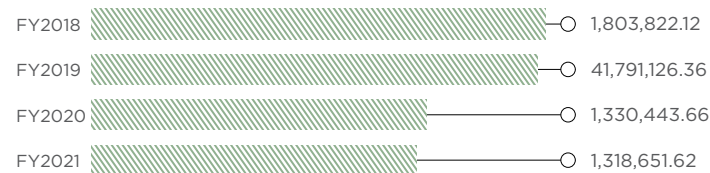
Total Fuel (petrol) Consumption (litres)



Total Energy (petrol) Consumption (GJ)



Total Fuel (diesel) Consumption (litres)



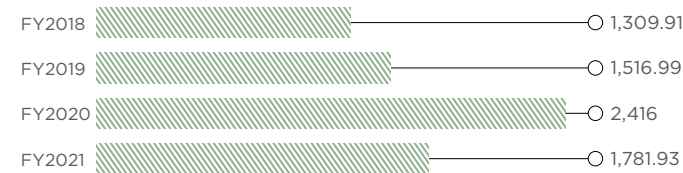
Total Energy (diesel) Consumption (GJ)



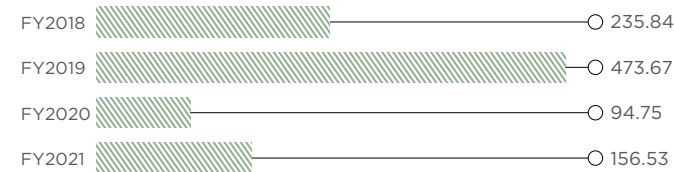
Total Scope 2 (electricity) emissions (tonnes CO₂)



Scope 3 (water consumption) emission (Mt CO₂):



Scope 3 - category 6 (air travel) emissions (Mt CO₂)



Scope 3 (air travel) emissions intensity (Mt CO₂/employee)



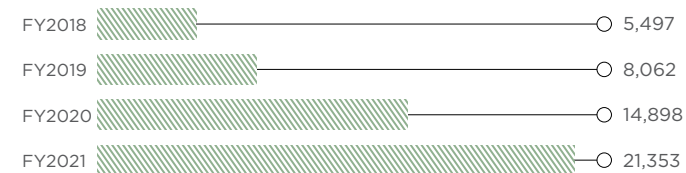
Note:
* Reinstated

ENVIRONMENTAL MANAGEMENT

Waste

Every sector faces challenges in managing waste, our solution helps them navigate their waste disposal while ensuring minimal disruptions to their operations.

Total Paper Consumption of UEM Edgenta Group (No. of A4 reams used):



Infrastructure Services Division

Scheduled waste generated from the Infrastructure Services division includes fluorescent lamps, waste oil, contaminated containers and filters, and E-waste. The division has been actively involved in seeking solutions for operational efficiencies in waste management. Initiatives include miling waste generated from pavement rehabilitation projects used in recycled asphalt production and waste generated from Rest and Layby areas to be recycled and quantified. Furthermore, infrastructure waste haulers will be assessed for their compliance to ESG policies from FY2022 onwards.

Regional Breakdown of Schedule Waste Generated by Infrastructure Services (MT)



Material

After a year of trials, the pilot programme with the Taiping Municipal Council to recycle asphalt pavement, was a resounding success. The result was a total of 612.5 tonnes of milling waste which has been reused as recycled asphalt pavement. This has led to the development of a plant to produce recycled asphalt pavement on a commercial scale. Operations of this plant is scheduled to start in the fourth quarter of 2022. We have invested RM700k in R&D for recycled asphalt project during its pilot phase.

Healthcare Support Division

The Group's Healthcare Support division manages waste generated by the Ministry of Health. The waste stream generated includes chemical waste, clinical waste, heavy metal waste, EEEW (electrical & electronic equipment waste) and kitchen waste.

Total Waste Managed (tonnes)



Total Waste Directed to Disposal

Hazardous Waste (tonnes)



Non-hazardous Waste (tonnes)



Total Waste Diverted from Disposal

Hazardous Waste (tonnes)



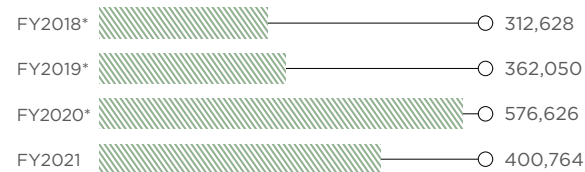
SUSTAINABILITY STATEMENT

Water

UEM Edgenta acknowledge our role in managing a finite resource such as water. Most of the water that we consume for our office and operations is withdrawn from municipal water supplied by the utility provider. We keep an eye on initiatives which can help to reduce water consumption, these include water recycling efforts or rainwater harvesting. UEM Edgenta embarked on rainwater harvesting to be utilised in RSA cleaning and plant irrigation from November 2021.



Total Water Consumption (m³) at Menara UEM, 11 site offices and EMSB operation:



Note:
* Reinstated

SUSTAINABILITY STATEMENT

SOCIAL VALUE CREATION



UEM Edgenta prioritises creating a positive impact on the lives of our employees and local communities. Our focus areas include providing financial, emotional and mental support to our employees for their health, safety and well-being; and organising learning and development programmes to enable our staff to acquire new skills and knowledge. Despite the challenges faced as a result of COVID-19 which in turn impacted movement and the level of activities in certain areas of our businesses, there were no furloughs nor wage cuts that was conducted during the year, thus enabling our employees to maintain their standard of living during these challenging times. During the pandemic, we extended support to our employees as they transitioned from a Work-From-Office to Work-From-Home lifestyle through initiatives such as subsidised internet bills and flexible working policy that provides the flexibility for employees to work from home as well as staggered working hours. In addition, the Group supported the vaccination drive for our employees as a whole and ensured that our frontliners were fully protected. Where possible, the Group accelerated the vaccination efforts by purchasing vaccines for our frontliners in order to ensure they could safely return to work and minimised the disruption of critical support services at our operating sites.

HSE remains crucial to our operations. In our relentless pursuit to achieve Goal Zero culture through HSSE leadership, we strived to strengthen our safety culture with a strong focus on caring for people and ensuring leadership commitment. As an organisation that promotes equality, our hiring process is based on merit, and we emphasise diversity and inclusivity in our workplace. We will continue to invest in talent and ensure that our employees continue to be trained and developed under structured learning programmes hosted by Edgenta Academy.

For customer satisfaction, we strive to ensure quality and efficient product and service delivery that meets or surpasses expectations. In relation to human rights practices, we have included relevant clauses within contracts with our business partners which are expected to be complied with. In the meantime, we are seeking to enhance our human rights management across the Group and our value chain. Not forgetting the underprivileged and marginalised segments of our society, the Group implemented various initiatives through our Corporate Social Responsibility (“CSR”) programmes that include educational and social activities as well as donations in cash and in kind to empower the community.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

3 OCCUPATIONAL HEALTH AND SAFETY

We value the health, safety and well-being of our people, especially as 70% of them are frontliners with higher exposure to health and safety risks due to the nature of our business operations. Our commitment to prioritising health and safety at the workplace goes beyond our employees and covers contractors as well. We strive to achieve Goal Zero, which refers to no fatality cases, no harm to people, and no damage to the environment across all levels of our company.

The Operational Excellence and Health, Safety, Security and Environment division is responsible for overseeing all the Health & Safety matters at UEM Edgenta. The division was established to design, develop, implement and monitor our occupational health programme to meet regulatory requirement and to support the ISO 45001 Occupational Health and Safety Management System (“OHSMS”), which covers the whole organisation. The division oversees:



Occupational Health and Safety Management System

In accordance with ISO 45001, we have in place a comprehensive OHSMS, which was developed and implemented based on the relevant rules and regulations as well as best industry guidelines and practices. The OHSMS implemented across our operating companies is based on the following guidelines and certified with the following international standards:

Rules and Regulations that Guide UEM Edgenta's OHSMS

- ✓ Occupational Health and Safety Act 1994
- ✓ Environmental Quality Act 1974
- ✓ Factories and Machineries Act 1967
- ✓ Fire Services (BOMBA) Act 1988

In 2021, UEM Edgenta became the first Malaysian company to be certified with the ISO 45005:2020 (Occupational Health and Safety Management – General Guidelines for Safe Working During the COVID-19 Pandemic). The certification guides organisations to manage risks arising from COVID-19 to protect work-related health, safety and well-being. 98% of our operating sites are certified with ISO 45001 and ISO 14001.

Quality Health, Safety, Security and Environment Policy

UEM Edgenta has a QHSSE Policy which drives the organisation’s QHSSE practices. These practices are certified with ISO 9001 Quality Management System (QMS), ISO 45001 OHS and ISO 14001 Environmental Management System Standards. The OHS practices are guided by our Quality Health, Safety, Security and Environment Policy, which underscores our priority for the health and safety of our people and stakeholders. The policy demonstrates our commitment to:

- Meeting and exceeding all applicable statutory & regulatory requirements
- Pursuing the goal of no harm to people and protecting the environment
- Implementing a systematic approach to QHSSE management designed to meet stakeholders’ expectations and achieve continuous improvement
- Incorporating HSSE performance as part of employees’ KPI and having contractors manage HSSE standards in line with this policy
- Improving the delivery of HSSE standards and processes by eliminating hazards and reducing risks through consultation and participation of our employees or their representatives
- Necessitating joint ventures to apply this policy and using its influence to promote it in other joint ventures

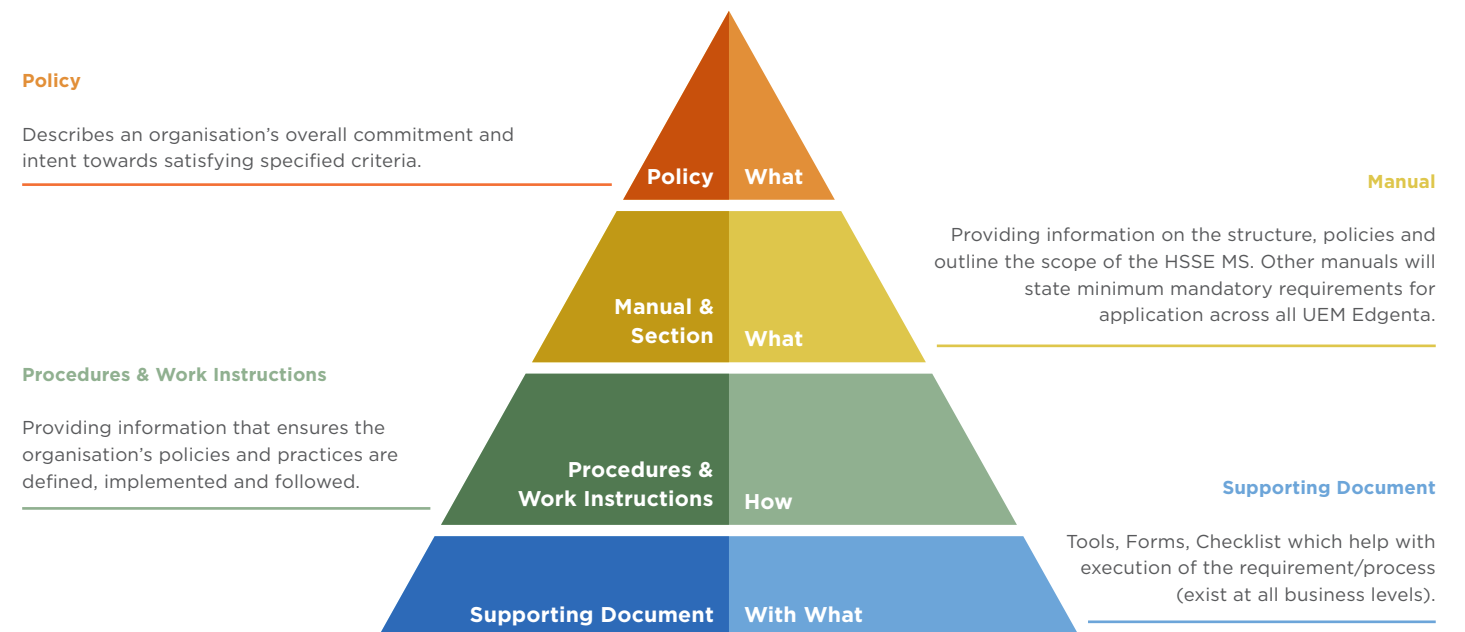
HSSE Manual

We have a HSSE Manual to support the implementation of QHSSE Policy, which provides a structure for UEM Edgenta to maintain a HSSE Management System (“HSSE MS”). The MS helps to control work hazards for the Malaysian workforce and subcontractors, with a focus on risk management and continual improvement in safety performance.

The HSSE MS aims to:

- Demonstrate UEM Edgenta’s systematic approach for the management of HSSE matters in its business operations
- Establish and demonstrate an effective and efficient management system for HSSE by building on existing principles, processes and procedures
- Demonstrate UEM Edgenta’s commitment towards legislative and UEM Group HSSE requirements, and where applicable, being externally certified
- Form a basis for continuous improvement in HSSE performance

HSSE Manual Structure



Policy

Describes an organisation’s overall commitment and intent towards satisfying specified criteria.

Policy What

Manual

Providing information on the structure, policies and outline the scope of the HSSE MS. Other manuals will state minimum mandatory requirements for application across all UEM Edgenta.

Procedures & Work Instructions

Providing information that ensures the organisation’s policies and practices are defined, implemented and followed.

Procedures & Work Instructions How

Supporting Document

Supporting Document With What

Tools, Forms, Checklist which help with execution of the requirement/process (exist at all business levels).

SUSTAINABILITY STATEMENT

Covering HSSE risks, hazards and incidents in a systematic and comprehensive manner, the HSSE MS is the primary mechanism utilised by the Board of Directors, who, through the Managing Director/Chief Executive Officer, manages, controls and reduces operational risk. Apart from employees, the HSSE MS also provides guidelines to protect the health and safety of sub-contractors, visitors and the general public.

HSSE Governance

UEM Edgenta's HSSE is managed by several departments from across the organisation, namely the Quality Management Assurance Department, Operational Safety, Technology and Environment, Occupational Health and Hygiene, Behavioural, Safety, Culture and Learning and Operational Excellence.

The head of HSSE and OE is responsible for:

- Developing annual HSSE plans aligned with HSSE objectives and targets
- Communicating the HSSE objectives, targets and plans
- Identifying and recording HSSE Critical Positions for Technical Authorities
- Collecting and submitting HSSE performance data to the business divisions
- Establishing and maintaining a HSSE assurance plan for business divisions
- Defining and verifying competence of independent HSSE audit leads
- Establishing a pool of individuals to act as HSSE audit team members

The Board of Directors has oversight on the management of HSSE matters and reviews the HSSE report on a quarterly basis. As for HSSE across the working level, a HSSE Committee is established in each project site and meets periodically. Meanwhile, the HSSE Committee for each business division meets once every three months, in compliance with the Occupational Safety and Health (Safety and Health Committee) Regulations 1996.

OHS Risk Assessment and Hazard Identification

We regularly conduct risk and hazard assessments to identify gaps and strengthen safety and health practices at the workplace. Our HSSE risk assessments are conducted by competent and qualified HSSE personnel such as Safety & Health Officer, Site Safety Supervisor, Ergonomic Trained Person, and Occupational Health Doctor. The assessments are carried out at the employee and management level using multiple industry methodologies, namely:

- Bowtie methodology
- Hazard Identification, Risk Assessment and Risk Control
- Job Hazard Analysis
- Document review
- Safety audits and incident investigation review

We manage HSSE by utilising Gensuite, a digital platform system that provides a structured reporting process that enables the notification, monitoring and reviewing of any action related to risk management for identified persons in charge.

Gensuite is also used to address:

- Events that have occurred, such as accidents, dangerous and hazardous situations, work-related hazards, high-fatality incidents and occupational poisonings
- High-risk potential situations and incidents
- Regulation of occupational diseases
- The tracking and monitoring of all COVID-19 cases

When incidents occur, thorough investigations are done by the investigation team, and the action items are assigned to the right parties with due dates, follow up actions include:

- Submitting root cause analysis results, recommendation on risk management, incident report and audit results to higher management within the organisation
- Holding toolbox talks during pre-task briefing sessions to communicate learnings to workers
- Implementing Learning from Incident ("LFI") programmes to reduce recurrence of incident

Safety Audit

A total of 2,346 safety audits were conducted in 2021 with an overall 98% of sites being in compliance with to legal and other requirements (Edgenta Mediserve Sdn. Bhd. 99%, UEMS 100%, Infrastructure Services 94%, Opus Consultants 100% & Property & Facility Solutions 98%).

In addition to that, Gemba Walk ("GW") and 65 Audits were conducted to observe the actual work process and explore opportunities for continuous improvement.

1. Gemba Walk: 77 GW (Edgenta Mediserve Sdn. Bhd. at 22 sites, UEMS at 24 sites, Infrastructure Services at 20 sites, Property & Facility Solutions at 11 sites)
2. 6S Audit: 39 (Edgenta Mediserve Sdn. Bhd. at 11 sites, UEMS at 12 sites, Infrastructure Services at 10 sites, Property & Facility Solutions at 6 sites)

Safety improvements identified through these activities are captured and action closures were closely monitored via Gensuite platform.

Inculcating a Culture of Health and Safety

To drive a positive culture of occupational health and safety at the workplace, we provide various communication platforms for workers and employees to engage with management on issues related to OHS. Apart from the mandatory HSSE Committee in each business division and project site, we have also implemented various initiatives and programmes to keep our people and contractors safe, which include:

- * A Leadership Exchange and Action Programme, which serves as a platform for team leaders and workers to discuss OHS issues, and to allow workers raise any issues on OHS matters
- * We have made it mandatory for employees to submit safety observations, which are part of their KPIs
- * Our weekly and monthly operation meetings address various issues including health and safety at the workplace
- * Our employees are expected to adhere to our 12 life-saving rules and a set of 'Do's and Don'ts' instructions, which are specifically developed for each activity to reduce health and safety incidents

SUSTAINABILITY STATEMENT

Occupational Health and Safety Training

We constantly equip our employees and contractors with HSSE training to enhance our health and safety practices at the workplace. We have identified 130 HSSE training programmes as part of our training matrix, which was designed and implemented for employees and contractors. The training programmes include mandatory programmes required by regulations, site specific operation training and awareness training. In 2021, 97.49% of employees completed the mandatory OHS e-learning module and 3,652 employees completed a total of 418.5 hours HSSE trainings cumulatively. While, 80 contractors and vendors meanwhile completed health and safety trainings.

HSSE Trainings & Initiatives in 2021:

- COVID-19 training and awareness session
- OHS e-learning - The mandatory e-learning module comprises four courses: 12 Life Saving Rules, Adjusting to the New Normal at the Workplace, Continuous Improvement Suggestion programme and Lean Overview
- Safety Day - A campaign to promote, communicate and drive HSSE during unprecedented times. The campaign was conducted in 2,058 touchpoints across Malaysia, Taiwan, Singapore & Dubai
- Drive Down Injury Rate - Interactive sessions were held with frontline workers and supervisors to encourage active communication on risk of needle prick and slip, trip and fall. To support operation teams by inculcating a healthy and safe culture
- BSCL Incident Management - Investigate root cause of incidents and place mitigation plans to prevent reoccurrence
- Safety Excellence Center & Boot Camp - received approval for design concept to create a space that provides practical safety training and courses for safe operation, physical fitness and nutrition
- Total Workplace Safety and Health programme



UEM Edgenta's Healthcare Support Division
 Winner of the Malaysian Society for Occupational Safety & Health's 2021 Award for Hospital Sungai Siput and Hospital Kuala Nerang

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

Promoting the Health and Well-being of Employees

Apart from occupational health and safety, we place equal importance on the health and well-being of our employees by providing various healthcare programmes and advocating a healthier lifestyle.

Our employees from across the executive and non-executive levels are given access to health screening programmes and medical services in panel clinics across Malaysia. Employees also have access to non-occupational medical and healthcare services from a third-party provider, as well as psychologist or psychiatrist consultation for mental health, which is sponsored by the organisation. A spending allowance is provided to all employees for their medical and health expenses.

Emotional Well-being	Occupational Health Prevention & Promotion	Work-related Ill Health Prevention
<ul style="list-style-type: none"> ✓ Held a Depression Anxiety Stress Scale survey to measure emotional illness symptoms as part of an effort to improve employees' emotional well-being 	<ul style="list-style-type: none"> ✓ Conducted an Ergonomic Risk Assessment to identify any ergonomic risk factor in the Helathcare Support division. Going forward, we plan to conduct the ERA across all our business divisions in UEM Edgenta ✓ Rolled out a Muscular Skeletal Disorder project to analyse and improve workplace ergonomics based on ergonomic risk factors identified in ERA 	<ul style="list-style-type: none"> ✓ Carried out a Chemical Health Risk Assessment to evaluate the health risk of chemical handling among workers ✓ Conducted a Noise Risk Assessment to assess the noise level employees were exposed to and to recommend corrective actions

COVID-19 Infection, Prevention & Control Management

In response to challenges and disruptions from the COVID-19 pandemic, we focused on ensuring the physical and emotional well-being of our employees and external stakeholders. Guided by the ISO/PAS 45005:2020 (Occupational health and safety management – General guidelines for safe working during the COVID-19 pandemic), we endeavoured to ensure our operating procedures and facilities aligned with best practices.

Further to that, various activities and initiatives were implemented throughout the year:

- Conducted Life's Simple 7, a survey to collect the following three health data points as a baseline for our Positive Workplace Programme and for cardiovascular health improvement:
 - o Blood pressure
 - o Cholesterol
 - o Blood sugar

- Conducted #Befit programme to assess and monitor physical fitness of employees. For a start, a total of 80 employees underwent 7 battery tests developed based on the National Physical Fitness Test routines. We plan to expand the programme to cover more employees in the coming years.
- Implemented a 3-minute exercise (Taiso) routine every morning with total touchpoint of 88,413 throughout 2021. Taiso helps to activate the body prior to daily routine chores and improves employee physical fitness.
- Implemented Fitness to Work programme, a medical assessment conducted by a qualified or certified Occupational Health Doctor or Occupational Health Physician to ensure employees are fit to go back to work. The OHDs held monthly meetings with all the HSSE leaders from all the business divisions.

Advocating Health and Safety within Our Value Chain

Our sustainability practices are not limited to within our organisation and are extended to our business partners and vendors. We strive to embed sustainability in our value chain by advocating sustainability practices and providing guidelines to our business partners and vendors.

Our business partners as well as anyone providing on-site services are required to comply with UEM Edgenta's Business Partner Code of Conduct and uphold UEM Edgenta's occupational health and safety standards. They are also expected to provide a healthy and safe workplace for their employees and comply with all applicable health and safety laws, regulations and standards, including site-specific safety requirements.

As part of our effort to advocate best health and safety practices for contractors and business partners, we initiated a Contractor HSSE Development Programme (*Projek Perintis*) and identified 15 Perintis Contractors, who will be developed to drive UEM Edgenta HSSE initiatives across our operations. The *Perintis* project will create an ecosystem for Health and Safety best practices to be adopted by other contractors.

We have also established a HSSE Capability Assessment ("HCA") and HSSE Consequence Management ("HCM") assessment to evaluate and monitor our suppliers' health and safety practices.

HSSE Capability Assessment

This assessment helps to identify registered contractors who have the HSSE capability to participate in UEM Edgenta's tender exercise. Contractors are expected to achieve ratings above 2-stars to be allowed to participate in a tenders.

In December 2021, a pilot online HSSE capability assessment was completed for the 15 Perintis Contractors, whereby:

80% (12 contractors) rated themselves **≥2-stars**

73% (11 contractors) were rated **≤ 2-stars** by the assessors

We will develop a programme under the *Projek Perintis* to improve the compliance of contractors who failed to meet the requirement of 2-stars. We will also roll out the HCA to the rest of our registered active contractors in 2022.

HSSE Consequence Management

The HCM was established to assess suppliers and contractors on their compliance to UEM Edgenta's HSSE requirements. Contractors with HSSE violations or non-conformance to HSSE requirements will be penalised.

HSSE Consequence Management Online Live

HSSE Consequence Management Process



To guide our contractors, we organised several HSSE contractor safety initiatives in 2021:

- Contractor Engagement Roadshow 2021
- e-PTW system implementation in Infrastructure services
- Revision of HSSE Management Requirements
- HSSE Performance Management

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

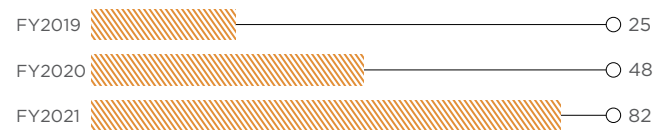
Health and Safety Performance

We strive to reduce our injury rates and aspire to achieve zero fatalities across our business divisions. The main injuries among employees are slips, trips and falls and needle prick, while the main injuries among workers are motor vehicle accidents such as vehicle overturned and rear-ended accidents.

To monitor and manage our accident rates, we conduct incident review meetings every two weeks with analysis and report on the three types of main injuries. We have also implemented programmes such as deep dive injury for slips, trips and falls, and needle prick, as well as defensive driving training to reduce number of motor vehicle incidents.

Employees

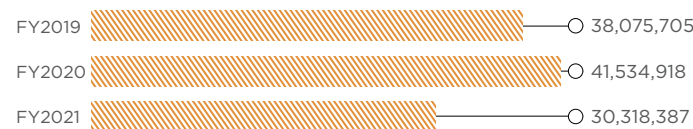
Total Number of Recordable Work-Related Injures



Lost Time Injury Frequency Rate (Number of Lost Time Injury Frequency per million man hours worked)



Total Hours Worked



Workers

(Workers refers to contractors hired by UEM Edgenta)

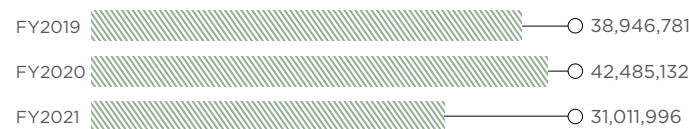
Total Number of Recordable Work-Related Injures



Lost Time Injury Frequency Rate (Number of Lost Time Injury Frequency per million man hours worked)



Total Hours Worked



Total Fatality Count



FY2019 fatality breakdown: 2 contractors

Health and Safety Targets for 2022:



EMPLOYMENT CULTURE

At UEM Edgenta, Edgenta Stars are at the heart of our business, delivering great outcomes for our customers, communities and each other every day. Our Core Values FIRST and Code of Conduct set out what the Group stands for, to all colleagues and guide our approach to building an inclusive, respectful, supportive and high-performance culture in which every colleague can do their very best work. We employ over 22,000 employees and are committed to creating an environment in which every single colleague feels they belong and has the opportunity to thrive. Not just because it's the right thing to do, but because we need diverse perspectives to help us generate the best ideas to help us serve our customers. We approach learning as a right regardless of role, tenure or level and see this as key to achieving our EoTF2025 vision. Because learning takes all kinds of forms, we provide our Edgenta Stars with access to platforms and resources to develop and move them into higher-skilled positions. Our employee handbook provides a summary of terms and conditions of Edgenta Stars' employment with addition to various other human resources related materials.

EDGENTA STARS ENGAGEMENT

During 2021, our Edgenta Stars have been at the forefront of the continued response to the pandemic, working to keep the country running, and customer workplaces clean, safe and looked after. The Group's role as an employer during this time has been to listen, engage and help our Edgenta Stars navigate the challenging circumstances encountered during the pandemic. We see employee engagement as a high priority, with the belief that an engaged workforce performs better, is more committed and accountable, and delivers a strong customer focus. Among the ways in which we engaged with our Edgenta Stars are:

Group-wide Level

Sembang HR session: Designed specifically for managers to enhance their people management skills. During these sessions, participants:

- a) Learn how to manage people
- b) Provided with advice on management and leadership skills
- c) Given an opportunity to clear HR-related queries

In 2021, a total of 15 *Sembang HR* sessions were conducted covering various topics such as job description and job evaluation, managing discipline for higher performance at the workplace, engaging people for better results and managing through the use of technology.

Culture & Values: With the roll-out of our new Core Values, the Group raised awareness of the FIRST core value through programmes to educate and embed the FIRST culture among employees.

Divisional Level

Healthcare Support and Asset Consultancy divisions conducted senior leadership engagement and roadshows to interact with staff at all levels.

The introduction of The Way We Work by Support Services, has allowed better process efficiency through SOP, policies, system and organisational structural reviews. This initiative promotes inclusivity and increases collaboration among employees as it includes employees from operational level.

KEY EMPLOYEE ENGAGEMENT INITIATIVES

Edgenta Innovation Day 2021

Aims to bring together all Edgenta Stars across sectors and businesses to inspire them to explore the next big idea, not just to talk about the next big thing, but to build it. This inaugural event brings together innovative leaders in their fields with guest speakers invited internally and externally. The key highlights of the event include the launch of Edgenta Idea Bank - the collaborative platform for all Edgenta Stars to collaborate and develop ideas together. During the event, the winners of the Digitalisation Tournay 2021 were announced and their prototypes were showcased.

Edgenta Idea Bank

Edgenta Idea Bank is the place for all Edgenta Stars to collaborate and develop ideas together. The Idea Bank helps to capture, organise and prioritise ideas so that the best ideas can be worked on as initiatives. In 2021, a total of 75 ideas were submitted across business units.

Digitalisation Tournay 2021

An internal competition between teams to convert day-to-day challenges in Edgenta into technology based-solutions. The event received welcoming support from employees with a total of 44 registrations for the Tournay.

SUSTAINABILITY STATEMENT

TALENT ATTRACTION AND RETENTION

We believe in the importance of continued learning. The skillset that leaders and professionals need to succeed is constantly changing and we provide a wide range of learning and development approaches to develop a workforce that is fit for the future.

We offer a wide range of internal development opportunities through Edgenta Academy to focus on the development of leadership, soft skills and technical skills. Being a global company, virtual and remote learning were already well-integrated into our training and development opportunities before the pandemic, indicating that we remained well-positioned to continue developing our people. Talent attraction and retention for the Group is about creating opportunities for employees to build and expand their capabilities. We want to create an environment which encourages and supports everyone to develop the skills and knowledge they need to be successful in their current roles and to prepare for potential future roles.

In UEM Edgenta, we strive to create an environment where our employees feel motivated and valued. We conducted various initiatives at group-wide and divisional level to attract and retain the best talent in our company. In response to COVID-19 pandemic, UEM Edgenta implemented the Flexible Work Arrangement and focused on mental wellness initiatives to ease burden.

<p>JOB SECURITY</p> <p>Provides job security to our employees during the COVID-19 pandemic by not imposing any salary cuts and retrenchment.</p>	<p>TALENT + STAFFING</p> <p>Ensure any vacancies are published internally to promote internal mobility and internal transfer. To retain the best talent in the company, the Group has in place an Employee Value Proposition that includes a set of benefits and compensation employees receive in return for their contributions to the company.</p>
<p>REWARDS AND RECOGNITION</p> <p>Offers non-monetary recognition programmes for high-performing employees. Healthcare Support division issue certificates and plaques to the staff as a form of recognition and support.</p>	<p>BENEFITS</p> <p>Provides parental leave to our employees regardless of gender. In 2021, a total of 179 employees (male and female) in the Malaysian operations took parental leave with a 100% rate of return back to work after parental leave ended. UEMS Singapore ensures the same benefits are given to full time, part time & temporary employees that are employed on contract of service and are based on their length of service.</p>

Parental Leave Data

Indicator	Breakdown	Total		
		2021	2020	2019
Total number of employees that were entitle to parental leave	Women	1,177	1,126	1,063
	Men	4,442	4,340	4,219
	Total	5,619	5,466	5,282
Total employee (male and female) that took parental leave	Women	51	49	47
	Men	128	140	35
	Total	179	189	82
Total number of employees that returned to work after parental leave ended	Women	51	49	47
	Men	128	140	35
	Total	179	189	82
Return to work rates of employees that took parental leave	Women	100%	100%	100%
	Men	100%	100%	100%
	Total	100%	100%	100%

SUSTAINABILITY STATEMENT

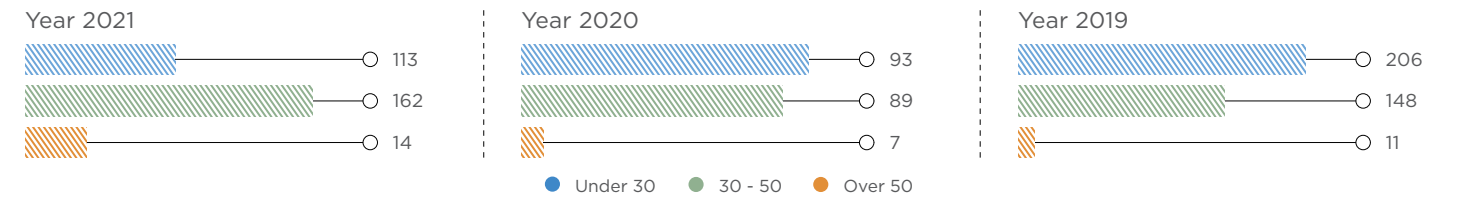
Group New Hire (Jan - Dec 2021)



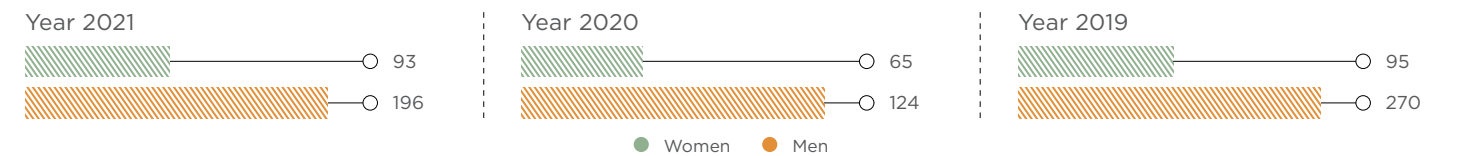
Group Voluntary Resignation (Jan - Dec 2021)



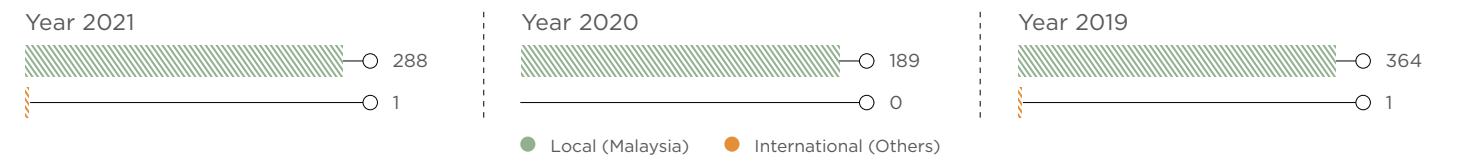
UEM Edgenta New Hire Breakdown by Age Group*



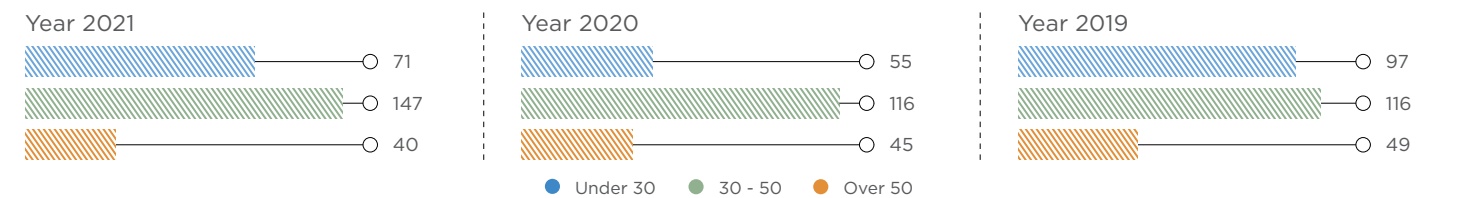
UEM Edgenta New Hire Breakdown by Gender*



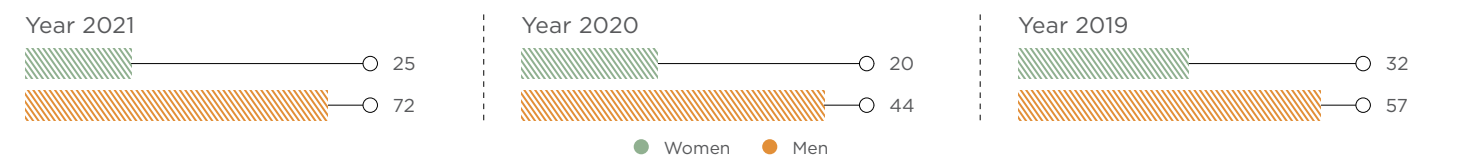
UEM Edgenta New Hire Breakdown by Nationality*



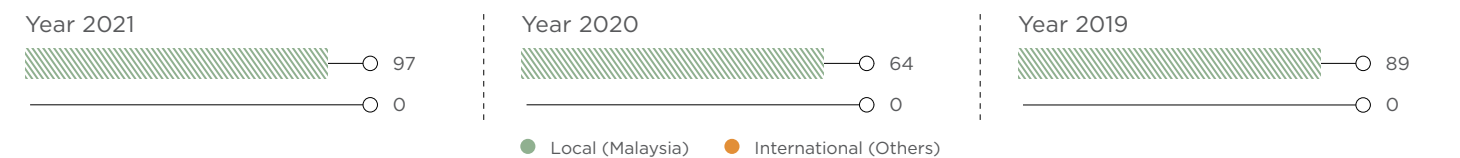
UEM Edgenta Turnover Breakdown by Age Group*



UEM Edgenta Turnover Breakdown by Gender*



UEM Edgenta Turnover Breakdown by Nationality*



* Excludes UEMS (Malaysia, Singapore, Taiwan), Operon & Faber Sindoori

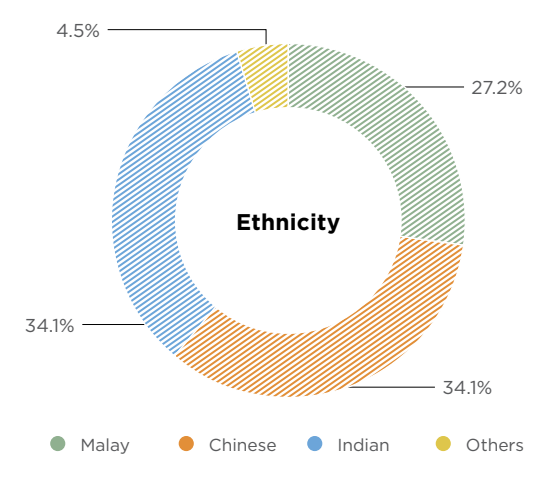
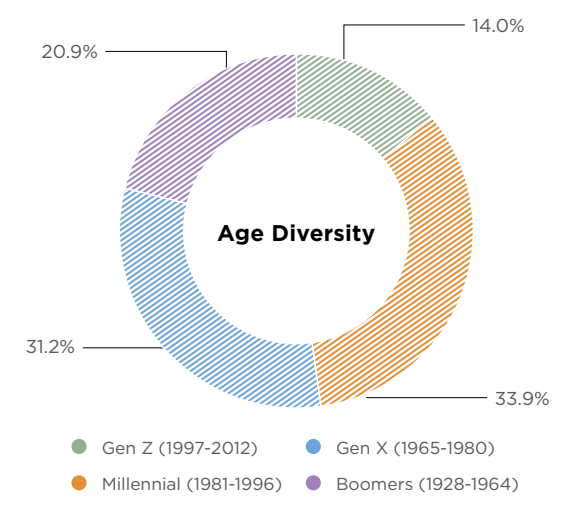
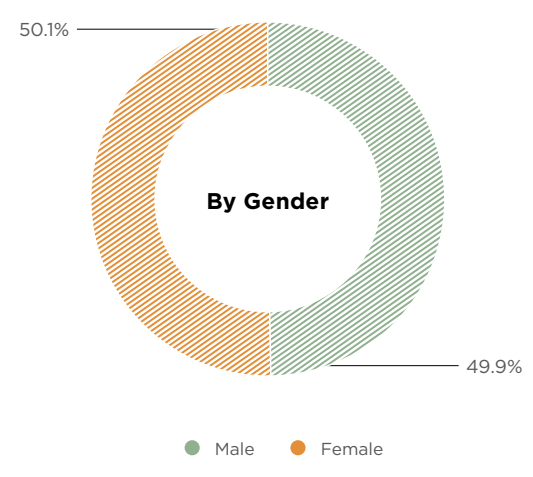
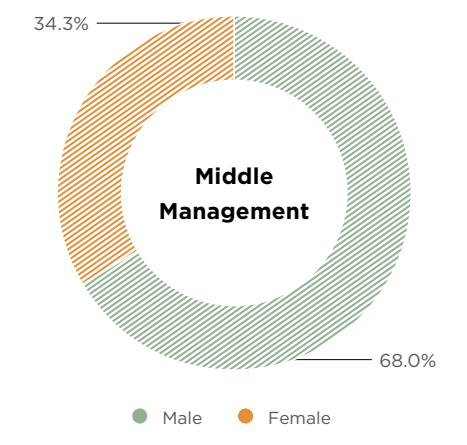
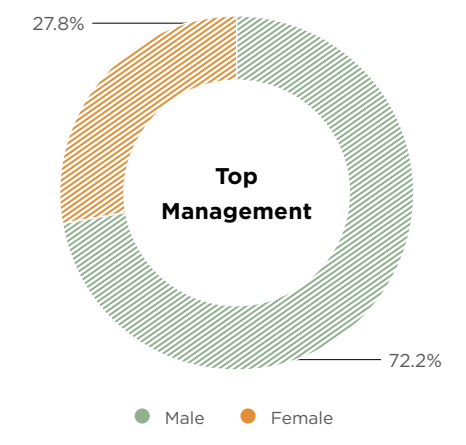
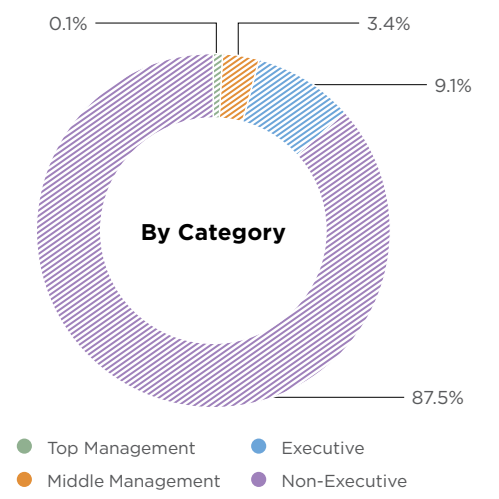
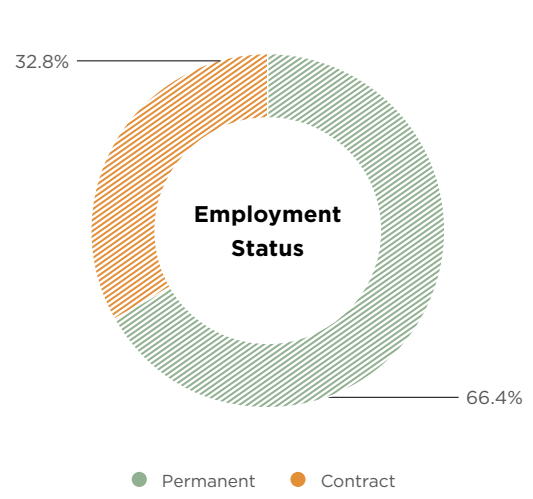
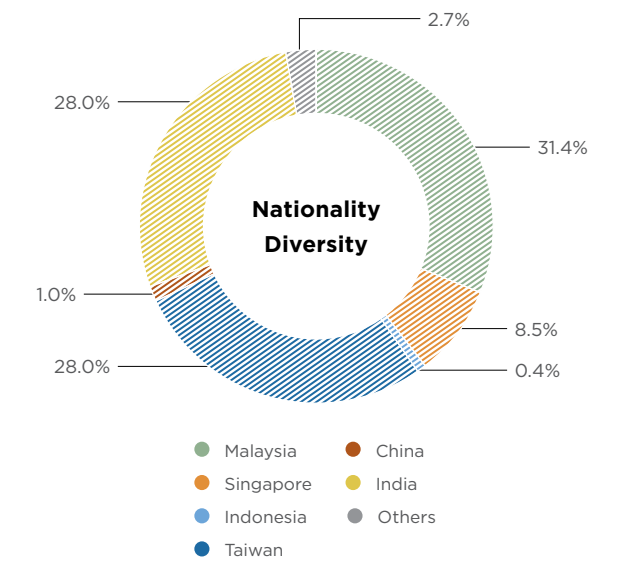
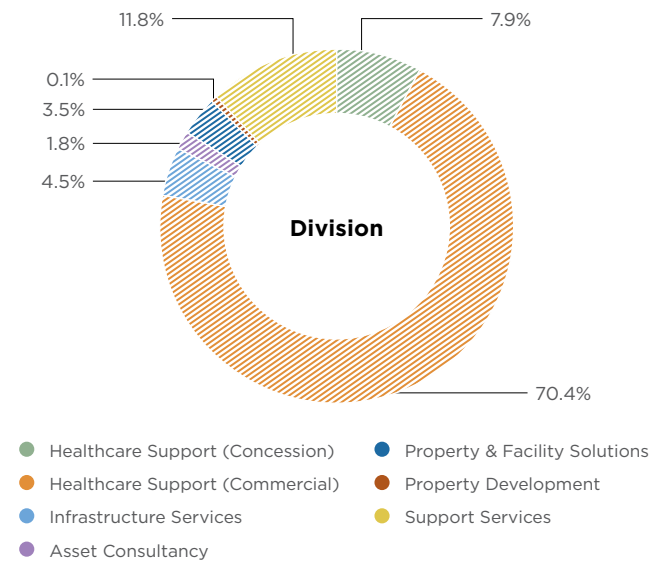
SUSTAINABILITY STATEMENT

DIVERSITY AND INCLUSION

Diversity and Inclusivity are business imperatives and form an integral part of our corporate culture. We are convinced that a diversified workforce, as well as an open and appreciative corporate culture, are important success factors in a globalised world. Different perspectives, cultures and ways of thinking enable us to meet the needs of our increasingly diverse markets and stakeholders with creative and innovative products, services and solutions. Through a number of programmes and training courses, we strengthen the understanding and appreciation of diversity while promoting an inclusive corporate culture.

Diversity at UEM Edgenta represents the variety of talents, attitudes, perspectives, strengths, abilities and characteristics of our employees that make us unique and contribute to creativity, innovation and business success. It is the differences of individuals in our company, such as experience, values, education, gender or origin, that make us strong and successful. We want to create an inclusive working environment in which every employee is valued and individual performance is recognised. On principle, we also fill our job vacancies exclusively according to ability, potential and performance. We do not tolerate discriminatory behavior either when we hire new employees or in our daily interaction with each other. Principles of inclusivity are enshrined in our Code of Conduct, which expressly prohibits employees from engaging in any unwelcome verbal, visual, psychological, physical or other conduct that is intimidating, offensive, abusive or hostile to other employees. Should any form of harassment or discrimination be observed, we strongly urge our employees to report the incident. Reports made are dealt with by the Risk Integrity & Compliance and Human Resource teams.

SUSTAINABILITY STATEMENT



SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

SKILLS AND CAREER DEVELOPMENT

Our employee development strategy aligns to the needs of the ever changing business and industry environment. We structure the learning content in a way that allows us to react more quickly and individually to new knowledge requirements within the organisation.

Under our Learning Management System (“LEARN”), we have adopted a Learn on Edge approach to deliver knowledge to all Edgenta Stars anytime, anywhere and on any device. Additionally, we support Edgenta Stars who are continuing their studies, by providing Study Leave, Exam Leave and Long Unpaid Leave. The Group also adopts the internally developed quality service delivery system, STARS, as the platform for the service delivery framework. The framework focuses on System, Training, Accelerated Improvement, Staff Recognition and Service as key success factors for an efficient and effective systemic approach towards running major operations.

Career Development Programme

Succession Management

Succession planning is key to sustaining our growth. We have a strengthened Succession framework that identifies potential talent to be future successors. This framework is supported by a series of development initiatives, conducted through numerous channels, such as customised Seminars, Coaching and Mentoring, self-paced Learning via LEARN as well as LinkedIn Learning. Continual nurturing and succession management initiatives will be greatly expanded and cover UEM Edgenta’s international businesses in the mid to long term.

Programmes for Upgrading Employee Skills

Responsibility towards our people also means training them and (re)skilling them for the evolving needs of our businesses. The Group offers upskilling through training programmes and certifications to our many employees across divisions. These include Expert Talk and Leaders Teach Leaders series and workshops and seminars offering a diverse range of topics, including occupational health and safety, environmental management, environmental awareness, project management, technical capability and soft skill development such as communications, leadership and other topics. Our counterparts in UEMS Singapore also conduct Workforce Skills Qualifications training courses. In light of the pandemic environment, most training sessions and seminars were conducted virtually and/or in-house, reducing the need for face-to-face interaction. In 2021, we refined our existing Core Competencies for the Group, whilst developing increased technical competencies across divisions. Our Healthcare Support division launched the Facility Managers Development Programme which entails upskilling programmes specifically designed for Facilities Managers and job shadowing for potential successors. Whereas, our Infrastructure Services division conducts training needs analysis to identify areas of improvement and opportunities to refine our talents competencies and skill sets in Project Management.

Digital Learning Training Modules

New digital learning solutions were launched during the year and sparked immediate interest among employees by offering a wide selection of content in a digital learning environment. LEARN-on-the-GO (“LOTG”), covering Healthcare Support and Infrastructure Services divisions, is a digital initiative where the Group provides internet-enabled smart tablets to selected site offices to bridge the digital learning divide, specially among non-executives. Non-executives are now able to access learnings through LOTG and numerous other channels, such as our learning management system, virtual talks, webinars and online classroom sessions. A total of 12 tablets were provided to the Healthcare Support Division, and 10 to the Infrastructure Services division. As at December 2021, 95% of non-executives in chosen locations garnered the requisite knowledge to help them improve.

Transition Assistance

Transition assistance programmes are provided to employees to facilitate pre-retirement planning. Another relevant aspect of career management is when employees leave the company. The Group manages and tailors the provision of transition assistance programmes to local needs, regulations, and expectations. The Group’s transition assistance programme involves three modules, each designed to help our employees further their opportunities after ceasing full time employment.

1. Career Advisory
2. Perkeso Briefing on Employment Insurance System - monetary aid for job search assistance.
3. Upskilling Modules
 - Entrepreneurship – Starting your own business (Knowledge Sharing Session)
 - Interest-based skills e.g. YouTubing, baking, cooking (Sharing Session/e-learning)

Performance Reviews

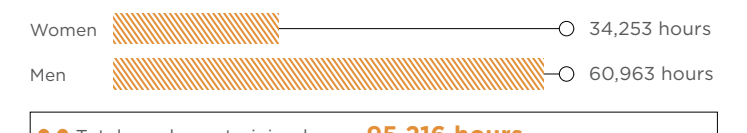
Career development is a crucial part of the employee experience and retention. We believe that each employee is responsible for their own career journey, and encourage everyone to shape them based on individual aspirations, capabilities and expanding internal opportunities. In 2021, 100% of UEM Edgenta Berhad’s and UEMS Singapore’s employees received regular performance and career development reviews. We also initiated the newly revised Performance Management System framework. The PMS will ensure job appraisal processes follow an annual cycle with formal development discussions early in the year and follow-ups concentrated mid-year when career and development discussions take place. Managers are also expected to follow up and provide frequent feedback, coaching, and support to employees.

Total Spent on Training and Education

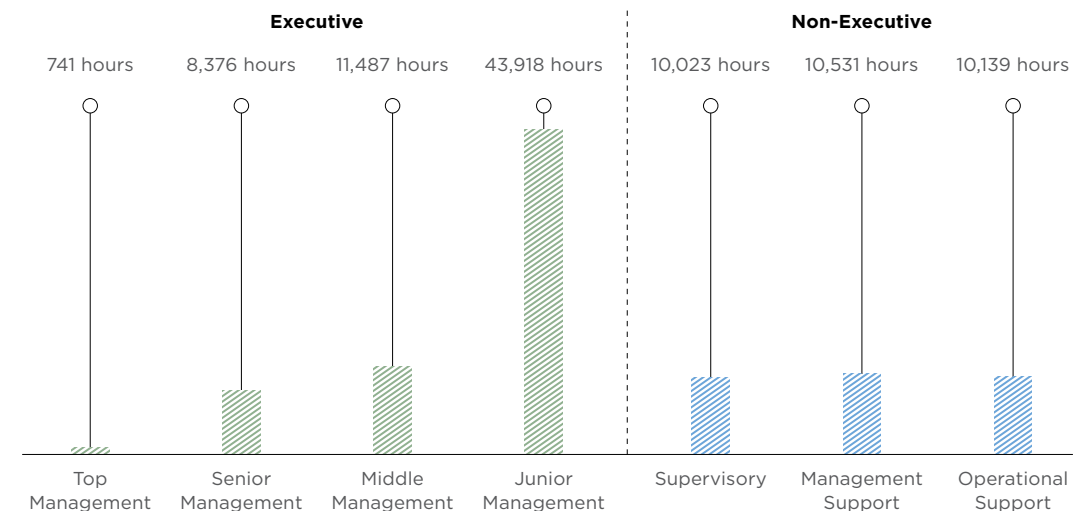
(Malaysia Operation - UEM Edgenta Berhad)



Total Training Hours of Employee (by Gender) in FY2021



Total Training Hours by Employee Category in 2021



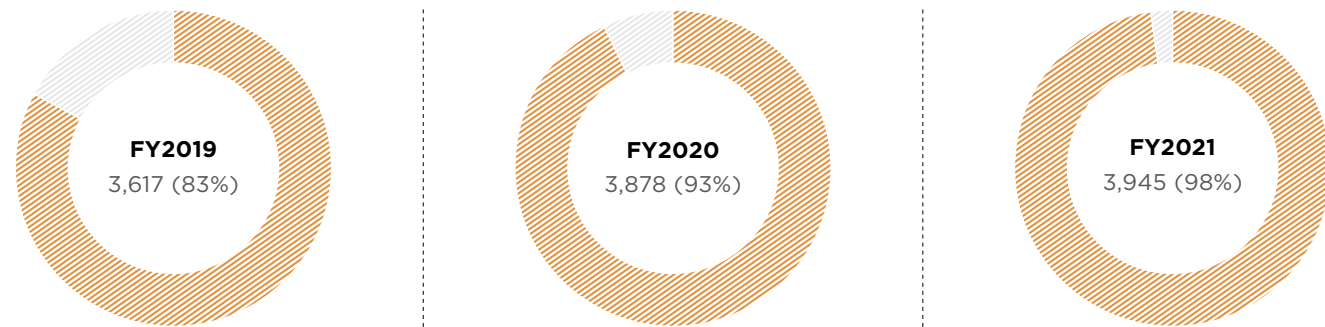
- Average Training Hours by Employee Category in 2021 (hours)**
- Executive:**
- Top Management: 34
 - Senior Management: 41
 - Middle Management: 38
 - Junior Management: 31
- Non-executive:**
- Supervisory: 16
 - Management Support: 14
 - Operational Support: 9

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

% of Employees who Received Training

(only UEM Edgenta Malaysia and excludes Operon Middle East and UEMS)



Employee Training Hours Breakdown

Leadership Development



Soft Skill/Behavioural Programme

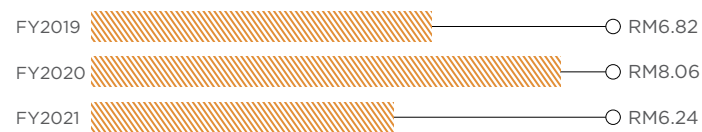


Technical/Functional Training



Training Budget and Utilisation

Approved Training Budget (million)



Budget Utilisation (%)



Average cost/pax



Participations in Physical and Virtual Learning (hours)

Physical Learning



Virtual Learning



CUSTOMER SATISFACTION

For UEM Edgenta, customer satisfaction acts as a crucial benchmark that stimulates business growth. It is also a useful indicator for us to gauge the expectations of our customers, whether we are meeting and exceeding their expectations in health and safety, customer privacy and the impacts of our products and services on our customers. We can decipher the satisfaction level of our customers through feedback and complaints reported to our sales and administrative personnel or from Customer Satisfaction Survey ("CSS").

In ensuring the health, safety and privacy of our customers remain protected, we have developed, monitored and continuously made improvements on safeguarding customers' data to ensure confidentiality and integrity are maintained. As such, UEM Edgenta has incorporated CSS Score as part of its corporate scorecard KPIs that are passed down to each business unit with specific threshold, baseline and stretch targets. The CSS Score allows business units to continuously monitor and improve their relationship with customers as well as improve the quality of services offered to clients.

In addition, customer survey forms are disseminated to customers and tenants every six months to understand the level of satisfaction in the services rendered and to obtain any feedback or concerns. Results of the survey will then be compiled and presented during the management review meeting. Each division has its own assessment criteria for CSS evaluation, including timeliness of services, quality of work, response time and professionalism of our service personnel.

Moving forward, UEM Edgenta will continue to engage with its customers to gain a better understanding and perspective of their needs and expectations, which will enable us to make improvements on areas that may be lacking.

UEM Edgenta achieved an overall average score of 87.0% on its Customer Satisfaction Survey as conducted in 2021.

HUMAN RIGHTS ASSESSMENT

Respect for human rights is incorporated into our employment practices and our values, which are integral to our Business Code of Conduct. This is vital in maintaining our reputation as an ethical company that our stakeholders want to do business with, and that our employees want to work for.

Although we do not have a separate human rights or slavery and human trafficking policy, we look to incorporate a Corporate Statement on Human Rights in our Business Code of Conduct in the near future. Aside from our Business Code of Conduct, we have in place a Business Partner Code of Conduct which obliges our partners to comply with all applicable labour, employment, and human rights legislation, including, but not limited to minimum wage, minimum age for employment, and maximum hours of work. Further, we require our vendors to pledge responsibility in protecting fundamental human rights practices, through our Vendor Letter of Declaration.

SUSTAINABILITY STATEMENT

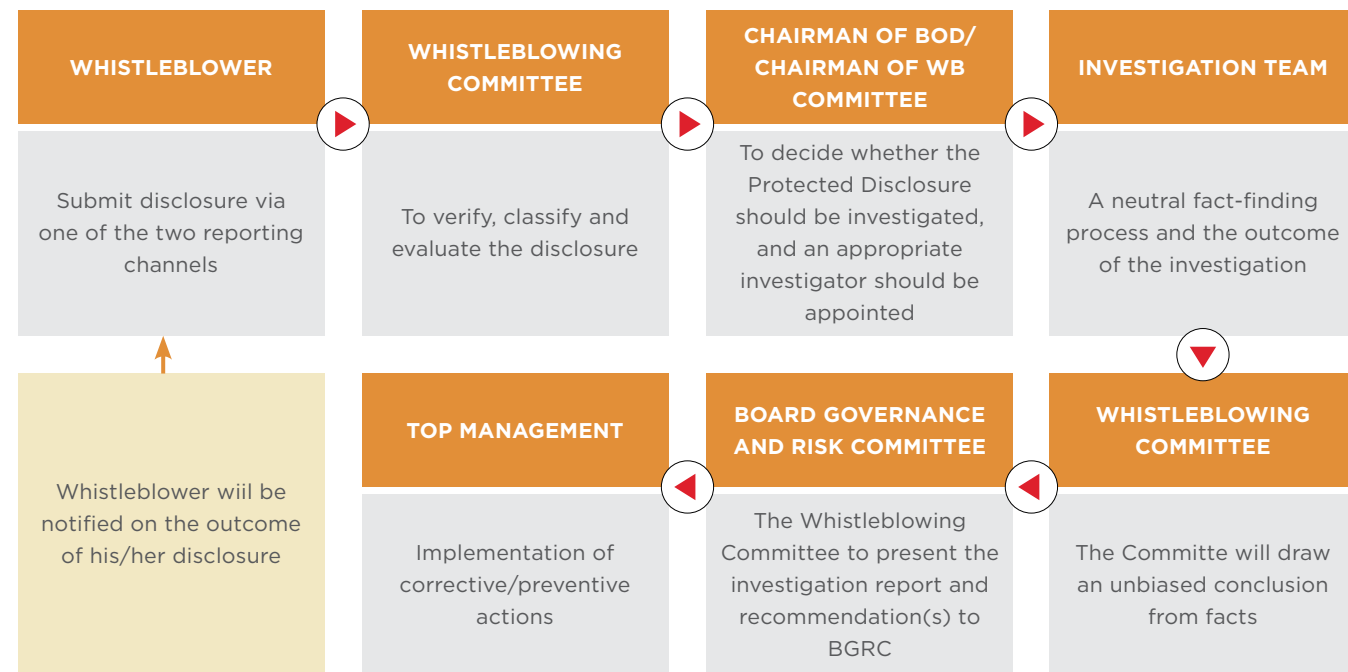
Whistleblowing Policy

Our Whistleblowing Policy has been formulated to enable employees of the Group and members of the public to report instances of unethical behavior, improper conduct, actual or suspected fraud and/or abuse within the Company.

The development of the Policy is aligned with the Whistleblower Protection Act 2010, Companies Act 2016, Malaysian Anti-Corruption Commission Act 2009, Capital Markets and Services Act 2007, Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, Personal Data Protection Act 2010 and all applicable laws and regulations in Malaysia.

Process of Submitting Disclosure

All Company stakeholders including directors, officers, and employees of UEM Edgenta Berhad as well as members of the public are eligible to make Protected Disclosures under the Policy. No unfair treatment will be meted out against a Whistleblower by virtue of him/her having submitted a Protected Disclosure under this policy. The Whistleblowing Committee comprises the Chairman of the BGRC, Head of Risk, Integrity & Compliance, Head of Secretarial, Head of Internal Audit and Head of Legal.

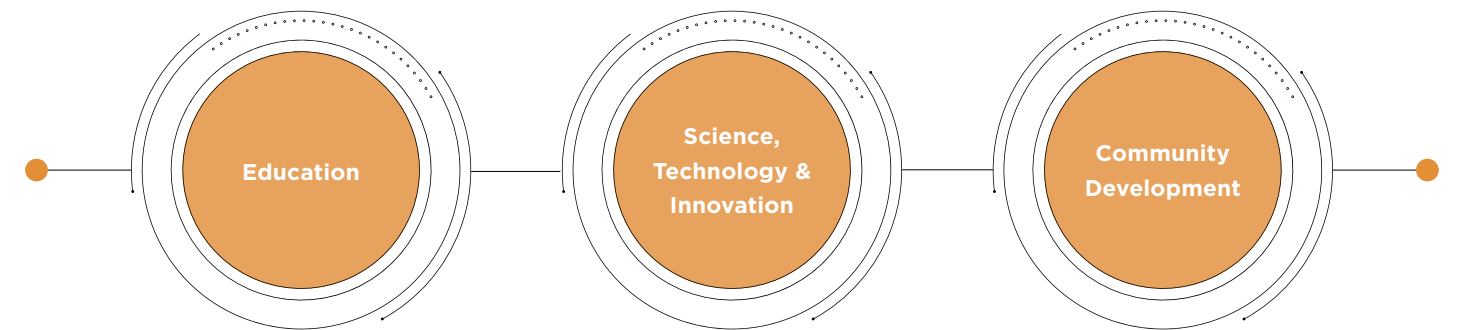


SUSTAINABILITY STATEMENT

LOCAL COMMUNITY

As the region's leading Company in Asset Management & Infrastructure Solutions, we value the ties we have with our stakeholders, especially the communities we operate in. It is vital that we continue to uphold the needs of the community as our way of investing in the relationship we have with stakeholders and to also strengthen the Company's reputation. We are committed to creating meaningful impacts to benefit our communities through partnerships and collaborations.

Guided by our Corporate Responsibility Policy, three key areas are given priority in our community programmes:



SUPPORTING OUR COMMUNITY

UEM Edgenta makes every effort to enhance the quality of life of the communities it operates in and is also aware of its role in conserving the environment. In the year under review, we have established partnerships with non-governmental organisations and local community members to provide welfare needs to underprivileged communities as well as support the conservation of wildlife animals and the environment. We also took the opportunity to engage with our stakeholders and the public to raise awareness of our community programmes and environmental initiatives via print and digital media platforms. As an effort to support community via local employment, UEM Edgenta has in place a Graduate Trainee programme where fresh graduates were provided with on-the-job training and soft skills development.

● ●
Total Beneficiaries of UEM Edgenta's CSR programmes in 2021
7,688 individuals

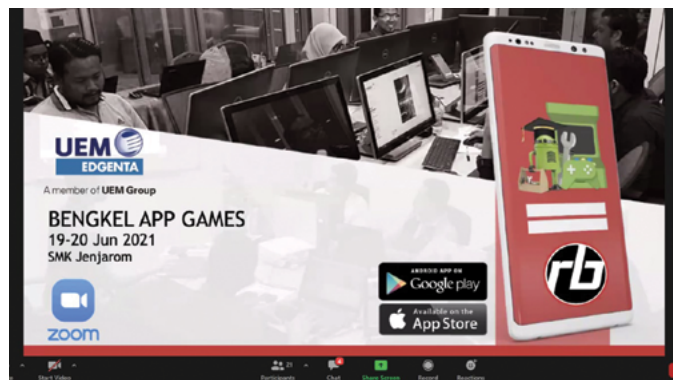
In Singapore, UEMS works hand in hand with local communities where various recruitment activities are conducted to provide job opportunities to locals. UEMS continues to support the local community and enhance its socioeconomic impact by organising various CSR initiatives. UEMS also encourages its employees to take up volunteering works.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

In 2021, UEM Edgenta organised the following key CSR programmes for the communities:

1. Virtual STEM Mobile Apps Workshop with SMK Jenjarom, Selangor



In line with our objective to promote Science, Technology, Engineering and Mathematics (“STEM”) and digital skills among schools and students, UEM Edgenta collaborated with SMK Jenjarom’s STEM club to organise a two-day virtual workshop on developing mobile app games in hope to motivate and inspire the students. About 20 STEM club students participated and learned to develop their own demo of a mobile app game at the workshop.

2. Tree Adoption with Taman Tugu Project



An initiative in partnership with Taman Tugu Project, UEM Edgenta adopted the Mersawa Paya tree, to do its part in conserving the environment. The tree adoption is significant as it falls under the vulnerable category in the International Union for Conservation of Nature Red List and is classified as endangered in the Malaysia Plant Red List since 2010.

3. Animal Adoption Programme at Zoo Negara



In collaboration with Zoo Negara’s ‘Adopt an Animal’ programme, UEM Edgenta is supporting this initiative for the second consecutive year. Through the programme we continued our adoption of a Nubian giraffe pair, ‘Mas Boy’ and ‘Mas Kira’ for another year, contributing to their healthcare and food. We also provided 10 units of visitor benches which will offer rest and support to visitors.

4. Zakat Wakalah Disbursement



As many of our stakeholders are entitled to receive zakat funds in accordance with *Majlis Agama*’s requirements, we organised various programmes that benefited 2,500 of *Asnaf* under the *Al-Gharimin*, *Fisabilillah* and *Asnaf Miskin* categories. The recipients also included deserving UEM Edgenta’s employees and B40 local communities.

Our Support during the COVID-19 Pandemic

During the COVID-19 pandemic, UEM Edgenta supported the local communities and the Government through the following initiatives:

RFID e-Bracelet	Malaysian and non-Malaysian international travellers arriving in Malaysia from high-risk countries are required to wear the e-Bracelet for home quarantine. This allows for real-time monitoring through the HQMS. Integrated with GPS technology, it will trigger alerts and notify authorities of any violations.
Converted UEM Edgenta Learning Centre as a private COVID-19 Assessment & Vaccination Centre	UEM Edgenta repurposed its learning centre into a private COVID-19 Assessment & Vaccination Centre for adolescents and booster vaccinations in partnership with ProtectHealth, MOH and U.N.I Clinic.
Distribution of Food Basket to Employees	We supplied food baskets worth RM200 to employees who were affected by COVID-19 as a way of showing our concern.
UEM Edgenta Ramadan Programme	To lighten the burden of the community during the pandemic, UEM Edgenta carried out its annual Ramadan programme to enable <i>Asnaf</i> families to celebrate the month of Ramadan during COVID-19. We distributed <i>Iftar</i> packs at the Ar-Rahah Mosque located in Pantai Dalam which benefited 400 <i>Asnaf</i> recipients for a week.
Food Basket Programme with PPR Pantai Ria, Pantai Dalam, Selangor	As many communities around us were impacted by COVID-19, we distributed 300 food packs to B40 families residing in PPR Pantai Ria in Pantai Dalam, Selangor, which was one of the areas affected by the Enhanced Movement Control Order in July 2021.

Our organisation will continue to make improvements to ensure its initiatives for sustainability and community investment are in alignment with our Corporate Responsibility Policy. Moving forward, UEM Edgenta will commit to:

- Contribute to the development of the local community to create a positive socio-economic impact
- Continue in our commitment to support local communities under B40 groups through various community engagements and programmes
- Strengthen our support for education for all – particularly in STEM initiatives, schools and university programmes
- Reinforce efforts in creating impactful community programmes through collaborations with non-governmental organisation and local community members
- Evaluate our physical volunteering programmes and explore online volunteering initiatives in view of the COVID-19 pandemic

LEADERSHIP AND GOVERNANCE

LEADERSHIP

Corporate Information	107
Board of Directors	108
Board of Directors' Profile	110
Company Secretary's Profile	120
Executive Leadership	121
Executive Leadership Profile	122
Organisation Structure	126

GOVERNANCE

Corporate Governance Overview Statement	128
Audit Committee Report	146
Additional Compliance Information	149
Statement on Risk Management and Internal Control	150
Corporate Integrity and Ethical Business Conduct	160



CORPORATE INFORMATION

BOARD OF DIRECTORS



Tan Sri Dr. Azmil Khalid Independent Non-Executive Chairman
Syahrulizam Samsudin Managing Director/Chief Executive Officer
Dato' Mohd Izani Ghani Non-Independent Non-Executive Director
Dato' Noorazman Abd Aziz Non-Independent Non-Executive Director
Robert Tan Bun Poo Independent Non-Executive Director
Dato' George Stewart LaBrooy Independent Non-Executive Director
Rowina Ghazali Seth Independent Non-Executive Director
Shirley Goh Independent Non-Executive Director (Appointed on 1 July 2021)
Jenifer Thien Bit Leong Independent Non-Executive Director (Appointed on 1 July 2021)
Mohd Asrul Ab Rahim Non-Independent Non-Executive Director (Appointed on 21 January 2022)
Elakumari Kantilal Non-Independent Non-Executive Director (Resigned on 17 June 2021)
Emily Kok Independent Non-Executive Director (Retired on 17 June 2021)
Wong Shu Hsien Non-Independent Non-Executive Director (Appointed on 1 July 2021 and resigned on 21 January 2022)

AUDIT COMMITTEE

Robert Tan Bun Poo Chairman
Shirley Goh Member (Appointed on 1 July 2021)
Mohd Asrul Ab Rahim Member (Appointed on 21 January 2022)
Elakumari Kantilal Member (Resigned on 17 June 2021)
Emily Kok Member (Retired on 17 June 2021)
Wong Shu Hsien Member (Appointed on 1 July 2021 and resigned on 21 January 2022)

NOMINATION AND REMUNERATION COMMITTEE

Rowina Ghazali Seth Chairperson
Dato' Mohd Izani Ghani Member
Dato' George Stewart LaBrooy Member

BOARD TENDER COMMITTEE

Jenifer Thien Bit Leong Chairperson (Appointed as Member on 1 July 2021 and redesignated as Chairperson on 21 January 2022)
Robert Tan Bun Poo Member
Mohd Asrul Ab Rahim Member (Appointed on 21 January 2022)
Elakumari Kantilal Chairperson (Resigned on 17 June 2021)
Emily Kok Member (Retired on 17 June 2021)
Wong Shu Hsien Chairperson (Appointed on 1 July 2021 and resigned on 21 January 2022)

BOARD GOVERNANCE AND RISK COMMITTEE

Dato' George Stewart LaBrooy Chairman
Dato' Noorazman Abd Aziz Member
Rowina Ghazali Seth Member
Jenifer Thien Bit Leong Member (Appointed on 1 July 2021)
Tan Sri Dr. Azmil Khalid Member (Relinquished membership on 1 July 2021)

BOARD INVESTMENT COMMITTEE*

Dato' Noorazman Abd Aziz Chairman
Tan Sri Dr. Azmil Khalid Member
Shirley Goh Member (Appointed on 1 July 2021)
Emily Kok Member (Retired on 17 June 2021)

* Ad-hoc Board Committee

COMPANY SECRETARY

Chiew Siew Yuen
SSM PC No.: 201908001259
MAICSA 7063781

REGISTERED OFFICE

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

AUDITORS

Ernst & Young PLT (AF: 0039)
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

SHARE REGISTRAR

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

PRINCIPAL BANKERS

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

PRINCIPAL SOLICITORS

Raja, Darryl & Loh
Zul Rafique & Partners

STOCK EXCHANGE LISTING

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

BOARD OF DIRECTORS

BOARD OF DIRECTORS



BIC

TAN SRI DR. AZMIL KHALID
Independent
Non-Executive Chairman



SYAHRUNIZAM SAMSUDIN
Managing Director/
Chief Executive Officer



AC BTC

ROBERT TAN BUN POO
Independent
Non-Executive Director

LEGEND:

- AC** Audit Committee
- NRC** Nomination and Remuneration Committee
- BTC** Board Tender Committee



NRC BGRC

ROWINA GHAZALI SETH
Independent
Non-Executive Director



AC BIC

SHIRLEY GOH
Independent
Non-Executive Director



NRC

DATO' MOHD IZANI GHANI
Non-Independent
Non-Executive Director



BIC BGRC

DATO' NOORAZMAN ABD AZIZ
Non-Independent
Non-Executive Director

BGRC Board Governance and Risk Committee

BIC Board Investment Committee



BGRC NRC

DATO' GEORGE STEWART LABROOY
Independent
Non-Executive Director



BTC BGRC

JENIFER THIEN BIT LEONG
Independent
Non-Executive Director



AC BTC

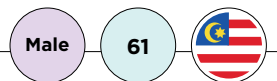
MOHD ASRUL AB RAHIM
Non-Independent
Non-Executive Director

BOARD OF DIRECTORS' PROFILE



TAN SRI DR. AZMIL KHALID

Independent Non-Executive Chairman



QUALIFICATION:

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

ABOUT:

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

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

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

DATE OF APPOINTMENT TO THE BOARD:

24 May 2019

BOARD COMMITTEE MEMBERSHIP:

BIC

Member

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES:

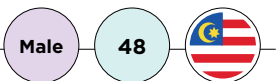
- Reach Energy Berhad (Listed Company)

BOARD OF DIRECTORS' PROFILE



SYAHRUNIZAM SAMSUDIN

Managing Director/Chief Executive Officer



QUALIFICATION:

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

ABOUT:

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

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

DATE OF APPOINTMENT TO THE BOARD:

1 July 2020

BOARD COMMITTEE MEMBERSHIP:

NIL

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES:

- Opus Group Berhad

BOARD OF DIRECTORS' PROFILE



DATO' MOHD IZANI GHANI

Non-Independent Non-Executive Director

Male 54

QUALIFICATION:

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

ABOUT:

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

He has over 29 years of investment and management experience. Prior to joining UEM Group, Dato' Mohd Izani was the Executive Director, Investments at Khazanah Nasional Berhad ("Khazanah") where he oversaw its Turkey Regional Office. He was formerly Khazanah's Chief Financial Officer where under his leadership, the Government's strategic investment arm issued many landmark sukuk transactions including exchangeable and Social Impact Sukuk. He had also previously served at Putrajaya Holdings Sdn. Bhd. and Renong Group.

Dato' Mohd Izani is a member of the Board of Governors of Kolej Yayasan UEM and a Board of Trustee of Yayasan UEM. He is a Board member of Institut Jantung Negara Sdn. Bhd. and Samsung C&T Corporation UEM Construction JV Sdn. Bhd.

He is also the Chairman of the Board of Konsortium ProHAWK Sdn. Bhd., a 65% owned subsidiary of UEM Group and Chairman of the Board of Unipati Concrete Sdn. Bhd., a wholly-owned subsidiary of Cement Industries of Malaysia Berhad.

DATE OF APPOINTMENT TO THE BOARD:

22 October 2019

BOARD COMMITTEE MEMBERSHIP:

NRC

Member

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES:

- UEM Sunrise Berhad (Listed Company)
- UEM Group Berhad
- UEM Builders Berhad
- Cement Industries of Malaysia Berhad
- PLUS Expressways International Berhad
- PLUS Malaysia Berhad
- Projek Lebuhraya Usahasama Berhad
- Yayasan UEM
- International Centre for Education in Islamic Finance

BOARD OF DIRECTORS' PROFILE



DATO' NOORAZMAN ABD AZIZ

Non-Independent Non-Executive Director

Male 66

QUALIFICATION:

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

ABOUT:

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

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

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

DATE OF APPOINTMENT TO THE BOARD:

2 October 2018

BOARD COMMITTEE MEMBERSHIP:

BIC

Chairman

BGRC

Member

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES:

- UEM Sunrise Berhad (Listed Company)
- Kumpulan Perangsang Selangor Berhad (Listed Company)
- CTOS Digital Berhad (Listed Company)
- PLUS Malaysia Berhad
- Yayasan UEM

BOARD OF DIRECTORS' PROFILE



ROBERT TAN BUN POO

Independent Non-Executive Director

Male 71

QUALIFICATION:

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

ABOUT:

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 47 years of audit experience in serving both private and public companies, locally and internationally, in industries which included banking, insurance, construction and property development, manufacturing and engineering.

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

Robert Tan was a council member of MICPA and served as a member in the Accounting and Auditing Technical Committee, Financial Statements Review Committee and Investigation Committee of MICPA. He was a Board member of the Auditing & Assurance Standards Board of Malaysian Institute of Accountants since its inception to year 2021.

DATE OF APPOINTMENT TO THE BOARD:

9 May 2013

BOARD COMMITTEE MEMBERSHIP:

AC Chairman
BTC Member

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES:

- RCE Capital Berhad (Listed Company)

BOARD OF DIRECTORS' PROFILE



DATO' GEORGE STEWART LABROOY

Independent Non-Executive Director

Male 70

QUALIFICATION:

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

ABOUT:

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

An esteemed and renowned property professional, he has over 45 years of experience in industrial design, manufacturing, operations management, property development, REIT and funds management. He is a prominent speaker on the subject of real estate investment trusts and has presented numerous papers at conferences globally.

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

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

DATE OF APPOINTMENT TO THE BOARD:

1 December 2017

BOARD COMMITTEE MEMBERSHIP:

BGRC Chairman
NRC Member

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES:

- Nil

BOARD OF DIRECTORS' PROFILE



ROWINA GHAZALI SETH

Independent Non-Executive Director

Female 60

QUALIFICATION:

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

ABOUT:

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

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

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

DATE OF APPOINTMENT TO THE BOARD:

1 August 2018

BOARD COMMITTEE MEMBERSHIP:

NRC **BGRC**

Chairperson Member

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES:

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

BOARD OF DIRECTORS' PROFILE



SHIRLEY GOH

Independent Non-Executive Director

Female 62

QUALIFICATION:

- Member of The Malaysian Institute of Certified Public Accountants (MICPA)
- Member of Malaysian Institute of Accountants (MIA)

ABOUT:

Shirley retired from PricewaterhouseCoopers Malaysia at the end of June 2020 after 41 years, including 24 years as a partner. During her time in the firm, she was a long serving member of the Assurance Executive Team and was elected by the Partners to the Oversight Board in 2016, which she chaired for 4 years up to June 2020.

Shirley has over 40 years of experience in providing audit and business advisory services to a diverse range of clients, which include local enterprises and conglomerates as well as multinational companies in financial services, healthcare, property development, poultry farming, retail, services and many others. She has also worked with clients with large overseas operations in countries such as China, India, Singapore, Vietnam and Indonesia.

In recent years, she has also undertaken many advisory assignments which include advising her clients on listing requirements of Initial Public Offers (IPOs) on local and overseas Exchanges, fund raising exercises, mergers and acquisitions and other corporate restructuring activities.

DATE OF APPOINTMENT TO THE BOARD:

1 July 2021

BOARD COMMITTEE MEMBERSHIP:

AC **BIC**

Member Member

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES:

- Malayan Banking Berhad (Listed Company)

BOARD OF DIRECTORS' PROFILE



JENIFER THIEN BIT LEONG

Independent Non-Executive Director

Female 54

QUALIFICATION:

- BSc. in Food Science & Technology, Universiti Putra Malaysia

ABOUT:

Jenifer is the Founder and Principal of Grit and Pace, through which she advises corporations on ESG and what it takes to drive change in supply chain, procurement and operational excellence.

She has over 30 years of international C-suite experience in the consumer packaged goods industry and had the opportunity to live and work in a number of countries across Asia and the US. This includes 25 years with Mars Incorporated where she has held leadership positions in supply chain, procurement, sustainability, regulatory and risk management. Her last role with Mars Inc. was as the Global Chief Procurement Officer. She has successfully led complex business transformation and sustainability programs through her deep understanding of the business enterprise, the ability to bring the right capability together, as well as intensive stakeholder engagement.

Prior to Mars Inc., Jenifer was attached with Cadbury Confectionery Malaysia and Sime Darby Plantation in various Manufacturing, Quality Assurance and R&D roles.

Jenifer is also an alumnus of executive programs at the Global Competent Boards, London Business School, Harvard Business School and Center for Creative Leadership.

DATE OF APPOINTMENT TO THE BOARD:

1 July 2021

BOARD COMMITTEE MEMBERSHIP:

BTC **BGRC**

Chairperson Member

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES:

- Nil

BOARD OF DIRECTORS' PROFILE



MOHD ASRUL AB RAHIM

Non-Independent Non-Executive Director

Male 40

QUALIFICATION:

- BSc. in Accounting and Finance, London School of Economics and Political Science, United Kingdom
- Fellow member of Institute of Chartered Accountants in England and Wales (ICAEW)
- Member of Malaysian Institute of Accountants (MIA)

ABOUT:

Asrul Rahim is currently a Senior Vice President in the Investments division of Khazanah Nasional Berhad. His work experience spanned multiple industries including healthcare, infrastructure and automotive.

Asrul started his career with PricewaterhouseCoopers (PwC) in London focusing on assurance practice covering global clients in broad industries portfolio including healthcare, energy, property, and consumer retail. He later joined PwC Capital in KL specializing in corporate finance advisory. He was also a General Manager with DRB-HICOM Berhad heading its corporate strategy and business development functions.

DATE OF APPOINTMENT TO THE BOARD:

21 January 2022

BOARD COMMITTEE MEMBERSHIP:

AC **BTC**

Member Member

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES:

- Cenergi SEA Berhad

Notes:

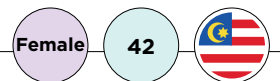
- **Family Relationship with Director and/or Major Shareholder**
None of the Directors have any family relationship with any other Director and/or major shareholder of UEM Edgenta.
- **Conflict of Interest**
None of the Directors have any conflict of interest with UEM Edgenta.
- **Conviction of Offences**
None of the Directors have been convicted for offences within the past 5 years other than traffic offences, if any.
- **Public Sanction/Penalty**
None of the Directors have any public sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2021.

COMPANY SECRETARY'S PROFILE



CHIEW SIEW YUEN

Head, Secretarial,
UEM Edgenta Berhad



QUALIFICATION:

- Associate Member of Malaysian Institute of Chartered Secretaries and Administrators

ABOUT:

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

DATE OF APPOINTMENT:

23 July 2014

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC COMPANIES:

- Nil

EXECUTIVE LEADERSHIP



CHUA YONG HOWE
Chief Digital Officer,
UEM Edgenta Berhad

RAIS IMRAN
Chief Strategy Officer,
UEM Edgenta Berhad

SYAHRUNIZAM SAMSUDIN
Managing Director/
Chief Executive Officer,
UEM Edgenta Berhad

HILLARY CHUA PEI SUM
Chief Financial Officer,
UEM Edgenta Berhad

RAZMAN ISMAIL
Chief People Officer,
UEM Edgenta Berhad



TAN CHEH TIAN
Chief Executive Officer,
UEMS Singapore & Taiwan

SHARIMAN YUSUF MOHAMED ZAIN
Head, Infrastructure Services
Managing Director,
Edgenta PROPEL Berhad

DR. NIK FAWAZ NIK ABDUL AZIZ
Head, Edgenta Healthcare
Solutions
Managing Director,
Edgenta Mediserve Sdn. Bhd.

IR. VEKNESWARAN T. ARASAPPAN
Head, Property & Facility
Solutions,
Managing Director,
Edgenta Greentech Sdn. Bhd.

IR. DR. TONY CHAN
Managing Director,
Opus International (M) Berhad

EXECUTIVE LEADERSHIP PROFILE

EXECUTIVE LEADERSHIP PROFILE

SYAHRUNIZAM SAMSUDIN

Managing Director/Chief Executive Officer,
UEM Edgenta Berhad



Male

48



Please refer to his profile in the Board of Directors' Profile on page 111.

HILLARY CHUA PEI SUM

Chief Financial Officer,
UEM Edgenta Berhad



Female

46



DATE OF APPOINTMENT: 15 October 2020

PROFESSIONAL QUALIFICATIONS:

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

PRESENT DIRECTORSHIP(S) IN LISTED ENTITY/OTHER PUBLIC COMPANIES:

- Opus International (M) Berhad
- Opus Group Berhad

WORKING EXPERIENCES:

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

RAIS IMRAN

Chief Strategy Officer,
UEM Edgenta Berhad



Male

39



DATE OF APPOINTMENT: 22 February 2021

PROFESSIONAL QUALIFICATIONS:

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

PRESENT DIRECTORSHIP(S) IN LISTED ENTITY/OTHER PUBLIC COMPANIES:

- Nil

WORKING EXPERIENCES:

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

RAZMAN ISMAIL

Chief People Officer,
UEM Edgenta Berhad



Male

51



DATE OF APPOINTMENT: 1 November 2019

PROFESSIONAL QUALIFICATIONS:

- Bachelor's Degree in Management majoring in Human Resources, Universiti Sains Malaysia
- Associate Qualification in Islamic Finance ("AQIF") by Islamic Banking & Finance Institute Malaysia ("IBFIM")

PRESENT DIRECTORSHIP(S) IN LISTED ENTITY/OTHER PUBLIC COMPANIES:

- Nil

WORKING EXPERIENCES:

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

CHUA YONG HOWE

Chief Digital Officer,
UEM Edgenta Berhad



Male

44



DATE OF APPOINTMENT: 18 January 2021

PROFESSIONAL QUALIFICATIONS:

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

PRESENT DIRECTORSHIP(S) IN LISTED ENTITY/OTHER PUBLIC COMPANIES:

- Nil

WORKING EXPERIENCES:

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

Declaration:

Family Relationship with Director and/or Major Shareholder

- None of the Key Senior Management has any family relationship with any Director and/or major shareholder of UEM Edgenta

Conflict of Interest

- None of the Key Senior Management has any conflict of interest with UEM Edgenta

Conviction of Offences

- None of the Key Senior Management has been convicted for offences within the past five years other than traffic offences, if any

Public Sanction/Penalty

- None of the Key Senior Management has any public sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2021

- None of the Key Senior Management holds any share in the Company as at 31 December 2021

EXECUTIVE LEADERSHIP PROFILE

EXECUTIVE LEADERSHIP PROFILE

DR. NIK FAWAZ NIK ABDUL AZIZ

Head, Edgenta Healthcare Solutions
Managing Director, Edgenta Mediserve Sdn. Bhd.



DATE OF APPOINTMENT: 22 October 2021

PROFESSIONAL QUALIFICATIONS:

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

PRESENT DIRECTORSHIP(S) IN LISTED ENTITY/OTHER PUBLIC COMPANIES:

- Nil

WORKING EXPERIENCES:

- October 2021 - Present: Head, Edgenta Healthcare Solutions, Managing Director, Edgenta Mediserve Sdn. Bhd.
- December 2019 - October 2021: Head, Healthcare Support (Concession), Managing Director, Edgenta Mediserve Sdn. Bhd.
- June 2018 - December 2019: Chief Operating Officer, Healthcare Support (Concession), Edgenta Mediserve Sdn. Bhd.
- August 2016 - May 2018: Chief Executive Officer, Cardiac Vascular Sentral Kuala Lumpur Sdn. Bhd.
- May 2014 - August 2016: Head of Medical Affairs and Quality, Parkway Pantai-Malaysia Operations (Subsidiary of IHH Healthcare Berhad)
- January 2013 - July 2014: Chief Operating Officer, Pantai Hospital Batu Pahat
- July 2012 - December 2012: Head of Business Development Unit, Imaging and Facilities and Maintenance, Pantai Hospital Kuala Lumpur
- February 2011 - June 2012: Head of Business Development, Prince Court Medical Centre Sdn. Bhd.
- February 2005 - February 2011: Medical Practitioner with National Health Service (NHS), United Kingdom

IR. VEKNESWARAN T. ARASAPPAN

Head, Property & Facility Solutions
Managing Director, Edgenta Greentech Sdn. Bhd.



DATE OF APPOINTMENT: 1 January 2022

PROFESSIONAL QUALIFICATIONS:

- MSc. in Energy, Heriot-Watt University, UK
- MBA in Finance, University of Southern Queensland, Australia
- B.E. (Hons) Mechanical, UPM
- Registered Professional Engineer with Practicing Certificate with the Board of Engineers Malaysia
- Registered Chartered Engineer with the Engineering Council, United Kingdom
- Registered European Engineer with the European Federation of National Engineering Associations
- Corporate Member of The Institution of Engineers, Malaysia
- Member of the Chartered Institution of Building Services Engineers, UK
- Member of the American Society of Heating, Refrigerating and Air-Conditioning Engineers

PRESENT DIRECTORSHIP(S) IN LISTED ENTITY/OTHER PUBLIC COMPANIES:

- Nil

WORKING EXPERIENCES:

- January 2022 - Present: Head, Property & Facility Solutions, Managing Director, Edgenta Greentech Sdn. Bhd.
- April 2021 - December 2021: Head of Information Technology, UEM Edgenta Bhd.
- September 2018 - April 2021: Head of Technology & Innovation, UEM Edgenta Bhd.
- May 2015 - August 2018: Head of Business Solutions (Technology), UEM Edgenta Berhad
- June 2009 - May 2015: Head of Technical Development (Sustainability), Faber Group Bhd.
- August 2008 - May 2009: Asst. Manager Regional Operations, Faber Medi-Serve Sdn. Bhd.
- September 2007 - July 2008: Project Engineer, Prince Court Medical Centre
- February 2006 - August 2007: Project Engineer, Sheikh Khalifa Medical City, Abu Dhabi, United Arab Emirates
- January 2001 - January 2006: Senior Mechanical Engineer, Faber Medi-Serve Sdn. Bhd.
- July 1999 - December 2000: Mechanical Engineer, PROPEL-Johnson Controls Sdn. Bhd.

SHARIMAN YUSUF MOHAMED ZAIN

Head, Infrastructure Services
Managing Director, Edgenta PROPEL Berhad



DATE OF APPOINTMENT: 17 March 2020

PROFESSIONAL QUALIFICATIONS:

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

PRESENT DIRECTORSHIP(S) IN LISTED ENTITY/OTHER PUBLIC COMPANIES:

- Edgenta PROPEL Berhad

WORKING EXPERIENCES:

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

IR. DR. TONY CHAN

Managing Director,
Opus International (M) Berhad



DATE OF APPOINTMENT: 2 May 2021

PROFESSIONAL QUALIFICATIONS:

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

PRESENT DIRECTORSHIP(S) IN LISTED ENTITY/OTHER PUBLIC COMPANIES:

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

WORKING EXPERIENCES:

- 2021 - Present: Managing Director, Opus International (M) Berhad
- 2020 - Present: Industry Panel Advisor for Civil Engineering Faculty, SEGi University & Colleges
- 2018 - 2021: Chief Operating Officer, Opus International (M) Berhad
- 2019 - 2021 - Institution of Civil Engineers (ICE) UK Country Representative
- 2015 - 2018: Group General Manager, Engineering & Technical, MMC Corporation Berhad
- 2013 - 2015: Country Head & Business Strategy, ATKINS Singapore
- 2012 - 2013: Regional Head of Water Sector, ATKINS Singapore
- 2010 - 2012: Business Development Manager, Water & Infrastructure, Mott MacDonald, Singapore
- 2007 - 2010: MWRI Egypt, Millennium Development Goal Specialist, World Bank
- 2006 - 2007: International Development Consultant, Mott MacDonald Group, United Kingdom
- 2003 - 2006: Flood Risk Management Consultant, ATKINS Ltd., United Kingdom
- 2000 - 2003: Urban & Infrastructure Consultant, SSP Sdn. Bhd., Malaysia
- 1998 - 2000: Assistant Professor in Construction Materials, Loughborough University, United Kingdom

TAN CHEH TIAN

Chief Executive Officer,
UEMS Singapore & Taiwan



DATE OF APPOINTMENT: 1 September 2021

PROFESSIONAL QUALIFICATIONS:

- Master of Science (Estate Management), National University of Singapore
- Bachelor of Science (Estate Management) (2nd Upper Honours), National University of Singapore
- Member, Singapore Institute of Surveyors & Valuers ("SISV"), Singapore
- Member, Association of Property & Facility Managers ("APFM"), Singapore
- Certified Property and Facility Manager (Registered), Association of Property & Facility Managers ("APFM"), Singapore

PRESENT DIRECTORSHIP(S) IN LISTED ENTITY/OTHER PUBLIC COMPANIES:

- Nil

WORKING EXPERIENCES:

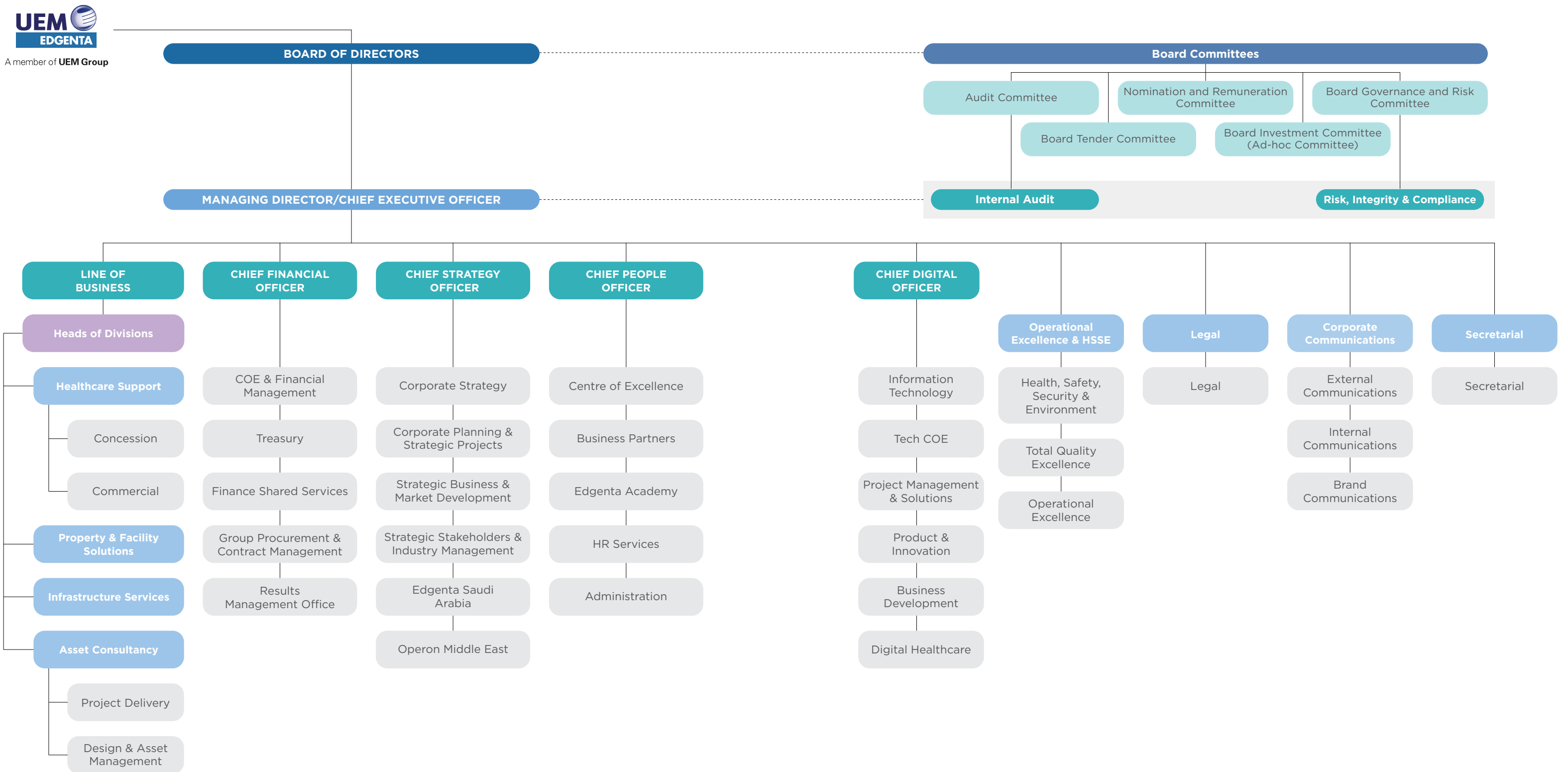
- September 2021 - Present: Chief Executive Officer, UEMS Singapore & Taiwan
- April 2018 - Aug 2021: Chief Operating Officer, Healthcare Support (Commercial), UEMS Pte. Ltd.
- April 2012 - Aug 2021: General Manager, UEMS Solutions Pte. Ltd. (UEMS Singapore)
- October 2012- Present: Key Executive Officer ("KEO"), UEMS Solutions Pte. Ltd., Council of Estate Agencies ("CEA"), Singapore and Licensed Salesperson (R028841E), Council of Estate Agencies, Singapore
- April 2009 - April 2012: Director of Facilities Management and Director of Corporate Real Estate at UGL Services Premas Operations Limited, Singapore [now known as C&W Services (S) Pte. Ltd., Singapore]
- June 2005 - April 2009: General Manager (Property & Asset Management) at Exceltec Property Management Pte. Ltd., Singapore
- May 1996 - Jun 2005: Holding various senior roles such as Head of Building & Tender, Head of Planning & Development, Head of Property Management (Building), and Head of Building Management at the Singapore Land Authority and Land Office, Singapore

ORGANISATION STRUCTURE

As at 31 March 2022

ORGANISATION STRUCTURE

As at 31 March 2022



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

This Corporate Governance Overview Statement (“Statement”) sets out, amongst other things, our approach to governance in practice, how the Board works, and how it has spent its time during the year. The Board recognises the importance of the application of the Malaysian Code on Corporate Governance 2021 (“the Code”), effective stewardship and strong corporate values that contribute to the success of the Company. The values your Board believes in are demonstrably embedded throughout the organisation. Your Company is headed by an effective Board that is collectively responsible for its long-term success and ensures that it operates effectively and efficiently and remains committed to maintain strong momentum in pursuit of excellence in the way your Company is governed. Your Board is satisfied that each Board member is able to devote sufficient time to the Company.

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



BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

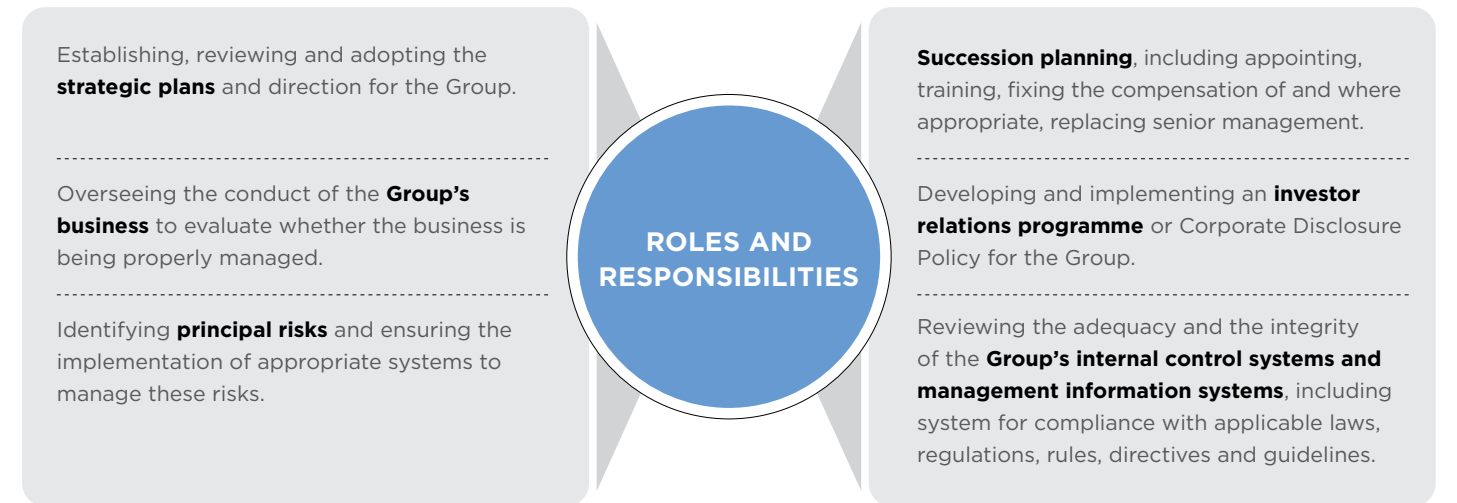
A Strengthened Governance Framework

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

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

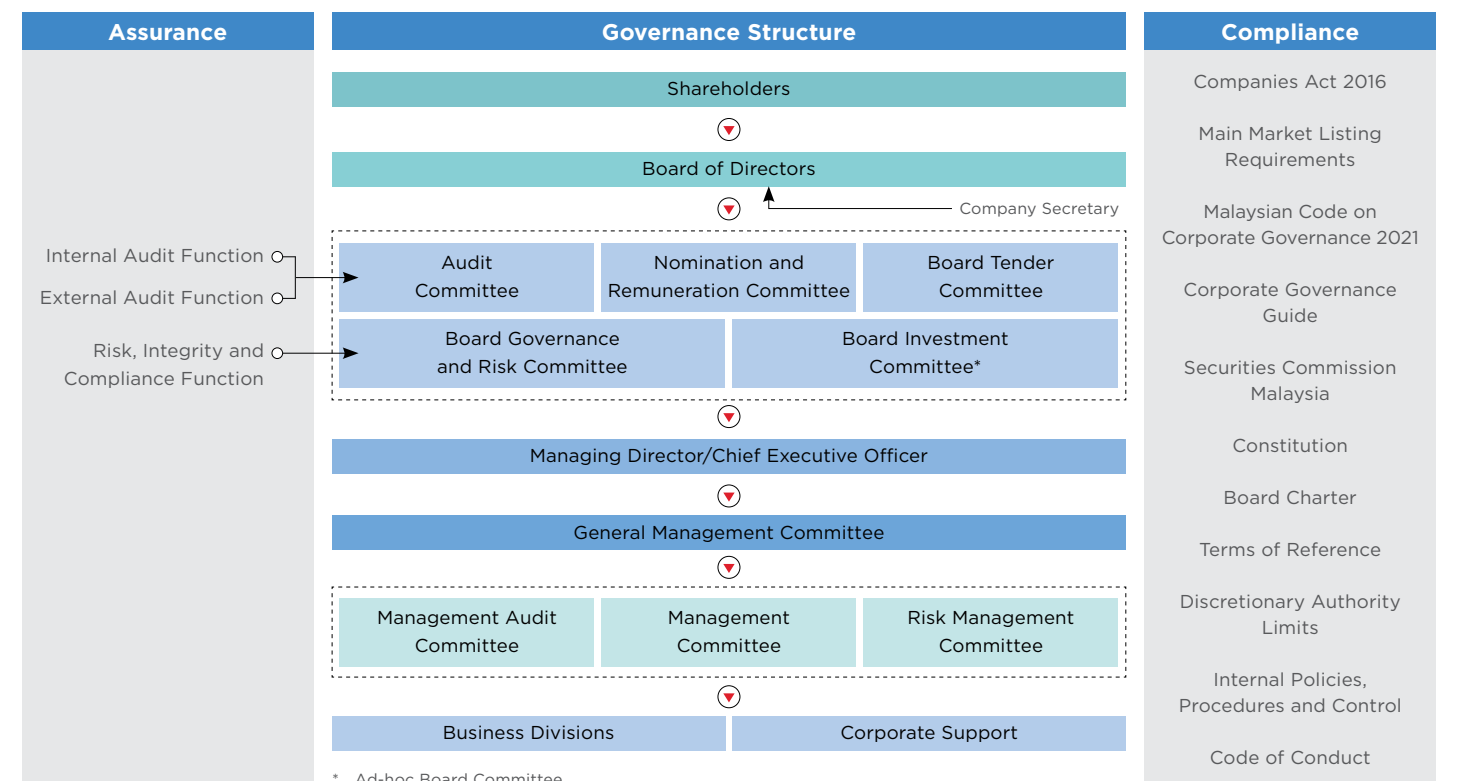
CORPORATE GOVERNANCE OVERVIEW STATEMENT

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



The Board had on 25 November 2021 approved the formalisation of the following Corporate Governance Framework, which entails the key elements of Group-wide Framework on Corporate Governance. The framework containing 2 sections i.e. the Corporate Governance Structure and list of policies/documents are not new, but to combine the items all together in one place for easy overview and reference to guide the governance practices and authority of decision-making across the Group.

The Corporate Governance Framework can be found at the Company’s website.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

LEADERSHIPS AND CULTURE

ALIGNMENT OF STRATEGY AND PRIORITIES ACROSS THE GROUP

CODE OF CONDUCT

CODE OF CONDUCT
ETHIC • INTEGRITY • ACCOUNTABILITY

At the Workplace	Regulations	Working with External Stakeholders
<ul style="list-style-type: none"> Work Culture Conflict of Interest 	<ul style="list-style-type: none"> Anti-Competition Data Privacy & Protection Intellectual Property & Confidential Information Money Laundering & Terrorism Financing 	<ul style="list-style-type: none"> Bribery & Corruption Gifts & Business Entertainment Dealings with Government & Local Authorities Working with Suppliers & Business Partners

CORE VALUE

F FUTURE FOCUSED 	I IMAGINE NEW WAYS 	R RESPECT FOR ALL 	S SOLUTIONING MINDSET 	T TRUE TO OUR WORD
we prepare for tomorrow's challenges, today	we imagine new ways to deliver better work	we treat our colleagues & stakeholders with respect	we solve challenges to deliver results	we are guided by integrity to build trust

GENERAL MANAGEMENT COMMITTEE

Members	Key Roles
<ul style="list-style-type: none"> Chaired by Managing Director/Chief Executive Officer (MD/CEO) Comprised of senior management team members from respective divisions 	<ul style="list-style-type: none"> Drive strategic execution Deliberate and resolve the Group's key strategic & operational issues in a timely manner Keep track of key business developments Monitor the Group's strategic direction Platform for members to report their respective business and operation plans to the MD/CEO Highlight issues and devise solutions/corrective plans Address other matters as directed by the Board and/or the MD/CEO

GROUP GOVERNANCE STRUCTURE AND POLICIES & PROCEDURES

AUTHORITY AND DECISION LIMITS WITHIN THE GROUP

POLICIES AND PROCEDURES

Anti-Bribery and Anti-Corruption Policy Statement	Whistleblowing Policy
Sustainability Policy	Corporate Responsibility Policy
Anti-Bribery and Anti-Corruption Guide	Corporate Disclosure Policy
Social Media Policy	Conflict of Interest Procedures & Conflict of Interest Declaration Guide

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

KEY FEATURES OF RISK MANAGEMENT FRAMEWORK

RISK APPETITE
the amount of risk that the Company is prepared to accept or retain in pursuit of its business objectives and value

Risk Assessment Methodology

Risk Governance and Structure

Clarify objectives

Communicate

Establish context

Monitor, review & report risks

Identify risks

Respond to risks

Assess risks

Respond to risks

Policy & review

Board of Directors

Board Governance and Risk Committee

Risk Management Committee

Risk, Integrity & Compliance Department

Risk Owners (Company/Joint Venture/Business Unit/Division/Department/Function/Project/Process & etc.)

Risk Management Unit Committee

Information & risk reporting

DISCRETIONARY AUTHORITY LIMITS

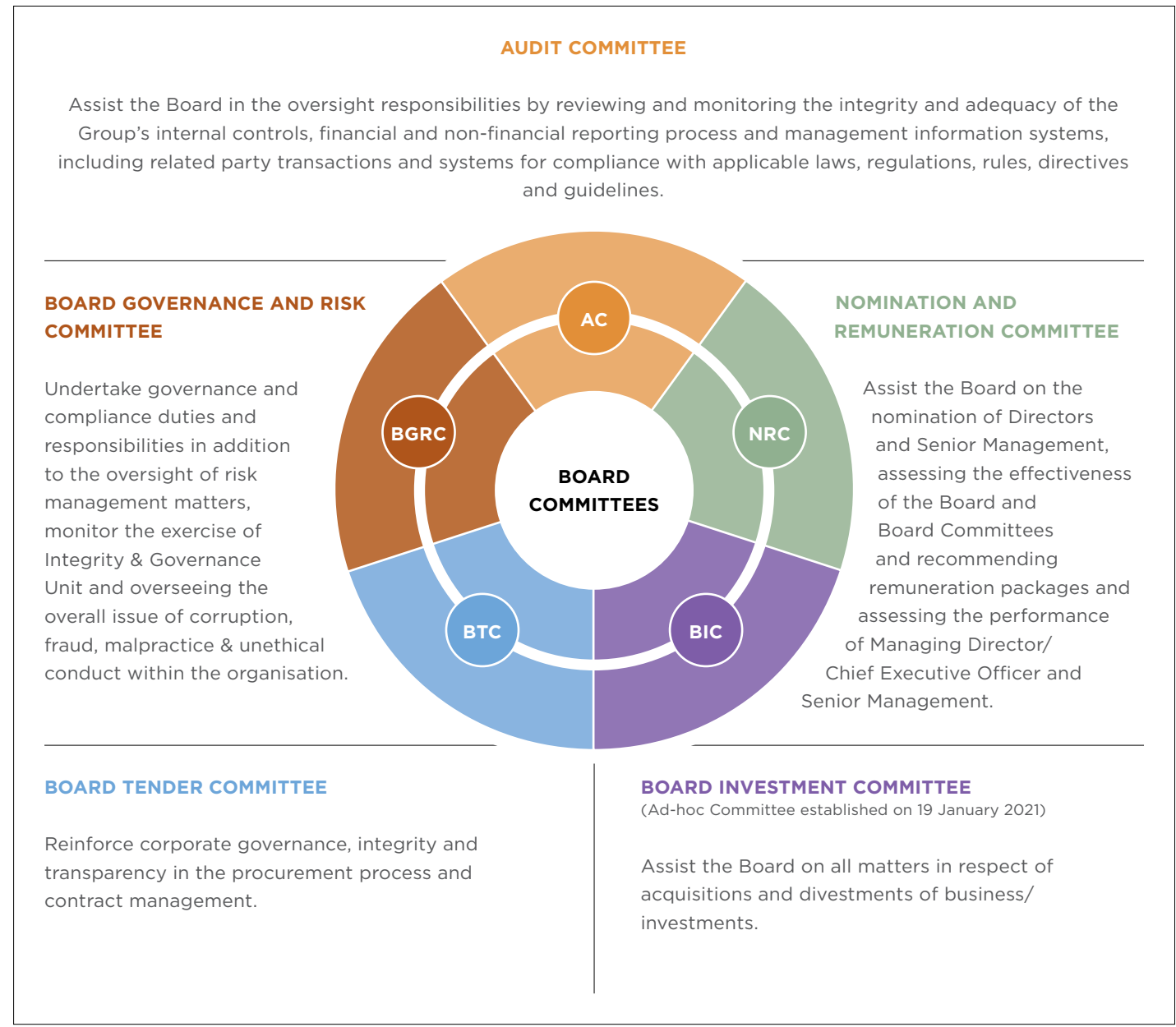
Strategic Management	Investment and Divestment
Revenue Related - Contracts/Project and Tender	Procurement and Expenses
Human Capital Matters	Secretarial Matters
Legal Matters	Finance and Treasury

Note: Corporate Governance Framework is applicable to UEM Edgenta Berhad and its subsidiaries only.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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



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

Board Focus Areas

The Board is responsible for ensuring that the Company is appropriately managed and achieves the strategic objectives that it sets. For the financial year end, the Board discharged its responsibilities through an annual programme of meetings which was planned ahead in the fourth quarter of 2020. The annual Board meeting calendar is then communicated to the Directors prior to the commencement of the new financial year. Special meetings are convened as and when required.

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

- 1 Strategic Plans and Direction**
 - Reviewed and approved:-
 - The Annual Operating Plan, Corporate Scorecard and Managing Director/Chief Executive Officer Scorecard.
 - The proposed restructuring of Edgenta NXT Sdn Bhd.
 - Edgenta Digital Strategy Plan.
 - Edgenta of the Future 2025 strategy.
 - Proposed Monetization Plan.
 - Proposed Divestment of Property Development Group of Companies.
 - Proposed entry to new market.
 - Proposed acquisition of waste management business.
 - Set-up of Management Services Company.
 - Proposed Oracle ERP Enhancement Project.
 - The COVID-19 Management Programme at Primary Care Level.
 - Proposed partnership with Sarawak Economic Development Corporation.
 - Memorandum of Understanding between Opus International (M) Berhad and JKR Sarawak.
- 2 Health, Safety, Security and Environment**
 - Reviewed the Health, Safety, Security and Environment Report on quarterly basis.
 - Reviewed the activities of the COVID-19 response team of the Company including the COVID-19 playbook.
- 3 Overseeing the Conduct of the Group's Business**
 - Reviewed and approved the revised Discretionary Authority Limits.
- 4 Risk Management**
 - Reviewed the whistleblowing statuses.
 - Reviewed the recommendation from BGRC and approved the following:-
 - Risk Management Status Report on quarterly basis.
 - Integrity & Compliance Reports.
 - Integrity & Compliance Plan.
 - Anti-Bribery and Anti-Corruption Policy Statement.
- 5 Financial Statements**
 - Reviewed the recommendation from AC and approved the quarterly financial results and audited financial statements.
 - Met up with the External Auditors for the presentation of their reports.
 - Reviewed the re-appointment of External Auditors.
- 6 Succession Planning for Senior Management**
 - Reviewed and approved the confirmation of the following Senior Managements/critical positions:-
 - Chief Financial Officer
 - Chief Digital Officer
 - Chief Strategy Officer
 - Head of Internal Audit
 - Reviewed and approved:-
 - The promotion of Senior Management of Grade UT2 & above.
 - Senior Management Remuneration Framework.
 - The renewal of fixed-term employment contract of Senior Management of Grade UT2 & above.
 - The Total Compensation Framework.
 - Updates on Succession Management Plan.
- 7 Governance/Compliance**
 - Reviewed and formalised the set-up of Board Investment Committee.
 - Reviewed and adopted:-
 - The Anti-Bribery and Anti-Corruption Policy Statement.
 - The Policy for Engagement of Auditors for Non-Audit Services.
 - The Intellectual Property Policy.
 - Procurement Policy.
- 8 Human Resource**
 - Reviewed and approved:-
 - Senior Management Remuneration Framework.
 - Revised Policy for Business Travel Accommodation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

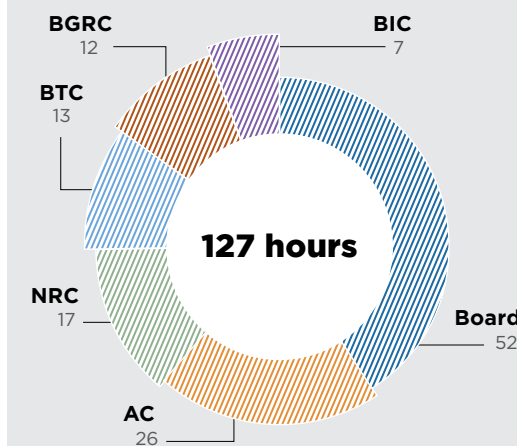
CORPORATE GOVERNANCE OVERVIEW STATEMENT

MEETING ATTENDANCE FOR FINANCIAL YEAR 2021

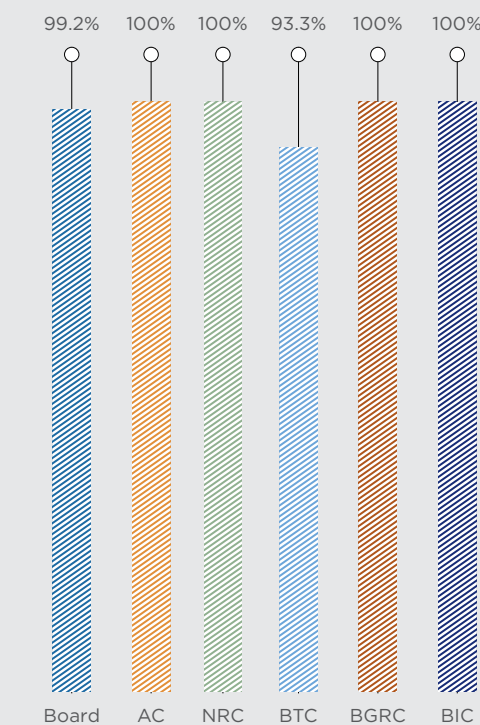
Members

	BOD	AC	NRC	BTC	BGRC	BIC
Tan Sri Dr. Azmil Khalid Independent Non-Executive Chairman	12/13	-	-	-	-	4/4
Syahrulizam Samsudin Managing Director/Chief Executive Officer	13/13	-	-	-	-	-
Dato' Mohd Izani Ghani* Non-Independent Non-Executive Director	13/13	-	8/8	-	-	-
Dato' Noorazman Abd Aziz Non-Independent Non-Executive Director	13/13	-	-	-	5/5	4/4
Robert Tan Bun Poo** Independent Non-Executive Director	13/13	5/5	-	8/10	-	-
Dato' Stewart LaBrooy Independent Non-Executive Director	13/13	-	8/8	-	5/5	-
Rowina Ghazali Seth Independent Non-Executive Director	13/13	-	8/8	-	5/5	-
Shirley Goh** Independent Non-Executive Director <i>(Appointed on 1 July 2021)</i>	5/5	2/2	-	-	-	2/2
Jenifer Thien Bit Leong Independent Non-Executive Director <i>(Appointed on 1 July 2021)</i>	5/5	-	-	3/3	2/2	-
Wong Shu Hsien Non-Independent Non-Executive Director <i>(Appointed on 1 July 2021)</i>	5/5	2/2	-	3/3	-	-
Elakumari Kantilal* Non-Independent Non-Executive Director <i>(Resigned on 17 June 2021)</i>	8/8	3/3	-	7/7	-	-
Emily Kok Independent Non-Executive Director <i>(Retired on 17 June 2021)</i>	8/8	3/3	-	7/7	-	2/2

TOTAL MEETING HOURS



AVERAGE MEETING ATTENDANCE



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

LEGEND:
 © Chairman of Board Committee
 M Member of Board Committee
 ● Board
 ● Audit Committee

● Nomination and Remuneration Committee
 ● Board Tender Committee
 ● Board Governance and Risk Committee
 ● Board Investment Committee

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Nomination and Remuneration Committee (“NRC”)

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

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

<p>Board Composition and Succession Planning</p>	<ul style="list-style-type: none"> Reviewed the mix of Directors to ensure high standard of Board performance and succession for both Executive and Non-Executive Directors in the event of any deficiency. Examined the structure, size and composition of the Board with a view to determine the number of Directors on the Board in relation to its effectiveness and ensure that at every annual general meeting, one-third (1/3) of the Directors for the time being shall retire from office. Reviewed the composition of the Board and Board Committees of UEM Edgenta Berhad. Reviewed the Board Composition for the subsidiaries/associate companies of UEM Edgenta Berhad. Recommended the re-election/re-appointment of Directors under the retirement by rotation provisions of the Constitution of the Company and the Companies Act, 2016. Reviewed and approved the Board Succession Plan.
<p>Recruitment and Appointment of Directors</p>	<ul style="list-style-type: none"> Assessed and recommended to the Board the candidacy of director, appointment of directors to Board committees, and reviewed Board’s succession plans and training programmes for the Board. Reviewed the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board.
<p>Remuneration of Directors</p>	<ul style="list-style-type: none"> Reviewed and recommended to the Board the remuneration of 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.
<p>Board Effectiveness Evaluation</p>	<ul style="list-style-type: none"> Assessed the Directors annually, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director including his/her time commitment to effectively discharge his/her role as a director, character, experience and integrity. All assessments and evaluations carried out by the NRC in the discharge of all its functions were properly documented.

<p>Recruitment/ Appointment and Succession Planning of Senior Management</p>	<ul style="list-style-type: none"> Reviewed the character, experience, integrity, competence and time commitment to effectively discharge the roles of Managing Director/Chief Executive Officer and Chief Financial Officer. Reviewed and recommended:- <ul style="list-style-type: none"> proposed appointment of Senior Management. proposed confirmation of Head of Internal Audit. senior appointments and organisation structure. the renewal of Employment Contract of Senior Management staff. the confirmation of Senior Management staff. External Directorships of Senior Management. proposed key positions plan for UEMS Singapore and Taiwan.
<p>Remuneration for UEM Edgenta Group</p>	<ul style="list-style-type: none"> Reviewed and recommended:- <ul style="list-style-type: none"> the 2020 Corporate Scorecard Achievement and 2020 Managing Director/Chief Executive Officer’s Scorecard Achievement. the proposed 2020 Bonus Pool and 2021 increment. the 2020 Performance Bonus of the Managing Director/Chief Executive Officer and Senior Management. the proposed 2021 Corporate Scorecard and Managing Director/Chief Executive Officer’s Scorecard. the proposed Short Term Incentive Plan and Long Term Incentive Plan Program. the proposed Senior Management Remuneration Framework. the proposed promotion of Senior Management.
<p>Governance/ Policy</p>	<ul style="list-style-type: none"> Approved the MCCG proposed action plan. Reviewed and recommended:- <ul style="list-style-type: none"> the Flexible Working Arrangement Plan. the Vaccination Policy for Employees and Subcontractors. the establishment of Board Investment Committee. the revised Business Travel Accommodation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors' Continuing Education Programmes

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

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

Additionally, since the corporate liability provision of the Malaysian Anti-Corruption Commission Act ("MACC Act") came into effect, the NRC has recommended for all Directors of the Company to attend at least one external briefing on Section 17A, MACC Act as part of Directors' training and development. Therefore, the Company Secretary is constantly monitoring to ensure the recommendation of NRC was met when there are new directors appointed to the Board.

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

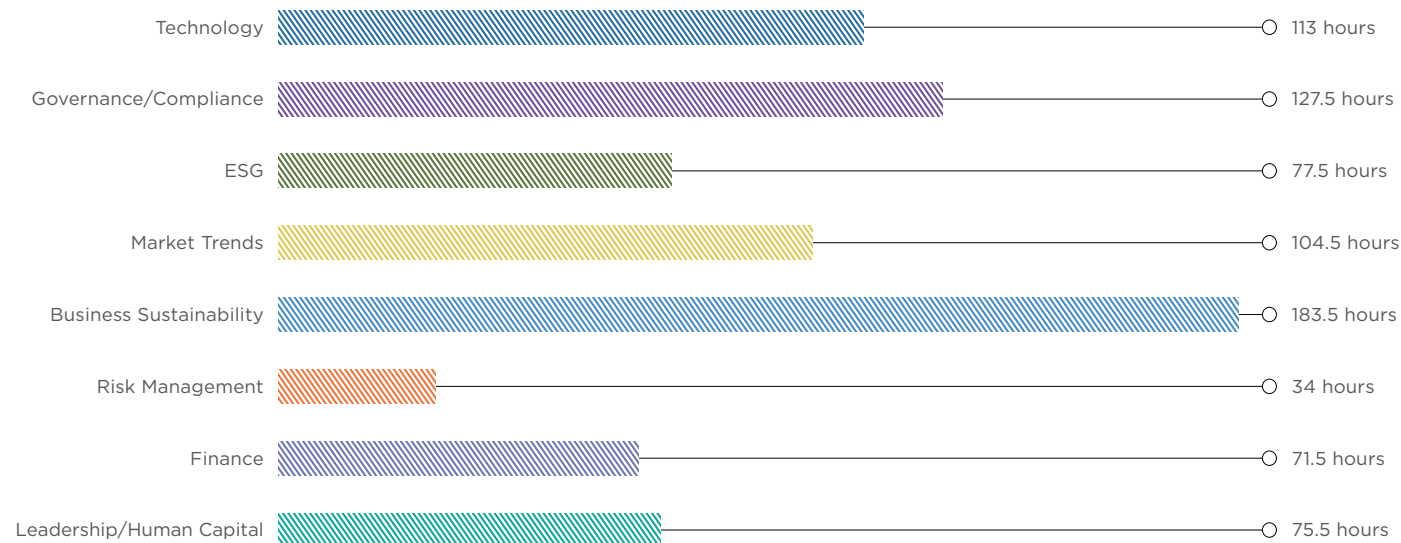
Besides formal training programmes, the Board is also kept abreast on regulatory updates from the Bursa Malaysia Berhad, Securities Commission Malaysia and the Companies Commission of Malaysia by the Company Secretary.

In line with the Management strategy to focus on Environmental, Social and Governance ("ESG"), the Board has also been upgrading their ESG competencies by attending courses in relation with ESG.

Ms. Jenifer Thien is currently attending the ESG Competent Boards Certificate and Designation Program. This program syllabus contains 12 strategic ESG session topics. Upon graduating, Ms. Jenifer Thien will attain the Global ESG Competent Boards Certificate and Designation (GCB.D).

At the 2021 Pre-Board Convergence held on 7 October 2021, the Management focussed the discussion around ESG and sustainability, and also invited speakers to share on ESG topics.

Board Training Hours



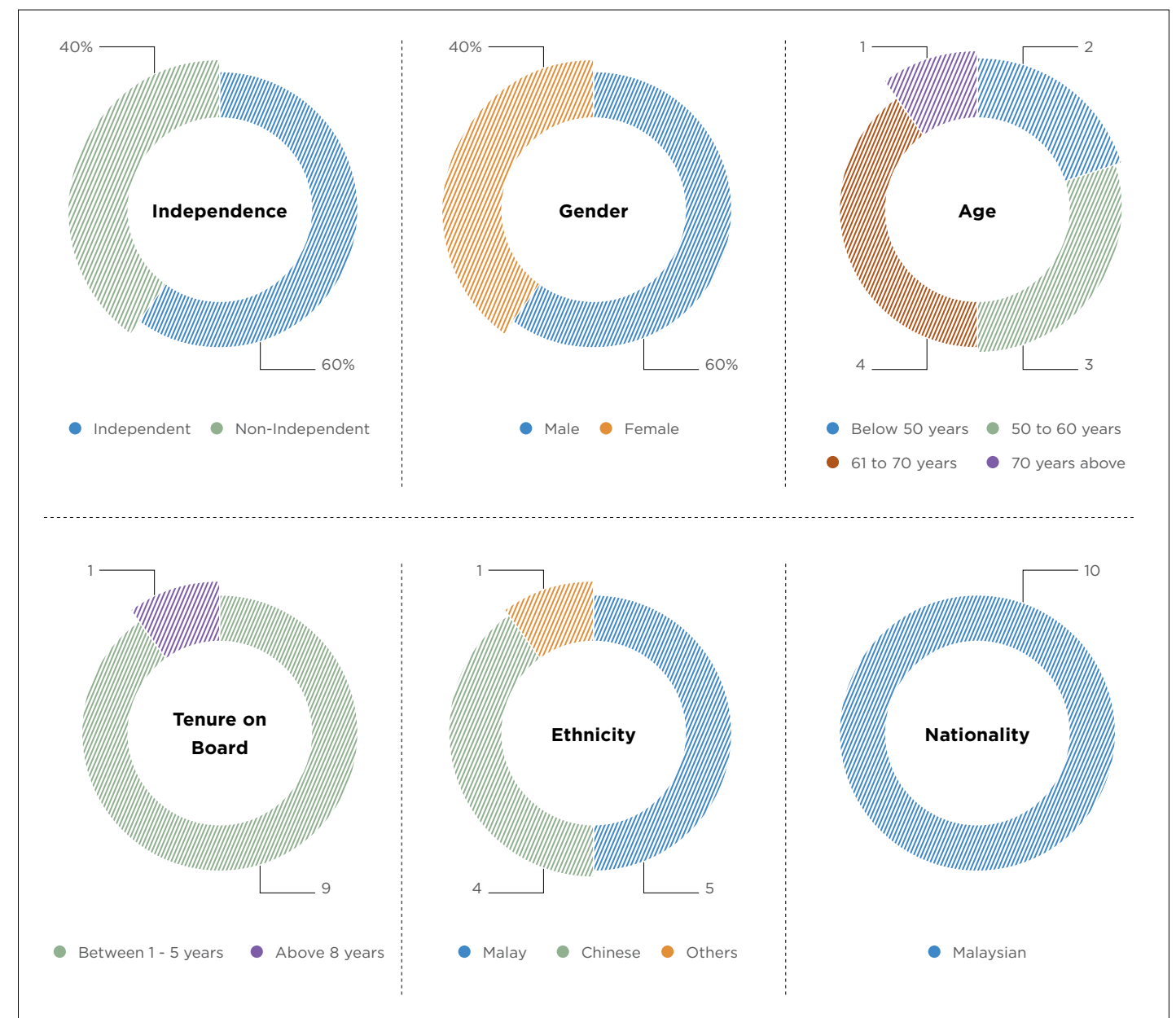
CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD COMPOSITION

Ensuring the Right Composition

As at 31 December 2021, the Board consist of ten (10) members, comprising an Independent Non-Executive Chairman, one (1) Executive Director, three (3) Non-Independent Non-Executive Directors and five (5) Independent Non-Executive Directors. One third (1/3) of the Board comprises of Independent Non-Executive Directors, in compliance with Paragraph 15.02(1) of the Listing Requirements.

For year 2021, the Company had 60% Independent Non-Executive Directors and 40% Women Directors on Board.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Mix of Skills and Experience

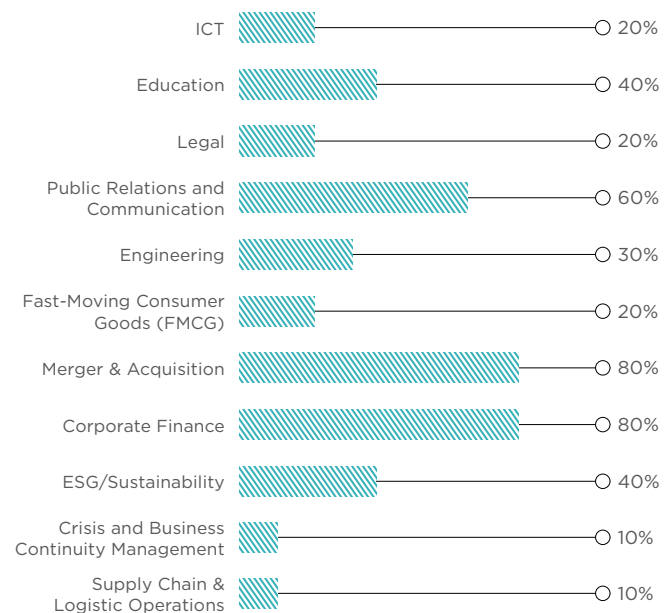
Leadership/Stewardship



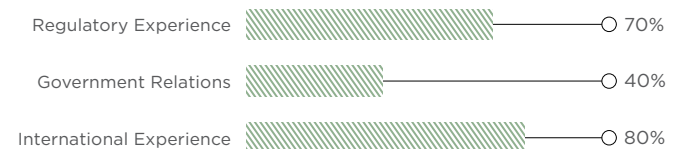
Entrepreneurship



Others



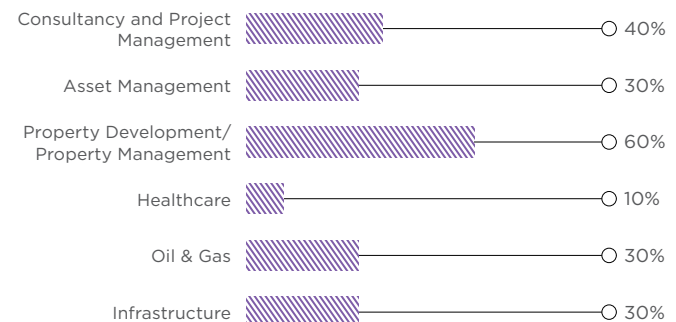
Regulatory Experience & Network



General Management



Sector/Service Experiences



The profile of each Directors is set out on pages 110 to 119 of this Annual Report.

Board Effectiveness Assessment

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



Based on the results of the BEA, the Board Criteria Matrix was updated. The skills criteria in the matrix are constantly reviewed to ensure that it covers the relevant knowledge/skills that are required for the businesses of the Company.

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

For the FY2021 evaluation, the Board had considered the engagement of an external independent expert. However, in view of COVID-19 and the recent change in Board composition, the Board had agreed that the engagement of independent expert is put on hold and would be revisited in due course.

Hence, the BEA was facilitated by the Company Secretary via an online portal. All feedbacks are handled in a confidential manner to ensure that Directors give their honest feedback. A summary of the key issues raised was then collated and presented in a report to the NRC and the Board.

The results for FY2021 did not indicate any material weaknesses or shortcomings identified that warrant specific action plan to address the same. The results of BEA indicated that the performance of the Board, Board Committees and individual Directors had been effective in their overall discharge of functions, roles and duties. The level of independence demonstrated by the Independent Directors are satisfactory.

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

REMUNERATION

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

To ensure the Board Remuneration framework remain its competitiveness and is sufficient to attract, retain and motivate individuals to serve on the Board of UEM Edgenta Group despite the COVID-19 pandemic situation, the remuneration framework was reviewed in August 2020.

The Board had then approved the recommendation by the NRC to maintain the existing Board Remuneration framework and the framework review to be revisited in the near future.

Additionally, the Company also has its own Remuneration Policy for Non-Executive Directors drawn up to strengthen the Company’s commitment to attract and retain talented and well qualified directors while being financially cautious. This policy was reviewed by NRC and approved by the Board on 8 December 2020. For transparency purpose, the policy is published at the Company’s website at www.umedgenta.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

The Directors Remuneration Framework are as follows. The remuneration breakdown of individual directors which includes fees, salary, bonus, benefit in-kind and other emoluments are as set out in the CG Report under Practice 8.1.

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

The current benefits payable and accorded to the Directors are:-

No.	Description	Directors' benefits
(a)	Meeting allowance for ad-hoc or temporary Board Committees established for specific purposes.	(i) Chairman of committee – RM2,000 per meeting (ii) Member of committee – RM1,000 per meeting
(b)	Car allowance for Chairman of UEM Edgenta	RM3,400 per month
(c)	Medical benefits for Board members <i>Where a Director sits on several boards within the UEM Group of Companies, he will be entitled to claim medical benefits from one (1) company only.</i>	(i) Medical coverage of RM7,000.00 per annum, inclusive of outpatient, clinical, specialist and dental; and (ii) Hospitalisation of RM100,000.00 per annum including room and board at RM500.00 per day.
(d)	Training and Development of Directors	A training budget is allocated for Directors to attend relevant training programmes and seminars to enhance their knowledge and skills in discharging their duties.
(e)	Directors' & Officers' Liability Insurance	Directors are covered by Directors' and Officers' Liability Insurance maintained throughout the financial year to indemnify Directors and Officers against any liability incurred by them in the discharge of their duties while holding office as Directors and Officers of the Company.
(f)	Subsistence allowance for business travel	Peninsular & East Malaysia – RM150 per day Overseas – USD125 per day

The Company would be seeking shareholders' approval at the forthcoming Annual General Meeting for the payment of Directors' benefits for items (a) and (b) of the above table.

The Board also had on 25 February 2021 approved the Senior Management Remuneration Framework. The framework which is benchmarked against market rate, is to ensure that Senior Management is always remunerated fairly and to attract, retain and motivate individuals to give their best in serving the Company.

However, due to talent retention purposes, the framework is not published on the website. The Management will reconsider the appropriateness of the publication of the framework on the Company's website.



EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

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

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

Kindly refer to pages 146 to 148 for the AC's membership and composition and the AC Report for the summary of work carried out by the AC during the financial year 2021.

For the financial year under review, all AC members has attended at least one (1) training course relating to the development in accounting and auditing standards, practices and rules, save for Ms. Wong Shu Hsien who was appointed on 1 July 2021, as there was no suitable training that suited her schedule since her appointment. However, she kept herself abreast with the Environment, Social and Governance issues.

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

The Terms of Reference was revised on 25 November 2021 to update that partners of external audit firm of the Company must observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee.

However, no members of the Board were former key audit partners of the Company.

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

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

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

Due to the seven (7) years rotation, En. Ismed Darwis Bahatiar is the new audit partner effective from the financial year ended 31 December 2021. For the year under review, the External Auditors have confirmed to the Board their independence in providing their services.

The assessment on the External Auditors for financial year ended 31 December 2021 was facilitated by the Finance team. A set of questionnaires pertaining to the following were sent out to the AC members, relevant Finance personnel, Company Secretary, Head of Legal and Internal Audit for their feedback:-

- 1) Calibre of the firm
- 2) Quality of service
- 3) Audit team
- 4) Independence, objectivity and professional skepticism
- 5) Audit scope and planning
- 6) Audit fees/Non-audit fees
- 7) Audit Communications

The Board is satisfied with the outcome of the assessment of the External Auditors on their suitability and independence, and recommended for their re-appointment at the forthcoming annual general meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Effective Risk Management and Internal Control Framework

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

The Board discharges its risk governance and oversight functions via the Board Governance & Risk Committee ("BGRC") who undertake governance and compliance duties and responsibilities in addition to the oversight of risk management matters and reviews the effectiveness of risk management framework to manage the overall risk exposure to the Group, monitor the exercise of

Integrity & Governance Unit and overseeing the overall issue of corruption, fraud, malpractice and unethical conduct within the organisation.

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

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

The Statement on Risk Management and Internal Control as set out on pages 150 to 159 of this Annual Report provides an overview of the state of internal controls within the Group.

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

The Annual Report 2021 was presented based on Integrated Reporting. The Company has fully adopted integrated reporting based on a globally recognised framework.

The summary of engagements with stakeholders are available on pages 46 to 47.

CONDUCT OF GENERAL MEETINGS

The Annual General Meeting ("AGM") is the principal forum for dialogue with shareholders. Shareholders are provided with an opportunity to participate in the question and answer session in which shareholders may raise questions pertaining to the business activities of the Company.

For the AGM held on 17 June 2021, the Notice of AGM was given to shareholders on 27 April 2020. The Notice together with the relevant reports and circular was given more than 28 days prior to the AGM to allow sufficient time to consider the resolutions that would be discussed and decided at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The meeting which was conducted in its entirety via live streaming and online remote voting at the Broadcasting venue at Menara UEM, was attended by all Directors. Besides the Directors, the Company Secretary, Senior Management and External Auditors were also in attendance.

The Chairman as well as the Managing Director/ Chief Executive Officer, together with the Chairpersons of committees and the External Auditors, if so required, will respond to questions from shareholders at the AGM.

The answers to the live questions that were not answered at the AGM due to time constraint was reverted to shareholders via email. Meanwhile, the questions submitted prior to the AGM published on the website of the Company together with their answers. These pre-AGM questions were also addressed at the AGM.

The summary of the AGM proceeding was uploaded on the website within 30 business days after the completion of the AGM on 14 July 2021.

Taking cognisance of shareholders' rights and with the Company's aim to provide a good meeting experience to shareholders, the Management would be exploring with the virtual service provider on the possibility to incorporate a two-way engagement and to explore effective ways to have questions received to be made visible to all meeting participants.

This Corporate Governance Overview Statement was approved by the Board on 28 March 2022.



INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

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

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

The Company's website is a one-stop page that one could easily access to the above information. It has a dedicated section that provides investors with detailed information on the Group's business, commitments and latest developments.

Keeping up with the trend, the Company also has an Instagram account, a social media channel which is constantly updated with the happenings of the Company. The message and email functions are also activated on Instagram, for the public's convenience should they wish to reach out to the Company.

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

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.

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee (“AC”) Report which provides insights on how the AC discharge its function and duties for the financial year ended 31 December 2021.

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

COMPOSITION AND MEETING ATTENDANCE



The composition of the AC and meeting attendance for financial year 31 December 2021 are available in pages 134 to 135 of the Corporate Governance Overview Statement.

SUMMARY OF ACTIVITIES OF THE AC

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

In line with the terms of reference of the AC, the following works were carried out by the AC during the financial year ended 31 December 2021:-

A B C FINANCIAL STATEMENTS AND CORPORATE GOVERNANCE

- Reviewed the quarterly and annual financial statements of the Company and of the Group; and recommended them for Board’s approval, focusing particularly on:-
 - appropriateness and relevance of accounting policies and practices adopted and their application in compliance with current accounting standards;
 - any significant non-recurrent or unusual transactions made or events occurred during the year;
 - any significant changes to the basis of preparation of the financial statements or new accounting standards adopted during the year which impacted the result or financial position of the Group;
 - the going concern assumption used in the preparation of the financial statements;
 - significant accounting and auditing matters including financial reporting issues, estimates or judgements made by Management, unusual events or transactions, and how these matters are addressed; and
 - compliance with financial reporting standards and other regulatory requirements.
- Reviewed recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations in the ordinary course of business of the Company and its subsidiaries to ascertain as to whether they are undertaken on an arm’s length basis on normal commercial terms not more favourable to the related parties than those generally available to the public or those extended to unrelated parties and are not detrimental to the minority shareholders.
- 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.
- Reviewed and recommended the Corporate Governance Overview Statement, Corporate Governance Report, AC Report and Statement on Risk Management and Internal Control, to the Board for its approval.
- Reviewed the Terms of Reference of the AC to reflect the changes in the revised Malaysian Code on Corporate Governance issued on 28 April 2021 and subsequently recommended to the Board for approval.

A B C INTERNAL AUDIT

- Reviewed the scope, functions and resources of the Internal Audit Department (“IAD”) to ensure that it had the necessary competency, independence and authority expected by the professional standards and applicable guidelines to carry out its work professionally and with impartiality and propriety.
- Reviewed and deliberated the internal audit reports (planned and ad-hoc) and ensured that audit observations and appropriate recommendations were discussed and agreed with Management including timelines set to be taken for remedial actions on gaps or lapses of controls or procedures identified by IAD.
- Discussed with Internal Audit, their follow-up on corrective action taken by Management on audit issues to ensure that all the key risks and control lapses have been addressed adequately on timely manner.
- Assessed and approved the performance rating of IAD and the IAD Scorecard.
- Reviewed and approved the revised Internal Audit Charter to reflect the mission of internal audit and mandatory elements of the International Professional Practices Framework’s (Core Principles for the Professional Practice of Internal Auditing, Code of Ethics, International Standards for the Practice of Internal Auditing) requirements.
- Reviewed and approved the updated Internal Audit Manual which outlines the authority and scope of the Internal Audit.
- Reviewed and approved the Internal Audit Plan, including changes for adequacy and appropriateness of coverages. The above included the risk-based planning methodology, high-level review scope and its manpower requirement for the proposed audit activities.

A B C EXTERNAL AUDIT

- Reviewed with the External Auditors:-
 - The audit plan, audit methodology and scope of work, especially on areas identified for audit focus for the year;
 - Their comments and issues arising from their annual audit, their audit report and management letter of comments on the group internal control;
 - The key audit matters highlighted for inclusion in the audit report and the audit process in addressing them; and
 - The Group’s financial reporting process including consolidation.
- Assessed the objectivity, suitability and independence of the External Auditors in carrying out their audit during the year and this included their appointment for non-audit services.
- Reviewed with the External Auditors on 19 November 2021 and 21 February 2022 without the presence of the Managing Director/Chief Executive Officer and Management, on any concerns/issues affecting their audit, the results of audit, including the level of cooperation rendered by Management in respect of their access to financial information and accounting records.
- Reviewed and recommended the Policy for the Engagement of Auditors for Non-Audit Services, to the Board for its approval.
- Reviewed and approved the appointment of the Company’s External Auditors for the provision of non-audit services, for the projects undertaken by the Company after assessing and considering the following:-
 - The nature of the non-audit services provided by the external auditors or its affiliates and fees paid for such services relative to the audit fee;
 - The scope of work as required are permitted under the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants; and
 - The services should not impair their independence or there are safeguard in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the external auditors.
- Evaluated the performance of the External Auditors and recommended their re-appointment to the Board of Directors.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

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

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

The information on the resources, objectivity and independence of the internal auditors are provided in the Corporate Governance Report in accordance with Practice 11.2 of the revised Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia on 28 April 2021.

The AC reviews and approves the IAD’s manpower requirements to ensure the function is adequately resourced with competent and proficient internal auditors. The total cost incurred for the internal audit function for financial year ended 31 December 2021 is approximately RM1,735,000, comprising mainly salaries, training and traveling expenses for audit assignments.

Summary of Activities

The IAD implements a risk-based audit methodology in establishing its annual audit plan. The audit plan 2021 which was approved by the AC on 19 November 2020, had considered the Group’s identified risks and focused on auditable areas where the risks would have most impact on the business objectives of the Group. Among the focus areas are operational risks, financial risks, information technology risks, Health, Safety, Security & Environment (HSSE) risks.

The scope of the planned audit assignments for financial year 2021 covered the following:-

1. Operational audits in Healthcare Support, Property & Facility Solutions, Infrastructure Services, Asset Consultancy and overseas operation.
2. Audit on Information Technology and Support Services.
3. Quarterly review on Related Party Transactions/ Recurrent Related Party Transactions.

During the year, AC had reviewed and deliberated on a total of fourteen (14) internal audit reports in relation to the audits carried out, together with the audit recommendations made by IAD and the Management Responses to those recommendations. Representatives of IAD attended all the planned AC meetings during the year to brief the AC on audit results and significant matters raised in the detailed IAD reports. The Heads of Divisions, where required, were also invited to the AC Meeting to provide further explanations on the audit observations highlighted. Where appropriate, the AC had directed Management to rectify and improve control and workflow procedures.

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

In addition to the above, AC had at its meeting in February 2021 reviewed the results of internal audit’s self-assessment on the function’s policies and practices in substance for conformance with the seven (7) assessment criteria used by Bursa Malaysia Securities Berhad (“Bursa Securities”) in its thematic review conducted on 40 Public Listed Companies. The self-assessment was also benchmarked against the Main Market Listing Requirements of Bursa Securities, Malaysian Code on Corporate Governance, IPPF and Guidance for an Effective Internal Audit Function issued by IIA Malaysia.

ADDITIONAL COMPLIANCE INFORMATION

DIRECTORS’ RESPONSIBILITY STATEMENT IN RESPECT OF FINANCIAL STATEMENTS

The Directors are required to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the financial performance 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 2021, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia have been followed and confirm that the financial statements have been prepared on a going concern basis.

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

The Board is satisfied that it has met its obligation to present a balanced and fair assessment of the Group’s position and prospects in the Directors’ Report on pages 163 to 168 and the Audited Financial Statements from pages 176 to 314 of this Annual Report.

NON-AUDIT FEES

RM’000	Company	Group
Statutory audit fees paid/ payable to external auditors	153	1,361
Non-audit fees paid/payable to external auditors	81	85

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

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

MATERIAL CONTRACTS

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

UTILISATION OF PROCEEDS

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

On 23 April 2021, the Company has redeemed its outstanding ICPs amounting to RM50.0 million in nominal value which was issued under the ICP Programme on 24 April 2020 and has matured on 23 April 2021.

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

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

REVALUATION POLICY

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

RECURRENT RELATED PARTY TRANSACTIONS

The Company proposes to seek approval of its shareholders for the renewal of mandate for recurrent related party transactions and the proposed new shareholders’ mandate for additional recurrent related party transactions of a revenue and trading nature which is in the ordinary course of business at the forthcoming Annual General Meeting of the Company to be held in 2022.

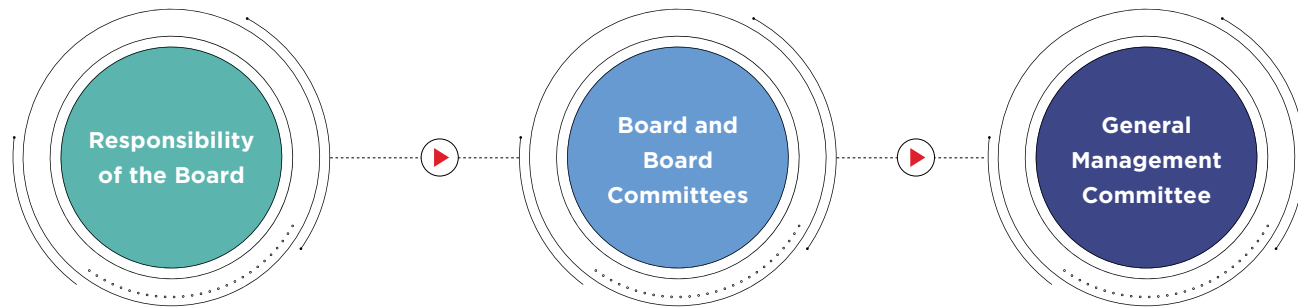
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In accordance with the practise set out in the revised Malaysian Code on Corporate Governance issued on 28 April 2021, a listed company should establish an effective risk management and internal control framework.

The Board of Directors (“Board”) is pleased to provide this Statement on Risk Management and Internal Control pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as guided by The Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

RESPONSIBILITY AND ACCOUNTABILITY



The Board affirms its commitment and responsibility in maintaining a sound and effective system of risk management and internal control in safeguarding shareholders’ interests and the Group’s assets.

The Board is constantly and actively identifying the Group’s level of risk tolerance, assessing and monitoring the key business risks. The risk management and internal control system adopted by the Group are reviewed and updated periodically to align with the dynamic changes in the business operating environment as well as changes in regulatory requirements.

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

For the financial year under review, there are ten (10) Directors on the Board comprising one (1) Managing Director/Chief Executive Officer (“MD/CEO”), six (6) Independent Non-Executive Directors and three (3) Non-Independent Non-Executive Directors.

The Board is supported by a number of established Committees, namely the Audit Committee (“AC”), Board Governance and Risk Committee, Nomination and Remuneration Committee, Board Tender Committee (“BTC”) and Board Investment Committee (“BIC”) which examine all matters within its scope and 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.

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

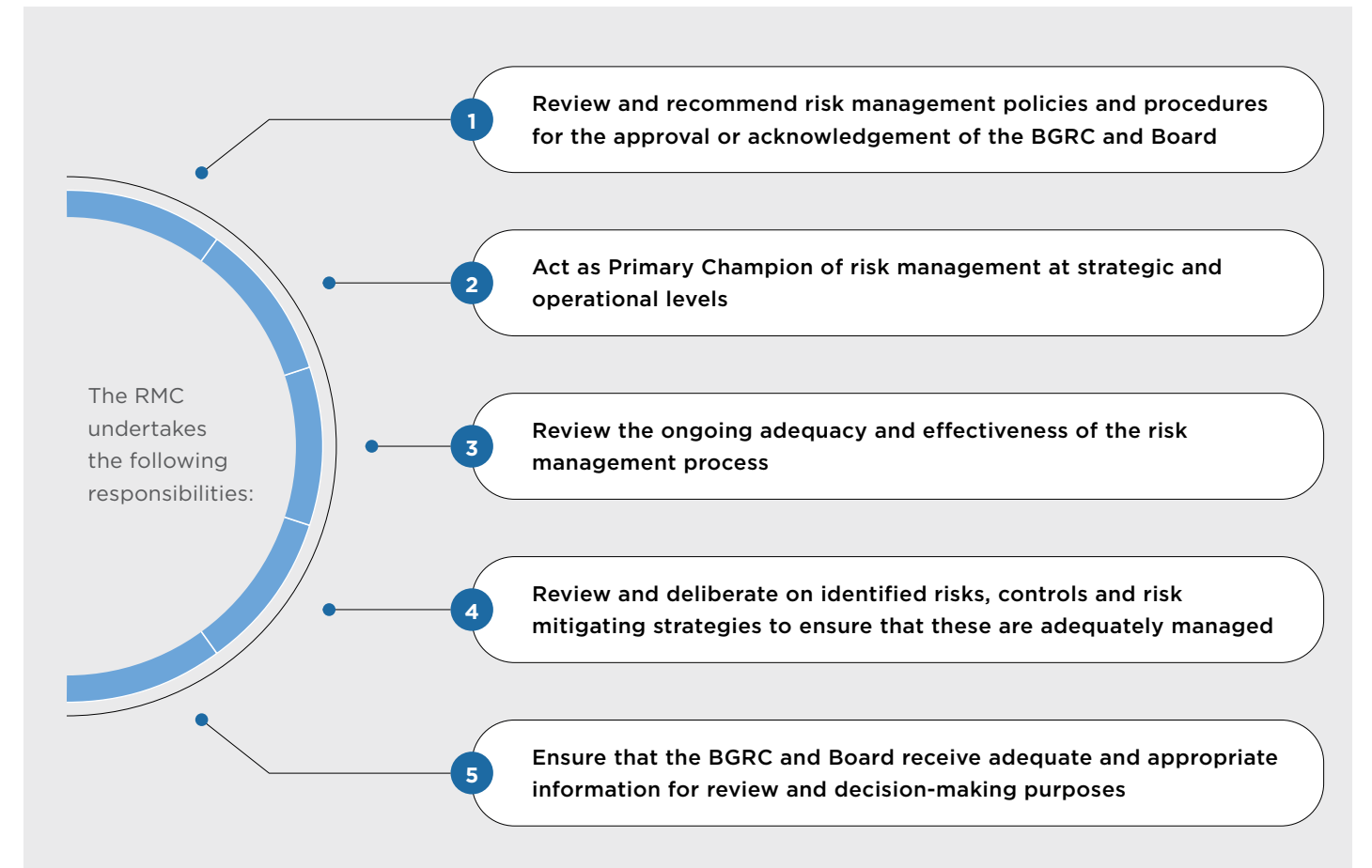
The key role of the GMC is to drive strategic execution, deliberate and resolve the Group’s key strategic and operational issues in a timely manner and keep track of key business developments.

The GMC also serves as a platform to monitor the Group’s strategic direction and for members to report on their respective business and operation plans to the Managing Director/Chief Executive Officer, highlight issues and devise solutions/ corrective plans, as well as address other matters as directed by the Board and/or the Managing Director/ Chief Executive Officer.

RISK MANAGEMENT COMMITTEE

The Board has delegated the governance of risk management to the Risk Management Committee to assist the Board in ensuring sound and robust Risk Management Framework (“RMF”) to achieve the Group’s strategic objectives, safeguard shareholders’ investments and its assets. The Terms of Reference was established and endorsed by the Board to govern its responsibilities and activities.

The RMC is chaired by the Group’s 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 is assisted by the Risk, Integrity & Compliance Department, which is primarily responsible for the implementation of the RMF and operationalisation of risk management processes and practices within the Group. A Charter, which defines RICD’s responsibilities, scope and authority, has been established and endorsed by the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

Managing risks is an integral part of the Group’s daily business activities and management decision making process. It involves the activity of identifying, assessing, monitoring and managing risks and uncertainties that could inhibit the Group’s ability to achieve its strategy and strategic objectives.

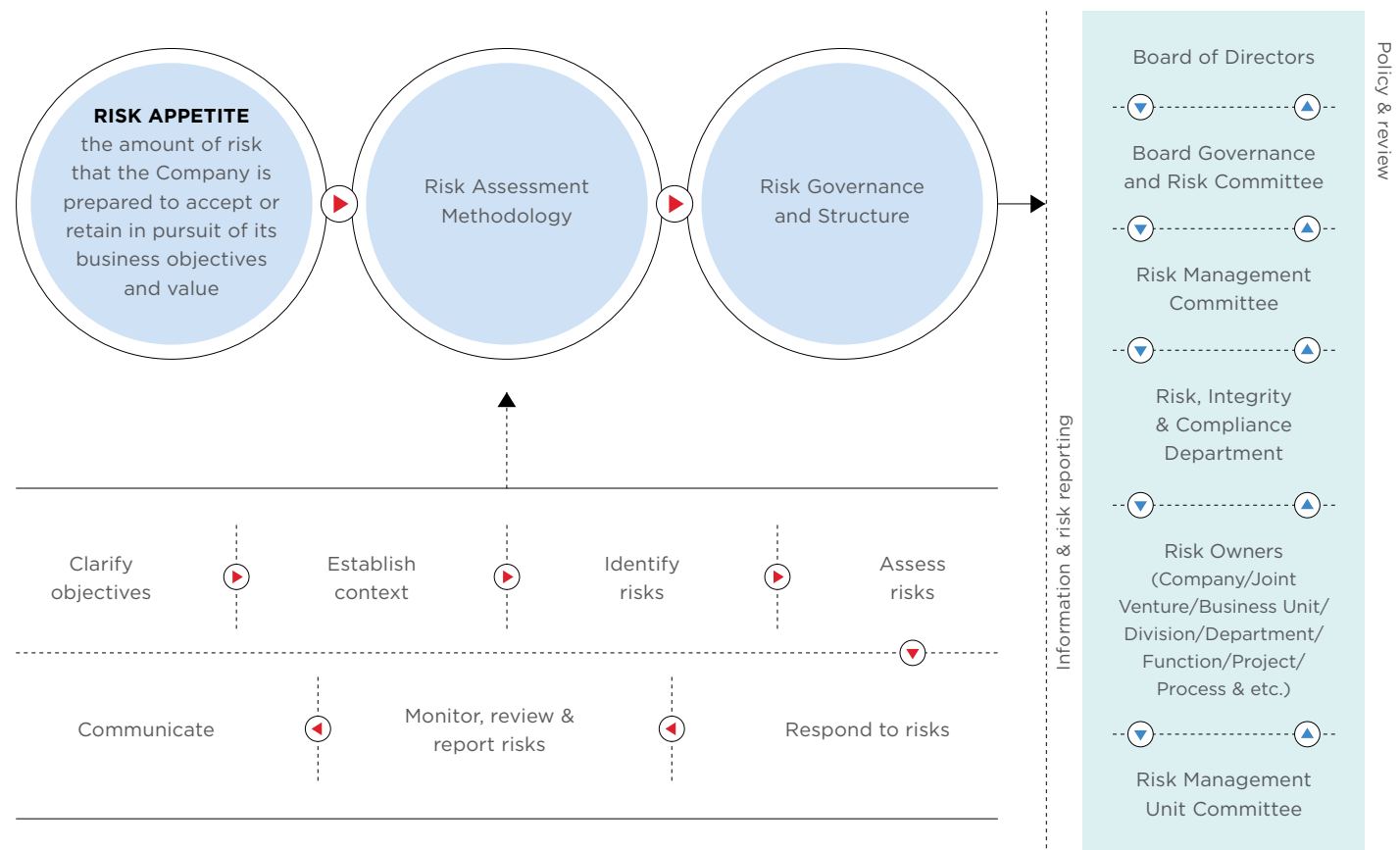
Risk Management Framework

The Group has in place a Risk Management Framework (“RMF”) that provides the foundation and organisational arrangement for managing risk across the Group.

Principally aligned with ISO:31000, the RMF sets out the context and objectives, emphasising on enterprise-wide risk assessment and management encompassing the identification, assessment and measurement, mitigation responses, as well as monitoring, communicating and reporting of risks.

The RMF serves as a tool in managing both existing and emerging risks with the objective to enhance and protect stakeholders’ interests and at the same time to safeguard the Group’s assets and reputation.

KEY FEATURES OF RISK MANAGEMENT FRAMEWORK



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management Approach

The Group’s risk management approach follows a process which entails a consistent and systematic approach in the identification, assessment, monitoring and reporting of risk exposures.

The risk management process is applied throughout the whole of the Group (enterprise level) or to any part of a business (i.e., divisions, departments, functions, business units and projects).

Set/clarify business objectives

Identify and understand the objectives for the Group and/or its business.

Establish the context

Establish the context and boundaries within which the Group and/or the business operates.

Risk Identification

Identify risks together with their respective causes and consequences which could affect/influence the achievement of the Group and/or business objectives.

Risk Assessment

Identified risks are prioritised to determine the overall effect on the Group and/or business by evaluating the potential impact on business objectives should a risk materialise together with the likelihood of its occurrence.

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

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

Risk Response

Risk treatment involves developing a range of responses and options for mitigating the risks.

The Group adopts the **4Ts** (*Take, Treat, Transfer & Terminate*) strategy in responding to the identified risks and qualifies these risks according to the acceptable levels by the relevant risk owners and stakeholders.

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

TREAT
Mitigation plans established to reduce the likelihood & impact

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Monitor, review and report risks

Risk events and trends have to be continually reviewed, assessed and monitored. Similarly, risk responses are monitored continuously to ensure that risk responses and mitigations remains relevant and are operating as designed and expected.

Communication

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

Summary of Risk Management Activities

Risk management activities undertaken for the financial year at the Group and subsidiary levels to instil a proactive risk management culture and ownership are as follows:

- 1 Periodic risk awareness briefings and risk management workshops are conducted as continuous efforts to inculcate a proactive risk-aware culture within the Group.
- 2 Risk Management Status Reports are produced quarterly at the minimum and are presented to the RMC, BGRC and Board for deliberation and approval.
- 3 Quarterly review and monitoring implementation of risk action plans by RICD to ensure appropriateness and effectiveness.
- 4 Identification and reporting of emerging, key business risks and mitigation plans to the RMC, BGRC and Board for deliberation and approval.
- 5 Provides risk management consultation and advisory services to projects, investment and potential business leads.

INTEGRITY & COMPLIANCE

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

UEM Edgenta is committed to uphold its integrity and compliance value in carrying out its business operations and has the following framework, policy & procedures in place:

- Code of Conduct
UEM Edgenta's Code of Conduct expresses our commitment to build trust in our business ecosystem, and it outlines ethical behaviour standards in our business activities, accompanied by important policy statements.
- Code of Conduct for Business Partners ("COCBP")
UEM Edgenta's Code of Conduct for Business Partners sets the expectations for our dealings with this key stakeholder group.
- Business Partner's Letter of Declaration ("BPLoD")
The Business Partner's Letter of Declaration has been established to maintain a high standard of integrity in our business operations and ensure business partners embrace the spirit of commitment to integrity and high ethical standards as set out in the UEM Edgenta Code of Conduct for Business Partners.
- Compliance Framework
The framework aims to establish and embed the culture of ethics and integrity, consistent with the values of the organisation and promote the culture of commitment to lawful and ethical behaviour.
- Third-Party Risk Management Framework
This framework is to safeguard the interests of stakeholders by ensuring that third-party risks are adequately and properly managed to mitigate the impact on reputation, operations, and financials of UEM Edgenta. Compliance checks include:
 - Evaluation of the Third-Party's governance, values, code of conduct, anti-corruption programme and policies
 - Checks for evidence of good practice compliance such as independent anti-bribery audits or certification against ISO 37001

- Anti-Bribery & Anti-Corruption Policy Statement
At UEM Edgenta, we strive to uphold our core values and to present ourselves with integrity, ethics, and accountability as essential components which the Company and its employees must harness at both professional and personal levels.
- Anti-Bribery & Anti-Corruption Guide
UEM Edgenta takes a zero-tolerance approach to bribery and corruption and is committed to adhering to the highest standards of ethical behaviour in the conduct of all its business dealings and relationships. This is an essential guide to manage bribery and corruption risk.
- No Gift Policy
UEM Edgenta upholds the "No Gift Policy" to avoid actual or perceived conflict of interest, in accordance with UEM Edgenta's Code of Conduct.
- Conflict of Interest Declaration Procedure
This procedure serves as a guide to making a declaration on a possible conflict of interest and actions to be taken therefrom.
- Investigation Procedure
The procedure has established a consistent process to ensure that alleged violations of UEM Edgenta Code of Conduct, policies and procedures, and applicable rules and regulations are assessed and investigated properly, that outcomes are recorded uniformly and in a timely manner, and that any necessary corrective action and/or external reporting is executed appropriately.
- Authorities' Raid/Visit Procedures
This procedure sets out the key practical points to be considered in providing an effective response when facing the authorities' raid.

Whistleblowing Policy and Procedure

UEM Edgenta's Whistleblowing Policy and Procedure ("WBP&P") provides an avenue for its employees, stakeholders and members of the public to report any actual or suspected malpractice, misconduct or violation of Group's policies and procedures through dedicated and confidential channels (i.e., Whistleblowing Lodgement Form to the Chairman of the Board or Chairman of BGRC or email to the Whistleblowing Committee at whistleblowing@edgenta.com).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The WBP&P encourages the reporting of such allegations in good faith, with the assurance that employees or any parties making such reports will be treated fairly, their identity remains anonymous and are protected from reprisal. All allegations are appropriately followed-up and outcomes shall be reported in the BGRC meetings.

INTERNAL CONTROLS

The key elements of the internal control system established by the Board that provides effective governance and oversight include:

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 which are reviewed and updated periodically to ensure that they remain relevant and reflective of the Group's operating and business environment.

The Group, via its subsidiaries, have in place several Internationally Accredited Management Systems (for e.g., ISO 9001 – Quality Management System, ISO45001:2018 – Occupational Quality Health & Safety Management System, ISO 14001 – Environmental Management System, ISO 13485 – Medical Devices Quality Management System and ISO/IEC 17025 – Laboratory Management System) to standardise its management and operational processes and to further improve its efficiency. These certifications reflect the Group's commitment in ensuring the quality deliverables to customers, safeguard safety and health of employees and safeguard the environment.

The Group has also established a HSSE Management System, comprising of HSSE Rules, standard operating procedures and processes, to inculcate a strong HSSE culture and sustainable HSSE performance. This also includes introducing an enhanced UEM Edgenta HSSE Management System Manual which seeks to make the HSSE execution simpler and more aligned within the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Group has dedicated teams to carry out Quality Assurance/Quality Control, and Health, Safety and Environment activities to ensure continuous improvement of processes and ongoing compliance to the established internal policies and procedures, International Management System Standards, contracts and relevant legal requirements.

Organisational Structure

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

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

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

Operating Plans 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 5-year operating plan, short-term and long-term strategic plans.

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

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

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

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

Employee's Authority and Responsibility

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

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

Discretionary Authority Limits

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

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

Procurement

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

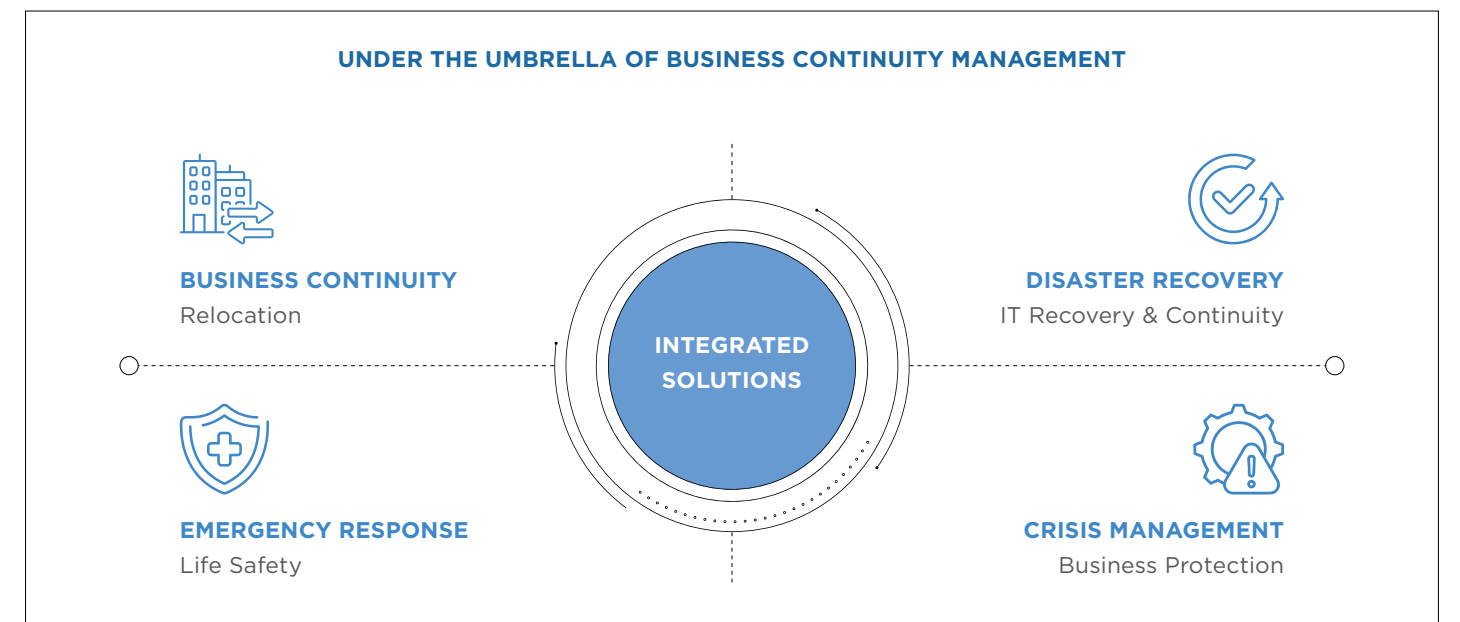
Insurance on Assets

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

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

Business Continuity Management

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



UEM Edgenta continues to deliver an effective BCM programme as part of its efforts to enhance organisational resilience that enables effective response to continue operations and deliver critical services in the event of crisis and business disruption.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Human Resources Management

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

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

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

Management Information System ("MIS")

The Group is continuously investing in tools and solutions that allow processes, people and technology to be apportioned into the public cloud with better accessibility across the organisation for data collection, data analysis, evaluation of organisation development, and operational performance improvement. The Group has embraced cloud computing via partnerships with Microsoft and Alibaba to use both Azure and Alibaba cloud platforms to host, deploy and manage systems and applications. Additionally, the Group has converted its own data centre into hybrid cloud that primarily hosts development and test environments, enabling seamless deployment between different clouds.

With cloud computing, the Group would be less concerned about managing and configuring the physical hardware, networks and infrastructure, liberating our resources to focus on elevating its digital quotient to digitise and transform the core business operations. Investment in cloud related technologies also helps accelerate application development cycle and simplify tech operations.

Disaster Recovery Planning

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

JOINT VENTURES AND ASSOCIATES

The disclosures in this statement do not include the risk management and internal control practices of the Group's joint venture and associate companies, as the Board does not have any direct control over their operations.

The Group's interests in these entities are safeguarded through the representation on the Boards of the respective companies where management accounts and periodical reports are received and reviewed, as well as deliberation on proposals related to these companies. Such representation also provides the Board with information for decision-making on the continuity of the Group's investments based on the performance of the Group's joint venture and associate companies.

INTERNAL AUDIT

The Group has established its own Internal Audit Department ("IAD") to carry out internal audit function of the Group. IAD reports functionally to the Audit Committee ("AC") and administratively to the Managing Director/Chief Executive Officer. The IAD regularly reviews the Group's systems of internal controls and evaluates the adequacy and effectiveness of the controls, risk

management and governance processes implemented by the management. The reviews conducted are based on the risk-based Annual Audit Plan approved by the AC. The results of audit reviews, including status of management action plans to address gaps identified in the governance processes, risk management processes and controls during the engagements are reported regularly to the AC for deliberation.

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

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

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditor has performed limited assurance procedures on this Statement on Risk Management and Internal Control in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 31 December 2021, 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 28 March 2022.

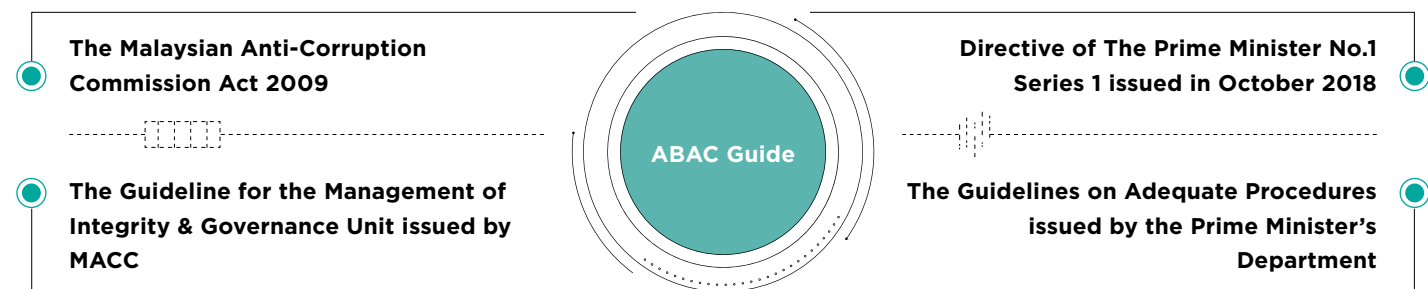
CONCLUSION

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

CORPORATE INTEGRITY AND ETHICAL BUSINESS CONDUCT

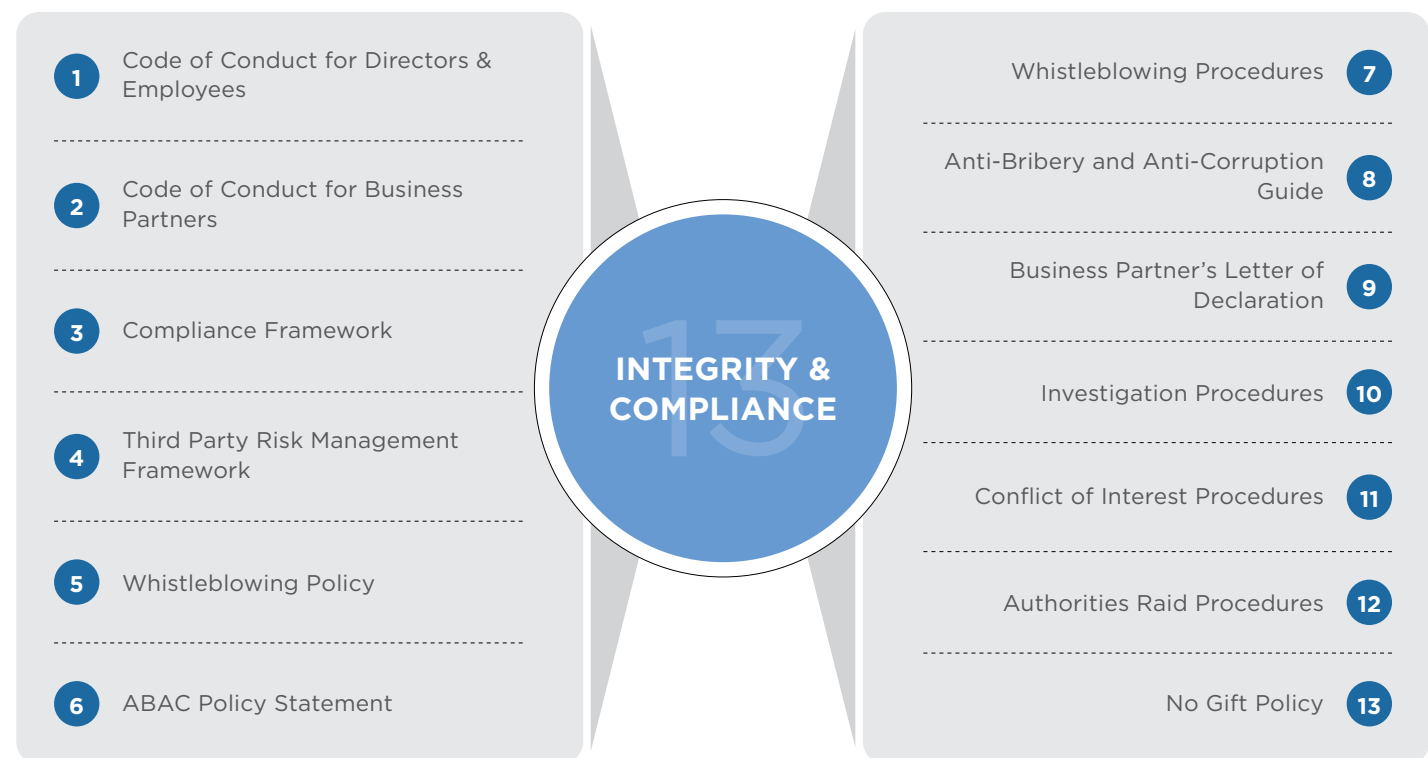
At UEM Edgenta, we envision the inculcation of a culture and believe in our DNA which is anchored on shared values across all our businesses and operations, as the foundation of our daily work. As we actively lay solid foundations across all businesses and remain steadfast in pursuing our growth plans through geographical expansion, new products & services, cost optimisation and tech-enabled solutions, upholding these values and presenting ourselves with integrity, ethics and accountability are essential components which we must harness at both a professional and personal level. As a public listed company, we are adamant that all our business undertakings and proceedings are in strict adherence to good corporate governance practices.

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



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

Framework, Codes, Policies & Procedures



CORPORATE INTEGRITY AND ETHICAL BUSINESS CONDUCT

OUR CORE VALUES

F
FUTURE FOCUSED

we prepare for tomorrow's challenges, today

I
IMAGINE NEW WAYS

we imagine new ways to deliver better work

R
RESPECT FOR ALL

we treat our colleagues & stakeholders with respect

S
SOLUTIONING MINDSET

we solve challenges to deliver results

T
TRUE TO OUR WORD

we are guided by integrity to build trust

In 2021, UEM Edgenta undertook the following initiatives to drive better governance and integrity culture under four strategic pillars, namely:

- Complaint Management**
 - A Whistleblowing Committee was formed to develop, implement, and maintain an effective Whistleblowing policy and procedure
- Detection and Verification**
 - Established a dedicated team to investigate grievances related to the breach of Code of Conduct ("COC") channeled to Whistleblowing Platform
- Integrity Enhancement**
 - Conducted Integrity Dialogue session as well as "Corruption-Free Pledge" ceremony
 - Tone from the Top Video on Integrity - Doing the right Thing
 - Shared Integrity messages during Annual Management Dialogue 2021
 - Hosted a knowledge sharing session with the Agency Integrity Management Division ("BPIA") and MACC to discuss on Adequate Procedure and BPIA function
 - Organised an Integrity Day 2021 to inculcate and cultivate awareness to UEM Edgenta employees

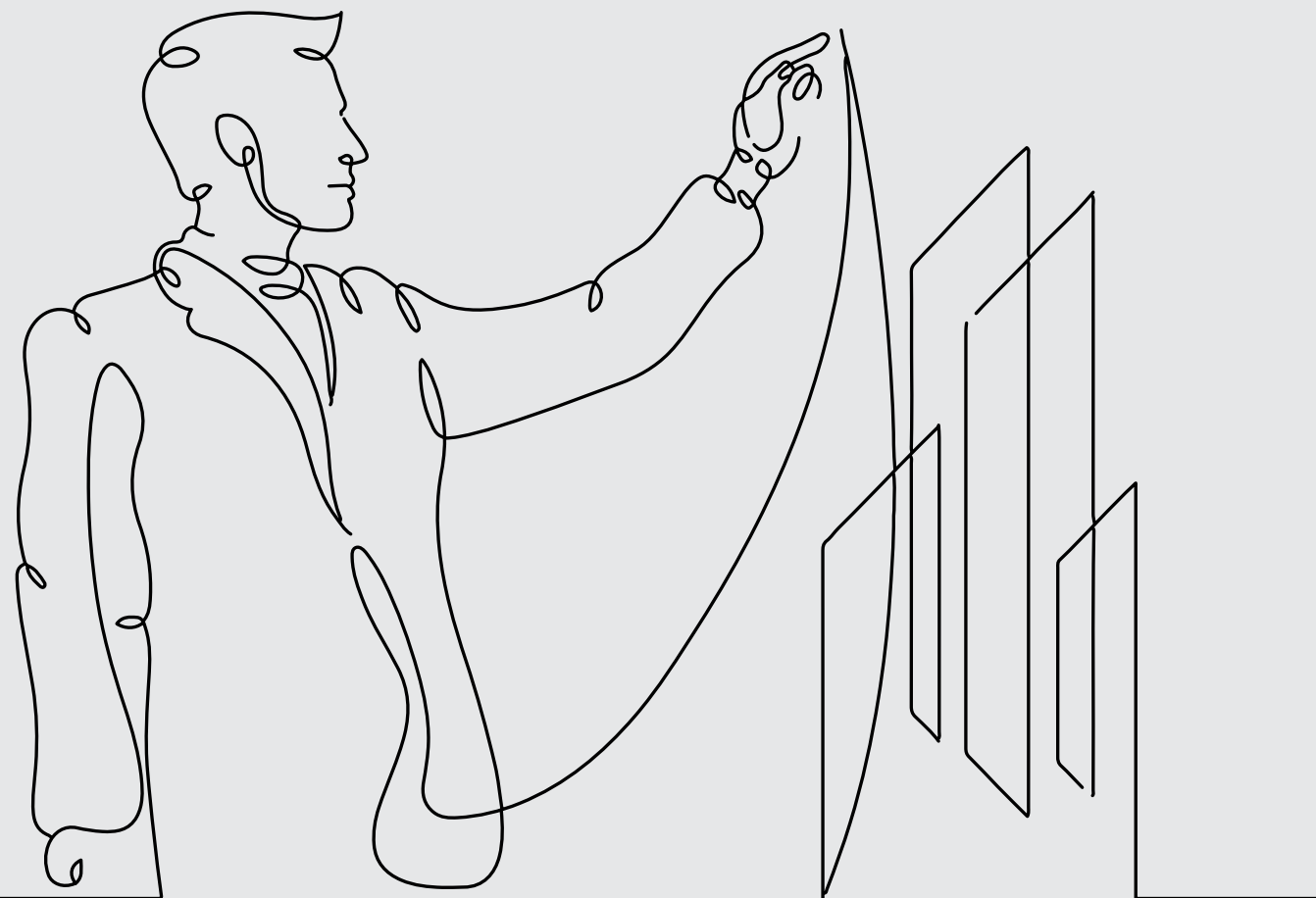
- Compliance and Governance**
 - Reviewed and revised existing Policies and Procedure according to MS ISO 37001:2016 Anti-Bribery Management System certifications requirements
 - Translated the existing Risk, Integrity & Compliance Department modules to Bahasa Malaysia
 - Instilling a culture of integrity and compliance at the workplace through educational awareness sessions such as engagement session and periodic communications

UEM Edgenta is committed towards addressing any violations to the Code of Conduct, as well as any applicable law, regulations or policies. We have put in place several procedures to meet out specific and appropriate disciplinary actions against any unethical or improper practices.

All whistleblowing cases are reported to the Board of Directors in ensuring a supervisory overview of the ethical environment within UEM Edgenta. You can email your concern to whistleblowing@edgenta.com or write to the Chairman of the Board of Directors or Chairman of the Board Governance and Risk Committee, UEM Edgenta Berhad using the prescribed Whistleblowing Lodgment Form.

FINANCIAL STATEMENTS

Directors' Report	163
Statement by Directors	169
Statutory Declaration	169
Independent Auditors' Report	170
Statements of Comprehensive Income	176
Statements of Financial Position	178
Statements of Changes in Equity	182
Statements of Cash Flows	185
Notes to the Financial Statements	187



DIRECTORS' REPORT

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 2021.

PRINCIPAL ACTIVITIES

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

The principal activities and other information of the subsidiaries, joint ventures and associates are described in Note 45 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit after tax	43,360	41,412
Attributable to:		
Owners of the parent	42,003	41,412
Non-controlling interests	1,357	-
	43,360	41,412

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the impairment loss on investment in a subsidiary company amounting to RM40.3 million for the Company and staff rationalisation cost incurred amounting to RM12.6 million for the Group as further disclosed in Notes 16(b) and Note 8, respectively to the financial statements.

DIVIDENDS

On 24 February 2022, the Board of Directors declared an interim dividend of 3.00 sen per ordinary share on 831,624,030 ordinary shares, amounting to RM24,948,721 in respect of financial year ended 31 December 2021, to be paid on 19 May 2022. The entitlement date is 21 April 2022. The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

The directors do not propose any final dividend for the financial year ended 31 December 2021.

DIRECTORS' REPORT

DIRECTORS' REPORT

DIRECTORS

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

Tan Sri Dr. Azmil Khalili bin Dato' Khalid	
Syahrudin bin Samsudin*	
Dato' Mohd Izani bin Ghani	
Dato' Noorazman bin Abd Aziz	
Tan Bun Poo	
Dato' George Stewart LaBrooy	
Rowina Ghazali Seth	
Shirley Goh	(Appointed on 1 July 2021)
Jenifer Thien Bit Leong	(Appointed on 1 July 2021)
Mohd Asrul Ab Rahim	(Appointed on 21 January 2022)
Wong Shu Hsien	(Appointed on 1 July 2021 and resigned on 21 January 2022)
Elakumari a/p Kantilal	(Resigned on 17 June 2021)
Emily Kok	(Retired on 17 June 2021)

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

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

Chen Yen-Yu	
Chua Pei Sum	
Dr. Chan Tuck Leong	
Dr. Nik Fawaz bin Nik Abdul Aziz	
Fardan bin Abdul Majeed	
Jesudason Selvaraj	
Leong Kar Yung	
Lim Wei Hsien Kenny	
Lim Wah Seng	
Mazli bin Mohamed Ayob	
Mohamad Zamani bin Razali	
Raihana binti Ahmad	
Rakesh Devasish Jena	
(Alternate to Dr. Chan Tuck Leong)	
Razman Ismail	
Roli Shukla	
Shariman Yusuf bin Mohamed Zain	
Sharon Ruba a/p Krishnamurthy	
Suriana binti Abdul Hamid	
Tan Cheh Tian	
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	
Tan Sri Datuk Chen Lok Loi	
Tan Wah San	
(Alternate to Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong)	
Aliza binti Sulaiman	(Appointed on 2 November 2021)
Anil Abraham	(Appointed on 10 May 2021)

DIRECTORS (CONTD.)

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

Andrew Raj A/L Varatharaju	(Appointed on 2 November 2021)
Angel Yogesh Vora	(Appointed on 13 May 2021)
Azam bin Mohamed	(Appointed on 2 November 2021)
Chua Yong Howe	(Appointed on 29 April 2021)
Grace Nesam Poore A/P J. Kannuthurai	(Appointed on 2 November 2021)
Izdihar binti Ibrahim	(Appointed on 2 November 2021)
Kang Kee Yen	(Appointed on 2 November 2021)
Kenneth Anak Tuba	(Appointed on 31 December 2021)
Lim Hock Thye	(Appointed on 24 August 2021)
Lim Su San	(Appointed on 2 November 2021)
Liu Hsiao Fan	(Appointed on 3 December 2021)
Mohd Hasri bin Haron	(Appointed on 28 October 2021)
Mohamad Muhazni bin Mukhtar	(Appointed on 2 November 2021)
Nur Aisyah binti Osman	(Appointed on 31 December 2021)
Nuraida binti Ismail	(Appointed on 15 November 2021)
Rais bin Imran	(Appointed 30 April 2021)
Tang Chee Wai	(Appointed on 3 March 2021)
Tengku Norlinda binti Tengku Hamzah	(Appointed on 2 November 2021)
Vincent Michael Gin	(Appointed on 16 September 2021)
Asheel Chandra Bharos	(Resigned on 16 September 2021)
Chan Cheow Hong	(Resigned on 26 August 2021)
Huang Wan Hung	(Resigned on 3 December 2021)
John Bong Kim Fook	(Resigned on 3 March 2021)
Low Chee Yen	(Resigned on 1 November 2021)
Paul Sandanasamy Richard	(Resigned on 28 October 2021)
Sivaramakrishnan Narayanan Ayakkad	(Demised on 12 May 2021)
Siththambaranatha Gandhi a/l Suppiah	(Resigned on 29 January 2021)
Zulkiflee bin Omar	(Resigned on 2 July 2021)

Director of a subsidiary that has been dissolved during the financial year:

Saeed Abdulla Omar Saeed Al Amoudi	(Dissolved on 29 May 2021)
------------------------------------	----------------------------

DIRECTORS' BENEFITS

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

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

DIRECTORS' REPORT

DIRECTORS' REPORT

DIRECTORS' BENEFITS (CONTD.)

The directors' benefits are as follows:

	Group/ Company RM'000
Executive:	
Salaries and other emoluments	1,020
Bonus	85
Contributions to defined contribution plans	171
Allowances	50
Benefits-in-kind	30
	1,356
Non-Executive:	
Fees	1,299
Allowance	16
Benefits-in-kind	41
	1,356
Total	2,712

During the financial year, the directors and officers of the Company are covered under the Directors and Officers Liability Insurance ("D&O Insurance") in respect of liabilities arising from acts committed in their respective capacity as, inter alia, the directors and officers of the Company subject to the terms of the D&O Insurance policy. The insurance premium incurred by the Company was RM130,920.

DIRECTORS' INTEREST

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

HOLDING COMPANIES

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

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

SIGNIFICANT EVENT

Details of significant event is disclosed in Note 43 to the financial statements.

SUBSEQUENT EVENT

Details of subsequent event is disclosed in Note 44 to the financial statements.

AUDITORS

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

Auditors' remuneration in relation to the audit is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	913	153
Other component auditors	448	-
	1,361	153

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2021.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 March 2022.

Tan Sri Dr. Azmil Khalili bin Dato' Khalid

Syahrnzam bin Samsudin

STATEMENT BY DIRECTORS

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

We, Tan Sri Dr. Azmil Khalili bin Dato' Khalid and Syahrnzam bin Samsudin, being two of the directors of UEM Edgenta Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 176 to 314 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 March 2022.

Tan Sri Dr. Azmil Khalili bin Dato' Khalid

Syahrnzam bin Samsudin

STATUTORY DECLARATION

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

I, Chua Pei Sum, being the officer primarily responsible for the financial management of UEM Edgenta Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 176 to 314 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed
Chua Pei Sum (MIA 39350)
at Kuala Lumpur in the Federal Territory
on 28 March 2022.

Chua Pei Sum

Before me,

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UEM EDGENTA BERHAD

(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of UEM Edgenta Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 176 to 314.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

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

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

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

KEY AUDIT MATTERS

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UEM EDGENTA BERHAD

(Incorporated in Malaysia)

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

KEY AUDIT MATTERS (CONTD.)

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

(a) Impairment assessment of goodwill

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

As at 31 December 2021, the carrying amount of goodwill amounted to RM539.7 million, representing 45% and 19% of the Group's total non-current assets and total assets respectively. The Group is required to perform annual impairment assessment on the goodwill by comparing the recoverable amounts of the related cash generating units ("CGUs") or groups of CGUs to its carrying amount.

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

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

Our audit response

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UEM EDGENTA BERHAD
(Incorporated in Malaysia)

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

KEY AUDIT MATTERS (CONTD.)

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

(a) Impairment assessment of goodwill (contd.)

Our audit response (contd.)

In addressing this area of audit focus, we performed, among others, the following procedures: (contd.)

- We performed sensitivity analysis on key assumptions that will significantly affect the VIU of each CGU; and
- We evaluated the adequacy of disclosures of key assumptions to which the outcome of the impairment test is most sensitive.

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

(b) Impairment assessment of investment in subsidiaries

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

As at 31 December 2021, the carrying amount of the investment in a subsidiary, Opus Group Berhad (“OGB”) amounted to approximately RM493.8 million, representing 29% and 26% of the Company’s total non-current assets and total assets respectively. The Company assessed that there was an indication of impairment for its investment in OGB.

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

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

Arising from the impairment assessment, the Company recognised an impairment loss of RM40.3 million in relation to its investment in OGB during the year.

Our audit response

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

- We obtained an understanding of the methodology adopted by management in estimating the VIU and assessed whether such methodology is consistent with those used in the industry;
- We assessed the reasonableness of key assumptions, focusing on forecasted revenue, profit margins and long-term growth rate, taking into consideration the current and expected future economic conditions of the respective subsidiary;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UEM EDGENTA BERHAD
(Incorporated in Malaysia)

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

KEY AUDIT MATTERS (CONTD.)

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

(b) Impairment assessment of investment in subsidiaries (contd.)

Our audit response (contd.)

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

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

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UEM EDGENTA BERHAD

(Incorporated in Malaysia)

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UEM EDGENTA BERHAD

(Incorporated in Malaysia)

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 45 to the financial statements.

OTHER MATTERS

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

Ernst & Young PLT

202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
28 March 2022

Ismed Darwis Bahatlar

No. 02921/04/2022 J
Chartered Accountant

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	3	2,292,422	2,028,716	189,906	87,695
Cost of sales	4	(1,982,088)	(1,756,013)	-	-
Gross profit		310,334	272,703	189,906	87,695
Other income	5	36,019	57,771	14,126	11,364
Administrative expenses		(217,880)	(221,818)	(89,948)	(93,024)
Selling and marketing expenses		(1,136)	(102)	-	-
Other expenses		(52,026)	(53,887)	(57,398)	(64,031)
Operating profit/(loss)		75,311	54,667	56,686	(57,996)
Finance costs	6	(20,901)	(23,491)	(15,274)	(18,788)
Share of profit of associates		24,159	15,756	-	-
Profit/(loss) before tax	7	78,569	46,932	41,412	(76,784)
Zakat		(707)	(2,367)	-	-
Income tax expense	10	(34,502)	(30,192)	-	(10)
Profit/(loss) after tax		43,360	14,373	41,412	(76,794)
Profit/(loss) attributable to:					
Owners of the parent		42,003	12,869	41,412	(76,794)
Non-controlling interests		1,357	1,504	-	-
		43,360	14,373	41,412	(76,794)
Earnings per share attributable to owners of the parent (sen)	11	5.1	1.5		

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2021 (contd.)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit/(loss) after tax		43,360	14,373	41,412	(76,794)
Other comprehensive income/(loss)					
<i>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations		12,889	(72)	-	-
Exchange differences reclassified to profit or loss		3,679	(19,130)	-	-
		16,568	(19,202)	-	-
<i>Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:</i>					
Remeasurement loss on Defined Benefit Pension Scheme	25	(127)	(114)	-	-
Other comprehensive income/(loss) for the year		16,441	(19,316)	-	-
Total comprehensive income/(loss) for the year		59,801	(4,943)	41,412	(76,794)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		58,379	(6,564)	41,412	(76,794)
Non-controlling interests		1,422	1,621	-	-
		59,801	(4,943)	41,412	(76,794)

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group	
		2021 RM'000	2020 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	166,502	193,678
Right-of-use assets	34	37,281	40,827
Land held for property development	14	477	477
Intangible assets	15	699,204	718,349
Investment in associates	17	102,922	85,203
Other investments	18	232	232
Trade and other receivables	20	113,477	119,992
Contract related assets	21	77,694	67,751
Deferred tax assets	29	8,141	8,960
		1,205,930	1,235,469
Current assets			
Inventories	19	66,772	77,865
Trade and other receivables	20	586,918	460,013
Contract related assets	21	311,646	293,351
Tax recoverable		55,103	50,854
Short term investments	22	28,310	11,799
Cash, bank balances and deposits	23	600,391	678,002
		1,649,140	1,571,884
Total assets		2,855,070	2,807,353

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021 (contd.)

	Note	Group	
		2021 RM'000	2020 RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	30	268,074	268,074
Capital reserve	31	313,856	313,856
Other reserves	32	(116)	(16,340)
Retained earnings	33	954,022	935,082
		1,535,836	1,500,672
Non-controlling interests		3,519	8,590
Total equity		1,539,355	1,509,262
Non-current liabilities			
Retirement benefit obligations	24	2,140	2,518
Defined benefit pension plan	25	1,003	937
Provisions	26	3,441	2,891
Borrowings	27	58,095	318,704
Lease liabilities	34	25,020	27,768
Trade and other payables	28	10,765	1,659
Deferred tax liabilities	29	47,392	44,126
		147,856	398,603
Current liabilities			
Retirement benefit obligations	24	550	877
Provisions	26	1,620	1,620
Borrowings	27	385,426	164,450
Lease liabilities	34	8,599	9,807
Trade and other payables	28	727,740	668,935
Contract liabilities	21	30,312	30,663
Income tax payable		13,612	23,136
		1,167,859	899,488
Total liabilities		1,315,715	1,298,091
Total equity and liabilities		2,855,070	2,807,353

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021 (contd.)

	Note	Company	
		2021 RM'000	2020 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	11,672	13,773
Right-of-use assets	34	31,406	33,961
Intangible assets	15	35,893	41,373
Investment in subsidiaries	16	1,546,139	1,688,223
Other investments	18	232	232
Trade and other receivables	20	107,082	103,979
		1,732,424	1,881,541
Current assets			
Trade and other receivables	20	111,604	91,143
Tax recoverable		2,688	-
Cash, bank balances and deposits	23	50,457	14,813
		164,749	105,956
Total assets		1,897,173	1,987,497
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	30	268,074	268,074
Capital reserve	31	788,375	788,375
Other merger reserve	31	482,035	482,035
Accumulated losses	33	(23,201)	(64,613)
		1,515,283	1,473,871

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021 (contd.)

	Note	Company	
		2021 RM'000	2020 RM'000
Non-current liabilities			
Borrowings	27	-	249,958
Lease liabilities	34	22,577	25,527
Trade and other payables	28	-	101,636
		22,577	377,121
Current liabilities			
Borrowings	27	304,184	52,101
Lease liabilities	34	6,818	6,030
Trade and other payables	28	48,311	78,374
		359,313	136,505
Total liabilities		381,890	513,626
Total equity and liabilities		1,897,173	1,987,497

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Attributable to owners of the parent						
	Non-distributable				Total	Non-controlling interests	Total equity
	Share capital (Note 30) RM'000	Capital reserve (Note 31) RM'000	Other reserves (Note 32) RM'000	Retained earnings (Note 33) RM'000			
GROUP							
At 1 January 2021	268,074	313,856	(16,340)	935,082	1,500,672	8,590	1,509,262
Profit for the year	-	-	-	42,003	42,003	1,357	43,360
Other comprehensive income/(loss)	-	-	16,503	(127)	16,376	65	16,441
Total comprehensive income	-	-	16,503	41,876	58,379	1,422	59,801
Acquisition of non-controlling interest	-	-	-	(22,936)	(22,936)	(4,625)	(27,561)
Issuance of shares to non-controlling interest	-	-	-	-	-	306	306
Dividends paid to:							
- Non-controlling shareholders of subsidiaries	-	-	-	-	-	(1,965)	(1,965)
Liquidation of a subsidiary	-	-	(279)	-	(279)	(209)	(488)
	-	-	(279)	(22,936)	(23,215)	(6,493)	(29,708)
At 31 December 2021	268,074	313,856	(116)	954,022	1,535,836	3,519	1,539,355

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2021 (contd.)

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

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 2021 (contd.)

	Share capital (Note 30) RM'000	Capital reserve (Note 31) RM'000	Other merger reserve (Note 31) RM'000	(Accumulated losses)/ Retained earnings (Note 33) RM'000	Total equity RM'000
Company					
At 1 January 2021	268,074	788,375	482,035	(64,613)	1,473,871
Total comprehensive income	-	-	-	41,412	41,412
At 31 December 2021	268,074	788,375	482,035	(23,201)	1,515,283
At 1 January 2020	268,074	788,375	482,035	78,711	1,617,195
Total comprehensive loss	-	-	-	(76,794)	(76,794)
Transaction with owners					
Dividends (Note 12)	-	-	-	(66,530)	(66,530)
At 31 December 2020	268,074	788,375	482,035	(64,613)	1,473,871

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2021

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from operating activities				
Cash receipts from customers	2,351,932	2,383,434	60,779	31,330
Cash payments to suppliers	(1,021,364)	(943,586)	-	-
Cash payments to employees and for expenses	(1,232,806)	(1,149,941)	(78,589)	(96,518)
Cash generated from/(used in) operations	97,762	289,907	(17,810)	(65,188)
Interest paid	(19,036)	(21,762)	(14,062)	(14,868)
Taxes and zakat (paid)/refunded	(34,129)	(47,281)	(2,688)	125
Net cash flows generated from/ (used in) operating activities	44,597	220,864	(34,560)	(79,931)
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	121	4,498	-	3,420
Final distribution to shareholders upon disposal of a subsidiary company (Note 16(g))	152	-	152	-
Proceeds from disposal of other investment	-	40	-	40
Proceeds from disposal of an associate	-	58	-	-
Payment of deferred consideration	(2,910)	-	(2,910)	-
Subscription of additional shares in a subsidiary	-	-	(500)	-
Acquisition of non-controlling interests in a subsidiary	(27,561)	(28,210)	-	(28,210)
Placement of short term investments	(90,700)	(85,000)	-	-
Proceeds from withdrawal of short term investments	74,953	136,819	-	-
Interest received	4,514	3,877	81	856
Dividends received from associates	6,418	7,708	-	-
Dividends received from subsidiaries	-	-	65,034	118,767
Purchase of property, plant and equipment (Note b)	(24,393)	(17,630)	(1,180)	(411)
Purchase of intangible assets (Note c)	(18,286)	(10,296)	(17,175)	(8,645)
Repayment from a subsidiary	-	-	30,506	32,045
Net cash flows (used in)/generated from investing activities	(77,692)	11,864	74,008	117,862

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2021 (contd.)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from financing activities				
Issuance of shares to non-controlling shareholders of a subsidiary	306	-	-	-
Drawdown of borrowings	82,197	74,384	52,000	50,000
Repayment of borrowings	(126,182)	(114,894)	(50,000)	(50,000)
Repayment of lease liabilities	(7,278)	(4,658)	(5,804)	(4,086)
Dividends paid	-	(66,530)	-	(66,530)
Dividends paid to non-controlling shareholders of subsidiaries	(1,965)	(3,660)	-	-
Placement of fixed deposits	(5,014)	(19,634)	-	-
Net cash flows used in financing activities	(57,936)	(134,992)	(3,804)	(70,616)
Net (decrease)/increase in cash and cash equivalents	(91,031)	97,736	35,644	(32,685)
Net foreign exchange difference	6,985	2,101	-	-
Cash and cash equivalents at beginning of year	638,806	538,969	14,813	47,498
Cash and cash equivalents at end of year (Note a)	554,760	638,806	50,457	14,813
(a) Cash and cash equivalents comprise:				
Cash in hand and at banks	398,649	351,231	50,457	5,313
Fixed deposits with licensed banks	201,742	326,771	-	9,500
Cash, bank balances and deposits (Note 23)	600,391	678,002	50,457	14,813
Less: Fixed deposits on lien	(3,849)	(3,713)	-	-
Less: Fixed deposits pledged	(22,933)	(17,060)	-	-
Less: Cash and fixed deposit restricted in usage	(18,849)	(18,423)	-	-
	554,760	638,806	50,457	14,813

(b) Included in the purchase of property, plant and equipment of the Group and the Company is an amount of RM1.5 million and RM0.3 million paid for property, plant and equipment that had been capitalised in prior years.

(c) Included in the purchase of intangible assets of the Group and the Company is an amount of RM17.2 million paid for intangible assets that had been capitalised in prior years.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. CORPORATE INFORMATION

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

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

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries, joint ventures and associates are described in Note 45.

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 28 March 2022.

2. SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation**

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

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

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

2.2 Changes in accounting policies

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

	Effective for annual period beginning on or after
MFRS 17: Insurance Contracts	1 January 2021
Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021

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

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**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 Company intend to adopt these standards, if applicable, when they become effective:

	Effective for annual periods beginning on or after
Amendment to MFRS 16 Leases: Covid 19-Related Rent Concession beyond 30 June 2021	1 April 2021
Annual Improvements to MFRS Standards 2018–2020	1 January 2022
Amendments to MFRS 3 Business Combinations: Reference to conceptual framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment Property, plant and equipment - proceeds before intended use	1 January 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - cost of fulfilling a contract	1 January 2022
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of liabilities as current or non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Amendments to MFRS and Annual Improvements to MFRS above are expected to have no significant impact on the financial statements of the Group and of the Company upon their initial application except for the changes in presentation and disclosure of financial information arising from the adoption of these Amendments to MFRS and Annual Improvements to MFRS.

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);

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(a) Basis of consolidation and subsidiaries (contd.)****(i) Basis of consolidation (contd.)**

The Company controls an investee if and only if the Company has all the following: (contd.)

- (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.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(a) Basis of consolidation and subsidiaries (contd.)****(i) Basis of consolidation (contd.)*****Business combinations***

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.

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss in accordance with MFRS 9. If the contingent consideration is classified as equity, it will not be remeasured.

Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

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

Business combinations involving entities under common control

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(a) Basis of consolidation and subsidiaries (contd.)****(ii) Subsidiaries**

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

(b) Investment in associates

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(c) Joint arrangements (contd.)****(i) Joint operations**

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

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

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

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

(d) Transactions with non-controlling interests

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(e) Current versus non-current classification**

The Group presents assets and liabilities in the 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.

The Group classifies all other liabilities as non-current.

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

(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 statement of comprehensive income. Impairment losses recognised for goodwill are not reversed in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(f) Intangible assets (contd.)

(i) Goodwill (contd.)

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

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

(ii) Other intangible assets

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

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

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 the statement of comprehensive income when the asset is derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(f) Intangible assets (contd.)

(ii) Other intangible assets (contd.)

Customer contracts and relationships

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

Software

Software that do not form an integral part of the related hardware have been reclassified as intangible assets. Software is considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products between 3 and 10 years. Impairment is assessed whenever there is an indication of impairment and amortisation period and method are also reviewed at least at each reporting date. Software-in-progress is stated at cost, net of accumulated impairment losses, if any.

Research and development costs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(g) Property, plant and equipment

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

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

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

(i) Land held for property development

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

(ii) Property development costs

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

(i) Impairment of non-financial assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(i) Impairment of non-financial assets (contd.)**

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 the statement of comprehensive income unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(j) Inventories

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

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

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

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

(k) Financial assets

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

Initial recognition and measurement

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(k) Financial assets (contd.)**Initial recognition and measurement (contd.)

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

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

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

Subsequent measurement**(i) Financial assets at amortised cost (debt instruments)**

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(k) Financial assets (contd.)**

Subsequent measurement (contd.)

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

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

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(k) Financial assets (contd.)**

Subsequent measurement (contd.)

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

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

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

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

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

Derecognition

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(k) Financial assets (contd.)**Derecognition (contd.)

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

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

(l) Impairment of financial assets

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(m) Cash, bank balances and short-term deposits**

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

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

(n) Share capital and share issuance expenses

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

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

(o) Financial liabilitiesInitial recognition and measurement

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

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

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

Subsequent measurement**(i) Financial liabilities at fair value through profit or loss**

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(o) Financial liabilities (contd.)

Subsequent measurement (contd.)

(i) Financial liabilities at fair value through profit or loss (contd.)

Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.

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

(ii) Trade payables, other payables and loans and borrowings

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

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

Derecognition

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

(p) Offsetting of financial instruments

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(q) Leases - as lessee

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

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

i. Right-of-use asset

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

Leasehold land	22 to 77 years
Office premises	2 to 15 years
Motor vehicles	2 to 3 years

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

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

ii. Lease liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(q) Leases - as lessee (contd.)**ii. Lease liabilities (contd.)

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

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

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

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

(r) Borrowing costs

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

All other borrowing costs are recognised in the statement of comprehensive income 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(s) Income tax****(i) Current tax**

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

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

(ii) Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(s) Income tax (contd.)****(ii) Deferred tax (contd.)**

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in the statement of comprehensive income.

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 and service tax ("SST")

Revenues, expenses and assets are recognised net of the amount of SST except:

- when the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the SST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- for receivables and payables that are stated with the amount of SST included.

The net amount of SST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(t) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(u) Employee benefits**(i) Short term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Long term incentives plan

Long term incentives are granted to eligible employees subject to meeting the pre-determined financial performance and value growth targets of the Group over a vesting period of 3 years.

Liability arising from long term incentives is measured and reviewed at each reporting date, based on the management's estimates on the achievement of the pre-determined targets, and it is recognised as an expense over the performance period of 3 years.

(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").

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(u) Employee benefits (contd.)

(iv) Defined benefit plan

The Group's subsidiaries operate defined benefit pension schemes for its eligible employees. The benefit is unfunded. A liability or asset is recognised when there is a shortfall or surplus in a defined benefit pension scheme, being the difference between the fair value of the scheme assets and liabilities as determined by an independent actuary. Actuarial gains and losses are recognised in full in other comprehensive income at the time of valuation. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods. The cost of providing benefits under this plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine the current service cost) and to the current and prior periods (to determine the present value of the defined benefit obligation) and is based on actuarial advice. The current service cost is charged to profit or loss. Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if benefits have vested.

A charge representing the unwinding of the discount on the plan liabilities during the year is included in profit or loss as administrative expenses. A credit representing the expected return of the plan assets during the year is also included within administrative expenses. This credit is based on the market value of the plan assets and expected rates of return at the beginning of the year.

(vi) Termination benefit

The termination benefits are payable solely at the discretion by the Board of Directors and management. These benefits are payable when employment is terminated before the normal retirement date or where an employee accepts voluntary redundancy in exchange for these benefits when they are offered. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal.

(v) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(v) Foreign currencies (contd.)

(ii) Foreign currency transactions (contd.)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

The principal exchange rates used for every unit of foreign currency ruling at the reporting date are as follows:

	2021 RM	2020 RM
United Arab Emirates Dirham (AED)	1.13	1.09
Indian Rupees (INR)	0.06	0.05
New Zealand Dollars (NZD)	2.85	2.90
Singapore Dollars (SGD)	3.09	3.04
Taiwan New Dollar (TWD)	0.15	0.14
Indonesian Rupiah (IDR'000)	0.29	0.29

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(w) Income recognition

Revenue from contracts with customers

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

In determining the transaction price for contracts with customers, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any). Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

If control of the assets transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

(i) Asset consultancy

The Group recognises revenue from consultancy services over time when the performance obligations are performed and the Group has an enforceable right to the payment for the performance completed to date.

Revenue is recognised over time using an input method to measure progress towards complete satisfaction of the service, because customer simultaneously receives and consumes the benefits provided by the Group. Revenue is calculated as the proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenue derived from variations on contracts are recognised only when they have been accepted by the customer whereby no significant revenue reversal will occur. Full provision is made for losses on all contracts in the year in which they are first foreseen.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(w) Income recognition (contd.)

Revenue from contracts with customers (contd.)

(ii) Healthcare support

The Group through the Concession Agreement provides healthcare support services to the public hospital in the Northern zone of Malaysia encompassing the states of Perlis, Kedah, Pulau Pinang and Perak. The services provided are healthcare waste management, cleansing, linen and laundry, facilities engineering maintenance, biomedical engineering maintenance and facilities management services. The Group also provides healthcare facilities management, housekeeping and patient management services to various private healthcare institutions in Malaysia, Singapore and Taiwan.

The revenue from the services, which is based on fixed price under the agreement is allocated based on relative stand-alone selling price of the considerations for each of the separate performance obligations.

The Group recognises the services revenue over time when the performance obligations are performed and the Group has an enforceable right to the payment for the performance completed to date. Any variable consideration is estimated at contract inception and constrained until it is highly probable. The Group applies the most likely amount method to determine the variable consideration which will be netted against the revenue.

(iii) Infrastructure services

The Group provides maintenance service and repair of civil, mechanical and electrical works on roads, infrastructure and expressways works.

Revenue on infrastructure services are recognised over time, using an input method to measure progress towards complete satisfaction of the service, because customer simultaneously receives and consumes the benefits provided by the Group. Revenue is calculated as the proportion of total contract value which costs incurred to date to total expected costs for that contract. Revenue derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Revenue for routine maintenance is recognised based on fixed sum contract while revenue for non routine maintenance is recognised based on schedule of rates agreed with customers.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(w) Income recognition (contd.)****Revenue from contracts with customers (contd.)****(iv) Property and Facility Solutions**

The Group provides various facilities management including infrastructure, building and ground maintenance to commercial customers. These services are provided on a time and material basis or as a fixed-priced contract, with contract terms generally ranging from one (1) year to three (3) years.

Revenue from these services is recognised over time in the period the services are rendered.

The Group also provides green technology and sustainability services in retro-fitting works of buildings followed by a period in which the Group maintains and services the infrastructure. In such contracts, revenue from the supply of retro-fitting equipment and installation works are recognised at the point in time when:

- (i) the control of the asset is transferred to the customer upon the acceptance of physical possession of the asset and successful testing and commissioning; and
- (ii) the significant risks and rewards of ownership of the asset is borne by the customer.

Revenue from the maintenance and servicing of the infrastructure subsequent to the retro-fitting is recognised over time in the period the services are rendered.

(v) Property development

Revenue from sale of property development is recognised over time.

Revenue from sale of completed property units is recognised at the point of time upon the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it entitled in exchange for the asset that will be transferred to the customer.

(vi) Management fees

Management fees for services provided to entities within the Group are recognised over time as services are rendered.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(w) Income recognition (contd.)****Other income recognition****(i) Dividend income**

Dividend income is recognised when the Group's right to receive payment is established.

(ii) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

(iii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(x) Contract balances**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised. Contract assets are subject to impairment assessment based on the ECL model.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs the obligations under the contract.

Contract fulfillment assets

Contract fulfillment assets are divided into:

- (i) cost that give rise to an asset; and
- (ii) costs that are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(x) Contract balances (contd.)**Contract fulfillment assets (contd.)

When determining the appropriate accounting treatment for such costs, the Group firstly considers any other applicable standards. If those other standards preclude capitalisation of a particular cost, then an asset is not recognised under MFRS 15.

If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalisation:

- (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract;
- (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (iii) the costs are expected to be recovered. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

The Group utilises contract fulfilment assets over the expected contract period using a systematic basis that mirrors the pattern in which the Group transfers control of the service to the customer. The utilisation charge is included within cost of sales.

A contract fulfillment assets is derecognised either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

Management is required to determine the recoverability of contract fulfillment assets. At each reporting date, the Group determines whether or not the contract fulfillment assets are impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract.

(y) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 41, including the factors used to identify the reportable segments and the measurement basis of segment information.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(z) Contingencies**

A contingent liability is:

- (i) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (ii) A present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statement of financial positions of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

(aa) Fair value measurement

The Group measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.4 Summary of significant accounting policies (contd.)****(aa) Fair value measurement (contd.)**

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.5 Significant accounting judgements and estimates

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Judgements

There are no critical judgements made by management in the process of applying the Group's and the Company's accounting policies that may have significant effects on the amounts recognised in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**2.5 Significant accounting judgements and estimates (contd.)****(b) Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Revenue recognition - Asset consultancy

The Group recognises its revenue and profit on consultancy contract services based on the percentage of completion, calculated by reference to the proportion of costs incurred to date against the total expected costs for the contracts. Full provision is made for losses on all contracts when they are first foreseen. Significant estimates are applied especially in determining the total expected costs for the contracts in order to reliably estimate the percentage of completion.

(ii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the VIU 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 2021 was RM539.7 million (2020: RM534.5 million). Further details are disclosed in Note 15(a).

(iii) Impairment of investment in subsidiaries

The Company determines whether investment in subsidiaries is impaired when there is an indication of impairment. This requires an estimation of the 'value-in-use' of the investment in subsidiaries. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows and also to determine suitable discount and growth rates in order to calculate the present value of those cash flows. The carrying amounts of investment in subsidiaries at 31 December 2021 was RM1,546.1 million (2020: RM1,688.2 million). Further details are disclosed in Note 16.

(iv) Provision for ECLs of trade receivables and contract assets

The Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments in calculating ECLs for trade receivables and contract assets. The amount and timing of future cash flows are then estimated based on historical credit loss experience for assets with similar credit risk characteristics and adjusted with forward-looking information such as forecast economic conditions. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 20 and Note 21 respectively.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.5 Significant accounting judgements and estimates (contd.)

(b) Key sources of estimation uncertainty (contd.)

(v) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(vi) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The deferred tax assets amounting to RM8.1 million (2020: RM9.0 million) are mainly related to subsidiaries of which management is confident that it would be probable for the related subsidiaries to generate future taxable profits.

If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by RM56.5 million (2020: RM43.1 million). Further details are disclosed in Note 29.

3. REVENUE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<i>Revenue from contracts with customers (a)</i>				
Asset consultancy	82,475	88,141	-	-
Healthcare support	1,432,534	1,233,408	-	-
Infrastructure services	594,405	549,055	-	-
Property and facility solutions	162,974	149,150	-	-
Others	20,034	8,962	-	-
Management fees	-	-	82,458	79,428
	2,292,422	2,028,716	82,458	79,428
<i>Revenue from other sources</i>				
Dividend income from subsidiaries	-	-	107,448	8,267
Total revenue	2,292,422	2,028,716	189,906	87,695
(a) Revenue from contracts with customers are recognised:				
- At a point in time	72,856	45,255	-	-
- Over time	2,219,566	1,983,461	82,458	79,428
	2,292,422	2,028,716	82,458	79,428

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2021 due within one year is RM1.5 billion (2020: RM1.6 billion) and due more than one year is RM5.6 billion (2020: RM6.9 billion). These relate to performance obligations from long term service contracts that is to be satisfied within 1 to 17 years (2020: within 1 to 18 years).

4. COST OF SALES

	Group	
	2021 RM'000	2020 RM'000
Asset consultancy	77,202	70,688
Healthcare support	1,252,307	1,040,724
Infrastructure services	500,326	456,119
Property and facility solutions	138,817	130,679
Property development:		
- completed property held for sale (Note 19)	11,810	56,826
- other costs	1,626	977
	1,982,088	1,756,013

NOTES TO THE FINANCIAL STATEMENTS

5. OTHER INCOME

Included in other income are:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Dividend income from short term investments	656	1,060	-	-
Interest income from:				
- fixed deposits	4,437	4,286	87	849
- advances to subsidiaries	-	-	4,205	3,628
License and commission fees from an associate	1,844	1,636	-	-
Bad debt recovered	-	4,304	-	-
Reversal of ECL provision on trade and other receivables (Note 20)	334	4,231	-	-
Net foreign exchange gain:				
- exchange differences reclassified to profit or loss	-	19,130	-	-
- realised	-	220	26	-
- unrealised	72	219	-	-
Gain on derecognition of lease	89	411	89	411
Gain on disposal of an associate (Note 17)	-	58	-	-
Accretion of interest on:				
- concession receivables	18,883	19,567	-	-
- loans and receivables	975	552	-	-
Rental income	147	147	6,162	6,187

6. FINANCE COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expense on:				
- bank borrowings	18,375	20,573	13,511	13,956
- loan from a subsidiary	-	-	420	3,411
- lease liabilities (Note 34)	1,541	1,744	1,212	1,292
Amortisation of capitalised borrowing cost	379	492	125	119
Commitment fees	275	132	-	-
Bank charges	331	550	6	10
	20,901	23,491	15,274	18,788

7. PROFIT/(LOSS) BEFORE TAX

The following amounts have been charged/(credited) in arriving at profit/(loss) before tax:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Employee benefits expense (Note 8)	1,031,140	907,280	68,587	60,719
Non-executive directors' remuneration excluding benefits-in-kind (Note 9)	1,315	1,283	1,315	1,283
Auditors' remuneration:				
- statutory	1,361	1,223	153	153
- others	85	196	81	37
Depreciation of right-of-use assets (Note 34)	10,883	11,327	7,124	7,045
Loss on liquidation of a subsidiary (Note 16(g))	3,875	-	266	-
Expenses relating to:				
- short-term leases (Note 34)	5,570	3,624	643	489
- leases of low-value assets (Note 34)	5,353	370	45	109
Amortisation of:				
- intangible assets (Note 15)	26,698	26,035	5,325	3,742
Depreciation of property, plant and equipment (Note 13)	49,671	44,981	2,964	3,381
Net loss/(gain) on disposal of plant and equipment	283	(16)	(2)	3
Property, plant and equipment written off (Note 13)	363	10	-	10

NOTES TO THE FINANCIAL STATEMENTS

7. PROFIT/(LOSS) BEFORE TAX (CONTD.)

The following amounts have been charged/(credited) in arriving at profit/(loss) before tax: (contd.)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Intangible asset written off (Note 15)	246	4	-	-
Provision for ECL on trade and other receivables (Note 20)	2,328	1,936	1,584	2,251
Bad debts written off	8	4,987	-	-
Impairment loss on investment in a subsidiary (Note 16(b))	-	-	40,350	47,600
Properties held for sale written down (Note 19)	-	50,000	-	-
Impairment loss on property, plant and equipment (Note 13)	-	2,938	-	-
Net foreign exchange loss:				
- realised	149	95	42	-
- unrealised	136	92	13	-

8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Wages and salaries	753,682	673,503	52,257	45,165
Contributions to statutory Employees Provident Fund ("EPF")	76,360	69,885	8,151	6,876
Social security contributions	2,808	2,996	352	383
Retirement benefit obligations (Note 24)	(121)	353	-	-
Decrease in liability for defined benefit pension plan (Note 25)	(125)	(348)	-	-
Employees' service entitlements (Note 26(a))	621	564	-	-
Staff rationalisation cost	12,619	-	-	-
Other benefits	185,296	160,327	7,827	8,295
Total employee benefits recognised in profit or loss (Note 7)	1,031,140	907,280	68,587	60,719

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration excluding benefits-in-kind amounting to RM1.3 million (2020: RM1.9 million) as further disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS

9. DIRECTORS' REMUNERATION

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	1,020	798	1,020	798
Bonus	85	708	85	708
Contributions to defined contribution plans	171	219	171	219
Allowances	50	127	50	127
Benefits-in-kind	30	24	30	24
	1,356	1,876	1,356	1,876
Non-Executive:				
Fees	1,299	1,283	1,299	1,283
Allowance	16	-	16	-
Benefits-in-kind	41	41	41	41
	1,356	1,324	1,356	1,324
Total	2,712	3,200	2,712	3,200
Total excluding benefits-in-kind	2,641	3,135	2,641	3,135
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 8)	1,326	1,852	1,326	1,852
Total non-executive directors' remuneration excluding benefits-in-kind (Note 7)	1,315	1,283	1,315	1,283
Total directors' remuneration excluding benefits-in-kind	2,641	3,135	2,641	3,135

NOTES TO THE FINANCIAL STATEMENTS

9. DIRECTORS' REMUNERATION (CONTD.)

The number of directors of the Company whose total remunerations during the year fell within the following bands is analysed below:

	No. of Directors	
	2021	2020
Executive directors:		
RM600,001 - RM650,000	-	1
RM1,250,001 - RM1,300,000	-	1
RM1,300,001 - RM1,400,000	1	-
Non-executive directors:		
Below RM50,000	-	1
RM50,001 - RM100,000	5	-
RM100,001 - RM150,000	4	4
RM150,001 - RM200,000	1	3
RM200,001 - RM250,000	-	1
RM250,001 - RM300,000	1	-

10. INCOME TAX EXPENSE

Major components of income tax expense/(benefit)

Major components of income tax expense/(benefit) for the years ended 31 December 2021 and 2020 are:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Statement of comprehensive income				
Current income tax:				
- Malaysian income tax	13,407	17,017	-	10
- Foreign tax	18,605	14,356	-	-
	32,012	31,373	-	10
(Over)/under provision of income tax in prior years:				
- Malaysian income tax	(1,340)	192	-	-
- Foreign tax	(121)	-	-	-
	(1,461)	192	-	-
	30,551	31,565	-	10

NOTES TO THE FINANCIAL STATEMENTS

10. INCOME TAX EXPENSE (CONTD.)

Major components of income tax expense/(benefit) (contd.)

Major components of income tax expense/(benefit) for the years ended 31 December 2021 and 2020 are: (contd.)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Statement of comprehensive income (contd.)				
Deferred tax: (Note 29)				
- Relating to origination and reversal of temporary differences	152	(1,998)	-	-
- Underprovision in prior years	3,799	625	-	-
	3,951	(1,373)	-	-
Income tax recognised in statements of comprehensive income	34,502	30,192	-	10

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Profits derived from overseas branch operations are not subject to Malaysian tax.

NOTES TO THE FINANCIAL STATEMENTS

10. INCOME TAX EXPENSE (CONTD.)

Reconciliation between tax expense and accounting profits

A reconciliation of income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2021 and 2020 are as follows:

	2021 RM'000	2020 RM'000
Group		
Profit before tax	78,569	46,932
Less: Zakat	(707)	(2,367)
	77,862	44,565
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	18,687	10,696
Tax effect on share of profit of associates	(5,798)	(3,781)
Income not subject to tax	(2,318)	(8,874)
Exempt income	-	(4,621)
Foreign income not subject to tax	(8,284)	(1,906)
Non-deductible expenses	18,971	33,618
Different tax rates in other countries	(2,476)	(7,266)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(2,600)	(1,238)
Deferred tax assets not recognised during the year	15,982	12,747
Underprovision of deferred tax in prior years	3,799	625
(Over)/under provision of income tax expense in prior years	(1,461)	192
Income tax expense recognised in statement of comprehensive income	34,502	30,192

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

	2021 RM'000	2020 RM'000
Company		
Profit/(loss) before tax	41,412	(76,784)
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	9,939	(18,428)
Non-deductible expenses	10,720	17,676
Foreign income not subject to tax	(745)	-
Income not subject to tax	(26,516)	(2,705)
Deferred tax assets not recognised during the year	6,602	3,467
Income tax expense recognised in statement of comprehensive income	-	10

NOTES TO THE FINANCIAL STATEMENTS

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	
	2021 RM'000	2020 RM'000
Profit attributable to owners of the parent	42,003	12,869
	Number of shares '000	Number of shares '000
Weighted average number of ordinary shares in issue	831,624	831,624
	Group	
	2021 Sen	2020 Sen
Basic earnings per share	5.1	1.5

There are no potential ordinary shares outstanding as at 31 December 2021. As such, the diluted earnings per share of the Group is equivalent to the basic earnings per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

12. DIVIDENDS

	Group and Company			
	Amount		Net Dividends per Ordinary Share	
	2021 RM'000	2020 RM'000	2021 Sen	2020 Sen
Recognised during the financial year:				
Single tier second interim dividend for 2019: 8.00 sen on 831,624,030 ordinary shares declared on 26 February 2020 and paid on 14 May 2020	-	66,530	-	8.00
	-	66,530	-	8.00

On 24 February 2022, the Board of Directors has declared an interim dividend of 3.00 sen per ordinary share on 831,624,030 ordinary shares, amounting to RM24,948,721 to be paid on 19 May 2022. The entitlement date is 21 April 2022. The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold 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
Group					
2021					
Cost					
At 1 January 2021	1,160	12,149	432,486	68,754	514,549
Additions	-	-	22,603	212	22,815
Disposals	-	-	(3,627)	-	(3,627)
Written off	-	-	(3,593)	-	(3,593)
Reclassification	-	-	68,110	(68,110)	-
Exchange differences	-	-	851	-	851
At 31 December 2021	1,160	12,149	516,830	856	530,995
Accumulated depreciation and impairment loss					
At 1 January 2021	-	1,680	319,191	-	320,871
Charge for the year (Note 7)	-	255	49,416	-	49,671
Disposals	-	-	(3,223)	-	(3,223)
Written off	-	-	(3,230)	-	(3,230)
Exchange differences	-	-	404	-	404
At 31 December 2021	-	1,935	362,558	-	364,493
Net carrying amount					
At 31 December 2021	1,160	10,214	154,272	856	166,502

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Freehold 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
Group					
Cost					
At 1 January 2020	1,160	12,149	411,676	70,021	495,006
Additions	-	-	32,072	147	32,219
Disposals	-	-	(8,864)	(1,414)	(10,278)
Written off	-	-	(2,397)	-	(2,397)
Exchange differences	-	-	(1)	-	(1)
At 31 December 2020	1,160	12,149	432,486	68,754	514,549
Accumulated depreciation and impairment loss					
At 1 January 2020	-	1,485	281,539	-	283,024
Charge for the year (Note 7)	-	195	44,786	-	44,981
Disposals	-	-	(7,802)	-	(7,802)
Written off	-	-	(2,387)	-	(2,387)
Impairment	-	-	2,938	-	2,938
Exchange differences	-	-	117	-	117
At 31 December 2020	-	1,680	319,191	-	320,871
Net carrying amount					
At 31 December 2020	1,160	10,469	113,295	68,754	193,678

13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Buildings RM'000	Equipment, furniture, fittings, office equipment, motor vehicles and computers RM'000	Total RM'000
Company			
2021			
Cost			
At 1 January 2021	9,759	18,805	28,564
Additions	-	863	863
Disposals	-	(18)	(18)
At 31 December 2021	9,759	19,650	29,409
Accumulated depreciation and impairment loss			
At 1 January 2021	1,246	13,545	14,791
Charge for the year (Note 7)	195	2,769	2,964
Disposals	-	(18)	(18)
At 31 December 2021	1,441	16,296	17,737
Net carrying amount	8,318	3,354	11,672
2020			
Cost			
At 1 January 2020	9,759	20,167	29,926
Additions	-	898	898
Disposals	-	(124)	(124)
Written off	-	(2,136)	(2,136)
At 31 December 2020	9,759	18,805	28,564
Accumulated depreciation and impairment loss			
At 1 January 2020	1,051	12,606	13,657
Charge for the year (Note 7)	195	3,186	3,381
Disposals	-	(121)	(121)
Written off	-	(2,126)	(2,126)
At 31 December 2020	1,246	13,545	14,791
Net carrying amount	8,513	5,260	13,773

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

- (a) The net carrying amounts of property, plant and equipment of the Group charged to a bank for banking facilities (Note 27(d)) are as follows:

	Group	
	2021 RM'000	2020 RM'000
Plant and equipment	103,826	50,359

- (b) During the year, the Group and the Company acquired property, plant and equipment by way of:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash payment	22,815	17,630	863	411
Other payables	-	14,589	-	487
	22,815	32,219	863	898

14. LAND HELD FOR PROPERTY DEVELOPMENT

	Land	Development	Total
	RM'000	expenditure RM'000	RM'000
Group			
At cost			
At 1 January 2020/31 December 2020/ 31 December 2021	830	6,674	7,504
Accumulated impairment			
At 1 January 2020/31 December 2020/ 31 December 2021	353	6,674	7,027
Carrying amount at 31 December 2020/ 31 December 2021	477	-	477

15. INTANGIBLE ASSETS

	Goodwill	Customer	Customer	Software	Software-	Total
	RM'000	contracts	relationships	development	cost in-progress	RM'000
	(Note a)	(Note b)	(Note b)	(Note c)		
Group						
Cost						
At 1 January 2020	534,718	33,996	173,895	52,913	35,952	831,474
Additions	-	-	-	6,706	3,590	10,296
Written off	-	-	-	(119)	-	(119)
Transfer	-	-	-	39,188	(39,188)	-
Exchange difference	(180)	-	(88)	(3)	-	(271)
At 31 December 2020	534,538	33,996	173,807	98,685	354	841,380
Additions	-	-	-	1,111	-	1,111
Transfer	-	-	-	354	(354)	-
Written off	-	-	-	(1,616)	-	(1,616)
Exchange difference	5,156	-	2,506	95	-	7,757
At 31 December 2021	539,694	33,996	176,313	98,629	-	848,632
Accumulated amortisation and impairment						
At 1 January 2020	-	8,224	55,368	33,578	-	97,170
Amortisation during the year (Note 7)	-	2,193	18,147	5,695	-	26,035
Written off	-	-	-	(115)	-	(115)
Exchange difference	-	-	(81)	22	-	(59)
At 31 December 2020	-	10,417	73,434	39,180	-	123,031
Amortisation during the year (Note 7)	-	2,193	17,298	7,207	-	26,698
Written off	-	-	-	(1,370)	-	(1,370)
Exchange difference	-	-	980	89	-	1,069
At 31 December 2021	-	12,610	91,712	45,106	-	149,428
Net carrying amount						
At 31 December 2021	539,694	21,386	84,601	53,523	-	699,204
At 31 December 2020	534,538	23,579	100,373	59,505	354	718,349

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

15. INTANGIBLE ASSETS (CONTD.)

	Software RM'000	Software- in-progress RM'000	Total RM'000
Company			
Cost			
At 1 January 2020	2,060	35,952	38,012
Additions	4,844	3,590	8,434
Disposals	(274)	-	(274)
Transfer	39,188	(39,188)	-
At 31 December 2020	45,818	354	46,172
At 1 January 2021	45,818	354	46,172
Additions	25	-	25
Disposals	(180)	-	(180)
Transfer	354	(354)	-
At 31 December 2021	46,017	-	46,017
Accumulated amortisation			
At 1 January 2020	1,163	-	1,163
Amortisation for the year (Note 7)	3,742	-	3,742
Disposals	(106)	-	(106)
At 31 December 2020	4,799	-	4,799
At 1 January 2021	4,799	-	4,799
Amortisation for the year (Note 7)	5,325	-	5,325
At 31 December 2021	10,124	-	10,124
Net carrying amount			
At 31 December 2021	35,893	-	35,893
At 31 December 2020	41,019	354	41,373

15. INTANGIBLE ASSETS (CONTD.)

(a) Goodwill

Impairment testing of goodwill

Goodwill is allocated and monitored by management across the following CGU:

	2021 RM'000	2020 RM'000
Asset consultancy:		
Opus Group Berhad	38,636	38,636
Healthcare support:		
Edgenta Mediserve Sdn. Bhd. ("EMS")	26,982	26,982
Edgenta UEMS Group:		
- Malaysia	64,571	63,614
- Singapore	272,659	268,620
- Taiwan	10,874	10,714
Property and Facility Solutions:		
EGT Group	49,600	49,600
Infrastructure services:		
Edgenta PROPEL Berhad	76,372	76,372
	539,694	534,538

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 VIU. The VIU is determined by discounting future cash flows over a period of five years including a terminal value. The future cash flows are based on management's future business plan, which is the best estimate of immediate future performance.

For EMS, the VIU is determined by discounting cash flows for a period of 13 years assuming an extension of 10 years concession period with no terminal value.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

15. INTANGIBLE ASSETS (CONTD.)

(a) Goodwill (contd.)

Key assumptions used in VIU calculation

The discount rates applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flows beyond the projection period are as follows:

	Projection period Years	Discount rate		Terminal growth rate	
		2021 %	2020 %	2021 %	2020 %
Asset consultancy:					
Opus Group Berhad	5	11.0	13.0	1.0	1.0
Healthcare support:					
EMS	13	8.6	12.0	*	*
Edgenta UEMS Group:					
- Malaysia	5	8.6	11.0	1.0	1.0
- Singapore	5	8.6	8.5	1.0	1.0
- Taiwan	5	8.6	8.5	1.0	1.0
Property and Facility Solutions:					
EGT Group	5	7.9	11.5	1.0	1.0
Infrastructure services:					
Edgenta PROPEL Berhad	5	7.3	11.0	1.0	1.0

* For EMS, the VIU is determined by discounting cash flows for a period of 13 years (2020: 14 years) with no terminal value.

The calculation of the VIU for the CGUs are most sensitive to the following assumptions:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins and average growth rate achieved in the years before the budgeted year, adjusted for market and economic conditions and internal resource efficiency.

(ii) Discount rate

The discount rates reflect the current market assessment of the risks specific to each CGU. This reflected the management's best estimate of return on capital employed required in the Group.

15. INTANGIBLE ASSETS (CONTD.)

(a) Goodwill (contd.)

The calculation of the VIU for the CGUs are most sensitive to the following assumptions: (contd.)

(iii) Terminal growth rate

Terminal growth rates used to extrapolate cash flows beyond the budget period is based on published industry research for each business.

Sensitivity to change in assumption

Management believes that no reasonable possible change in any of the above key assumptions would cause the recoverable amount of each of the CGUs to be materially lower than their respective amount.

In previous financial year, management believes that no reasonable possible change in any of the above key assumptions would cause the recoverable amount of each of the CGUs to be materially lower than their respective amount other than Edgenta UEMS - Malaysia's CGU, as follows:

	Decrease in profit before tax	
	2021 RM'000	2020 RM'000
Increase in 1% (2020: 1%) of discount rate	-	3,623
Decrease in 1% (2020: 1%) of terminal growth rate	-	689

(b) Customer contracts and relationships

Customer contracts and relationships arose from the acquisition of EGT Group and Edgenta UEMS Group in 2016 and are amortised over the range of 5 to 15 years.

(c) Software and other development cost

Computer software represents licenses and other software assets that are not an integral part of property, plant and equipment assets. Software assets are recorded at cost and have finite useful life based on the term of the license or other contractual basis. The cost is amortised over the estimated asset's useful life of 3 to 10 years (2020: between 3 to 10 years).

Other development cost relates to the development of a framework for the application of improved processes, systems and services for servicing expressways.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost (a):		
- Malaysian subsidiaries	1,870,546	2,162,421
- Foreign subsidiaries	86,377	86,795
	1,956,923	2,249,216
Less: Accumulated impairment (b)	(410,784)	(560,993)
	1,546,139	1,688,223

(a) Cost of investment in subsidiary companies

The movement of cost of investment in subsidiary companies is as follows:

	Company	
	2021 RM'000	2020 RM'000
At 1 January	2,249,216	2,221,006
Capital reduction of Opus Group Berhad (Note f)	(101,816)	-
Acquisition of additional share capital in a subsidiary	500	-
Liquidation of Faber L.L.C. ("FLLC") (Note g)	(418)	-
Dissolution of Faber Hotel Holdings Sdn. Bhd. (Note h)	(190,559)	-
Acquisition of non-controlling interest (Note d)	-	28,210
As at 31 December	1,956,923	2,249,216

(b) Impairment of investment in subsidiaries

The movement in accumulated impairment is as follows:

	Company	
	2021 RM'000	2020 RM'000
At 1 January	560,993	513,393
Impairment loss of investment in a subsidiary company	40,350	47,600
Dissolution of Faber Hotel Holdings Sdn. Bhd. (Note h)	(190,559)	-
As at 31 December	410,784	560,993

16. INVESTMENT IN SUBSIDIARIES (CONTD.)

(b) Impairment of investment in subsidiaries (contd.)

During the current financial year, an impairment loss of RM40.3 million (2020: RM47.6 million) was recognised against the carrying amount of its investment in OGB of RM534.2 million (2020: RM683.6 million) to its recoverable amount. Based on management's assessment, the recoverable amount of its investment in OGB was RM476.2 million (2020: RM621.2 million) which was estimated based on the VIU of OGB.

(c) Acquisition of non-controlling interest in UEMS Pte. Ltd. ("UEMS")

On 30 July 2021, Edgenta (Singapore) Pte. Ltd., a wholly-owned subsidiary of the Company, acquired the remaining 2.54% equity interest in UEMS from the non-controlling shareholders which resulted with UEMS being an indirect wholly-owned subsidiary of the Company.

(d) Acquisition of non-controlling interest in Edgenta GreenTech Sdn. Bhd. ("EGT")

On 16 December 2015, the Company had entered into a put option agreement with the non-controlling interest of EGT, to purchase its 20% equity interest in EGT. The Company at that time had 80% direct equity interest in EGT.

On 14 November 2019, the non-controlling interest of EGT has issued a notice to exercise the put option granted on its 20% shareholding in EGT at a total purchase price of RM28.2 million.

The transaction was completed on 25 June 2020 upon approval from Unit Kerjasama Awam Swasta ("UKAS") under the Ministry of Finance. As a result, EGT became a wholly-owned subsidiary of the Company.

(e) Consolidation of Edgenta PROPEL (Sarawak) Sdn. Bhd. ("EPS")

Notwithstanding Edgenta Propel Berhad's ("EPB") effective shareholding of less than 50% in EPS, the Group does have the substantive rights and power to direct the relevant activities of EPS and the ability to use the power to significantly affects its returns as stipulated in the shareholders' agreement.

Therefore, EPS is consolidated in the Group's consolidated financial statements.

(f) Capital reduction of OGB

On 15 February 2021, OGB had undertaken capital reduction exercise of RM101.8 million by way of offsetting against the loan amount due from the Company. Consequently, the cost of investment of OGB reduced from RM1,002.4 million to RM900.6 million.

This capital reduction exercise has no cash flows impact to the Company.

(g) Liquidation of Faber L.L.C. ("FLLC")

On 29 May 2021, FLLC, a 75% subsidiary of the Company, which was under Members' Voluntary Winding-Up, has ceased to be a subsidiary of the Company upon cancellation and termination of its Trade License from the Commercial Register in accordance with Federal Law No. (5) of 1975 and Federal Law No. (8) of 1984 of United Arab Emirates.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN SUBSIDIARIES (CONTD.)

(g) Liquidation of FLLC (contd.)

The financial impact of the liquidation to the Group and the Company is as follows:

	Group	
	RM'000	RM'000
Final distribution to shareholders, via cash		152
Less:		
Net asset at the date of liquidation	(836)	
Less: Non-controlling interest	209	
Group's share of net assets	(627)	(627)
Transfer from statutory reserve	279	
Transfer from foreign exchange reserve	(3,679)	
	(3,400)	(3,400)
Net loss on liquidation of a subsidiary		(3,875)
		Company
		RM'000
Final distribution to shareholders, via cash		152
Less: Cost of investment		(418)
Net loss on liquidation of a subsidiary		(266)

(h) Dissolution of Faber Hotels Holdings Sdn. Bhd.

On 14 March 2021, Faber Hotels Holdings Sdn. Bhd., a wholly-owned subsidiary of the Company, which was under Members' Voluntary Liquidation, was dissolved and ceased to be a subsidiary of the Company.

This dissolution has no cash flows impact to the Company.

In the previous financial year, certain unquoted shares in subsidiaries are pledged to financial institutions for facilities granted to the Group and the Company as disclosed in Note 27(e).

Further details of the subsidiaries are disclosed in Note 45.

16. INVESTMENT IN SUBSIDIARIES (CONTD.)

Summarised financial information

Summarised financial information of Rimbunan Melati Sdn. Bhd. ("Rimbunan Melati") and Edgenta UEMS Group ("UEMS Group"), which have non-controlling interests that are material to the Group, is set out below. The summarised financial information presented below is the amount before inter-company elimination. The non-controlling interests in respect of other entities within the Group are not material to the Group.

(i) Summarised statements of financial position

	Rimbunan Melati		UEMS Group*		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current assets	-	-	-	31,045	-	31,045
Current assets	11,815	11,721	-	373,910	11,815	385,631
Total assets	11,815	11,721	-	404,955	11,815	416,676
Non-current liabilities	-	-	-	937	-	937
Current liabilities	162	321	-	231,955	162	232,276
Total liabilities	162	321	-	232,892	162	233,213
Net assets	11,653	11,400	-	172,063	11,653	183,463
Equity attributable to owners of the Company	6,409	6,270	-	167,761	6,409	174,031
Non-controlling interests	5,244	5,130	-	4,302	5,244	9,432

(ii) Summarised statements of comprehensive income

	Rimbunan Melati		UEMS Group*		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	-	-	-	825,141	-	825,141
Profit for the year, representing total comprehensive income for the year	227	19	-	84,562	227	84,581
Attributable to:						
- owners of the Company	125	10	-	82,448	125	82,458
- non-controlling interests	102	9	-	2,114	102	2,123
	227	19	-	84,562	227	84,581

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN SUBSIDIARIES (CONTD.)

Summarised financial information (contd.)

(iii) Summarised statements of cash flows

	Rimbunan Melati		UEMS Group*		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Net cash generated from/ (used in) operating activities	89	(399)	-	90,760	89	90,361
Net cash generated from/ (used in) investing activities	127	168	-	(7,072)	127	(6,904)
Net cash used in financing activities	-	(23)	-	(23,719)	-	(23,742)
Net increase/(decrease) in cash and cash equivalents	216	(254)	-	59,969	216	59,715
Net foreign exchange differences	-	-	-	1,186	-	1,186
Cash and cash equivalents at beginning of the year	11,523	11,777	-	114,862	11,523	126,639
Cash and cash equivalents at end of the year	11,739	11,523	-	176,017	11,739	187,540

* On 30 July 2021, Edgenta (Singapore) Pte. Ltd., a wholly-owned subsidiary of the Company acquired the remaining 2.54% equity interest in UEMS which resulted in UEMS being an indirect wholly-owned subsidiary of the Company.

17. INVESTMENT IN ASSOCIATES

	Group	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost		
In Malaysia	5,730	5,730
Outside Malaysia	6,082	6,082
	11,812	11,812
Share of post-acquisition reserves	97,528	81,099
Less: Dividend received	(6,418)	(7,708)
	102,922	85,203

17. INVESTMENT IN ASSOCIATES (CONTD.)

Notwithstanding the Group's effective shareholding of more than 50% in Faber Sindoori Management Services Private Limited ("Faber Sindoori"), the Group does not have the substantive rights and power to direct the relevant activities of Faber Sindoori and the ability to use the power to significantly affects its returns as the key governing structure resides with the board of directors of Faber Sindoori of which majority of the board representative are from Apollo Sindoori Hotels Ltd ("Apollo") that also has the casting vote in the event of deadlock, as stipulated in the shareholders agreement.

Therefore, the Group continues to have significant influence in Faber Sindoori and account for this investment as an associate under MFRS 128: Investments in Associate.

On 15 October 2020, Operon Consulting Sdn. Bhd., an indirect 70% subsidiary of the Company, had disposed its entire 49% equity interest in Operon Asset Advisory Sdn. Bhd. for a cash consideration of RM58,199, and accordingly, a gain of disposal of RM58,199 was recognised.

Further details of the associates are disclosed in Note 45.

Summarised financial information of Faber Sindoori, Biomedix Solutions Sdn. Bhd. ("Biomedix"), One Medicare Sdn. Bhd. ("One Medicare") and Sedafiat Sdn. Bhd. ("Sedafiat"), that are material associates of the Group are set out below. The summarised financial information represents the amounts in the MFRS financial statements of the associates and not the Group's share of those amounts.

(i) Summarised statements of financial position

	Faber Sindoori		Biomedix		One Medicare		Sedafiat		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current assets	21,139	12,931	1,648	1,941	9,647	10,112	18,213	36,518	50,647	61,502
Current assets	81,354	74,637	79,405	50,661	115,585	81,975	98,842	73,607	375,186	280,880
Total assets	102,493	87,568	81,053	52,602	125,232	92,087	117,055	110,125	425,833	342,382
Non-current liabilities	10,943	8,771	8,015	84	636	636	660	6,057	20,254	15,548
Current liabilities	16,830	15,179	19,445	11,918	88,186	61,332	50,921	48,479	175,382	136,908
Total liabilities	27,773	23,950	27,460	12,002	88,822	61,968	51,581	54,536	195,636	152,456
Net assets	74,720	63,618	53,593	40,600	36,410	30,119	65,474	55,589	230,197	189,926

NOTES TO THE FINANCIAL STATEMENTS

17. INVESTMENT IN ASSOCIATES (CONTD.)

(ii) Summarised statements of comprehensive income

	Faber Sindoori		Biomedix		One Medicare		Sedafiat		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	117,812	100,023	85,121	61,066	254,783	204,506	257,689	246,200	715,405	611,795
Profit before tax	17,451	13,147	22,391	20,218	9,520	462	22,652	19,415	72,014	53,242
Profit/(loss) for the year	13,882	9,712	16,993	15,510	7,791	(110)	16,885	14,104	55,551	39,216
Total comprehensive income/(loss)	13,882	9,730	16,993	15,510	7,791	(110)	16,885	14,104	55,551	39,234
Dividend received from the associates during the year	1,418	748	1,600	4,160	600	800	2,800	2,000	6,418	7,708

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates

	Faber Sindoori		Biomedix		One Medicare		Sedafiat		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Net assets at 1 January	63,618	55,354	40,600	35,490	30,119	32,229	55,589	46,485	189,926	169,558
Total comprehensive income/(loss) for the year	13,882	9,730	16,993	15,510	7,791	(110)	16,885	14,104	55,551	39,234
Dividend from associate	(2,780)	(1,466)	(4,000)	(10,400)	(1,500)	(2,000)	(7,000)	(5,000)	(15,280)	(18,866)
Net assets at 31 December	74,720	63,618	53,593	40,600	36,410	30,119	65,474	55,589	230,197	189,926
Interest in associates	51%	51%	40%	40%	40%	40%	40%	40%		
Exchange differences	(884)	(863)	-	-	-	-	-	-	(884)	(863)
Carrying value of Group's interest in material associate	37,223	31,582	21,437	16,240	14,564	12,048	26,190	22,236	99,414	82,106

NOTES TO THE FINANCIAL STATEMENTS

18. OTHER INVESTMENTS

	Group and Company	
	2021 RM'000	2020 RM'000
Equity instruments (unquoted shares in Malaysia)	1,200	1,200
Less: Accumulated impairment losses	(1,200)	(1,200)
Unquoted shares, net	-	-
Club memberships	232	232
	232	232

19. INVENTORIES

	Group	
	2021 RM'000	2020 RM'000
Consumables	15,224	14,507
Properties held for sale	51,548	63,358
	66,772	77,865

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 RM193.0 million and RM11.8 million (2020: RM166.8 million and RM56.8 million) respectively.

The expenses for properties held for sale in the previous financial year included RM50.0 million being properties held for sale written down to their net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

20. TRADE AND OTHER RECEIVABLES

	Group	
	2021 RM'000	2020 RM'000
Current		
Trade receivables (Note a)		
Third parties	388,101	280,883
Related companies	40,635	52,493
Associates	26,899	30,883
	455,635	364,259
Less: Allowance for expected credit losses ("ECL"):		
Third parties	(34,340)	(32,036)
Related companies	(6,377)	(11,856)
	(40,717)	(43,892)
Retention receivables:		
Third parties	10,243	11,532
Related companies	8,294	835
	18,537	12,367
Trade receivables, net	433,455	332,734
Concession receivable (Note c)	22,600	22,600
Other receivables (Note b)		
Amounts due from related parties:		
Associates	19,789	2,352
Related companies	2,290	2,774
	22,079	5,126
Deposits	43,752	23,255
Sundry receivables	14,996	12,975
	80,827	41,356
Less: Allowance for ECL		
Sundry receivables	(2,730)	(2,254)
Related companies	-	(216)
	(2,730)	(2,470)
Other receivables, net	78,097	38,886
Other current assets		
Prepayments	52,242	46,233
Others	524	19,560
	52,766	65,793
Total	586,918	460,013

NOTES TO THE FINANCIAL STATEMENTS

20. TRADE AND OTHER RECEIVABLES (CONTD.)

	Group	
	2021 RM'000	2020 RM'000
Non-current		
Trade receivables (Note a)		
Retention receivables:		
Third parties	3,860	9,749
Related companies	3,522	-
Trade receivables, net	7,382	9,749
Concession receivable (Note c)	106,095	110,243
Total	113,477	119,992
	Company	
	2021 RM'000	2020 RM'000
Current		
Other receivables (Note b)		
Amounts due from subsidiaries	137,797	113,632
Amount due from related parties	200	1,656
Deposits	2,023	2,023
Sundry receivables	828	1,492
	140,848	118,803
Less: Allowance for ECL		
Sundry receivables	(216)	(216)
Subsidiaries	(29,028)	(27,444)
	(29,244)	(27,660)
	111,604	91,143
Non-current		
Loan to a subsidiary (Note b)	107,082	103,979

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

20. TRADE AND OTHER RECEIVABLES (CONTD.)

Movements in allowance for ECL:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	46,362	55,089	27,660	25,409
Charge for the year (Note 7)	2,328	1,936	1,584	2,251
Reversal of allowance (Note 5)	(334)	(4,231)	-	-
Written off	(4,924)	(6,432)	-	-
Exchange differences	15	-	-	-
At 31 December	43,447	46,362	29,244	27,660

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2020: 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	
	2021 RM'000	2020 RM'000
Neither past due nor impaired	99,951	142,423
1 to 30 days past due from the credit terms but not impaired	202,732	66,011
31 to 60 days past due from the credit terms but not impaired	31,121	26,916
61 to 90 days past due from the credit terms but not impaired	14,291	23,893
91 to 120 days past due from the credit terms but not impaired	6,832	6,101
More than 121 days past due from the credit terms but not impaired	85,910	77,139
	340,886	200,060
Impaired	40,717	43,892
	481,554	386,375

20. TRADE AND OTHER RECEIVABLES (CONTD.)

(a) Trade receivables (contd.)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. At the reporting date, approximately 7% (2020: 7%) of the Group's trade receivables arose from current receivable balances with related companies, while approximately 27% (2020: 1%) of the Group's trade receivables arose from current receivable balances with a major healthcare client.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due from the credit terms but not impaired

The Group has trade receivables amounting to RM340.9 million (2020: RM200.1 million) that are past due from the credit terms at the reporting date but not impaired.

These receivables are unsecured. Based on past experience, the management believes that no allowance for impairment is necessary as these debtors are generally slower in their repayment and the Group is still in active trade with these customers.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date are as follows:

	Individually impaired	
	2021 RM'000	2020 RM'000
Trade receivables		
- nominal amounts	40,717	43,892
Less: Allowance for impairment	(40,717)	(43,892)
	-	-

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 related to receivables that are aged more than 121 days and not secured by any collateral or credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

20. TRADE AND OTHER RECEIVABLES (CONTD.)

(b) Other receivables

Amounts due from subsidiaries and related parties

Amounts due from subsidiaries and related parties are non-trade related, non-interest bearing and repayable on demand except for an amount due from subsidiaries of RM34.6 million (2020: RM16.3 million) which bears interest ranging between 3.76% to 5.00% (2020: 3.76%) per annum. All related companies balances are unsecured and are to be settled in cash.

The loan to a subsidiary is subordinated to the subsidiary's borrowing from a financial institution until the borrowing is fully repaid as disclosed in Note 27(a).

Further details on related party transactions are disclosed in Note 37.

Other receivables that are impaired

At the reporting date, the Group and the Company have provided an allowance of RM2.7 million (2020: RM2.5 million) and RM29.2 million (2020: RM27.7 million) respectively. These mainly relate to balances due from third parties and subsidiaries respectively which have been long outstanding.

(c) Concession receivable

This is in relation to a concession arrangement in which the Group provides retro-fitting works and upgrades of infrastructure to turn existing buildings into green buildings. These amounts are to be repaid over the remaining period of the concession. These amounts are also pledged as security for the borrowing obtained for this concession as disclosed in Note 27(a).

21. CONTRACT RELATED ASSETS AND LIABILITIES

	Group	
	2021 RM'000	2020 RM'000
Contract assets (a)		
Non-current	75,078	60,957
Current	309,551	290,743
	384,629	351,700
Contract liabilities (a)		
Current	(30,312)	(30,663)
Contract fulfillment asset (b)		
Non-current	2,616	6,794
Current	2,095	2,608
	4,711	9,402

(a) Contract assets and liabilities

Contract assets are initially recognised for revenue earned from services transferred which receipt of the consideration is conditional on the completion and final acceptance by customers. Upon final acceptance by the customers, the amounts recognised as contract assets becomes unconditional and are reclassified to trade receivables.

The increase in contract asset as at financial year ended 31 December 2021 was mainly due to unbilled receivables pertaining to revenue earned for infrastructure services provided during the year.

Contract liabilities include billings made in advance which represent amounts where customers have been invoiced ahead of the satisfaction of the performance obligation by the Group.

NOTES TO THE FINANCIAL STATEMENTS

21. CONTRACT RELATED ASSETS AND LIABILITIES (CONTD.)

(a) Contract assets and liabilities (contd.)

Set out below is the amount of revenue recognised from:

	Group	
	2021 RM'000	2020 RM'000
Amounts included in contract liabilities at the beginning of the year	5,578	4,383

(b) Contract fulfillment asset

	Group	
	2021 RM'000	2020 RM'000
As at 1 January	9,402	2,970
Additions	2,128	7,438
Utilised during the year	(6,819)	(1,006)
As at 31 December	4,711	9,402

22. SHORT TERM INVESTMENTS

	Group	
	2021 RM'000	2020 RM'000
Fair value through profit or loss investments:		
- unquoted unit trusts	28,310	11,721
- investment in Islamic funds	-	78
	28,310	11,799

Unquoted unit trusts represent investment funds invested with licensed fund managers in the funds approved by the Securities Commission. The portfolio of investments authorised by the Board of Directors comprises only deposits in both Islamic and conventional instruments with financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

23. CASH, BANK BALANCES AND DEPOSITS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash in hand and at banks	398,649	351,231	50,457	5,313
Deposits with licensed banks	201,742	326,771	-	9,500
	600,391	678,002	50,457	14,813

- (a) Included in cash at bank of the Group are amounts of RM26.4 million (2020: RM9.1 million) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and Section 8A of the Housing Development Account (Control and Licensing) Sabah Act, 1978 and are restricted for use in other operations.
- (b) Deposits with licensed banks of the Group amounting to RM3.9 million (2020: RM3.7 million) are on lien for bank guarantee facilities granted to certain subsidiaries. In the previous financial year, a subsidiary has utilised guarantee facilities amounting to RM0.9 million.
- (c) Deposits with licensed banks amounting to RM2.4 million (2020: RM2.1 million) are pledged to secure certain facilities granted to the Group.
- (d) Deposits with licensed banks of the Group amounting to RM20.6 million (2020: RM15.0 million) are pledged as securities for bank borrowing granted to subsidiaries.
- (e) Cash and fixed deposits of RM18.1 million (2020: RM17.2 million) from subsidiaries are pledged as collateral for performance of service under integrated facility management contract, and are therefore restricted from use in other operation.
- (f) Cash and bank balances amounting to RM0.7 million (2020: RM1.2 million) are held in trust to maintain and deposit all security deposits received by the Company as licensed Estate Agent held on behalf of its client.

Other information on financial risks of cash, bank balances and deposits are disclosed in Note 39.

24. RETIREMENT BENEFIT OBLIGATIONS

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees. The Scheme is closed to new employees. Under the Scheme, eligible employees are entitled to retirement benefits on attainment of the retirement age of 60 (2020: 60), on medical incapacity or on death. The present value of defined benefit obligation was based on the actuarial valuation report by independent actuary dated 20 January 2019.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

24. RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

The details of the net employee benefits liability are as follows:

	Group	
	2021 RM'000	2020 RM'000
Present value of the defined benefit obligations ("PVDBO")		
At 1 January	3,395	3,747
Defined retirement benefit obligations (Note 8)	(121)	353
Contributions paid	(425)	(391)
Payable by associates	(159)	(314)
At 31 December	2,690	3,395

	Group	
	2021 RM'000	2020 RM'000
Analysis of funded and unfunded PVDBO		
PVDBO from plans that are wholly unfunded	2,690	3,395
Analysed as:		
Current	550	877
Non-current:		
Later than 1 year but not later than 2 years	487	550
Later than 2 years	1,653	1,968
	2,140	2,518
	2,690	3,395

The details of net employee benefits expense recognised in the statement of comprehensive income are as follows:

	Group	
	2021 RM'000	2020 RM'000
Current service costs	49	56
(Gain)/loss on settlement	(293)	141
Interest cost	123	156
Net employee benefits expense (Note 8)	(121)	353

24. RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

Total amount recognised in statement of comprehensive income

	Group	
	2021 RM'000	2020 RM'000
Cumulative amount of actuarial loss recognised in statement of comprehensive income:		
At 1 January/31 December	963	963
Historical experience adjustments:		
PVDBO	2,690	3,395
Experience adjustment (% of PVDBO)	0%	0%

Principal actuarial assumptions used:

	2021 %	2020 %
Discount rate	4.90	4.90
Expected rate of salary increases	5.00	5.00

Assumptions regarding future mortality are based on published statistics and mortality tables.

A one percentage point change in the below key assumptions would have the following effects:

	(Decrease)/increase in PVDBO	
	2021 RM'000	2020 RM'000
Discount rate		
Increase in one percentage point on discount rate	(68)	(86)
Decrease in one percentage point on discount rate	72	91
Salary increment rate		
Increase in one percentage point on salary increment rate	419	403
Decrease in one percentage point on salary increment rate	(392)	(378)

The average duration of the retirement benefit obligation at the end of the reporting period is 3 years (2020: 3 years).

NOTES TO THE FINANCIAL STATEMENTS

25. DEFINED BENEFIT PENSION PLAN

Defined benefit pension plan is by a subsidiary, Edgenta UEMS Ltd. ("UEMS Taiwan").

UEMS Taiwan has a retirement plan covering all its regular employees who opted for defined benefits plan. Benefits under the plan are based on the length of service and estimated base pay at the time of retirement. The pension assets and liabilities are valued on annual basis by independent actuary, taking into account gains and losses.

The plan assets, comprising cash and cash equivalents, are deposited with the Bank of Taiwan and are managed by the government of Taiwan. The plan assets do not have quoted market prices in active market.

Amount recognised in the statement of comprehensive income:

	Group	
	2021 RM'000	2020 RM'000
Interest cost on benefit obligation	4	12
Employer's contribution	(127)	(357)
Interest income	(2)	(3)
Total included in employee benefits expense (Note 8)	(125)	(348)
Net actuarial loss recognised for the year	127	114
	2	(234)

Amount recognised in statement of financial position:

	Group	
	2021 RM'000	2020 RM'000
Present value of defined benefit obligation	1,675	1,657
Fair value of plan assets	(672)	(720)
Defined benefit obligation	1,003	937

25. DEFINED BENEFIT PENSION PLAN (CONTD.)

Changes in present value of defined benefit obligation:

	Group	
	2021 RM'000	2020 RM'000
At 1 January	1,657	1,611
Interest cost	4	12
Benefit paid	(225)	(177)
Actuarial loss	138	132
Exchange differences	101	79
At 31 December	1,675	1,657

Changes in fair value of plan assets:

	Group	
	2021 RM'000	2020 RM'000
At 1 January	(720)	(495)
Employer's contribution	(127)	(357)
Benefit paid	225	177
Actuarial gain	(11)	(18)
Interest income	(2)	(3)
Exchange differences	(37)	(24)
At 31 December	(672)	(720)

The principal assumptions used in determining defined benefit obligation of the Group are shown below:

	Group	
	2021	2020
Discount rate	0.54%	0.25%
Salary escalation	2.06%	2.00%

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

25. DEFINED BENEFIT PENSION PLAN (CONTD.)

Actual return on plan assets:

	Group	
	2021 RM'000	2020 RM'000
Actual return of plan assets, representing actuarial gain recognised in the other comprehensive income	(11)	(18)

A quantitative sensitivity analysis for significant assumptions as at 31 December 2021 and 2020 are as shown below:

Sensitivity Level	Increase in one percentage		Decrease in one percentage	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Assumptions				
Discount rate	(174)	(181)	186	195
Salary increase	180	190	(171)	(179)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit obligation at the end of the reporting period is 11 years (2020: 11 years).

26. PROVISIONS

	Group	
	2021 RM'000	2020 RM'000
Non-current:		
Provision for employee service entitlements (Note a)	3,441	2,891
Current:		
Provision for long term incentive plan (Note b)	1,620	1,620
Total	5,061	4,511

(a) Provision for employee service entitlements

	Group	
	2021 RM'000	2020 RM'000
At 1 January	2,891	2,382
Charged to the statement of comprehensive income (Note 8)	621	564
Exchange differences	109	(55)
Payment	(180)	-
At 31 December	3,441	2,891

Provision for employee service entitlements comprises provisions for retirement leave entitlements in respect of eligible employees. The provisions are in respect of both vested and unvested entitlements, and are made by reference to independent actuarial valuations. The timing of such payments depends on when vesting occurs and the subsequent retirement date of the eligible employees.

(b) Provision for long term incentive plan ("LTIP")

The Group under some of its subsidiaries grant the Shadow Share Option Scheme, i.e. LTIP, to eligible employees, as part of the remuneration package, whereby the employees will be entitled to future cash payments subject to meeting the pre-determined financial performance and value growth targets of the Group over a specific performance vesting period.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

27. BORROWINGS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current borrowings				
Secured:				
Murabahah Term Facility (Note e)	-	38,089	-	-
Term loans (Note a)	13,294	10,203	-	-
Revolving credit (Note c)	67,948	64,057	-	-
	81,242	112,349	-	-
Unsecured:				
Islamic Commercial Papers (Note b)	-	50,000	-	50,000
Islamic Medium Term Notes (Note b)	252,184	2,101	252,184	2,101
Revolving credit (Note c)	52,000	-	52,000	-
Total short term borrowings	385,426	164,450	304,184	52,101
Non-current borrowings				
Secured:				
Term loans (Note a)	58,095	68,746	-	-
Unsecured:				
Islamic Medium Term Notes (Note b)	-	249,958	-	249,958
Total long term borrowings	58,095	318,704	-	249,958
Total borrowings				
Secured:				
Murabahah Term Facility (Note e)	-	38,089	-	-
Term loans (Note a)	71,389	78,949	-	-
Revolving credit (Note c)	67,948	64,057	-	-
	139,337	181,095	-	-
Unsecured:				
Islamic Commercial Papers (Note b)	-	50,000	-	50,000
Islamic Medium Term Notes (Note b)	252,184	252,059	252,184	252,059
Revolving credit (Note c)	52,000	-	52,000	-
Total borrowings	443,521	483,154	304,184	302,059

27. BORROWINGS (CONTD.)

The maturity profile of the loans and borrowings are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
On demand or within one year	385,426	164,450	304,184	52,101
More than 1 year and less than 2 years	11,115	260,608	-	249,958
More than 2 years and less than 5 years	34,821	33,887	-	-
More than 5 years	12,159	24,209	-	-
	58,095	318,704	-	249,958
	443,521	483,154	304,184	302,059

(a) Term loans

Secured term loans bear interests which range from 3.20% to 4.30% per annum (2020: 2.79% to 5.22% per annum).

The term loans are secured by:

- (i) Assignment of rights, title, interest and benefits of the customer under the Concession Agreement in respect of the followings:
 - Project Payment Charges
 - Amount payable to the Customer by the Government of Malaysia as a result of early termination
 - Appointment of Substituted Entity
- (ii) Assignment of proceeds over revenue and other income generated from the project;
- (iii) Assignment over designated accounts;
- (iv) Letter of undertaking from a subsidiary to service the monthly obligation of the customer in the event of any shortfall;
- (v) Corporate guarantee from a subsidiary;
- (vi) Deed of assignment and charge over a bank account; and
- (vii) Fixed and floating charge over present and future assets.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

27. BORROWINGS (CONTD.)**(b) Islamic Commercial Papers (“ICPs”) and Islamic Medium Term Notes (“IMTNs”)**

The Company had established the ICPs and IMTNs under an Islamic Commercial Papers Programme and Islamic Medium Term Notes Programme respectively, which have a combined aggregate limit of up to RM1,000.0 million in nominal value and a sub-limit of RM300.0 million in nominal value for the ICP Programme under the Shariah Principle of Murabahah via a Tawarruq Arrangement. The tenure for ICPs and IMTNs are at 7 and 30 years, respectively from the date of the first issue.

The Company has issued the following:

- (a) RM50.0 million in nominal value of ICPs with a tenure of 12 months issued on 24 April 2020; and
- (b) RM250.0 million in nominal value of IMTNs with a tenure of 5 years issued on 26 April 2017.

The proceeds raised from the ICPs and IMTNs are to be utilised by the Company for its Shariah-compliant general corporate purposes.

On 23 April 2021, the Company has redeemed its outstanding ICPs amounting to RM50.0 million in nominal value which was issued under the ICP Programme on 24 April 2020 and has matured on 23 April 2021.

The effective profit rates for IMTNs at the reporting date is 4.85% (2020: 4.85%) respectively. In the previous financial year, the effective profit rate for ICP was 3.40%.

As at 31 December 2021, the Group and Company have reclassified the existing IMTNs amounting RM250.0 million which will mature on 26 April 2022 from non-current liabilities to current liabilities. As stipulated in the IMTNs agreement dated 29 March 2017, the Company may submit an issue request to the facility agent, whereby the Company can select the maturity period provided that the tenure for the IMTNs shall not extend beyond the IMTN Programme tenure of 30 years from the date of first issue, which was on 26 April 2017, upon meeting all the condition precedents.

As at 31 December 2021, the remaining tenure of the IMTN Programme is 26 years. The Company has implemented its plan to redeem and reissue the IMTNs to extend the tenure of the current IMTNs for another 5 years or a period deemed fit. The Company expects to successfully complete and meet all the conditions precedents to redeem and reissue the IMTNs prior to the maturity date of 26 April 2022.

(c) Revolving credit

Unsecured revolving credit of the Company and the Group bear interest of 2.45% (2020: nil).

Secured revolving credit of the Group bears interest rate of 1.48% (2020: 1.78%) and are secured by a charge over cash and deposits of a subsidiary.

27. BORROWINGS (CONTD.)**(d) Syndicated Banking Facilities**

A subsidiary of the Group has Syndicated Banking Facilities which comprise revolving credits, bank guarantees and combined trade facilities.

The Syndicated Banking Facilities are secured by a Debenture and a Deed of Assignment of Proceeds dated 27 December 1996 by way of the following:

- (i) A first fixed charge over all sums paid or may from time to time become due and payable to the subsidiary (“the Proceeds”) by the Government of Malaysia pursuant to the Concession Agreement dated 28 October 1996, all its uncalled capital, its present and future goodwill, patents, trademarks, licenses and concessions and all its present and future plant, equipment and machinery, motor vehicles and furniture and fittings; and
- (ii) A first floating charge over all the present and future lands undertakings and other properties and assets of the subsidiary both movable and immovable, not otherwise charged in (d)(i) above.

(e) Murabahah Term Facility

On 1 December 2016, the Group via its subsidiary, Edgenta (Singapore) Pte. Ltd. (“ESG”) obtained Murabahah Term Facility of RM160.7 million (SGD52.4 million) to finance the acquisition of UEMS Pte. Ltd..

The profits charged on the borrowing are repayable on quarterly basis, while the principals are repayable on annual basis, for the period of 5 years, from the date of the first drawdown on 15 December 2016.

In the previous financial year, the weighted average effective profit rate of facility at the reporting date was 2.80%.

The Facility was secured by:

- (i) Equitable mortgage over all securities and shares of ESG and its subsidiaries;
- (ii) Debenture creating registered fixed and floating charges over all present and future assets of ESG and its subsidiaries;
- (iii) Charge over the Designated Accounts of ESG;
- (iv) Assignment of UEMS Pte. Ltd.’s rights, title, interest and benefits under Sales and Purchase Agreement dated 26 September 2016 (“SPA”);
- (v) Assignment of all financing or advances provided to ESG and its subsidiaries; and
- (vi) Corporate guarantee from the Company.

As at 31 December 2021, the Facility has been fully repaid.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

27. BORROWINGS (CONTD.)

Reconciliation of liabilities arising from financing activities

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
As at 1 January	483,154	519,068	302,059	301,840
Cash flows:				
Drawdown of borrowings	82,197	74,384	52,000	50,000
Repayment of borrowings	(126,182)	(114,894)	(50,000)	(50,000)
Interest paid	(18,395)	(20,490)	(13,511)	(13,823)
Non-cash changes:				
Amortisation of capitalised transaction costs	379	492	125	119
Other changes	22,368	24,594	13,511	13,923
As at 31 December	443,521	483,154	304,184	302,059

Included in the other changes are the effects of foreign currency translations and accrued but not yet paid interest on interest-bearing loans and borrowings. The Group classifies interest paid as cash flows from operating activities.

28. TRADE AND OTHER PAYABLES

	Group	
	2021 RM'000	2020 RM'000
Current		
Trade payables (Note a)		
Third parties	122,655	112,892
Accrued costs	224,720	220,474
Retention payables (Note b):		
Services:		
- Infrastructure	34,214	33,349
- Property and facility solution	2,059	2,350
- Healthcare support	3,724	3,718
Due to related companies (Note d)	24,639	12,508
	412,011	385,291
Other payables		
Employee costs payable	128,336	105,689
Accruals	93,368	82,466
Refundable deposits	1,235	4,828
Sundry payables	72,936	55,570
Deferred consideration payable (Note f)	-	2,910
Due to holding company (Note c)	16,986	25,161
Due to related companies (Note d)	2,868	7,020
	315,729	283,644
Total	727,740	668,935
Non-current		
Trade payables (Note a)		
Retention payables (Note b):		
Services:		
- Infrastructure	10,538	1,444
- Property development	227	215
Total	10,765	1,659

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

28. TRADE AND OTHER PAYABLES (CONTD.)

	Company	
	2021 RM'000	2020 RM'000
Current		
Other payables		
Accruals	20,048	23,246
Sundry payables	14,751	8,954
Due to holding company (Note c)	5,986	25,161
Due to related companies (Note d)	2,381	1,040
Due to subsidiary companies (Note e)	5,145	17,063
Deferred consideration payable (Note f)	-	2,910
Total	48,311	78,374
Non-current		
Other payables		
Loan from a subsidiary (Note g)	-	101,636

(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 (2020: 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) Amount due to holding company

Amount due to holding company is non-interest bearing and is repayable on demand. The amount is unsecured and is to be settled in cash.

Further details on related party transactions are disclosed in Note 37.

28. TRADE AND OTHER PAYABLES (CONTD.)

(d) Amounts due to related companies

Related companies refer to companies within the UEM group of companies.

Amounts due to related companies are non-interest bearing and are repayable on demand. The amounts are unsecured and are to be settled in cash.

Further details on related party transactions are disclosed in Note 37.

(e) Amounts due to subsidiary companies

Amounts due to subsidiary companies are non-interest bearing and are repayable on demand. The amounts are unsecured and are to be settled in cash.

Further details on related party transactions are disclosed in Note 37.

(f) Deferred consideration payable

	Group and Company	
	2021 RM'000	2020 RM'000
At 1 January	2,910	2,910
Payment	(2,910)	-
At 31 December	-	2,910

In the previous financial year, deferred consideration payable arose from the acquisition of EGT group in 2016, which is contingent on certain integration criteria being met. The amount has been fully paid during the financial year.

(g) Loan from a subsidiary

In the previous financial year, the loan from a subsidiary bore interest at 3.76% per annum and unsecured. The loan from a subsidiary has been fully repaid in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

29. DEFERRED TAX

	Group	
	2021 RM'000	2020 RM'000
At 1 January	35,166	37,117
Recognised in statement of comprehensive income	3,951	(1,373)
Exchange differences	134	(578)
At 31 December	39,251	35,166
Presented after appropriate offsetting as follows:		
Deferred tax assets	(8,141)	(8,960)
Deferred tax liabilities	47,392	44,126
	39,251	35,166

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 2021	(16,767)	(1,900)	(18,667)
Recognised in statement of comprehensive income	7,717	(6,930)	787
Exchange differences	(69)	-	(69)
	(9,119)	(8,830)	(17,949)
Less: Set off with deferred tax liabilities			9,808
At 31 December 2021			(8,141)
At 1 January 2020	(15,384)	(2,116)	(17,500)
Recognised in statement of comprehensive income	(740)	390	(350)
Exchange differences	(643)	(174)	(817)
	(16,767)	(1,900)	(18,667)
Less: Set off with deferred tax liabilities			9,707
At 31 December 2020			(8,960)

NOTES TO THE FINANCIAL STATEMENTS

29. DEFERRED TAX (CONTD.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows: (contd.)

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Intangible assets RM'000	Concession receivable and others RM'000	Total RM'000
At 1 January 2021	1,650	24,950	27,233	53,833
Recognised in statement of comprehensive income	3,965	(2,897)	2,096	3,164
Exchange differences	-	203	-	203
	5,615	22,256	29,329	57,200
Less: Set off with deferred tax assets				(9,808)
At 31 December 2021				47,392
At 1 January 2020	2,621	27,595	24,401	54,617
Recognised in statement of comprehensive income	(971)	(2,884)	2,832	(1,023)
Exchange differences	-	239	-	239
	1,650	24,950	27,233	53,833
Less: Set off with deferred tax assets				(9,707)
At 31 December 2020				44,126

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

29. DEFERRED TAX (CONTD.)

Deferred tax assets have not been recognised in respect of the following items:

Malaysian Companies

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unused tax losses	172,135	131,951	90,369	73,806
Unabsorbed capital allowances	45,291	30,832	38,769	28,370
Others	17,952	16,838	8,589	8,039
	235,378	179,621	137,727	110,215
Deferred tax of 24%	56,491	43,109	33,054	26,452

Deferred tax assets have not been recognised in respect of these items for certain subsidiary companies as it is not probable that taxable profits of the subsidiary companies would be available against which the unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences could be utilised.

The unutilised capital allowance of the Group are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial changes in shareholdings of those entities under the Income Tax, 1967 and guidelines issued by the tax authority.

On the other hand, the Malaysia Finance Act gazetted on 27 December 2018 has imposed a time limitation to restrict the carry forward of the unutilised tax losses for Malaysian entities. Based on the latest Malaysian Finance Act, gazetted on 31 December 2021, the time limit for the carry forward of the unutilised tax losses has been extended from 7 years to 10 years.

As a result of this change, the unutilised tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 10 consecutive years of assessment (i.e. from years of assessment 2019 to 2028) and any balance of the unutilised tax losses therefore shall be disregarded.

The foreign unutilised losses and unabsorbed capital allowances applicable to foreign incorporated subsidiary companies, if any, are pre-determined by and subject to the tax legislations of the respective countries.

30. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2021 '000	2020 '000	2021 RM'000	2020 RM'000
Group and Company				
Issued and fully paid up				
At 1 January/31 December	831,624	831,624	268,074	268,074

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

31. CAPITAL AND OTHER MERGER RESERVE

The acquisitions of OGB and EPB in prior years, which was accounted for using the pooling of interest method, gave rise to the following:

(a) Capital reserve

This reserve represents the excess of issue price of the Company's shares over the par value in accordance with Section 60(4)(a) of the Companies Act, 1965. This reserve had been partially set off against the merger deficit reserve in prior years for the purpose of presentation in the financial statements of the Group.

(b) Other merger reserve

This reserve represents the excess of fair value of the Company's shares at the acquisition date over the issue price. This reserve had been fully set off against the merger deficit reserve for the purpose of presentation in the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

32. OTHER RESERVES

	Put option reserve RM'000 (Note a)	Statutory reserve RM'000 (Note b)	Foreign currency translation reserve RM'000 (Note c)	Other reserve RM'000 (Note d)	Total RM'000
Group					
At 1 January 2020	583	279	(6,610)	9,163	3,415
Foreign currency translation	-	-	(192)	-	(192)
Exchange differences reclassified to profit or loss	-	-	(19,130)	-	(19,130)
Put option granted to non-controlling interests of a subsidiary	1,733	-	-	-	1,733
Settlement of put option granted to non-controlling interests of a subsidiary	(2,316)	-	150	-	(2,166)
At 31 December 2020	-	279	(25,782)	9,163	(16,340)
Foreign currency translation	-	-	12,824	-	12,824
Exchange differences reclassified to profit or loss	-	-	3,679	-	3,679
Liquidation of a subsidiary	-	(279)	-	-	(279)
At 31 December 2021	-	-	(9,279)	9,163	(116)

(a) Put option reserve

This relates to the put option issued to the non-controlling interests over the shares of a subsidiary of the Group. For the purpose of presentation in the financial statements, the put option reserve is shown net of the related non-controlling interests at each reporting date as if it was acquired at that date.

On 14 November 2019, the non-controlling interest of EGT has issued a notice to exercise the put option granted on its 20% shareholding in the entity. The transaction was completed on 25 June 2020 upon approval from Unit Kerjasama Awam Swasta ("UKAS") under the Ministry of Finance. Further information is disclosed in Note 16(d).

32. OTHER RESERVES (CONTD.)

(b) Statutory reserve

In accordance with the United Arab Emirates ("UAE") Commercial Companies Law, 10% of profit for each year from a Limited Liability Company incorporated in the UAE is transferred to a legal reserve until such time as the reserve equalled 50% of the paid-up capital. Faber L.L.C. ("FLLC") has resolved to discontinue such annual transfers since the reserve has equalled to 50% of its share capital. This reserve is not available for distribution except as stipulated by UAE law.

FLLC has been dissolved during the financial year as disclosed in Note 16(g).

(c) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(d) Other reserve

Other reserve arose from the redemption of redeemable preference shares in prior years by a subsidiary.

33. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings under the single tier system.

NOTES TO THE FINANCIAL STATEMENTS

34. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for leasehold land, office premises and motor vehicles used in its operations. Leases of premises generally have lease terms between 2 and 15 years, while motor vehicles have lease terms between 2 to 3 years.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Leasehold land RM'000	Office premises RM'000	Motor vehicles RM'000	Total RM'000
Group				
As at 1 January 2021	4,818	35,736	273	40,827
Additions	-	9,219	338	9,557
Depreciation (Note 7)	(120)	(10,244)	(519)	(10,883)
Derecognition	-	(2,287)	-	(2,287)
Foreign exchange differences	-	67	-	67
As at 31 December 2021	4,698	32,491	92	37,281
As at 1 January 2020	4,987	25,440	510	30,937
Additions	-	41,915	44	41,959
Depreciation (Note 7)	(169)	(10,877)	(281)	(11,327)
Derecognition	-	(20,616)	-	(20,616)
Foreign exchange differences	-	(126)	-	(126)
As at 31 December 2020	4,818	35,736	273	40,827

NOTES TO THE FINANCIAL STATEMENTS

34. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTD.)

	Leasehold land RM'000	Office premises RM'000	Total RM'000
Company			
As at 1 January 2021	2,997	30,964	33,961
Additions	-	6,856	6,856
Derecognition	-	(2,287)	(2,287)
Depreciation (Note 7)	(34)	(7,090)	(7,124)
As at 31 December 2021	2,963	28,443	31,406
As at 1 January 2020	3,031	23,106	26,137
Additions	-	35,472	35,472
Derecognition	-	(20,603)	(20,603)
Depreciation (Note 7)	(34)	(7,011)	(7,045)
As at 31 December 2020	2,997	30,964	33,961

As at 31 December 2021, leasehold land with an aggregate carrying value of RM1.9 million (2020: RM2.0 million) are pledged as securities for banking facilities (Note 27(d)).

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
As at 1 January	37,575	30,277	31,557	23,553
Additions	9,557	39,046	6,856	35,599
Accretion of interest (Note 6)	1,541	1,744	1,212	1,292
Amount billed	(12,768)	(12,423)	(7,852)	(7,806)
Derecognition	(2,378)	(21,094)	(2,378)	(21,081)
Foreign exchange differences	92	25	-	-
As at 31 December	33,619	37,575	29,395	31,557
Disclosed as:				
- Current	8,599	9,807	6,818	6,030
- Non-current	25,020	27,768	22,577	25,527
	33,619	37,575	29,395	31,557

During the year, lease liability and interest paid by the Group and the Company amounted to RM7.3 million (2020: RM5.9 million) and RM5.8 million (2020: RM4 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS

34. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTD.)

Included in profit or loss of the Group and the Company:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Expense relating to leases of short term leases (Note 7)	5,570	3,624	643	489
Expense relating to leases of low-value assets (Note 7)	5,353	370	45	109
	10,923	3,994	688	598

35. CAPITAL COMMITMENTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Capital expenditure				
Approved and contracted for purchase of				
- intangible assets	-	624	-	153
- property, plant and equipment	10,794	7,724	216	477
Approved but not contracted for purchase of				
- intangible assets	10,523	14,698	5,770	11,520
- property, plant and equipment	71,824	74,715	1,558	4,819

36. PERFORMANCE BONDS AND GUARANTEES

	2021	2020
	RM'000	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 27(d))	20,048	21,166
Bank guarantee issued to authorities	7,792	1,523
Bank guarantees and performance bonds issued to others	120,516	119,307
	148,356	141,996

36. PERFORMANCE BONDS AND GUARANTEES (CONTD.)

	Group	
	2021 RM'000	2020 RM'000
Unsecured:		
Bank guarantees extended to third parties - trade related	19,803	21,855

As at the reporting date, no values are ascribed on these guarantees provided by the Group for the purpose described above as the directors regard the value of the credit enhancement provided by these guarantees as minimal and the probability of default, based on historical track records of the parties receiving the guarantees are not probable.

37. RELATED PARTY DISCLOSURES

(a) Sale and purchase of goods and services

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions at terms agreed between the related parties during the financial year:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Income received/receivable from				
Management fees from subsidiaries	-	-	(82,458)	(79,428)
Asset consultancy services fees received from:				
- immediate holding company	(79)	(617)	-	-
- related companies	(24,952)	(26,062)	-	-
- associates	(41,518)	(47,813)	-	-
Infrastructure maintenance fees received from:				
- related companies	(501,431)	(450,867)	-	-

NOTES TO THE FINANCIAL STATEMENTS

37. RELATED PARTY DISCLOSURES (CONTD.)

(a) Sale and purchase of goods and services (contd.)

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions at terms agreed between the related parties during the financial year: (contd.)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Income received/receivable from (contd.)				
Facilities management fees received from:				
- related companies	(89,283)	(86,226)	-	-
License and commission fees received from an associate	(1,844)	(1,636)	-	-
Rental received from:				
- a subsidiary	-	-	(6,162)	(6,187)
- an associate	(147)	(147)	-	-
Expenses paid/payable to				
Rendering of services by:				
- immediate holding company	10,000	10,000	-	-
- a subsidiary	-	-	1,167	817
- related companies	3,143	8,630	-	-
- associates	9,937	8,794	-	-
Rental paid to:				
- immediate holding company	1,373	1,096	1,373	1,096
- related company	6,480	7,940	6,480	7,876
- a subsidiary	-	-	515	232

37. RELATED PARTY DISCLOSURES (CONTD.)

(a) Sale and purchase of goods and services (contd.)

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions at terms agreed between the related parties during the financial year: (contd.)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Others				
Deferred consideration paid to non-controlling shareholder of a subsidiary	2,910	-	2,910	-

All other significant intercompany transactions have been disclosed in Note 20 and 28.

(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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Salaries and other emoluments	15,849	16,084	3,646	3,958
Contributions to defined contribution plans	1,366	1,519	507	495
	17,215	17,603	4,153	4,453

Included in total key management personnel compensation are:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors' remuneration excluding benefits-in-kind (Note 9)	2,641	3,135	2,641	3,135

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS

Classification of financial instruments

The principal accounting policies in Note 2.4 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

	FVTPL RM'000	Amortised cost RM'000	Total RM'000
2021			
Group			
Assets			
Trade receivables, net (Note 20)	-	440,837	440,837
Concession receivable (Note 20)	-	128,695	128,695
Other receivables, net (Note 20)	-	78,097	78,097
Cash, bank balances and deposits (Note 23)	-	600,391	600,391
Short term investments (Note 22)	28,310	-	28,310
Total financial assets	28,310	1,248,020	1,276,330
Total non-financial assets			1,578,740
Total assets			2,855,070
Liabilities			
Trade payables (Note 28)		422,776	422,776
Other payables (Note 28)		315,729	315,729
Lease liabilities (Note 34)		33,619	33,619
Borrowings (Note 27)		443,521	443,521
Total financial liabilities		1,215,645	1,215,645
Total non-financial liabilities			100,070
Total liabilities			1,315,715

38. FINANCIAL INSTRUMENTS (CONTD.)

Classification of financial instruments (contd.)

	FVTPL RM'000	Amortised cost RM'000	Total RM'000
2020			
Group			
Assets			
Trade receivables, net (Note 20)	-	342,483	342,483
Concession receivable (Note 20)	-	132,843	132,843
Other receivables, net (Note 20)	-	38,886	38,886
Cash, bank balances and deposits (Note 23)	-	678,002	678,002
Short term investments (Note 22)	11,799	-	11,799
Total financial assets	11,799	1,192,214	1,204,013
Total non-financial assets			1,603,340
Total assets			2,807,353
Liabilities			
Trade payables (Note 28)		386,950	386,950
Other payables (Note 28)		283,644	283,644
Lease liabilities (Note 34)		37,575	37,575
Borrowings (Note 27)		483,154	483,154
Total financial liabilities		1,191,323	1,191,323
Total non-financial liabilities			106,768
Total liabilities			1,298,091

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS (CONTD.)

Classification of financial instruments (contd.)

	Amortised cost RM'000	Total RM'000
Company		
2021		
Assets		
Other receivables, net (Note 20)	218,686	218,686
Cash, bank balances and deposits (Note 23)	50,457	50,457
Total financial assets	269,143	269,143
Total non-financial assets		1,628,030
Total assets		1,897,173
Liabilities		
Other payables (Note 28)	48,311	48,311
Lease liabilities (Note 34)	29,395	29,395
Borrowings (Note 27)	304,184	304,184
Total financial liabilities	381,890	381,890
Total non-financial liabilities		-
Total liabilities		381,890
2020		
Assets		
Other receivables, net (Note 20)	195,122	195,122
Cash, bank balances and deposits (Note 23)	14,813	14,813
Total financial assets	209,935	209,935
Total non-financial assets		1,777,562
Total assets		1,987,497
Liabilities		
Other payables (Note 28)	180,010	180,010
Lease liabilities (Note 34)	31,557	31,557
Borrowings (Note 27)	302,059	302,059
Total financial liabilities	513,626	513,626
Total non-financial liabilities		-
Total liabilities		513,626

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk, interest rate risk and market price risk.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. The Group minimises credit risk by dealing exclusively with high credit rating counterparties. The Group controls its credit risk by the application of credit approvals, limits and monitoring procedures. Credit evaluations are performed on all customers requiring credit over a certain amount and strictly limiting the Group's associations to business partners with high credit worthiness. Outstanding customer receivables and contract assets are regularly monitored and the status of major receivables are reported to the Board of Directors.

The Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments in calculating ECLs for trade receivables and contract assets. The amount and timing of future cash flows are then estimated based on historical credit loss experience for assets with similar credit risk characteristics and adjusted with forward-looking information such as forecast economic conditions. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(a) Credit risk (contd.)

Trade receivables and contract assets (contd.)

Exposure to credit risk

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 38. The Group does not hold collateral as security.

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:

	2021		2020	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	268,859	61	190,212	56
United Arab Emirates	18,304	4	16,844	5
Indonesia	4,948	1	7,765	2
Singapore	66,691	15	60,847	18
Taiwan	82,035	19	66,815	20
	440,837	100	342,483	100

At the reporting date, the Group's ten largest customers account for approximately 34% (2020: 28%) of total trade receivables. Majority of these customers are government, quasi-government agency and government linked organisations.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 20. Deposits with banks and other financial institutions are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 20.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(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.

	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
Group				
2021				
Financial liabilities:				
Trade and other payables (Note 28)	727,740	10,765	-	738,505
Lease liabilities	9,342	26,603	170	36,115
Loans and borrowings:				
- IMTNs	252,184	-	-	252,184
- Revolving credit	119,948	-	-	119,948
- Term loans	13,294	51,922	12,434	77,650
Total undiscounted financial liabilities	1,122,508	89,290	12,604	1,224,402

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(b) Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities (contd.)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. (contd.)

	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
Group				
2020				
Financial liabilities:				
Trade and other payables (Note 28)	668,935	1,659	-	670,594
Lease liabilities	12,868	32,769	821	46,458
Loans and borrowings:				
- Murabahah Term Facility	39,494	-	-	39,494
- ICPs	50,000	-	-	50,000
- IMTNs	12,125	256,046	-	268,171
- Revolving credit	65,234	-	-	65,234
- Term loans	13,334	52,421	25,269	91,024
Total undiscounted financial liabilities	861,990	342,895	26,090	1,230,975

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(b) Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities (contd.)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. (contd.)

	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
Company				
2021				
Financial liabilities:				
Other payables (Note 28)	48,311	-	-	48,311
Lease liabilities	7,773	23,992	-	31,765
Loans and borrowings:				
- Revolving credit	52,000	-	-	52,000
- IMTNs	252,184	-	-	252,184
Total undiscounted financial liabilities	360,268	23,992	-	384,260
2020				
Financial liabilities:				
Other payables (Note 28)	78,374	101,636	-	180,010
Lease liabilities	7,179	27,399	277	34,855
Loans and borrowings:				
- ICPs	50,000	-	-	50,000
- IMTNs	12,125	256,046	-	268,171
Total undiscounted financial liabilities	147,678	385,081	277	533,036

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has currency exposures arising from sales or purchases that are denominated in a currency other than the Ringgit Malaysia ("RM"). The foreign currencies in which these transactions are denominated are mainly Singapore Dollar ("SGD") and Taiwan Dollar ("TWD").

As a result of the significant investments in Singapore and Taiwan, the Group's statement of financial position is affected by the movements in the respective functional currencies of the investees against the RM.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the investments are located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

As and when the Group undertakes significant transactions denominated in foreign currencies, with continuing exposure over the applicable periods of settlement, the Group evaluates its exposure and the necessity to hedge such exposure, as well as the availability and cost of such hedging instruments.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the SGD and TWD exchange rates against the RM, with all other variables held constant.

		Group	
		2021	2020
		RM'000	RM'000
		Profit net	Profit net
		of tax	of tax
SGD/RM	- strengthened 2% (2020: 1%)	798	709
	- weakened 2% (2020: 1%)	(798)	(709)
TWD/RM	- strengthened 11% (2020: 7%)	1,976	1,104
	- weakened 11% (2020: 7%)	(1,976)	(1,104)

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

Sensitivity analysis for interest rate risk

A sensitivity analysis had been performed to determine the sensitivity of the Group's profit net of tax to a reasonably possible change in the interest rate at the reporting date. This analysis assumes that all other variables, in particular foreign currency rate, remain constant. Based on the analysis, there is no material impact to the Group's profit net of tax.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(d) Interest rate risk (contd.)

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	> 5 years RM'000	Total RM'000
At 31 December 2021							
Group							
Fixed rate							
Deposits with licensed banks and other financial institutions	23	1.61	201,742	-	-	-	201,742
IMTNs	27	4.85	(252,184)	-	-	-	(252,184)
Lease liabilities	34	3.55	(8,599)	(8,827)	(16,193)	-	(33,619)
Floating rate							
Revolving credit	27	1.90	(119,948)	-	-	-	(119,948)
Term loans	27	3.83	(13,294)	(11,238)	(34,698)	(12,159)	(71,389)
Company							
Fixed rate							
IMTNs	27	4.85	(252,184)	-	-	-	(252,184)
Lease liabilities	34	3.73	(6,818)	(7,052)	(15,525)	-	(29,395)
Floating rate							
Revolving credit	27	2.45	(52,000)	-	-	-	(52,000)

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(d) Interest rate risk (contd.)

	Note	WAEIR %	Within 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000	Total RM'000
At 31 December 2020							
Group							
Fixed rate							
Deposits with licensed banks and other financial institutions	23	1.68	326,771	-	-	-	326,771
ICPs	27	3.40	(50,000)	-	-	-	(50,000)
IMTNs	27	4.85	(2,101)	(249,958)	-	-	(252,059)
Lease liabilities	34	4.00	(9,807)	(6,707)	(20,344)	(717)	(37,575)
Floating rate							
Murabahah Term Facility	27	2.80	(38,089)	-	-	-	(38,089)
Revolving credit	27	1.78	(64,057)	-	-	-	(64,057)
Term loans	27	3.98	(10,203)	(10,650)	(33,887)	(24,209)	(78,949)
Company							
Fixed rate							
Deposits with licensed banks and other financial institutions	23	1.70	9,500	-	-	-	9,500
ICPs	27	3.40	(50,000)	-	-	-	(50,000)
IMTNs	27	4.85	(2,101)	(249,958)	-	-	(252,059)
Lease liabilities	34	4.00	(6,030)	(5,990)	(19,263)	(274)	(31,557)

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(f) Fair value

Financial instruments that are not measured at fair value and whose carrying amounts are reasonable approximation of fair value

Included in these classes of financial instruments are certain financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	20
Cash, bank balances and deposits	23
Borrowings	27
Trade and other payables	28

The carrying amounts of these financial assets and financial liabilities are reasonable approximation of fair values due either to the short term nature or insignificant impact of discounting or that they are floating rate instruments that are repriced to market interest rates on or near the reporting date.

Determination of fair value

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Significant observable inputs Level 2 RM'000
Group	
2021	
Assets measured at fair value:	
Short term investments*	28,310
2020	
Assets measured at fair value:	
Short term investments**	11,799

* The valuation date of these financial instruments is 31 December 2021.

** The valuation date of these financial instruments is 31 December 2020.

There have been no transfers between levels during the period.

Short term investments are valued based on currently available deposits with similar terms and maturities.

40. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their business and maximise shareholder value. The Group and the Company also aim to maintain a capital structure that has an appropriate cost of capital available to the Group and the Company.

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

The Group and the Company manage capital by reference to the debt to asset ratio. The Group's and the Company's debt to asset ratio is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Murabahah Term Facility	-	38,089	-	-
Term loans	71,389	78,949	-	-
Revolving credit	119,948	64,057	52,000	-
ICPs	-	50,000	-	50,000
IMTNs	252,184	252,059	252,184	252,059
Total debt	443,521	483,154	304,184	302,059
Total assets	2,855,070	2,807,353	1,897,173	1,987,497
Debt to asset ratio	16%	17%	16%	15%

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

41. SEGMENT INFORMATION**(a) Business unit segments**

For management purposes, the Group is organised into business units based on their products and services, and reflect the Group's offerings across different sectors as follows:

Asset Management

The asset management segment provides integrated facilities management and engineering contracting services for a range of assets and building types specialising in healthcare support and property and facility solutions.

(i) Healthcare support

The healthcare support division delivers optimal solutions in improving the non-clinical support services demanded by healthcare providers and other commercial industries.

Services comprise of from facilities and biomedical engineering maintenance, waste management, linen and laundry, housekeeping and portering services.

(ii) Property and facility solutions ("PFS")

The PFS division offers integrated facilities management services complimented with technology-driven green building solutions and asset optimisation, with a focus on enhancement and energy solutions.

Infrastructure Solutions

Infrastructure solutions segment provides strategic advisory services, design, development, maintenance and management of major transport projects and infrastructure assets.

(i) Asset consultancy

The asset consultancy division provides advisory and planning, engineering design and consultancy, property and community consultancy, research and development, procurement and construction planning, project and construction management, and asset and facilities management.

(ii) Infrastructure services

The Infrastructure services division focuses on highway network maintenance and asset management, including innovative pavement works and solutions services; with expanded capabilities beyond roads, servicing multiple industries including rail, airports, ports, oil and gas, plantation roads and other commercial and industrial sectors.

41. SEGMENT INFORMATION (CONTD.)**(a) Business unit segments (contd.)****Others**

Other segment includes the business of developing residential properties and Group-level corporate services and investment holdings.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

(b) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's business segments operate in ten geographical areas:

(i) Malaysia - the operations in this area are principally integrated facilities management, consultancy services, infrastructure maintenance, geotechnical investigation, instrumentation, pavement condition assessment works, township management, property development and investment holding.

(ii) Indonesia - the operations in this area are principally consultancy services and road infrastructure.

(iii) Middle East - the operation in this area are principally integrated facilities management and asset management consultancy services.

(iv) Singapore - the operations in this area are principally integrated facilities management and provisions for hospital support services.

(v) Taiwan - the operations in this area are principally integrated facilities management and provisions for hospital support services.

(vi) India - the operations in this area are principally integrated facilities management.

NOTES TO THE FINANCIAL STATEMENTS

41. SEGMENT INFORMATION (CONTD.)

	Infrastructure Solutions						
	Asset Management		Property and Facility Solutions		Infrastructure Services		Asset Consultancy
	Healthcare Support RM'000	Property and Facility Solutions RM'000	Infrastructure Services RM'000	Asset Consultancy RM'000	Others RM'000	Elimination RM'000	Group RM'000
At 31 December 2021							
Revenue							
External revenue	1,432,534	162,974	594,405	82,475	20,034	-	2,292,422
Inter-segment revenue	2,536	7,935	1,234	269	189,906	(201,880)	-
Total revenue	1,435,070	170,909	595,639	82,744	209,940	(201,880)	2,292,422
Results							
EBITDA*	115,899	17,300	40,688	(18,887)	108,901	(106,759)	157,142
Depreciation and amortisation	(38,155)	(1,043)	(11,804)	(1,346)	(32,355)	(2,549)	(87,252)
EBIT**	77,744	16,257	28,884	(20,233)	76,546	(109,308)	69,890
Interest income	771	960	1,812	426	468	-	4,437
Interest expense	(1,880)	(3,265)	(30)	(17)	(16,320)	1,596	(19,916)
Share of results of associates	16,671	7,079	-	409	-	-	24,159
Profit/(loss) before tax	93,307	21,031	30,665	(19,416)	60,694	(107,712)	78,569
Zakat	-	-	(623)	(84)	-	-	(707)
Income tax (expense)/benefit	(15,858)	(3,161)	(12,712)	(1,415)	2,917	(4,273)	(34,502)
Profit/(loss) after tax	77,449	17,870	17,330	(20,915)	63,611	(111,985)	43,360
Assets							
Segment assets	1,439,695	459,040	555,053	525,502	463,231	(587,451)	2,855,070
Liabilities							
Segment liabilities	1,069,062	309,822	256,781	75,285	393,363	(788,598)	1,315,715

* Earnings before interest, taxes, depreciation and amortisation

** Earnings before interest and taxes

41. SEGMENT INFORMATION (CONTD.)

	Infrastructure Solutions						
	Asset Management		Property and Facility Solutions		Infrastructure Services		Asset Consultancy
	Healthcare Support RM'000	Property and Facility Solutions RM'000	Infrastructure Services RM'000	Asset Consultancy RM'000	Others RM'000	Elimination RM'000	Group RM'000
At 31 December 2021 (contd.)							
Other segment information							
Capital expenditure	20,182	1,589	3,170	459	8,083	-	33,483
Investments in associates	62,191	37,223	-	3,508	-	-	102,922
Staff rationalisation cost	-	-	10,354	2,265	-	-	12,619
Accretion of interest on concession receivable	-	(18,883)	-	-	-	-	(18,883)
Dividend income from short term investment	-	-	(523)	(134)	-	-	(656)
Depreciation (Note 7)	37,954	1,025	10,173	1,314	10,088	-	60,554
Amortisation (Note 7)	201	18	1,632	32	22,267	2,549	26,698
Non-cash expenses/(income) other than impairment, depreciation, and amortisation	170	1,681	650	16	1,849	(1,593)	2,773

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

41. SEGMENT INFORMATION (CONTD.)

	Asset Management						Infrastructure Solutions				Group RM'000	
	Note	Healthcare Support		Property and Facility Solutions		Infrastructure Services		Asset Consultancy		Elimination		Others
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
At 31 December 2020												
Revenue												
External revenue		1,233,407	149,152	549,055	88,140	8,962	-	-	-	-	2,028,716	
Inter-segment revenue	A	3,851	14,506	-	1,392	87,695	(107,444)	-	-	(107,444)	-	
Total revenue		1,237,258	163,658	549,055	89,532	96,657	(107,444)	-	-	(107,444)	2,028,716	
Results												
EBITDA*		117,949	14,449	50,679	9,342	(73,377)	12,508	-	-	12,508	131,550	
Depreciation and amortisation		(32,283)	(1,902)	(13,366)	(1,362)	(30,843)	(2,587)	-	-	(2,587)	(82,343)	
EBIT**		85,666	12,547	37,313	7,980	(104,220)	9,921	-	-	9,921	49,207	
Interest income		962	634	1,375	152	1,163	-	-	-	-	4,286	
Interest expense		(1,108)	(4,592)	(29)	(17)	(33,764)	17,193	-	-	17,193	(22,317)	
Share of results of associates		11,793	3,887	-	76	-	-	-	-	-	15,756	
Profit/(loss) before tax		97,313	12,476	38,659	8,191	(136,821)	27,114	-	-	27,114	46,932	
Zakat		-	-	(2,178)	(189)	-	-	-	-	-	(2,367)	
Income tax (expense)/benefit		(13,179)	(3,590)	(10,349)	(1,628)	1,798	(3,244)	-	-	(3,244)	(30,192)	
Profit/(loss) after tax		84,134	8,886	26,132	6,374	(135,023)	23,870	-	-	23,870	14,373	
Assets												
Segment assets	B	850,452	461,093	607,326	633,092	857,730	(602,340)	-	-	(602,340)	2,807,353	
Liabilities												
Segment liabilities	B	440,762	313,267	258,604	66,696	1,052,996	(834,234)	-	-	(834,234)	1,298,091	

* Earnings before interest, taxes, depreciation and amortisation

** Earnings before interest and taxes

NOTES TO THE FINANCIAL STATEMENTS

41. SEGMENT INFORMATION (CONTD.)

	Asset Management						Infrastructure Solutions				Group RM'000	
	Note	Healthcare Support		Property and Facility Solutions		Infrastructure Services		Asset Consultancy		Elimination		Others
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
At 31 December 2020 (contd.)												
Other segment information												
Capital expenditure	C	37,739	86	4,936	68	44,705	(3,060)	-	-	(3,060)	84,474	
Investments in associates		50,522	31,582	-	3,099	-	-	-	-	-	85,203	
Accretion of interest on concession receivable		-	(19,567)	-	-	-	-	-	-	-	(19,567)	
Dividend income from short term investment		-	-	(1,008)	(52)	-	-	-	-	-	(1,060)	
Depreciation (Note 7)		32,150	1,880	11,566	1,362	10,378	(1,028)	-	-	(1,028)	56,308	
Amortisation (Note 7)	D	133	22	1,800	-	20,465	3,615	-	-	3,615	26,035	
Non-cash expenses/(income) other than impairment, depreciation, and amortisation	E	833	(3,121)	392	(1,531)	2,265	4,205	-	-	4,205	3,043	

NOTES TO THE FINANCIAL STATEMENTS

41. SEGMENT INFORMATION (CONTD.)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2021 RM'000	2020 RM'000
Inter-segment assets	(587,451)	(602,340)

The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2021 RM'000	2020 RM'000
Inter-segment liabilities	(788,598)	(834,234)

C Capital expenditure consist of:

	2021 RM'000	2020 RM'000
Property, plant and equipment	22,815	32,219
Intangible assets - software and other development cost	1,111	10,296
Right-of-use assets	9,557	41,959
	33,483	84,474

D Amortisation consist of:

	2021 RM'000	2020 RM'000
Intangible assets	26,698	26,035

41. SEGMENT INFORMATION (CONTD.)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (contd.)

E Other material non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:

	Note	2021 RM'000	2020 RM'000
Net gain on disposal of plant and equipment	7	283	(16)
Property, plant and equipment written off	7	363	10
Impairment on financial assets:			
- Trade and other receivables	7	2,328	1,936
Reversal of impairment on financial assets:			
- Trade and other receivables	5	(334)	(4,231)
Bad debts written off	7	8	4,987
Defined retirement benefit obligations	8	(121)	353
Intangible assets written off	7	246	4
		2,773	3,043

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue	
	2021 RM'000	2020 RM'000
Malaysia	1,374,803	1,232,071
United Arab Emirates	78,697	61,610
Indonesia	28,237	34,846
Singapore	381,221	322,945
Taiwan	429,464	377,244
Consolidated	2,292,422	2,028,716

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

41. SEGMENT INFORMATION (CONTD.)

Geographical information (contd.)

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows: (contd.)

	Non-current assets	
	2021 RM'000	2020 RM'000
Malaysia	596,734	608,049
United Arab Emirates	1,141	243
India	37,223	31,582
Indonesia	213	677
Singapore	442,153	459,439
Taiwan	6,848	6,527
Consolidated	1,084,312	1,106,517

Non-current assets information presented above consist of the followings items as presented in the consolidated statement of financial position:

	2021 RM'000	2020 RM'000
Property, plant and equipment	166,502	193,678
Right-of-use assets	37,281	40,827
Land held for property development	477	477
Intangible assets	699,204	718,349
Investment in associates	102,922	85,203
Other investments	232	232
Contract assets	75,078	60,957
Contract fulfillment asset	2,616	6,794
	1,084,312	1,106,517

Information about major customers

Revenue from two (2020: two) major customers amounted to RM455.7 million and RM532.6 million (2020: RM412.9 million and RM367.8 million) respectively, arising from services rendered in the Infrastructure Services and Healthcare Support segment.

42. SIGNIFICANT CONTINGENT LIABILITIES

There is no significant contingent liabilities other than those disclosed in the note below:

- (a) Ahmad Zaki Sdn. Bhd. ("AZSB") vs Edgenta PROPEL Berhad ("EPB")

AZSB has commenced an action against the Company on the claim that EPB has breached the terms of contract, mainly due to the EPB's failure to meet completion date. Thus, AZSB had to engage third parties to complete some of the works under the contract. AZSB is therefore seeking reliefs amounting to RM30.9 million from EPB. The trial date has not yet been set and therefore it is not practicable to state the timing of any potential outflow, if any.

EPB has been advised by its legal counsel that it has a good defence against the claim. Accordingly, no provision for any liability has been made in these financial statements.

- (b) Magna Meditech Sdn. Bhd. ("MMSB") vs Edgenta Mediserve Sdn Bhd ("EMS")

MMSB has commenced an action against EMS on the claim that EMS has breached the terms of contract, by prematurely and unlawfully terminating the contract. MMSB seeks reinstatement of the contract by way of a new term of 3 years with an extension of further 2 years damages amounting to RM22.0 million. The trial date has not yet been set and therefore it is not practicable to state the timing of any potential outflow, if any.

EMS has been advised by its legal counsel that it has a good defence against the claim. Accordingly, no provision for any liability has been made in these financial statements.

- (c) Director General of Inland Revenue Board of Malaysia ("DGIR") had served UEM Edgenta Berhad ("UEM Edgenta" or "the Company") with additional tax assessment for the years of assessment 2015, 2016, 2017 and 2018 for additional income taxes of RM18.7 million. The additional income tax was imposed by DGIR mainly pursuant to the dispute on the status of the Company as a Management Service Company and shall be taxes as an Investment Holding Company under Section 60FA of the Income Tax Act, 1967. The trial date has not yet been set and therefore it is not practicable to state the timing of any potential outflow, if any.

The Company has been advised by its legal counsel that it has a valid legal claim to challenge the basis of assessment. Accordingly, no provision for any liability has been made in these financial statements.

- (d) DGIR had served EPB with additional tax assessment for the years of assessment 2016 to 2018 for additional income taxes of RM9.4 million. The additional income taxes are consequent to the DGIR's view that EPB ought to not have deducted the adjusted losses surrendered to it by UEM Edgenta Berhad, flowing from DGIR's position that UEM Edgenta is not a management services company as described in Note 42(c). The trial date has not yet been set and therefore it is not practicable to state the timing of any potential outflow, if any.

The Company has been advised by its legal counsel that it has a valid legal claim to challenge the basis of assessment. Accordingly, no provision for any liability has been made in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

43. SIGNIFICANT EVENT

COVID-19 pandemic

The COVID-19 pandemic outbreak in early 2020 has impacted economic activities worldwide including Malaysia, the spill over effect has adversely impacted the financial performance of the Group in 2021 also. In the first half of 2021, the domestic operating environment continued to be challenging, amidst a prolonged MCO from January to May and re-introduction of Full MCO in June, as a preventive measure by the Government of Malaysia in response to the Covid-19 pandemic. Riding on the ramp up of the National Covid-19 Immunisation Programme under the National Recovery Plan ("NRP"), some movement restrictions were lifted, and some economic activities were allowed progressively as the vaccination rates in certain states hit the threshold targets. Most states have gradually transitioned into subsequent Phases of the NRP towards end of Q3 2021.

As a result, the Group and the Company's performance continued to be adversely affected by the Covid-19 pandemic in 2021. The Group's Infrastructure Solutions segment continues to be affected by the variation of MCO during the first half of 2021. With restricted interstate travel and low traffic volume, deferment of award of work for major expressways are still seen in the first half of the year. Consequently, the revenue and profit of this segment were still below the pre-pandemic level.

The Group's Asset Management segment continues to be affected by higher operating costs, arose from the compliance to various standard operating procedures of the 'new normal' operating environment (such as personal protective equipment and sanitisation cost). Despite higher revenue for the segment, the profit was eroded by the higher operating costs.

The full impact of Covid-19 pandemic on the Group's and the Company's performance for the next financial year could not be reasonably ascertained at the date of this report. This is due to the fact that the financial performance is highly dependent on the degree to which Malaysia is able to fully transition into an endemic phase of Covid-19 and whether there is any resurgence of any new Covid variant.

The Group and the Company are taking great effort to mitigate the effects of the ongoing pandemic in order to best manage the effects on its businesses. Notwithstanding the challenging outlook, the Group and the Company will continue to closely monitor the related risks and impact on all business segments to ensure that long term business prospects remain stable.

As border re-opens and Malaysia transition into the endemic phase, the Group and the Company expect a gradual recovery in the operating environment and the business performance in the next financial year. The Company will continue to remain agile and adaptable as it pursues its growth strategy focusing on new products and solutions, expanding into new geographical market and forging regional partnerships.

44. SUBSEQUENT EVENT

On 10 March 2022, Opus International (M) Berhad, a wholly-owned subsidiary of Opus Group Berhad which in turn is a wholly-owned subsidiary of UEM Edgenta Berhad entered into a Shareholders Agreement with PPES Consults Sdn. Bhd. and Opus Consultants (Sarawak) Sdn. Bhd. to jointly provide project management services and construction projects.

45. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Details of subsidiaries, joint ventures and associates are as follows:

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest		Principal activities
			2021 %	2020 %	
Subsidiary of the Company:					
Edgenta FIRST Sdn. Bhd.	Malaysia	1	100	-	Provision of management services
Faber Hotels Holdings Sdn. Bhd.	Malaysia	95,279,551	-	100	Dissolved
Faber Development Holdings Sdn. Bhd.	Malaysia	56,520,010	100	100	Investment holding
Edgenta Facilities Sdn. Bhd.	Malaysia	200,000	100	100	Investment holding and provision of integrated facilities management services
Edgenta Healthcare Management Sdn. Bhd.	Malaysia	2	100	100	Provision of hospital support services
Edgenta PROPEL Berhad	Malaysia	78,962,615	100	100	Maintenance and repair of civil, mechanical and electrical works on roads, infrastructure and expressways and industrial cleaning services
Opus Group Berhad	Malaysia	156,497,958	100	100	Investment holding
Faber L.L.C. (b)	Emirates of Dubai	AED600,000	-	75	Dissolved
Edgenta NXT Sdn. Bhd. (Formerly known as General Field Sdn. Bhd.) (e)	Malaysia	500,002	100	100	Provision of digital technology services
Sate Yaki Sdn. Bhd.	Malaysia	5,000,000	60	60	In liquidation
Edgenta Environmental & Material Testing Sdn. Bhd.	Malaysia	1,000,000	100	100	Geotechnical investigation, instrumentation and pavement condition assessment works; maintenance and repair of civil, mechanical and electrical works on roads, infrastructure and expressways, and industrial cleaning services
Edgenta Energy Services Sdn. Bhd.	Malaysia	1,000,000	70	70	Energy performance management services

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

45. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest		Principal activities
			2021 %	2020 %	
Subsidiary of the Company: (contd.)					
Edgenta Township Management Services Sdn. Bhd.	Malaysia	2,730,000	100	100	Investment holding and management services real estate
Edgenta GreenTech Sdn. Bhd.	Malaysia	15,000,000	100	100	Provision of asset development and facility management services
Edgenta Energy Projects Sdn. Bhd.	Malaysia	750,000	100	100	Providing energy performance management services and renewable energy services
Edgenta (Singapore) Pte. Ltd.	Singapore	SGD1	100	100	Investment holding
Subsidiary of Edgenta Healthcare Management Sdn. Bhd.:					
Edgenta Mediserve Sdn. Bhd. (c)	Malaysia	43,170,010	100	100	Provision of hospital support services
Subsidiary of Edgenta Mediserve Sdn. Bhd.:					
Edgenta Healthtronics Sdn. Bhd.	Malaysia	3,000,000	100	100	Provision of hospital support services
Edgenta Mediserve (Sabah) Sdn. Bhd.	Malaysia	100,000	100	100	Investment holding
Edgenta Mediserve (Sarawak) Sdn. Bhd.	Malaysia	100,000	100	100	Investment holding
Cermin Cahaya Sdn. Bhd.	Malaysia	2	100	100	Provision of cleansing services to hospitals
Associate of Edgenta Mediserve (Sabah) Sdn. Bhd.					
Sedafiat Sdn. Bhd. (b)	Malaysia	5,000,000	40	40	Provision of hospital support services

45. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest		Principal activities
			2021 %	2020 %	
Associate of Edgenta Mediserve (Sarawak) Sdn. Bhd.:					
One Medicare Sdn. Bhd. (b)	Malaysia	5,000,000	40	40	Provision of hospital support services
Biomedix Solutions Sdn. Bhd. (b)	Malaysia	1,000,000	40	40	Provision of biomedical engineering maintenance services
Subsidiary of Faber Development Holdings Sdn. Bhd.:					
Faber Union Sdn. Bhd.	Malaysia	97,000,000	100	100	Property development
Rimbunan Melati Sdn. Bhd.	Malaysia	14,159,091	55	55	Property development
Faber Grandview Development (Sabah) Sdn. Bhd.	Malaysia	4,500,000	100	100	Property development
Faber Heights Management Sdn. Bhd.	Malaysia	2	100	100	Property management
Country View Development Sdn. Bhd.	Malaysia	11,200,000	100	100	Property development and provision of facilities management services
Subsidiary of Edgenta Facilities Sdn. Bhd.:					
Edgenta Facilities Management Sdn. Bhd.	Malaysia	5,000,000	100	100	Facilities management services
Faber Star Facilities Management Limited. (b)	India	Rs3,57,10,770	100	100	Facilities management services
Edgenta NXT Sdn. Bhd. (Formerly known as General Field Sdn. Bhd.) (e)	Malaysia	2	-	100	Provision of energy performance management services
Associate of Edgenta Facilities Sdn. Bhd.:					
Faber Sindoori Management Services Private Limited (b)	India	Rs9,23,780	51	51	Facilities management in India

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

45. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest		Principal activities
			2021 %	2020 %	
Subsidiary of Edgenta PROPEL Berhad:					
Edgenta Infrastructure Services Sdn. Bhd.	Malaysia	49,798,206	100	100	Maintenance and repair of civil, mechanical and electrical works on roads, infrastructure and expressways and industrial cleaning services
PT Edgenta PROPEL Indonesia	Indonesia	Rp10.0billion	99.9	99.9	Provision of management consultancy and advisory related to management of roads
Edgenta PROPEL (Sarawak) Sdn. Bhd.	Malaysia	600,001	49	-	Construction, maintenance and repair of civil, mechanical and electrical works on infrastructure, roads, expressways and sewerage and industrial cleaning services
Jointly Controlled Operation of Edgenta PROPEL Berhad:					
Edgenta PROPEL - NRC JO	Unincorporated	-	55	55	Providing highway maintenance services
Jointly Controlled Operation of PT Edgenta PROPEL Indonesia:					
PT Edgenta PROPEL PT Astra Nusantara - Astra Infra Solutions JO	Unincorporated	-	50	50	Providing highway maintenance services
Subsidiary of Opus Group Berhad:					
Builders Credit & Leasing Sdn. Bhd.	Malaysia	600,000	100	100	Investment holding
Opus International (NZ) Limited (a)	New Zealand	NZD200	100	100	Investment holding

45. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest		Principal activities
			2021 %	2020 %	
Subsidiary of Opus Group Berhad: (contd.)					
Opus International (M) Berhad	Malaysia	15,000,000	100	100	Management of the planning, design and construction of infrastructure projects and provision of facilities management services
Subsidiary of Opus International (M) Berhad:					
Opus Management Sdn. Bhd.	Malaysia	1,000,000	100	100	Management of the planning, design and construction of infrastructure projects and provision of facilities management services
Opus Consultants (Sarawak) Sdn. Bhd.	Malaysia	75,000	100	100	Provision of project management and engineering consultancy services
Pengurusan Lantas Berhad	Malaysia	5,000,000	100	100	Provision of technical management support services for the planning, design and construction of projects
Pengurusan LRT Sdn. Bhd.	Malaysia	2	100	100	In liquidation
Opus International India Private Limited (b)	India	Rs4,60,000	100	100	Provision of asset development and asset management services
Opus Al-Dauliyyah L.L.C. (b)(d)	The Kingdom of Saudi Arabia	SAR500,000	100	100	Engineering consultancy services
Associate of Opus International (M) Berhad:					
Opus Consultants (M) Sdn. Bhd.	Malaysia	250,531	30	30	Engineering consultancy services

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

45. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest		Principal activities
			2021 %	2020 %	
Subsidiary of Edgenta Township Management Services Sdn. Bhd.:					
UEM Sunrise Edgenta TMS Sdn. Bhd.	Malaysia	3,900,000	70	70	Investment holding and management of real estate
Subsidiary of UEM Sunrise Edgenta TMS Sdn. Bhd.:					
Edgenta TMS Sdn. Bhd.	Malaysia	5,500,000	49	49	In liquidation
Subsidiary of Edgenta GreenTech Sdn. Bhd.:					
Operon Consulting Sdn. Bhd.	Malaysia	1,128,260	70	70	Asset management consultancy services
KFM Energy Services Sdn. Bhd.	Malaysia	2,000,000	100	100	Provision of consultancy and other services relating to energy conservation and renewable energy
KFM Projects Sdn. Bhd.	Malaysia	100,000	100	100	Project management consulting services
KFM Solutions Sdn. Bhd.	Malaysia	100,000	100	100	Consultancy services in the green, smart and connected urban ecology and integrated facility management services
KFM Systems Sdn. Bhd.	Malaysia	100,000	100	100	Consultancy and contractors for building management systems for the built environment
Veridis PPP One Sdn. Bhd.	Malaysia	275,000	100	100	Concession holder specialising in retro-fitting works of building utilising green technology
Operon Middle East Limited (a)	British Virgin Island	USD1,503,200	100	100	Facilities management and building cleaning services

45. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest		Principal activities
			2021 %	2020 %	
Subsidiary of Edgenta GreenTech Sdn. Bhd. (contd.)					
Operon Malaysia Sdn. Bhd.	Malaysia	100,000	100	100	Provision of supervising officer for activities related to Green Technology and other solutions for the built environment
KFM Middle East Limited (b)	British Virgin Island	USD1,000	70	70	Dormant
Subsidiary of Edgenta (Singapore) Pte. Ltd.:					
UEMS Pte. Ltd. (a)	Singapore	SGD8,300,000	100	97.5	Investment holding
Subsidiary of UEMS Pte. Ltd.:					
UEMS Solutions Pte. Ltd. (a)	Singapore	SGD2,000,000	100	97.5	Property management, facilities engineering, facilities management, energy management, corporate real estate, environmental services, project management and technology optimisation, learning and development, and specialised services
Edgenta UEMS Sdn. Bhd.	Malaysia	3,000,000	100	97.5	Provision of maintenance and support services for hospitals, public centres, manufacturing facilities and commercial buildings

NOTES TO THE FINANCIAL STATEMENTS

ANALYSIS OF SHAREHOLDINGS

As at 21 March 2022

45. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest		Principal activities
			2021 %	2020 %	
Subsidiary of UEMS Pte. Ltd.: (contd.)					
Edgenta UEMS Ltd. (a)	Taiwan	TWD25,000,000	100	97.5	Provision of cleaning, portering and consulting services for hospitals, medical care institutes, commercial, high-tech companies, education centre, transportation and shopping mall.
ServiceMaster Hong Kong Limited (a)	Hong Kong	HKD20,360,000	100	97.5	Dormant
Subsidiary of Edgenta UEMS Ltd.:					
Edgenta UEMS SC Ltd. (a)	Taiwan	TWD25,000,000	100	97.5	Provision of cleaning, portering and consulting services for hospitals, medical care institutes, commercial, high-tech companies, education centre, transportation and shopping mall

(a) Audited by member firms of Ernst & Young Global in respective countries

(b) Audited by firms other than Ernst & Young

(c) Edgenta Mediserve Sdn. Bhd. is 43% owned by UEM Edgenta Berhad and 57% owned by Edgenta Healthcare Management Sdn. Bhd.

(d) Opus Al-Dauliyyah L.L.C. is 95% owned by Opus International (M) Berhad and 5% owned by Opus Management Sdn. Bhd.

(e) On 15 April 2021, Edgenta Facilities Sdn. Bhd. has transferred its entire shareholdings in Edgenta NXT Sdn. Bhd. (formerly known as General Field Sdn. Bhd.) ("Edgenta NXT") to UEM Edgenta Berhad, resulting Edgenta NXT being a wholly-owned subsidiary of the Company.

SHARE CAPITAL

The total number of issued shares stands at 831,624,030 ordinary shares, with voting right of one (1) vote per ordinary share held.

DISTRIBUTION SCHEDULE FOR ORDINARY SHARES

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Shares
Less than 100	1,119	6.75	34,931	0.00
100 - 1,000	9,715	58.64	3,610,949	0.44
1,001 - 10,000	4,468	26.97	19,029,642	2.29
10,001 - 100,000	1,108	6.69	31,161,999	3.75
100,001 - 41,581,200 (*)	156	0.94	154,785,284	18.61
41,581,201 and above (**)	2	0.01	623,001,225	74.91
Total	16,568	100.00	831,624,030	100.00

Notes:

* Less than 5% of issued holdings

** 5% and above of issued holdings

30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

As at 21 March 2022

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
1	UEM GROUP BERHAD	574,967,925	69.14
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (1)	48,033,300	5.78
3	AMANAHRAYA TRUSTEES BERHAD PUBLIC ITTIKAL SEQUEL FUND	16,337,000	1.96
4	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR PRINCIPAL DALI EQUITY GROWTH FUND (UT-CIMB-DALI) (419455)	11,749,300	1.41
5	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	10,825,500	1.30
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	9,091,000	1.09
7	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC TREASURES GROWTH FUND	7,267,700	0.87
8	CARTABAN NOMINEES (ASING) SDN BHD STATE STREET LONDON FUND MJEM FOR MERCER INVESTMENT FUND 1 (MERCER QIF FUND)	6,383,500	0.77
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	6,224,300	0.75

ANALYSIS OF SHAREHOLDINGS

As at 21 March 2022

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
10	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	6,135,782	0.74
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DR)	4,854,700	0.58
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	4,363,200	0.52
13	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	3,952,933	0.48
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	3,099,900	0.37
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	3,035,400	0.36
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)	2,135,000	0.26
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN TAKAFUL BERHAD (MEKAR)	1,980,500	0.24
18	CARTABAN NOMINEES (ASING) SDN BHD STATE STREET MUNICH FUND SGZL FOR GAM INVESTMENT MANAGEMENT (SWITZERLAND) AG ON BEHALF OF REUSS-ASIA SMALL CAP	1,971,700	0.24
19	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC SELECT TREASURES FUND	1,839,300	0.22
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	1,588,700	0.19
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ARIM)	1,510,500	0.18
22	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD PRINCIPAL ISLAMIC ASSET MANAGEMENT SDN BHD FOR LEMBAGA TABUNG HAJI	1,485,900	0.18
23	NG CHEONG BING	1,477,800	0.18
24	HSBC NOMINEES (ASING) SDN BHD SBL EXEMPT AN FOR J.P. MORGAN SECURITIES PLC	1,367,000	0.16
25	AMANAHRAYA TRUSTEES BERHAD PUBLIC INDEX FUND	1,322,000	0.16
26	DING HUONG KAI	1,250,000	0.15
27	SYARIKAT PEMASARAN SEJATI SDN BHD	1,227,951	0.15
28	LIM CHEE MENG	1,215,000	0.15
29	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	1,204,400	0.14
30	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	1,118,598	0.13
TOTAL		739,015,789	88.85

ANALYSIS OF SHAREHOLDINGS

As at 21 March 2022

SUBSTANTIAL SHAREHOLDERS

As per the Register of Substantial Shareholders

As at 21 March 2022

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
UEM Group Berhad	574,967,925	69.14	-	-
Khazanah Nasional Berhad [#]	-	-	574,967,925	69.14
Urusharta Jamaah Sdn. Bhd.	48,033,300	5.78	-	-

Note:

[#] Deemed interested pursuant to Section 8(4) of the Companies Act 2016.

DIRECTORS' INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

As at 21 March 2022

Directors' Interests in Ordinary Shares of UEM Edgenta Berhad

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Tan Sri Dr. Azmil Khalid	-	-	-	-
Syahrunizam Samsudin	-	-	-	-
Dato' Mohd Izani Ghani	-	-	-	-
Dato' Noorazman Abd Aziz	-	-	-	-
Robert Tan Bun Poo	-	-	-	-
Dato' George Stewart LaBrooy	-	-	-	-
Rowina Ghazali Seth	-	-	-	-
Shirley Goh	-	-	-	-
Jenifer Thien Bit Leong	-	-	-	-
Mohd Asrul Ab Rahim	-	-	-	-

PROPERTIES HELD BY THE GROUP

Location & Address	Description of Properties	Approx. Land Area	Gross		Land Tenure (Expire Date)	Building Approx Age (Years)	Net Book Value As At 31.12.2021 (RM'000)	Last Date of Revaluation of If None: Date of Acquisition
			Built-Up Area (Sq. Meters)	Existing Use				
CORPORATE								
UEM EDGENTA BERHAD								
Lot 32, 33 & 33A Prima Villa No. 2, Jalan 109F, Taman Danau Desa 58100 Kuala Lumpur	Three units of four-storey link villas	0.24 acres	1,617	Corporate facilities	Leasehold (6.1.2109)	7	7,389	16.12.2016
HEALTHCARE SUPPORT								
EDGENTA MEDISERVE SDN. BHD.								
Lot No. 65, Jalan Logam 3, Kamunting Raya Industrial Estate, 34600 Taiping, Perak	Incineration plant with double-storey administration block plus laundry plant	5.87 acres	23,760	Incinerator for clinical waste and laundry plant	Leasehold (7.12.2097)	25	893	31.12.2021
Lot No. 37, Jalan Industri 8, Kuala Ketil Industrial Estate Mukim of Tawar, 09300 Kuala Ketil, Kedah	Laundry plant with double-storey administration block plus ancillary facilities	2.24 acres	9,058	Laundry plant	Leasehold (26.3.2056)	18	710	31.12.2021
Lot No. 131 (CL215359890) & Lot No. 132 (CL215359907) SEDCO Industrial Estate, Lok Kawi, Sabah	Incineration plant with single-storey detached factory with mezzanine office	0.51 acres	2,060	Incinerator for clinical waste	Leasehold (13.12.2042)	16	309	2.11.2018
No. 2, Jalan Kamunting 2, Jalan Kamunting Industrial Estate, 48300 Bukit Beruntung, Selangor	Research and development center	1.47 acres	5,987	Research and development	Freehold	10	1,160	31.12.2021

PROPERTIES HELD BY THE GROUP

Location & Address	Description of Properties	Approx. Land Area	Gross		Land Tenure (Expire Date)	Building Approx Age (Years)	Net Book Value As At 31.12.2021 (RM'000)	Last Date of Revaluation of If None: Date of Acquisition
			Built-Up Area (Sq. Meters)	Existing Use				
INFRASTRUCTURE SERVICES								
EDGENTA PROPEL BERHAD & EDGENTA INFRASTRUCTURE SERVICES SDN. BHD.								
No. C1-16-08, Block C1 Vista Komanwel, Bukit Jalil 57700 Kuala Lumpur	Penthouse (duplex)	-	850	Staff accommodation	Freehold	8	316	19.4.2013
LMD Dengkil Office Kawasan Rehat dan Rawat, Dengkil KM238, Arah Selatan, Lebuhraya ELITE, 43800 Dengkil, Selangor	Office building and warehouse storage	-	5,000	Logistic and machinery depot	Freehold	16	2,323	1.5.2005
EDGENTA ENVIRONMENTAL & MATERIAL TESTING SDN. BHD.								
Suite 4801-1-05, Block 4801 CBD Perdana, Jalan Perdana 63000 Putrajaya, Selangor	Office building	-	175	Office lot	Freehold	11	179	07.12.2015
No.3 & No.5, Jalan P18 Kawasan Perindustrian MIEL 43650 Bandar Baru Bangi, Selangor	Two adjoining units of one and half storey semi detached factory	0.83 acres	1,303	Laboratory and office building	Leasehold (29.09.2086)	31	2,420	07.12.2015
PROPERTY DEVELOPMENT								
COUNTRY VIEW DEVELOPMENT SDN. BHD.								
CL015027237 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)	-	477	1.2.2018

RECURRENT RELATED PARTY TRANSACTIONS

The shareholders of UEM Edgenta Berhad ("UEM Edgenta" or "the Company") had at the 58th Annual General Meeting held on 17 June 2021 granted their approval for the Company and its subsidiary companies ("UEM Edgenta Group") to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations and are in the ordinary course of business in order to comply with Paragraph 10.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

In accordance to Practice Note 12 of the MMLR of the Bursa Securities, the details of recurrent related party transactions made during the financial year ended 31 December 2021 pursuant to the shareholders' mandate are as follows:

Item	Company in UEM Edgenta Group Involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value Incurred from 1 January 2021 to 17 June 2021 RM'000	Value Incurred from 18 June 2021 to 31 December 2021 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
1	UEM Edgenta Group	UEM Group Berhad ("UEMG") and its subsidiaries ("UEMG Group")	Khazanah Nasional Berhad ("Khazanah") is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. Dato' Mohd Izani Ghani is a director of UEM Edgenta and UEMG. Dato' Mohd Izani Ghani does not have any equity interest in UEMG.	Provision of directors and staff training and development by UEMG Group. Provision of administrative and audit and tax services by UEMG Group. Rental of office space in Tower 1, Avenue 7, Bangsar South and ancillary facilities from UEMG Group. Rental of archive store at Taman Desa and ancillary facilities from UEMG Group. Rental of training space at UEM Learning Centre, Petaling Jaya from UEMG Group. Rental of office area at UEM Learning Centre, Petaling Jaya from UEMG Group. Payment of annual nomination fee to UEMG. Provision of building maintenance works to UEMG Group. Provision of services to UEMG Group as follows: (i) proposed provision of vehicle screening services for projects developed; (ii) design and project management fees for projects; (iii) provision for soil investigation, instrumentation, material testing, environmental and pavement condition assessment works for infrastructure projects; and/or (iv) provision of energy management services. Pavement, civil, mechanical, electrical and electronic ("MEE") works, utilities relocation and traffic management works for UEMG Group.	- - 2,587 112 374 198 4,167 167 -	- - 3,622 159 524 277 5,833 - 79	- - 6,209 271 898 475 10,000 167 79 -

RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group Involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value Incurred from 1 January 2021 to 17 June 2021 RM'000	Value Incurred from 18 June 2021 to 31 December 2021 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
2	UEM Edgenta Group	PLUS Malaysia Berhad and its subsidiaries ("PLUS Malaysia Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. PLUS Malaysia is a 51% subsidiary of UEMG. Dato' Mohd Izani Ghani and Dato' Noorazman Abd Aziz are directors of UEM Edgenta and PLUS Malaysia. Dato' Mohd Izani Ghani and Dato' Noorazman Abd Aziz do not have any equity interest in PLUS Malaysia.	Provision of facilities maintenance services to PLUS Malaysia Group. Provision of highway operations and maintenance services through Performance Based Contract ("PBC") concept to PLUS Malaysia Group. Provision of design, consultancy services, maintenance management & technical services to PLUS Malaysia Group; project management fees and development & proposed network maintenance fee from PLUS Malaysia Group. Provision of highway maintenance services to PLUS Malaysia Group. Provision of maintenance services of the real time monitoring system and soil investigation works for upgrading of existing and new facilities to PLUS Malaysia Group.	- - 10,362 166,656 114	- - 14,517 332,863 114	- - 24,879 499,519 227
3	UEM Edgenta Group	UEM Sunrise Berhad and its subsidiaries ("UEM Sunrise Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. UEM Sunrise is a 69.56% subsidiary of UEMG. Tan Sri Dr. Azmil Khalid, Dato' Mohd Izani Ghani and Dato' Noorazman Abd Aziz are directors of UEM Edgenta and UEM Sunrise. Tan Sri Dr. Azmil Khalid, Dato' Mohd Izani Ghani and Dato' Noorazman Abd Aziz do not have any equity interest in UEM Sunrise.	Provision of facilities maintenance services to UEM Sunrise Group. Provision of services to UEM Sunrise Group as follows: (i) pavement, MEE works, utilities relocation and traffic management works; (ii) project management consultancy services for commercial development; (iii) proposed soil investigation works, instrumentation, material testing, environmental services and pavement works for projects development; (iv) provision of energy management services; and/or (v) provision of Strata and Building Facilities Management software - User License Fee. Provision of energy management service, operate and maintain the district collong tower for UEM Sunrise Group.	2,784 -	4,027 -	6,811 -

RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group Involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value Incurred from	Value Incurred from	Aggregate Value of
					1 January 2021 to 17 June 2021	18 June 2021 to 31 December 2021	Transactions during the Financial Year
					RM'000	RM'000	RM'000
4	UEM Edgenta Group	Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARH")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. TARH is a wholly-owned subsidiary of Khazanah.	Provision of services to TARH as follows: (i) pavement, MEE works, utilities relocation and traffic management works; (ii) proposed soil investigation works, instrumentation, material testing, environmental services for hotels and resorts; and/or (iii) buildings and facilities audit exercise at Desaru Adventure Water Park.	-	-	-
5	UEM Edgenta Group	First Impact Sdn. Bhd. ("First Impact")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. First Impact is a wholly-owned subsidiary of UEMG.	Provision of asset management services for office buildings of First Impact. Installation and upgrading of building equipment and assets.	3,095	2,958	6,053
6	UEM Edgenta Group	Telekom Malaysia Berhad ("TM") and its subsidiaries ("TM Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. TM is a 26.15% associated company of Khazanah.	Provision of services to TM Group as follows: (i) facilities maintenance services and energy management services; (ii) pavement, civil, MEE works, utilities relocation work and traffic management services; and/or (iii) infrastructure maintenance of telecommunications network.	-	-	-
7	UEM Edgenta Group	Malaysia Airports Holdings Berhad ("MAHB") and its subsidiaries ("MAHB Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. MAHB is a 33.21% associated company of Khazanah.	Provision of services to MAHB Group as follows: (i) pavement, civil, MEE works, utilities relocation works and traffic management services; and/or (ii) proposed soil investigation works, instrumentation, material testing, environmental services and pavement works for airports.	-	-	-

RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group Involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value Incurred from	Value Incurred from	Aggregate Value of
					1 January 2021 to 17 June 2021	18 June 2021 to 31 December 2021	Transactions during the Financial Year
					RM'000	RM'000	RM'000
8	UEM Edgenta Group	Tenaga Nasional Berhad ("TNB") and its subsidiaries ("TNB Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. TNB is a 25.77% associated company of Khazanah.	Provision of services to TNB Group as follows: (i) project management consultancy services for office building; (ii) provision of pavement, MEE works, utilities relocation and traffic management works; (iii) proposed soil investigation works, instrumentation, material testing, environmental services; and/or (iv) provision of integrated facilities management and energy services for TNB buildings.	-	-	-
9	UEM Edgenta Group	Borneo Highway PDP Sdn. Bhd. ("BHP")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. BHP is a 40% associated company of UEM MMC Joint Venture Sdn Bhd, which in turn is a 50% joint venture of UEMG.	Provision of services to BHP as follows: (i) pavement, MEE works, utilities relocation and traffic management works; (ii) payment of project management fees for highway project; and/or (iii) proposed soil investigation works, instrumentation, material testing, environmental services and pavement works.	-	-	-
10	UEM Edgenta Group	Cenviro Sdn. Bhd. and its subsidiaries ("Cenviro Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. Cenviro is a wholly-owned subsidiary of Khazanah. Tan Sri Dr. Azmil Khalid is a director of UEM Edgenta and Cenviro. Tan Sri Dr. Azmil Khalid does not have any equity interest in Cenviro.	Provision of services to Cenviro Group as follows: (i) provision of office services; and/or (ii) proposed soil investigation works, instrumentation, material testing, environmental services. Provision of healthcare waste management services to Cenviro Group.	19	34	53

RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group Involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value	Value	Aggregate Value of Transactions during the Financial Year
					Incurring from 1 January 2021 to 17 June 2021	Incurring from 18 June 2021 to 31 December 2021	
11	UEM Edgenta Group	Konsortium Prohawk Sdn. Bhd. ("Prohawk")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. Konsortium Prohawk Sdn Bhd is a 65% subsidiary of UEMG. Dato' Mohd Izani Ghani is a director of UEM Edgenta and Prohawk. Dato' Mohd Izani Ghani does not have any equity interest in Prohawk.	Provision of management, operations and maintenance of parking facilities, café, medical hotel and retail business at Women & Children Hospital ("WACH") to Prohawk. Provision of asset management services for WACH to Prohawk.	-	-	-
					17,536	20,064	37,599
12	UEM Edgenta Group	Teras Teknologi Sdn. Bhd. ("TERAS")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. TERAS is a wholly-owned subsidiary of PLUS Malaysia, which in turn is a 51% subsidiary of UEMG.	Provision of MEE works by TERAS to Edgenta PROPEL Berhad ("Edgenta PROPEL").	-	-	-
13	UEM Edgenta Group	Kualiti Alam Sdn. Bhd. ("Kualiti Alam")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. Kualiti Alam is a wholly-owned subsidiary of Cenviro, which in turn is a wholly-owned subsidiary of Khazanah.	Provision of waste collection services by Kualiti Alam.	66	51	116

RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group Involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value	Value	Aggregate Value of Transactions during the Financial Year
					Incurring from 1 January 2021 to 17 June 2021	Incurring from 18 June 2021 to 31 December 2021	
14	UEM Edgenta Group	Kuad Sdn. Bhd. ("Kuad")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. Kuad is a 70% subsidiary of CIMA, which in turn is a wholly-owned subsidiary of UEMG.	Purchase of material and provision of pavement works from Kuad.	-	-	-
15	UEM Edgenta Group	Kuari Pati Sdn. Bhd. ("Kuari Pati")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% 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.	-	-	-
16	UEM Edgenta Group	TT dotCom Sdn. Bhd. ("TT dotCom")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. TT dotCom Sdn Bhd is a wholly-owned subsidiary of TIME dotCom Berhad ("TdC"). TdC is a 10.81% associated company of Khazanah. TdC is a 29.32% 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. Provision of integrated facilities maintenance services and energy management services to TT dotCom.	793	891	1,684

RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group Involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value	Value	Aggregate Value of Transactions during the Financial Year
					Incurring from 1 January 2021 to 17 June 2021	Incurring from 18 June 2021 to 31 December 2021	
17	UEM Edgenta Group	IHH Healthcare Berhad and its subsidiaries ("IHH Healthcare Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. IHH Healthcare is a 26.03% associated company of Pulau Memutik Ventures Sdn. Bhd., which in turn is a wholly-owned subsidiary of Khazanah.	Provision of hospital support services to IHH Healthcare Group.	840	(115)	725
18	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 69.14% subsidiary of UEMG.	Sale of property units by UEM Edgenta Group's property development companies.	-	-	-

RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group Involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value	Value	Aggregate Value of Transactions during the Financial Year
					Incurring from 1 January 2021 to 17 June 2021	Incurring from 18 June 2021 to 31 December 2021	
19	Edgenta Mediserve Sdn. Bhd. ("EMS")	Cenviro Group	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. EMS is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG. Kualiti Alam is a wholly-owned subsidiary of Cenviro, which in turn is a wholly-owned subsidiary of Khazanah.	Provision of healthcare waste management services by Cenviro Group.	1,043	1,952	2,995
20	Edgenta Facilities Sdn. Bhd. and its subsidiaries ("EFSB Group")	Symphony Hills Sdn. Bhd. ("Symphony Hills")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. EFSB is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% 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 69.56% subsidiary of UEMG.	Provision of cleaning services at sales gallery, office and unit show houses for Symphony Hills.	-	-	-

RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group Involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value Incurred from	Value Incurred from	Aggregate
					1 January 2021 to 17 June 2021	18 June 2021 to 31 December 2021	Value of Transactions during the Financial Year
					RM'000	RM'000	RM'000
21	EFSB Group	Setia Haruman Sdn. Bhd. ("Setia Haruman")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. EFSB is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG. Setia Haruman is a 25% associated company of UEM Land, which in turn is a wholly-owned subsidiary of UEM Sunrise, which in turn is a 69.56% subsidiary of UEMG.	Provision of facilities maintenance services to Setia Haruman.	1,310	1,441	2,750
				Rental payable on a monthly basis by EFSB Group to Setia Haruman for office space.	32	-	32
22	EFSB Group	UEM Builders Berhad ("UEM Builders")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. EFSB is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG. UEM Builders is a wholly-owned subsidiary of UEMG.	Provision of cleaning services, and M&E maintenance to UEM Builders.	11	11	22
23	EFSB Group	CIMB Group Holdings Berhad and its subsidiaries ("CIMB Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. EFSB is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG. CIMB is a 23.07% associated company of Khazanah.	Provision of facilities maintenance services to CIMB Group.	8,759	10,497	19,256

RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group Involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value Incurred from	Value Incurred from	Aggregate
					1 January 2021 to 17 June 2021	18 June 2021 to 31 December 2021	Value of Transactions during the Financial Year
					RM'000	RM'000	RM'000
24	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 69.14% subsidiary of UEMG. UEM Construction is a wholly-owned subsidiary of UEM Builders, which in turn is a wholly-owned subsidiary of UEMG.	Provision of fourth lane widening ("FLW") civil works, MEE works and street lighting and traffic management services to UEM Construction.	-	-	-
25	Edgenta UEMS Sdn. Bhd. ("UEMS Malaysia")	IMU Education Sdn. Bhd. ("IMU")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEMS Malaysia is a wholly-owned subsidiary of UEMS Pte. Ltd., which in turn is a wholly-owned subsidiary of Edgenta (Singapore) Pte. Ltd., which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG. IMU is a wholly-owned subsidiary of IMU Health Sdn. Bhd., which in turn is a wholly-owned subsidiary of IHH Healthcare, which in turn is a 26.03% associated company of Pulau Memutik Ventures Sdn Bhd, which in turn is a wholly-owned subsidiary of Khazanah.	Provision of facilities maintenance services to IMU.	303	482	785

RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group Involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value Incurred from	Value Incurred from	Aggregate Value of Transactions during the Financial Year
					1 January 2021 to 17 June 2021	18 June 2021 to 31 December 2021	
26	UEMS Malaysia	Parkway Pantai Limited and its subsidiaries ("Parkway Pantai Group")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEMS Malaysia is a wholly-owned subsidiary of UEMS Pte. Ltd., which in turn is a wholly-owned subsidiary of Edgenta (Singapore) Pte. Ltd., which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.</p> <p>Parkway Pantai is a wholly-owned subsidiary of Integrated Healthcare Holdings Limited, which in turn is a wholly-owned subsidiary of IHH Healthcare, which in turn is a 26.05% associated company of Pulau Memutik Ventures Sdn Bhd, which in turn is a wholly-owned subsidiary of Khazanah.</p>	Provision of facilities maintenance services to Pantai Holdings Group at various Pantai hospitals.	4,845	6,745	11,590
27	UEMS Malaysia		<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEMS Malaysia is a wholly-owned subsidiary of UEMS Pte. Ltd., which in turn is a wholly-owned subsidiary of Edgenta (Singapore) Pte. Ltd., which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.</p>	Provision of cleansing services at KLCC and KL Sentral to Khazanah.	192	219	411

RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group Involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value Incurred from	Value Incurred from	Aggregate Value of Transactions during the Financial Year
					1 January 2021 to 17 June 2021	18 June 2021 to 31 December 2021	
28	UEMS Solutions Pte. Ltd.	IHH Healthcare Group	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>UEMS Solutions Pte. Ltd. is a wholly-owned subsidiary of UEMS Pte. Ltd., which in turn is a wholly-owned subsidiary of Edgenta (Singapore) Pte. Ltd., which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.</p> <p>IHH Healthcare is a 26.03% associated company of Pulau Memutik Ventures Sdn Bhd, which in turn is a wholly-owned subsidiary of Khazanah.</p>	Provision of housekeeping services at various IHH Healthcare Hospitals to IHH Healthcare Group.	379	557	937
29	KFM Energy Services Sdn Bhd ("KFM Energy")	Silterra Malaysia Sdn. Bhd. ("Silterra Malaysia")	<p>Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.</p> <p>KFM Energy is a wholly-owned subsidiary of Edgenta GreenTech Sdn. Bhd. ("EGT"), which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.</p> <p>Silterra Malaysia is a wholly-owned subsidiary of Khazanah.</p>	Engineering, procurement, installation and commissioning for chillers to Silterra Malaysia.	207	435	642

GLOSSARY

GLOSSARY

Abbreviation	Full Form
ABAC	Anti-Bribery & Anti-Corruption
ABMS	Anti-Bribery Management System
AC	Audit Committee
AGM	Annual General Meeting
AI	Artificial Intelligence
ALPINE	Asia Leaders Programme in Infrastructure Excellence
AMD	Annual Management Dialogue
AOP	Annual Operating Plan
APFM	Association of Property & Facility Managers
AQIF	Associate Qualification in Islamic Finance
ArlSe	Annual Productivity & Innovation Showcase
BCM	Business Continuity Management
BEA	Board Effectiveness Assessment
BEM	Board of Engineers Malaysia
BEMS	Biomedical Engineering Maintenance Services
BGRC	Board Governance and Risk Committee
BIC	Board Investment Committee
BKE	Butterworth-Kulim Expressway
BMX	Benchmarking Exercise
Board	The Board of Directors
BPIA	Agency Integrity Management Division
BPLOD	Business Partner's Letter of Declaration
BTC	Board Tender Committee
Bursa Securities	Bursa Malaysia Securities Berhad
BVDP	Bumiputera Vendor Development Programme
Byte Blanket	Byte Blanket FZE
CAC	COVID-19 Assessment Centre
CAN	CEO Action Network
CCP	Coefficient of Performance
CEA	Council of Estate Agencies
CG Report	Corporate Governance Report
CGUs	Cash Generating Units
CLS	Cleansing Services
COC	Code of Conduct

Abbreviation	Full Form
COCBP	Code of Conduct for Business Partners
COD	Chemical Oxygen Demand
CPRC	Crisis Preparedness and Resource Centre
CSCS	Construction Skills Certification Scheme
CSS	Customer Satisfaction Survey
CSR	Corporate Social Responsibility
CTOS	Credit Tip Off System
DAL	Discretionary Authority Limits
DGIR	Director General of Inland Revenue Board of Malaysia
Disrupt-X	Disrupt-X DMCC
DTI	Digital Transformation Innovation
ECLs	Expected Credit Losses
EES	Economic, Environmental & Social
EIR	Effective Interest
ELITE	North-South Expressway Central Link
EoTF2025	Edgenta of the Future 2025
EPC	Energy Performance Contracts
EPF	Employees Provident Fund
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
FCMI	Fellow of the Chartered Management Institute
FEMS	Facilities Engineering Maintenance Services
FM	Facility Management
FMS	Facilities Management Services
FOREX	Foreign Exchange
FY2021	Financial Year 2021
GBI	Green Building Index
GHG	Greenhouse Gases
GMC	General Management Committee
GRI	Global Reporting Initiatives
GW	Gemba Walk
HCA	HSSE Capability Assessment
HCM	HSSE Consequence Management
HQMS	Home Quarantine Monitoring Systems

Abbreviation	Full Form
HSSE	Health, Safety, Security and Environment
HSSE MS	HSSE Management System
HTeC	Healthcare Technology Centre
HWMS	Healthcare Waste Management Services
IAD	Internal Audit Department
IBCC	Integrated Building Command Centra
IBFIM	Islamic Banking & Finance Institute Malaysia
ICE	Independent Consulting Engineer
ICU	Intensive Care Unit
IFM	Integrated Facilities Management
IFRS	International Financial Reporting Standards
IIA	Institute of Internal Auditors
IIRC	The International Integrated Reporting Council's
IMS	Integrated Management System
IoT	Internet of Things
IPPF	International Professional Practice Framework
ITIL	Information Technology Infrastructure Library
IVDP	Infrastructure Services Vendors Development Programme
JKR	Public Works Department
KEO	Key Executive Officer
Khazanah	Khazanah Nasional Berhad
KTMB	Keretapi Tanah Melayu Berhad
KPIs	Key Performance Indicators
LEARN	Learning Management System
LFI	Learning from Incident
LINKEDUA	Malaysia Singapore Second Crossing
LLS	Linen and Laundry Services
LOTG	LEARN-on-the-GO
LPD	Last Practicable Date
LPT2	Lebuh raya Pantai Timur 2
LSE	London School of Economics & Political Science
LTIP	Long Term Incentive Plan

Abbreviation	Full Form
MAC	Management Audit Committee
MACC	Malaysian Anti-Corruption Commission
MACC Act	Malaysian Anti-Corruption Commission Act
MAFEO	Member of ASEAN Federation of Engineering Organisations
MbCHb	Bachelor of Medicine and Bachelor of Surgery
MCCG	Malaysian Code on Corporate Governance 2021
MCO	Movement Control Order
MD/CEO	Managing Director/Chief Executive Officer
MFRS	Malaysia Financial Reporting Standards
MIA	Malaysian Institute of Accountants
MICE	Member of Institution of Civil Engineers
M.I.E.M	Member of Institutions of Engineers Malaysia
MIS	Management Information System
MMLR	Main Market Listing Requirements
MoBE	Memorandum of Business Exploration
MoH	Ministry of Health
MoU	Memorandum of Understanding
MSOSH	Malaysian Society for Occupational Safety & Health
MTE	The Malaysia Technology Expo
MTE _x	Mini Innovation Showcase Team Excellence
NDA	Non-Disclosure Agreements
NMM	Network Maintenance Management
NRC	Nomination and Remuneration Committee
NRP	National Recovery Plan
NSE	North-South Expressway
OCI	Other Comprehensive Income
OGB	Opus Group Berhad
OHSMS	Occupational Health and Safety Management System
OIC	Opus International Consultants Ltd.
OSH	Occupational Safety & Health
PaaS	Platform as a Service
PAT	Profit After Tax

GLOSSARY

Abbreviation	Full Form
PATANCI	Profit After Tax and Non-Controlling Interest
PBC	Performance Based Contracting
PBT	Profit Before Tax
PCR	Polymerase Chain Reaction
PFS	Property and Facility Solutions
PIDM	Perbadanan Insurans Deposit Malaysia
PLUS	PLUS Malaysia Berhad
PMO	Prime Minister's Office
PPR	Program Perumahan Rakyat
PPV	Private Vaccination Centre
PRC	Pavement Research Centre
PRINCE2	PRojects IN Controlled Environments
QHSSE	Quality, Health, Safety, Security & Environment
RAP	Recycled Asphalt Premix
RFID	Radio-frequency Identification
RICD	Risk, Integrity & Compliance Department
RISTEx	Regional Innovation Showcase Team Excellence
RMC	Risk Management Committee
RMF	Risk Management Framework
RTK	Rapid Test Kit
RTM	Replacement Through Maintenance
SaaS	Software as a Service
SAMI	Stress Absorbent Membrane Layer
SISV	Singapore Institute of Surveyors & Valuers
SC	Steering Committee
SOP	Standard Operating Procedure
SPA	Sales and Purchase Agreement
SPPI	Solely Payments of Principal and Interest
Statement	Corporate Governance Overview Statement
STEM	Science, Technology, Engineering & Mathematics
SUKE	Sungai Besi – Ulu Kelang Expressway

Abbreviation	Full Form
TARH	Themed Attractions Resorts & Hotels Sdn. Bhd.
the Code	Malaysian Code on Corporate Governance 2021
TnG	Touch 'n Go Sdn. Bhd.
UAE	United Arab Emirates
UELC	UEM Edgenta Learning Centre
UEM Group	UEM Group Berhad
UEMS	UEMS Pte. Ltd.
UiTM	Universiti Teknologi Mara
UKAS	Unit Kerjasama Awam Swasta
VIU	Value-in-Use
WACH	Women & Children Hospital
WAEIR	Weighted Average Effective Interest Rates
WBP&P	Whistleblowing Policy and Procedure
WORMS	Work Order Management System
Y-o-Y	Year-on-Year

NOTICE OF THE 59TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 59th Annual General Meeting (“59th AGM”) of UEM Edgenta Berhad (“UEM Edgenta” or the “Company”) will be conducted virtually for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice.

Meeting Platform : <https://meeting.boardroomlimited.my>
(Domain Registration No. with MYNIC-D6A357657)

Day and Date : Thursday, 16 June 2022

Time : 3.00 p.m.

Broadcast Venue : The Grounds, Level 12, Menara UEM, Tower 1, Avenue 7, The Horizon, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

Mode of Communication : Shareholders may submit questions to the Board of Directors in advance, prior to the 59th AGM electronically by email to ir@edgenta.com no later than **Tuesday, 14 June 2022 at 3.00 p.m.** or via real time submission of typed texts via Lumi AGM meeting platform at <https://meeting.boardroomlimited.my> during the live streaming.

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Directors' and Auditors' reports thereon.

2. To re-elect the following Director who is retiring in accordance with Article 91 of the Company's Constitution and being eligible, has offered himself for re-election:-

- Dato' George Stewart LaBrooy

Ordinary Resolution 1

Mr. Robert Tan Bun Poo who retires in accordance with Article 91 of the Company's Constitution, has expressed his intention not to seek re-election. Hence, he will retain office until the conclusion of the 59th AGM.

3. To re-elect the following Directors who are retiring in accordance with Article 90 of the Company's Constitution and being eligible, have offered themselves for re-election:-

- Ms. Shirley Goh

Ordinary Resolution 2

- Ms. Jenifer Thien Bit Leong

Ordinary Resolution 3

- En. Mohd Asrul Ab Rahim

Ordinary Resolution 4

4. To approve the Directors' fees and the payment thereof to the Directors for the period from the 59th AGM until the next Annual General Meeting (“AGM”) of the Company, to be payable on a quarterly basis.

Ordinary Resolution 5

NOTICE OF THE 59TH ANNUAL GENERAL MEETING

5. To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Chairman and Non-Executive Directors based on the following table of benefits and remuneration for the period from the 59th AGM until the next AGM of the Company:-

Description	Directors' remuneration/benefits
Meeting allowance for ad-hoc or temporary Board Committees established for specific purposes	(i) Chairman of Committee - RM2,000 per meeting (ii) Member of Committee - RM1,000 per meeting
Car allowance for Chairman of UEM Edgenta	RM3,400 per month

6. To re-appoint Messrs Ernst & Young PLT as Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without modifications:-

7. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"**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 29 April 2022 **AND THAT** such approval shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier,

AND FURTHER THAT the Directors of the Company and/or any of them be and are/is (as the case may be) hereby authorised to complete and do all such acts and things (including executing all such documents under the common seal in accordance with the provisions of the Constitution of the Company, as may be required) as they may consider expedient or necessary to give full effect to the Proposed Renewal of Shareholders' Mandate."

Ordinary Resolution 6

Ordinary Resolution 7

Ordinary Resolution 8

8. **Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature** **Ordinary Resolution 9**

"**THAT** pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the shareholders' mandate for UEM Edgenta Group to enter into additional recurrent related party transactions of a revenue or trading nature ("Proposed New Shareholders' Mandate"), which are necessary for the day-to-day operations in the ordinary course of business of UEM Edgenta Group and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, particulars which are set out in Part B of Appendix I of the Circular to Shareholders dated 29 April 2022 **AND THAT** such approval shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following this AGM at which such mandate is passed at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier,

AND FURTHER THAT the Directors of the Company and/or any of them be and are/is (as the case may be) hereby authorised to complete and do all such acts and things (including executing all such documents under the common seal in accordance with the provisions of the Constitution of the Company, as may be required) as they may consider expedient or necessary to give full effect to the Proposed New Shareholders' Mandate."

9. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

CHIEW SIEW YUEN

Company Secretary
(SSM PC No. 201908001259)
(MAICSA 7063781)

Kuala Lumpur
29 April 2022

NOTICE OF THE 59TH ANNUAL GENERAL MEETING

NOTICE OF THE 59TH ANNUAL GENERAL MEETING

NOTES:

- The 59th AGM would be held entirely via Remote Participation and Electronic Voting ("RPEV") facilities through Lumi AGM meeting platform at <https://meeting.boardroomlimited.my>. Kindly refer to the Administrative Notes for the 59th AGM in order to register, participate and vote remotely via the RPEV facilities.
- The venue of the 59th AGM is strictly for the purpose of complying with Article 68 of the Constitution of the Company which requires the Chairperson of the meeting to be present at the main venue of the meeting. **No shareholders/proxy(ies)/corporate representative(s)** from the public will be physically present nor admitted at the Broadcast venue on the day of the 59th AGM.
- A member of the Company entitled to attend and vote at the meeting, is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company.
- 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.
- 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.
- The instrument appointing a proxy shall be in writing under the hand of the Member or his attorney duly authorised in writing or, if the Member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or in the case of a sole director, by that director in the presence of a witness who attests the signature or of its attorney duly authorised in writing.
- The instrument appointing a proxy must be deposited/submitted via the following ways not less than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof:-

- By hardcopy form**
The Proxy Form must be deposited at the Share Registrar's office, Boardroom Share Registrars Sdn. Bhd., at Ground Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.
 - By electronic form**
The Proxy Form can be electronically submitted through the Share Registrar's website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please refer to the Administrative Notes for the procedures on electronic lodgement of proxy form.
- For the purpose of determining a member who shall be entitled to attend this 59th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with the provisions under Article 63 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors ("ROD") as at 9 June 2022. Only a depositor whose name appears on the ROD as at 9 June 2022 shall be entitled to attend this 59th AGM or appoint a proxy(ies) to attend, participate, speak and vote on his behalf.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, 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.

9. Explanatory Notes on Ordinary Businesses:-

(i) To receive the Audited Financial Statements

Agenda Item No. 1 is meant for discussion only as the provisions of Sections 248(2) and 340(1) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item of the Agenda is not put forward for voting.

(ii) Ordinary Resolutions 1 - 4: Re-election of Directors

The Nomination and Remuneration Committee ("NRC") has considered the performance and contribution of each of the retiring Directors under Agenda Items No. 2 & 3 and has also assessed the independence of the Independent Non-Executive Directors ("INEDs") seeking re-election.

Based on the results of the Board Effectiveness Assessment conducted for the financial year ended 31 December 2021, the performance of each of the retiring Directors was found to be satisfactory.

The retiring INEDs have also fulfilled the independence criteria set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance.

The Board has endorsed the NRC's recommendation to seek shareholders' approval for the re-election of the retiring Directors. The retiring Directors, had abstained from deliberations and decisions on their re-election at the NRC and Board meetings.

The details and profiles of the Directors who are standing for re-election at the 59th AGM are provided in the Board of Directors' section on pages 110 to 119 of Company's Annual Report 2021.

(iii) Ordinary Resolution 5: Payment of Directors' Fees

The Directors' fees under Agenda Item No. 4 is payable to each of the Non-Executive Directors, on a quarterly basis as follows:-

Directors' Fees	Non-Executive Chairman		Non-Executive Director	
	Per Quarter (RM)	Per Annum (RM)	Per Quarter (RM)	Per Annum (RM)
Board	52,500	210,000	27,000	108,000
Audit Committee	12,500	50,000	7,500	30,000
Other Board Committees	6,250	25,000	3,750	15,000

10. Explanatory Notes on Special Businesses:-

(i) Ordinary Resolution 8: Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 8, if passed, will allow UEM Edgenta Group to enter into recurrent related party transactions which are of a revenue or trading nature and necessary for UEM Edgenta Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

NOTICE OF THE 59TH ANNUAL GENERAL MEETING

In addition, it will eliminate the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. The shareholders' mandate is subject to renewal on an annual basis.

The details on the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature are set out in Part A of Appendix I of the Circular to Shareholders dated 29 April 2022.

(ii) Ordinary Resolution 9 – Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

Ordinary Resolution 9 is to seek shareholders' mandate in relation to additional recurrent related party transactions to be entered into by the Company and its subsidiaries.

This resolution, if passed, will enable UEM Edgenta Group to enter into recurrent related party transactions of a revenue or trading nature which are necessary for UEM Edgenta Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

This mandate will eliminate the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. The shareholders' mandate is subject to renewal on an annual basis.

The details on the Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature are set out in Part B of Appendix I of the Circular to Shareholders dated 29 April 2022.

STATEMENT ACCOMPANYING NOTICE OF 59TH ANNUAL GENERAL MEETING

(pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Directors who are standing for re-election at the 59th AGM

The details of the Directors who are standing for re-election at the 59th AGM are provided in the Board of Directors' section on pages 110 to 119 of the Company's Annual Report 2021. None of the Directors have any interest in the securities of the Company and its subsidiaries.

FORM OF PROXY

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



A member of UEM Group

Total number of ordinary share(s) held		
CDS Account No.		
Proportion of holdings to be represented by each proxy	Proxy 1 %	Proxy 2 %

I/We (Full Name) _____
(block letters)

NRIC/Passport/Company No. _____ of _____
(full address)

being a member of UEM EDGENTA BERHAD ("the Company") hereby appoint:-

Proxy 1

Full Name (block letters)	Email Address	Contact No.	NRIC/Passport No.
Full Address			

And/or failing him/her (delete as appropriate)

Proxy 2

Full Name (block letters)	Email Address	Contact No.	NRIC/Passport No.
Full Address			

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 59th Annual General Meeting of the Company to be held entirely through live streaming from the Broadcast venue at **The Grounds, Level 12, Menara UEM, Tower 1, Avenue 7, The Horizon, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Thursday, 16 June 2022 at 3.00 p.m.** or at any adjournment thereof.

(Please indicate your vote with an "X" in the respective boxes of each resolution. If you do not do so, the proxy will vote or abstain from voting on the resolutions at his/her discretion.)

ORDINARY RESOLUTIONS	NO.	FOR	AGAINST
To re-elect Dato' George Stewart LaBrooy who is retiring in accordance with Article 91 of the Company's Constitution	1		
To re-elect Ms. Shirley Goh who is retiring in accordance with Article 90 of the Company's Constitution	2		
To re-elect Ms. Jenifer Thien Bit Leong who is retiring in accordance with Article 90 of the Company's Constitution	3		
To re-elect En. Mohd Asrul Ab Rahim who is retiring in accordance with Article 90 of the Company's Constitution	4		
To approve the payment of Directors' fees for the period from the 59 th Annual General Meeting until the next Annual General Meeting of the Company, to be payable on a quarterly basis	5		
To approve the payment of Directors' benefits to the Non-Executive Chairman and Non-Executive Directors for the period from the 59 th Annual General Meeting until the next Annual General Meeting of the Company	6		
To re-appoint Messrs Ernst & Young PLT as Auditors and to authorise the Board of Directors to fix their remuneration	7		
To approve the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	8		
To approve the Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature	9		

Signature of Shareholder(s)/Common Seal

Date:

Contact No.:

uemedgenta.com

UEM Edgenta Berhad

196301000166 (5067-M)

Level 17, Menara UEM, Tower 1, Avenue 7

The Horizon, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

Tel: +603 2725 6688 • **Fax:** +603 2725 6888