

INNOVATING FOR
TOMORROW:
**SUSTAINING
EXCELLENCE
BEYOND
BOUNDARIES**

INTEGRATED ANNUAL REPORT 2023



INSIDE THIS REPORT



INNOVATING FOR TOMORROW: SUSTAINING EXCELLENCE BEYOND BOUNDARIES

COVER RATIONALE

Innovating for Tomorrow: Sustaining Excellence Beyond Boundaries embodies our commitment to pioneering the future of facilities management through the integration of cutting-edge technologies. Our dedication to excellence is reflected in our relentless pursuit of sustainable practices and the delivery of top-tier services, ensuring that we lead the way in efficiency, customer satisfaction, and environmental stewardship. By transcending geographical and sectoral boundaries, we embrace a global vision, driving innovation and excellence across all facets of our operations, shaping the future of our industry and the world at large.

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Form of Proxy
Group Directory



Scan QR code to view the microsite of
UEM Edgenta Integrated Annual Report 2023.

BASIS OF THIS REPORT

REPORTING THAT IS BUILT ON BENCHMARKED PRINCIPLES, FRAMEWORKS AND GUIDELINES

In today's fast-paced and highly competitive business world, UEM Edgenta acknowledges the importance of technology, innovation and digitalisation with a strong focus on sustainability as key drivers of our success.

By leveraging advanced technology, we can create new opportunities, streamline processes, increase efficiency, optimise cost and enhance our client experience. This will inevitably lead to higher revenue and growth for our company.

As we navigate the ever-evolving business landscape, it is crucial to embrace technology and innovation to gain insights into our client preferences and needs as well as market trends. This enables us to identify areas where our products and services could be improved, offering us opportunities to develop new offerings and enhance our asset management and infrastructure solutions for our clients. While we promote the best interests of our shareholders, we will uphold our commitments to Environmental, Social, and Governance ("ESG") to ensure our company acts responsibly and ethically towards the community and its surroundings.

SCOPE AND BOUNDARIES

The Annual Report 2023 ("report") covers the activities of UEM Edgenta including our subsidiaries, joint operations, joint ventures and associates from 1 January 2023 to 31 December 2023 ("FY2023") unless otherwise stated.

Meanwhile, the Sustainability Statement 2023 ("statement") presented within this report is the seventh that we have published on our continuing sustainability reporting journey. The statement showcases our key sustainability initiatives, commitments and performance in relation to sustainability material matters that we have prioritised for FY2023.

The statement encompasses our operations in Malaysia and other geographical locations we operate in, namely Singapore, Taiwan, Indonesia, the United Arab Emirates ("UAE") and the Kingdom of Saudi Arabia ("KSA").

The reporting period of the statement aligns with that of the report.

OUR TARGETED READERS

This report goes beyond financials to showcase the value we deliver to all our stakeholders. We aim to achieve this by highlighting initiatives that positively impact our clients, employees, regulators and the communities we collaborate with.

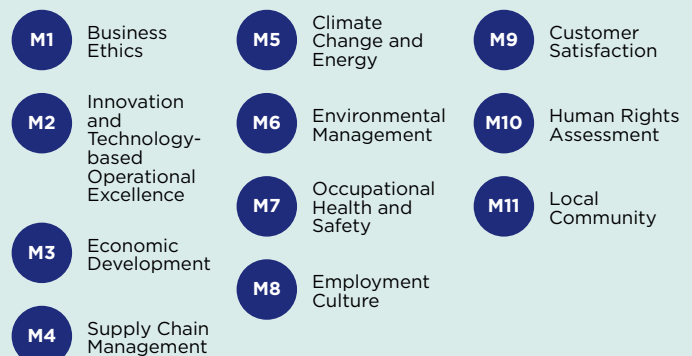
NAVIGATING OUR REPORT

We designed this report to be interactive, engaging and user-friendly. To simplify navigation, we have incorporated icons throughout the report. These icons demonstrate how we address the six capitals of value creation (aligned with the International Integrated Reporting Framework) and the material matters that influence our value creation process:

OUR CAPITALS



MATERIAL MATTERS



BASIS OF THIS REPORT

REPORTING GUIDELINES AND FRAMEWORKS

We are confident that this report will provide a comprehensive and balanced picture of our FY2023 performance. We leveraged internationally recognised integrated reporting frameworks, as detailed below to ensure this report addresses all significant issues. This transparency allows us to accurately reflect our short, medium and long-term strategic commitments.

Corporate Section

- ▶ Companies Act 2016
- ▶ Bursa Malaysia Securities Berhad's Main Market Listing Requirements
- ▶ Malaysian Code on Corporate Governance
- ▶ Bursa Malaysia's Corporate Governance Guide (4th edition)
- ▶ Bursa Malaysia's MD&A Disclosure Guide
- ▶ Bursa Malaysia's Sustainability Reporting Guide (3rd edition)
- ▶ International Integrated Reporting Framework ("International <IR> Framework")
- ▶ The Global Reporting Initiative ("GRI") Standards
- ▶ The United Nations' Sustainable Development Goals ("UN SDGs")

Financial Section

- ▶ Bursa Malaysia Securities Berhad's Main Market Listing Requirements
- ▶ Malaysian Financial Reporting Standards ("MFRS")
- ▶ International Financial Reporting Standards ("IFRS")
- ▶ Requirements of the Companies Act 2016 in Malaysia

This report's credibility is bolstered by our strong governance practices and independent verification by Ernst & Young PLT, our auditors for financial information.

FORWARD-LOOKING STATEMENTS

This report includes statements about the Group's forecast future performance. These predictions are based on our current understanding and circumstances, which could change. As a result, many factors could cause actual results to be significantly different from what is predicted here.

FEEDBACK

We welcome your feedback on this report. For enquiries, please contact:

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ONLINE VERSION

For more details on this report and UEM Edgenta, please visit our corporate website: www.umedgenta.com

STAKEHOLDERS

- | | |
|---|---------------------------------|
| S1 Board of Directors and Employees | S5 Supply Chain Partners |
| S2 Clients and Partners | S6 Media |
| S3 Shareholders and Investors | S7 Community |
| S4 Government and Regulators, Industry and Business Associates | |

RISKS AND MITIGATION

- | | |
|----------------------------|------------------------------|
| R1 Strategic Risk | R5 People Risk |
| R2 Operational Risk | R6 Cybersecurity Risk |
| R3 Financial Risk | R7 ESG Risk |
| R4 Compliance Risk | |

UN SDG

Our Group's sustainability efforts are aligned to the following UN SDGs, which were adopted and have been adhered to since FY2021.



NAVIGATION ICONS

▶ This icon tells you which page to refer to for related information in our report.

OVERVIEW OF UEM EDGENTA

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

We stand by

our FIRST core values, which is the Edgenta Way of expressing our beliefs and principles

FIRST is our guiding philosophy in everything that we do, especially with internal and external clients as well as stakeholders. It defines our organisation's personality, dedication and culture

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

OVERVIEW OF UEM EDGENTA



WHAT WE DO

UEM Edgenta stands at the forefront as a premier Asset Management and Infrastructure Solutions provider in the region, driven by a mission to Enhance Assets and Enrich Lives. Our company is publicly traded on Bursa Malaysia (KLSE: EDGENTA).

We are committed to the Edgenta Way, which ensures the delivery of superior service to our clients by exceeding expectations and leveraging technology-driven solutions for greater efficiency, all while prioritising safety across our operations for the wellbeing of all stakeholders.

Our areas of expertise include Healthcare Support and Property & Facility Solutions within our Asset Management domain, and Infrastructure Services along with Asset Consultancy in our Infrastructure Solutions division. We utilise the latest technology to forge innovative and avant-garde solutions, with a strong commitment to advancing Environmental, Social and Governance (“ESG”) principles through our sustainability initiatives.

We provide our clients with a comprehensive range of services across the entire asset lifecycle, encompassing consultancy, procurement, construction planning, operations and maintenance, and including optimisation, rehabilitation and upgrades. Our operations span across Malaysia, Singapore, Taiwan, Indonesia, the United Arab Emirates (“UAE”) and the Kingdom of Saudi Arabia (“KSA”).

REVENUE	SHAREHOLDERS' FUNDS	TOTAL ASSETS
RM2.9 billion*	RM1.6 billion*	RM3.0 billion*



We are present in
6
countries

* As at 31 December 2023 and for the financial year then ended.

OVERVIEW OF UEM EDGENTA

2023 KEY HIGHLIGHTS

- BUSINESS HIGHLIGHTS
- FINANCIAL HIGHLIGHTS
- SUSTAINABILITY HIGHLIGHTS

We promise the Edgenta Way of delivering quality services to our clients by going beyond standards and offering technology-based solutions as a promise of efficiency, anchored upon a mindset to ensure safety across our operations for the benefit of all our stakeholders.

BUSINESS HIGHLIGHTS

Repositioned
Opus Energy and Sustainability Solutions



Launched Net Zero Targets and signed Memorandums of Business Explorations (“MOBEs”) with partners

(Earth Finance, Honeywell, and Yinson Green Technologies)



OVERVIEW OF UEM EDGENTA

Order book stands at RM9.3 billion with highest new wins of **RM2 billion RECORDED** (2022: RM1.36 billion)



Secured Long Term State/Rural Road Contracts

(Continuation of the Selangor State Road concession and new contracts in new states)



Operationalisation and Integration in Middle East

(EAL-MEEM integration and KAIZEN Group acquisition)



UAE: New business beyond WASL

New contract from Abu Dhabi Equestrian Club and renewal of ENBD REIT



Growth in

Integrated Facilities Management ("IFM"), Hospitality, Commercial Projects & Facility Engineering business for Singapore and Taiwan



Rollout of Asseto to

15 Property and Facility Solutions ("PFS") sites including

3 KLCC sites

(35,000 assets managed in 2023)



OVERVIEW OF UEM EDGENTA

FINANCIAL HIGHLIGHTS

REVENUE
RM2,881.0 million

(2022: RM2,523.6 million)

EBITDA
RM157.9 million

(2022: RM179.9 million)

PBT
RM63.7 million

(2022: RM93.8 million)

PAT
RM30.1 million

(2022: RM45.7 million)

NORMALISED PAT
RM31.3 million

(2022: RM63.1 million)

NET ASSETS PER SHARE
RM1.95

(2022: RM1.90)

PATANCI
RM31.1 million

(2022: RM45.9 million)

EARNINGS PER SHARE
3.7 sen

(2022: 5.5 sen)

TOTAL ASSETS
RM2,954.3 million

(2022: RM2,868.7 million)

SHAREHOLDERS' FUNDS
RM1,619.3 million

(2022: RM1,580.9 million)

DIVIDEND PER SHARE
2.0 sen

(2022: 4.0 sen)

GROSS GEARING RATIO
0.30x

(2022: 0.29x)

TOTAL CASH, BANK BALANCES, DEPOSITS AND SHORT-TERM INVESTMENTS
RM642.4 million

(2022: RM706.7 million)

NET CASH POSITION
RM152.6 million

(2022: RM247.9 million)

OVERVIEW OF UEM EDGENTA

SUSTAINABILITY HIGHLIGHTS

GOVERNANCE

Sustainability Governance and Business Ethics

Enhanced Sustainability Policy

Limited Assurance on four of Bursa Malaysia's common sustainability matters

Tagged initiatives to five United Nations Sustainable Development Group ("UNSDGs")

Aligned to Enhanced Bursa Sustainability Reporting Requirements including the nine common sustainability matters and indicators

Obtained the ISO 37001 Anti-Bribery Management Systems ("ABMS") certification

Integration of ESG targets into corporate scorecard

ECONOMIC

Sustainable Economic Growth

Responsible supply chain ecosystem

- Enrolled nine new vendors on the Bumiputra Vendor Development Programme
- 101 vendors enrolled in Sustainable Financing Programme ("SFP")

Enhancing Resilience: Secured contracts to oversee critical infrastructure assets and healthcare facilities

Technology proposition

- launched *UETrack™* to 27 additional sites
- launched *Asseto* in 15 sites

ENVIRONMENT

Minimising Environmental Impact

Launched Net Zero Targets for Scope 1 and 2

- Interim reduction target of 26% by 2030
- Net Zero Target by 2050

Launched Opus Sustainability with commitment of RM200 million of funding for energy efficiency projects in Malaysia

Secured more than 20 sustainability mandates (nine new contracts in 2023)

LEED and MyCrest Certifications for eight Health Facilities that we manage in 2023

Secured the prestigious The Star ESG Impact Awards on Energy Efficiency (Gold) and Renewable Energy (Silver)

Produced a roadmap to guide Task Force on Climate-Related Financial Disclosures ("TCFD") compliance and reporting

Embarked on Scope 3 Emission Calculation (for selected Scope 3 categories)

SOCIAL

Social Value Creation

Published Diversity, Equity and Inclusion ("DEI") Statement

Launched Individual Development Plan for employees' care and job competencies development and two Self-Paced ESG learning programmes

Commenced Human Rights Impact Assessment ("HRIA")

Launched "Saving Animals, Serving Community" programme and allocated RM30,000 to support animal welfare and conservation efforts of the endangered Aldabra Giant Tortoises and a giraffe

Establishment of the Arboretum Education Centre in partnership with Universiti Putra Malaysia

Secured the prestigious The Star ESG Impact Awards on Good Health and Wellbeing (Silver) and Talent Management (Silver)

Secured the prestigious Company of the Year award at the Sustainability and CSR Malaysia Awards 2023

OVERVIEW OF UEM EDGENTA

2023 KEY SIGNIFICANT EVENTS

PROMOTING EXCELLENCE AND IMPROVEMENT IN CORPORATE REPORTING



Clinched Silver In The Excellence Awards (Companies With Less Than RM2 Billion In Market Capitalisation) in the National Annual Corporate Reporting Awards ("NACRA") 2023

EXPANDING OUR GLOBAL FOOTPRINT



Acquired a 60% stake in KAIZEN Group, a distinguished tech-enabled property management services company based in the UAE, to enhance the delivery of integrated services and to craft bespoke lifestyle experiences, all underpinned by cutting-edge technology and sustainable solutions

AMPLIFYING GROWTH AND INNOVATION



Edgenta NXT partnered with Disrupt-X to present the 'Cracking IoT Conference Chapter 2' that brought together various global industry leaders to discuss and deliberate on the key benefits of Internet of Things ("IoT"), 5G and Digitalisation towards shaping a digitally empowered nation



Won the award for "Fastest Construction of FHyICU Building During COVID-19 Pandemic" by the Malaysia Book of Records ("MBOR"), reflecting UEM Edgenta's steady commitment to innovation and exceptional project execution in the face of challenging circumstances



UEM Edgenta hosted the "Innovation Showcase" that coincided with our Innovation Month and 2023's Investor Day to show our cutting-edge innovations to our investors



UEM Edgenta's collaboration with Amanah Malaysia Bhd to launch Asia's first Syariah compliant Supplier Financing Programme ("SFP"), earned recognition at The Asset's "Triple A" Islamic Finance Awards 2023

OVERVIEW OF UEM EDGENTA



Signed three Memorandums of Business Exploration (“MOBEs”) with partners; DISRUPT-X DMCC (“Disrupt-X”), ZAIN TECHNOLOGIES LLC (“ZainTech”) and Tadoom to focus on the development of smart cities and sustainability in the built environment



Entered into three MOBE partnerships with WAS, First Ambulance Services and Optima Technic, to strengthen our position in the international healthcare business

ACCELERATING OUR COMMITMENT TO DRIVING A SUSTAINABLE FUTURE



- Repositioned Opus Consultants to be the leading provider of energy and sustainability solutions to capitalise on the emerging green business opportunities stemming from the National Energy Transition Roadmap and the broader infrastructure and healthcare sectors
- Pledged RM200 million to the Zero-Capex Programme in Sarawak and Peninsular Malaysia to provide end-to-end energy and sustainability solutions



UEM Edgenta was honoured with the “World Sustainability Icon Leadership Lifetime Achievement Award” and the prestigious “Outstanding World ESG Impact Award” at the 2023 World Green & Sustainability Summit (“WGSS”)



Signed three Memorandums of Business Exploration (“MOBE”) with partners Earth Finance Inc., Honeywell International Sdn. Bhd and Yinson Green Technologies, to strengthen strategic partnerships for sustainable solutions and green financing



The launch of UEM Edgenta’s Net Zero Targets demonstrates our commitment to environmental responsibility, with goals set to reduce operational greenhouse gasses (“GHG”) emissions by 26% by 2030 and achieve Net Zero Emissions by 2050



Spent over RM308,000 and contributed 1,800 volunteering hours to community programmes, benefitting 8,805 community members in Malaysia

OVERVIEW OF UEM EDGENTA

OUR PRESENCE

UEM Edgenta is at the forefront in the region as a tech-powered Asset Management and Infrastructure Solutions enterprise. We have robust expertise in Healthcare Support, Property & Facility Solutions, Infrastructure Services, and Asset Consultancy, driven by tech and sustainability-centred solutions.

We operate in

6 countries
across the region

UNITED ARAB
EMIRATES

306

employees

SINGAPORE

2,944

employees

THE KINGDOM OF
SAUDI ARABIA*

14

employees

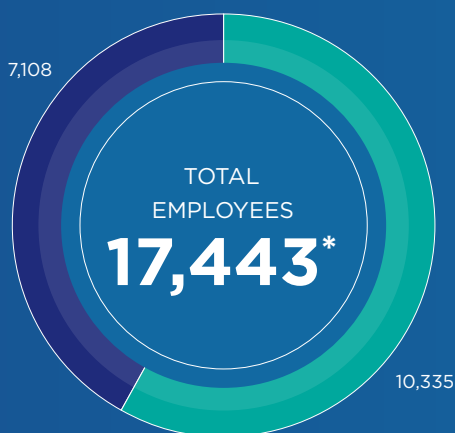
MALAYSIA

6,843

employees

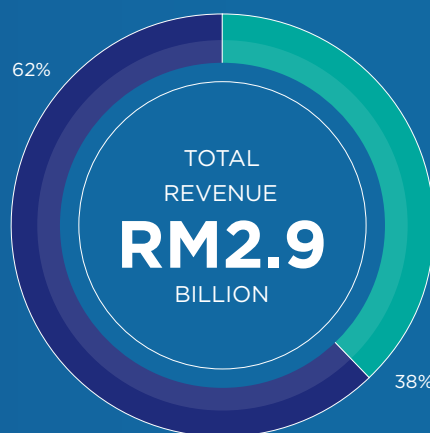
* Headcount in Edgenta Arabia Limited, a fully-owned subsidiary.
Headcount in MEEM, a 60% subsidiary as at 31 December 2023 was 284.

OVERVIEW OF UEM EDGENTA



Malaysian Non-Malaysian

* (excludes the KSA's MEEM and the UAE's KAIZEN Group)



Malaysia Operations Non-Malaysian Operations



MALAYSIA
REVENUE
RM1,786.0
million

TAIWAN
REVENUE
RM520.8
million

SINGAPORE
REVENUE
RM428.5
million

INDONESIA
REVENUE
RM1.2
million



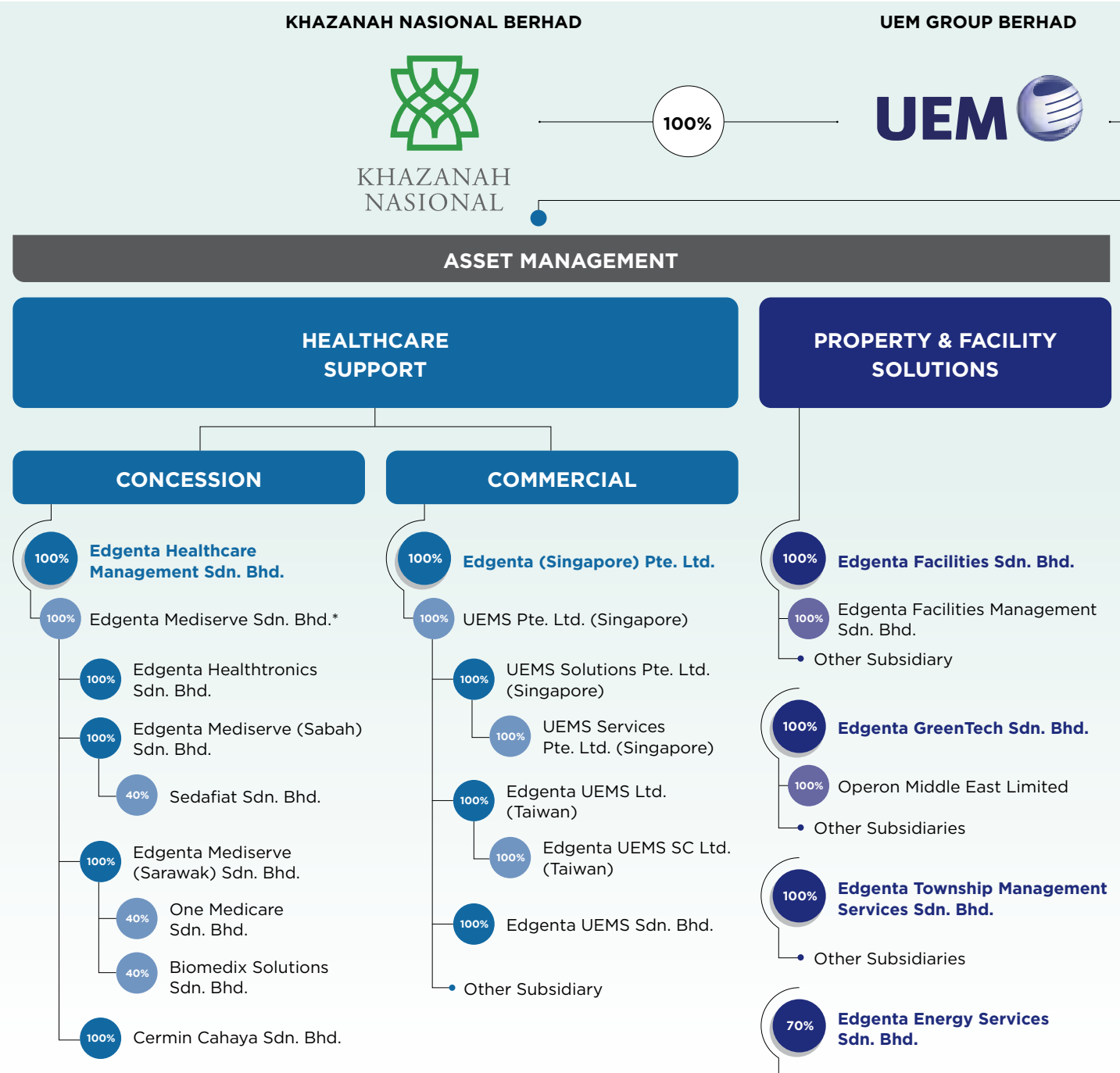
UNITED ARAB EMIRATES
REVENUE
RM112.8
million

THE KINGDOM OF SAUDI ARABIA
REVENUE
RM31.8
million

OVERVIEW OF UEM EDGENTA

OUR CORPORATE STRUCTURE

As at 20 March 2024



* Direct and indirect interest

Indirect interest via Edgenta (Singapore) Pte. Ltd.

OVERVIEW OF UEM EDGENTA

UEM EDGENTA BERHAD

69.14%



INFRASTRUCTURE SOLUTIONS

INFRASTRUCTURE SERVICES

- 100% **Edgenta PROPEL Berhad**
- 100% Edgenta Infrastructure Services Sdn. Bhd.
- 99.9% PT Edgenta PROPEL Indonesia
- Other Subsidiary

100% **Edgenta Environmental & Material Testing Sdn. Bhd.**

ASSET CONSULTANCY

- 100% **Opus Group Berhad**
- 100% Opus International (M) Berhad
- 30% Opus Consultants (M) Sdn. Bhd.
- Other Subsidiaries
- Other Subsidiaries

100% **Opus Energy Sdn. Bhd.**
(formerly known as Edgenta Energy Projects Sdn. Bhd.)

TECHNOLOGY INNOVATION

100% **Edgenta NXT Sdn. Bhd.**

OTHERS

- 100% **Edgenta Academy Sdn. Bhd.**
- 100% **Edgenta Arabia Limited (Kingdom of Saudi Arabia)**
- 60% MEEM for Facilities Management Company (Kingdom of Saudi Arabia)
- 100% **Edgenta International Investments L.L.C.* (United Arab Emirates)**
- 60% Kaizen Owner Association Management Services L.L.C (United Arab Emirates)
- 60% Kaizen A M S Property Supervision L.L.C (United Arab Emirates)
- Other Subsidiaries

OVERVIEW OF UEM EDGENTA

WHAT WE DO



HEALTHCARE SUPPORT

The Healthcare Support division is dedicated to providing hospital support services to over 250 healthcare facilities across Malaysia, Singapore and Taiwan.

We integrate ESG principles into our operations to champion sustainability and foster social responsibility. As a pioneer in sustainability initiatives, our accomplishments span a range of effective conservation strategies, including energy performance contracting, retrofitting initiatives, the installation of solar photovoltaic systems and the adoption of energy management standards. We have also improved indoor air quality systems and established comprehensive waste management programmes that have markedly reduced waste.

Our approach is defined by an innovative mindset and a relentless pursuit of adopting cutting-edge technologies, including robotics, the Internet of Things ("IoT") and data analytics. These technologies provide timely, accurate and dependable data that is essential for the efficiency and effectiveness of our services. Our commitment to innovation and technology underpins our efforts to improve patient outcomes, ensuring our competitiveness and leadership in the market.

Manage and maintain approximately
146,000 FEMS assets
worth more than **RM850 million**

Preserve the lifespan of more than
44,000 BEMS assets
worth over **RM2.4 billion**

Maintaining over
1.7 million sqm²
of cleanable area daily

Processing over
19,500 tonnes
of soiled linen

Incinerate more than
8,500 metric tonnes
of clinical waste

32
MoH Malaysia hospitals are certified with the **Energy Management Gold Standard (EMGS)** and **7 MOH Malaysia hospitals** are certified as **Green Building (LEED and MyCREST)**

OVERVIEW OF UEM EDGENTA



PROPERTY & FACILITY SOLUTIONS

PFS has evolved from a traditional building maintenance provider into a comprehensive facility solutions partner. We go beyond the traditional operations and maintenance, offering expertise that encompasses the entire building lifecycle. From retrofits and refurbishments to renovations and upgrades, we transform buildings into energy-efficient, green-certified smart spaces.

At PFS, we're on a mission to usher your building into the future. We guide clients along a sustainability and technology journey, ensuring compliance with ESG standards. We create modern, cloud-connected intelligent buildings with autonomous capabilities. Our diverse solutions cater to every aspect of your building's needs.

Our comprehensive, end-to-end approach leverages years of experience and data-driven insights. This empowers us to deliver best-in-class, value-for-money solutions to help you make informed decisions, optimise operations, reduce costs and achieve peak performance.

We embrace the "building-as-a-service" concept, prioritising the wellbeing and comfort of the people who inhabit these spaces. Our meticulously designed services cater to their needs while creating a thriving-built environment.

Facility management services at more than
Malaysia - 300 Buildings
UAE - 200 Buildings

Reduction of
10% to 52%
of annual electrical energy savings for the
systems and assets we replace and optimise

Energy Efficiency Solutions implemented in
19 GBI and LEED
CERTIFIED
buildings across Malaysia

Energy savings per year of more than
38.4 million kWh,
equivalent to
RM16.6 million
in cost savings

This data is for 11 EPC projects from year 2016 until 2022.

OVERVIEW OF UEM EDGENTA

WHAT WE DO



INFRASTRUCTURE SERVICES

Boasting a track record that includes 9,000 km of highways and state roads, along with over three decades of expertise, our Infrastructure Services division stands as the leading authority in infrastructure maintenance within the nation.

By harnessing advanced technologies and methods for process improvement, we are dedicated to preserving the integrity and boosting the functionality of our clients' assets over their lifecycle. This commitment has propelled our growth from a focus on highway upkeep to offering our expertise across various sectors, including rail, airports, ports, and the oil and gas industry, as well as plantation roads and diverse commercial and industrial areas.

Our relentless pursuit of excellence is supported by a team of seasoned experts, positioning us as pivotal contributors to the infrastructural and economic growth in Malaysia and Indonesia.

Manage infrastructure assets worth
>RM10 billion

Road Asset Management System has enabled
1,500 km
of expressway and state road assets to be brought online

Maintain around
9,000 km
of expressways and state roads in Malaysia and Indonesia

Engaged in
expressways, state roads, airports, plantations and rail

OVERVIEW OF UEM EDGENTA



ASSET CONSULTANCY

Our Asset Consultancy division, Opus Consultants continues to stand at the forefront of engineering, project management, asset consultancy, energy efficiency and sustainability solutions in Malaysia. With excellence track records spanning over three decades, we have established ourselves as leaders in the delivery of large-scale infrastructure projects across diverse sectors.

In line with the global sustainability agenda and energy transition, in 2023, we have pivoted and expanded our services by offering a comprehensive range of sustainability solutions to our clients, encompassing energy efficiency, green building initiatives, and renewable energy.

Our energy efficiency and sustainability solutions cover the end-to-end project and asset lifecycle, including net zero strategy and baselining, engineering solutions, project implementation, sustainable asset management and the execution of innovative contracting models such as Energy Performance Contracting ("EPC") and Green Performance Contracting ("GPC") via the Zero-Capex Programme for clients across various industries, ensuring seamless execution and optimal outcomes.

Opus Consultants consistently raises the standards for engineering excellence and sustainable development, leaving a lasting impact on Malaysia's infrastructure and sustainability landscape.

Represented by

OPUS
CONSULTANTS
AN EDGENTA COMPANY

Over
RM100 billion,
value of projects delivered

A **leading** engineering, project and asset management consultancy over 4 key infrastructure sectors

Roadways
Railways

Bridges
Built Environment

Over
400
Professionals

End-to-End Sustainability Solutions across diverse sectors

- Industrial
- Commercial
- Education
- Healthcare
- Retail
- Government
- Township & Property Development
- Hospitality

Key Offerings

Engineering & Technical Consultancy	Project Management Consultancy	Asset Management Consultancy	End-to-End Sustainability Solutions
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WHAT DIFFERENTIATES US: OUR STRENGTHS

BURSA
MALAYSIA

STOCK EXCHANGE LISTING



CREDIT RATINGS

MARC

AA-
STABLE
MARC

WHAT DIFFERENTIATES US: OUR STRENGTHS

DIVERSIFICATION THROUGH GEOGRAPHIES AND PORTFOLIO

Our diverse presence across six markets and various sectors allows us to capture high-growth opportunities in emerging and rapidly expanding regions. This agility, combined with our strategic locations across growth markets positions us perfectly to participate in key infrastructure development projects in the future.

STRATEGIC PARTNERSHIP ECOSYSTEM

Our strong track record of building relationships with both private and public players across our markets has created a firm foundation for our continued growth. Now, to further propel our focus on technological advancement, we are forging strategic alliances with leading global innovators. This powerful network allows us to offer clients a unified ecosystem of solutions, enabling them to effectively and efficiently manage their asset lifecycles.

TECHNOLOGY DIFFERENTIATION

In the age of digital acceleration, our technology-powered offerings such as Asseto, RAMS and UETrack™ empower clients with a holistic view of their assets. This enables them to unlock innovation and optimise efficiency. By harnessing the power of technology integration, we are progressing up the asset management value chain, with our sights set on becoming a leading Smart City facilitator and a Technology-Enabled Solutions Company.

FINANCIAL STRENGTH

Our sound financial position allows us to navigate market fluctuations with confidence. We are actively pursuing growth opportunities through both organic expansion and strategic acquisitions. Additionally, a group-wide focus on cost efficiency and leveraging our combined strengths enhances our resilience in challenging economic environments. We remain committed to our shareholder-centric dividend policy, targeting a distribution of 50-80% of PATANCI to deliver long-term value.

OPERATIONAL EXCELLENCE

By embracing digital technology and automation, we are not only streamlining our operations and boosting efficiency but also upholding our exceptional quality standards. We remain dedicated to empowering our supplier network through skill development and technological support, ensuring a collaborative environment for continued excellence.

FUTURE-READY WORKFORCE

We invest in ongoing development opportunities to empower career growth amongst our employees. We promote work-life balance with flexible arrangements and support employee well-being through diverse wellness programmes. We strongly believe that extensive training programmes and a dedication to employee well-being will foster a future-ready workforce who are equipped to seize global opportunities and drive real business results.

SUSTAINABILITY

Our dedication to sustainability is about driving long-term economic growth while making positive impacts on the world that we all share. We envision the Edgenta of The Future 2025 ("EoTF2025") as a means to deliver top-notch services to our customers fuelled by precision, cutting-edge technology, and unwavering safety standards. Our sustainability goals are guided by our Sustainability Framework which underpins three core pillars – Sustainable Economic Growth, Minimising Environmental Impact and Social Value Creation. They serve as a roadmap guiding us towards making a meaningful difference that contributes to a brighter future for all.

WHAT DIFFERENTIATES US: OUR STRENGTHS

AWARDS AND RECOGNITIONS

OVERALL CORPORATE



KSI STRATEGIC INSTITUTE FOR ASIA PACIFIC (KSI)

Outstanding World ESG Impact
Award 2023



SUSTAINABILITY AND CSR MALAYSIA AWARDS

Company of the Year –
Asset Management & Infrastructure Solutions
for Outstanding Community Engagement



THE STAR

- ESG Positive Impact Awards 2023
 - Gold Winner for Energy Efficiency Category
 - Silver Winner for Renewable Energy Category
 - Silver Winner for Talent Management Category
 - Silver Winner for Good Health and Wellbeing Category



BURSA MALAYSIA BERHAD, MALAYSIAN INSTITUTE OF ACCOUNTANTS (MIA), AND THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS (MICPA)

National Annual Corporate Report Awards
(NACRA) 2023 – Silver Winner for the
Companies with Less than
RM2 Billion Market Capitalisation Category

CORPORATE FINANCE



THE ASSET

The Asset Triple A Islamic Finance Awards 2023
Best Supply Chain Finance Solution

WHAT DIFFERENTIATES US: OUR STRENGTHS

HEALTHCARE SUPPORT



MALAYSIAN BOOK OF RECORDS

Fastest Construction of Field Hybrid Intensive Care Unit during COVID-19 Pandemic



THE GLOBAL ECONOMICS

The Global Economics Awards 2022 - Most Innovative Non-Clinical Healthcare Support Service Provider - Malaysia 2022



THE BRANDLAUREATE

Healthcare - Hospital Support Solutions Category at The BrandLaureate Sustainable Business & Brands Inspirational Achievement Awards 2022-2023

ASSET CONSULTANCY



THE INSTITUTION OF ENGINEERING AND TECHNOLOGY (IET)

IET Industry Excellence Gold Award 2022



MALAYSIAN SOCIETY FOR OCCUPATIONAL SAFETY AND HEALTH (MSOSH)

MSOSH OSH Gold Class 1 Award Winner for 2023

OTHERS



IRECMS DUBAI

IRECMS Dubai Gold Awards 2023 - Best Implementation of Technology of the Year

IRECMS Dubai Silver Awards 2023 - Best Sustainability Initiative of the Year

WHAT DIFFERENTIATES US: OUR STRENGTHS

EDGENTA DIGITAL ECOSYSTEM PLATFORM



CLOSING THE DIVIDE BETWEEN TODAY'S AND TOMORROW'S SERVICE DELIVERY

The asset and facilities management sector is rapidly transitioning from the traditional 'maintain-repair-restore' model to a strategy emphasising preserving the quality of assets and enhancing the ongoing operational efficiency of buildings, communities and cities. This strategic shift is designed to reduce environmental impacts and improve operational efficiency by adopting innovative, technology-driven solutions. Our digital business entity, Edgenta NXT, is at the forefront of this evolution, integrating cutting-edge technologies to maintain and enhance asset quality and operational excellence. This approach ensures that UEM Edgenta is a sustainable urban development leader and an operational innovation champion.

Founded in July 2021, Edgenta NXT is our digital enterprise designed to bring technologies and technology-based intellectual property to market, aiming to accelerate the digital transformation across UEM Edgenta and support swift global growth. We have created two unique technology offerings - Asseto and Asseto for Health - each designed to digitalise traditional manual operations and harness data for insightful strategic planning, thus enhancing efficiency, supporting superior decision-making and improving financial outcomes. Our commitment to innovation extends through collaborations with ecosystem partners and leading technology innovators worldwide. Edgenta NXT is instrumental in distinguishing our offerings, enriching our solution portfolio and achieving cost efficiencies, thereby not only creating a new source of income for the Group but also acting as the driving force for our Edgenta of The Future 2025 ("EoTF2025") objectives. This initiative positions us well on our path to becoming a Technology-Enabled Solutions Company.

INNOVATION IN TODAY'S EVOLVING HEALTHCARE ENVIRONMENT

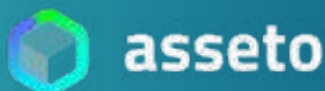
As we navigate the future of healthcare, we quickly realised the importance of evolution and applied our insights to create Asseto for Health, building upon the foundational capabilities of our original offering, Asseto. This will enable us to address and fulfil the emerging needs within the dynamic and ever-evolving healthcare industry.

ASSETO FOR HEALTH

As a significant step forward in our technology-driven healthcare solutions, Asseto for Health provides non-clinical functionalities into a versatile, pay-per-use platform designed to support the everyday operational requirements of hospitals and various healthcare facilities.



WHAT DIFFERENTIATES US: OUR STRENGTHS



Asseto stands as a dynamic digital platform engineered to elevate efficiency, intelligence and sustainability across sectors for business entities, governmental bodies and asset proprietors. With a keen emphasis on interoperability, Asseto flawlessly melds essential technologies like automation, sensory networks, robotics and comprehensive data compilation, enabling informed decision-making that advantages all stakeholders. Central to Asseto's offering is a holistic ecosystem that leverages artificial intelligence and the Internet of Things ("IoT") to fine-tune energy use, streamline waste handling and enhance overall user interactions. This strategic approach not only promotes the cultivation of smarter, more environmentally friendly assets but also guides the selection of assets that bolster long-term sustainability.

Asseto further places a high value on predictive maintenance, advocating for anticipatory asset care that boosts operational efficiency, slashes running costs and prolongs the life of assets. Additionally, the platform simplifies the exchange of information and teamwork, refines decision-making mechanisms and better end-user experiences. Asseto, by nurturing an integrated and compatible ecosystem, ensures outstanding benefits, facilitating impartial, data-led decision-making in steering towards a greener future.



SCALABLE

Offers competitive pricing with a flexible pay-as-you-grow approach.



CONFIGURABLE

Features intuitive drag-and-drop functionality that demands minimal customisation.



INTEROPERABLE

Ensures smooth integration with external applications, broadening its utility and value.



GROWING ECOSYSTEM

Actively enhances its capabilities via alliances with leading tech innovators such as Alibaba, ITMax, Disrupt-X, Softbank and Sumitomo, ensuring continuous growth and development.

In 2023, Edgenta NXT successfully implemented Asseto in 15 Property Facility Solutions ("PFS") clients, including three sites within KLCC and over 200 CIMB branches across Malaysia. We also secured new sites and more than 3,000 assets of a higher education facility. We achieved significant progress in 2023 by deploying Asseto to 35,000 assets.



Over
35,000
assets under management



Across
20
buildings and facilities



Over
95,000
work orders generated
per year



Over
150,000
digital permit-to-work
generated per year



Over
1,000
active platform users

CHAIRMAN'S STATEMENT

DEAR VALUED
STAKEHOLDERS,

Amidst a rapidly evolving business landscape, UEM Edgenta stands at the forefront of transformation, championing innovation and sustainability as the cornerstones of our future. This year, we have continued to pursue our ambition to be a global Asset Management and Infrastructure Solutions company, underpinned by our Edgenta of the Future 2025 ("EoTF2025") strategy.

Our journey of transformation has seen us expand our horizons beyond traditional business segments and strengthened our ambitions in the Middle East. In doing so, we are harnessing our renowned expertise and innovative spirit to create more value for our stakeholders through our commitment to sustainability and technology. This not only sets new industry standards but also reflects our ambition to create a lasting impact, enabling us to meet the challenges of today and redefining the possibilities of tomorrow.



Further details of
UEM Edgenta Berhad
can be found on:
www.umedgenta.com

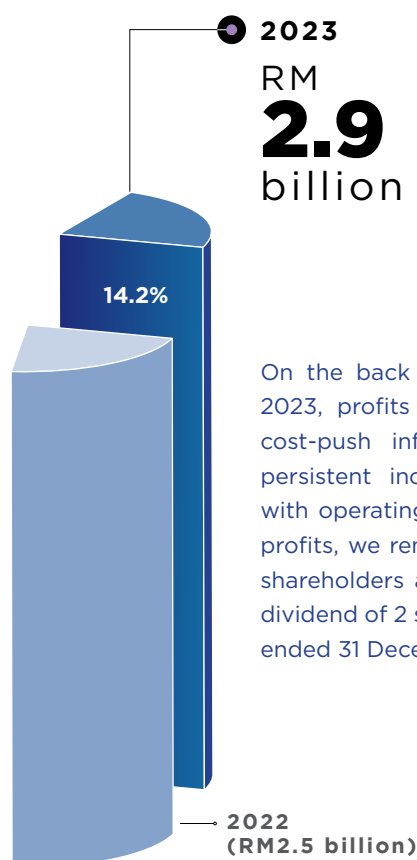


TAN SRI DR. AZMIL KHALID
Independent Non-Executive Chairman

CHAIRMAN'S STATEMENT

DELIVERING VALUE

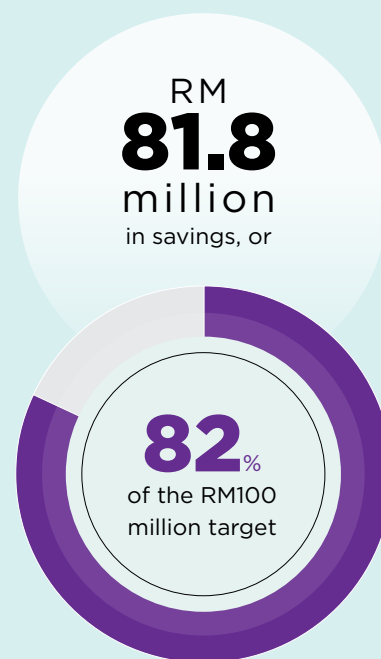
In the face of a challenging business landscape, UEM Edgenta demonstrated resilience in 2023, marking its best revenue growth in six years despite global economic uncertainties and competitive pressures. Our performance this year was bolstered by increased infrastructure projects and healthcare contracts, particularly benefiting from strong performance in Singapore, Taiwan and commencement of revenue recognition from our operations in the Kingdom of Saudi Arabia ("KSA"). Our proactive stance on delivery model optimisation, alongside a dedication to smart, sustainable solutions and technological innovations, also positioned us to effectively address the demands of a rapidly evolving market.



On the back of the 14.2% revenue growth in 2023, profits were impacted by the ongoing cost-push inflation that was influenced by persistent increases in the costs associated with operating our business. Despite the lower profits, we remain committed to rewarding our shareholders and declared a single-tier interim dividend of 2 sen per share for the financial year ended 31 December 2023.

ADDRESSING OUR CHALLENGES WITH EoTF2025

The main challenge in our industry, in addition to stiff competition, has been the rising costs in terms of labour, raw materials and consumables due to persistently high inflation. Appropriately, one of the key pillars of the EoTF2025 strategy is focused on extracting value from core businesses through cost optimisation and over the past three years, initiatives under this pillar has seen UEM Edgenta obtain RM81.8 million in savings, or 82% of the RM100 million target.



Most of the savings were generated through effective procurement and finance processes, digitalisation and automation, as well as rationalising non-core businesses.

CHAIRMAN'S STATEMENT

Besides that, we also focus on strategic levers that look at optimising our non-core businesses through diversification to help the company maximise profitability and attain sustainable success. By de-risking our portfolio profile and re-evaluating our business, we can seize greater opportunities to monetise our non-core businesses to generate additional revenue streams.

Coupled with our strategic levers, the EoTF2025 strategy is set to address the challenging business environment and to drive long-term resilience. The EoTF2025 plan has not only mitigated some of our cost challenges but is also unrelenting in finding ways to maintain a stable revenue base, generate more and diversify our revenue base, targeting higher margin services and ensuring that we continue to have the relevant skills, capabilities and technologies to continue winning new jobs while retaining our clients. I believe in no uncertain terms that UEM Edgenta's perseverance and diligent execution of the EoTF2025 strategy over the years is why we have produced a healthy revenue performance this year while setting the stage for a promising outlook going forward.

In reviewing what was accomplished in 2023, it has turned out reasonably well for UEM Edgenta on multiple fronts. Firstly, our revenue base remains solid on the back of healthy orderbook replenishment supported by strong contract renewal rates. In addition, UEM Edgenta has successfully diversified our business overseas, expanding market share in hospitality and manufacturing in Singapore and Taiwan, while operations in the United Arab Emirates ("UAE") successfully penetrated new markets in Abu Dhabi. The consolidation and integration of our businesses in the KSA through strategic acquisition is also predicated on capturing new revenue opportunities in this high growth market and seeks to ride on the KSA's ambitious Saudi Vision 2030 economic transformation plan. With the recent acquisition of Kaizen Owner Association Management Services LLC and Kaizen AMS Property Supervision LLC ("KAIZEN Group"), UEM Edgenta is poised to capitalise on the growth opportunities within the real estate sector in the UAE. This property management-facility management integration reinforces the value proposition of UEM Edgenta in the Middle East, aligning seamlessly with our EoTF2025 vision and supports our business portfolio de-risking strategy through diversification of products, services and markets.

We also continue to see contract wins that were tech-enabled, demonstrating that we are on the right path in the development of our technological capabilities such as *UETrack™* and *Asseto*. In addition, our foray into fusing our own approach and brand of innovation in facilities management with the tenets of sustainability has also helped us penetrate new sectors and markets. Our quest to further promote our end-to-end sustainability capabilities has also been enhanced by the repositioning of Opus Consultants, through which we have pledged a sum of RM200 million to aid our clients in accelerating their transition to more energy and resource efficient buildings.

In all our operating markets, we are an attractive proposition for any customer looking for a reliable, tech-enabled and sustainability focused Integrated Facilities Management ("IFM") solutions partner. I believe that our strong track record, culture and commitment to operational excellence will hold us in good stead and help us navigate the challenges of the industry.

Sustainability

As a beacon of corporate responsibility, UEM Edgenta embraces Environmental, Social and Governance ("ESG") principles, recognising sustainability as the cornerstone of our resilient growth and value creation for our own operations, our clients' businesses and the communities we serve. In 2023, we continued to uphold our commitment to sustainability by embedding sustainable practices throughout our business while taking steps to align ourselves with national ambitions to achieve Net Zero Targets and implement energy transition plans.

CHAIRMAN'S STATEMENT

At the forefront of our efforts is Opus Consultants which launched its suite of Energy and Sustainability Solutions this year, spearheaded by the Sustainable Zero-Capex programme to help our clients in Malaysia jumpstart their sustainability journeys. In addition, in a move to align with global standards and to champion decarbonisation, we signed Memorandums of Business Exploration ("MOBE") with Earth Finance Inc., Honeywell International Sdn. Bhd. and Yinson Green Technologies for collaboration in the areas of sustainable solutions and green financing. Meanwhile, under the Group's Net Zero Targets, we have set a goal to reduce our Scope 1 and Scope 2 greenhouse gas ("GHG") emissions to Net Zero with an interim target to reduce these operational emissions by 26% by 2030. We are enacting a structured process to monitor the progress of our Net Zero Target. Our efforts align with the International Energy Agency's ("IEA") Net Zero Emissions by 2050 Global Pathway and will support the National Energy Transition Roadmap's ambition for Malaysia to achieve Net Zero by 2050.

This year, we also initiated a vendor segmentation exercise to understand our suppliers' ESG practices. Results from this initiative will be used in our effort to compute our Scope 3 emission so we can make similar Net Zero pledge to reduce emission in our value chain. Additionally, we automated the process of calculating our carbon emission and have also developed processes around allocating carbon budgets to all our businesses for carbon management and reduction.

As a result of our sustained efforts in the ESG space, we have been recognised with several awards and accolades. These include the Gold award in the Energy Efficiency category at The Star ESG Positive Impact Awards 2023, along with three Silver awards in the Renewable Energy, Talent Management, and Good Health and Well-being categories.

Supporting Our Communities

UEM Edgenta's commitment to ESG principles extends beyond traditional corporate responsibilities, incorporating Education and Community Enrichment and Well-Being as foundational pillars. This comprehensive approach is exemplified through various corporate social responsibility ("CSR") initiatives designed to foster long-term value and societal impact:

• **Edgenta Jalinan Kasih – Festive CSR Programme**

Celebrations of major festivals like Chinese New Year, Ramadan, Hari Raya Aidilfitri, Deepavali and Christmas were shared with local communities, embodying the spirit of unity and cultural appreciation. In 2023, the programme has benefitted 1,330 beneficiaries including 430 asnaf recipients, 600 highway users and 300 UEM Edgenta employees.

• **The Lost Food Project – Pet Food Project**

This initiative rescued and distributed 7,225kg of surplus pet food, which in turn prevented 20,230kg of carbon dioxide ("CO₂") emissions. It supported over 50 animal shelters and feeders in Klang Valley and Malacca, demonstrating a commitment to environmental sustainability and animal welfare.

• **Zoo Negara Collaboration Programme**

By sponsoring Aldabra Giant Tortoises and a giraffe, UEM Edgenta underscored our dedication to wildlife conservation. The transformation of Zoo Negara, facilitated by 60 volunteers and the organisation of an educational visit for students from SK Jenderam, Dengkil, enhanced both animal living conditions and the visitor experience.

• **#EDGENTAAGREENCAMPAIN Tree Planting CSR Programme**

The planting of 1,000 trees at Sabai Forest Reserve in Sarawak supported green initiatives and local economies. This effort aligns with Sarawak's Greening Sarawak Programme and Malaysia's five-year Greening Malaysia Programme, emphasising the importance of ecological preservation and sustainability.

• **EDGENTA Back-To-School Riang Ria's CSR Programme**

This programme assisted underprivileged students from SK Bangsar, SK Jenderam and SMK Jenjarom by providing essential school supplies. Additionally, a donation was made to each school to further educational development, highlighting our investment in the future of education and community well-being.

CHAIRMAN'S STATEMENT



EMBODYING GOOD GOVERNANCE

At UEM Edgenta, we are guided by the principles of integrity and excellence, principles that shape our operations and define our corporate ethos. Our journey in 2023 has been marked by significant achievements, underscoring our dedication to setting the benchmark in corporate governance and ethical conduct.

In a momentous milestone for UEM Edgenta, we were honoured with the bronze award at the Integrity, Governance, and Anti-Corruption Awards ("AIGA") 2023. This prestigious event, organised by the Malaysian Institute of Integrity ("INTEGRITI"), recognised our commitment to upholding the highest standards of integrity and good governance practices. Our success at AIGA, particularly as first-time participants, serves as a powerful testament to our dedication to fostering an environment where ethical practices are not just encouraged but celebrated.

The criteria for AIGA's evaluation are rigorous, incorporating the ISO37001 Anti-Bribery Management System ("ABMS"), the Malaysian Code on Corporate Governance and critical legal frameworks such as the Malaysian Anti-Corruption Commission Act 2009, Whistleblower Protection Act 2010 and the Bursa Listing Requirements. This accolade arrives on the back of our achievement in May 2023, when we were awarded the ISO37001 ABMS certification by the Standard and Industrial Research Institute of Malaysia ("SIRIM").

Further amplifying our commitment to eradicating corruption, we have forged a strategic partnership with Rasuah Busters, a leading anti-corruption non-governmental organisation ("NGO"). This alliance creates a united front against corruption, enhancing our anti-bribery and anti-corruption efforts. By joining forces, we aim to elevate our internal practices and extend our reach, benefiting not only UEM Edgenta employees but also the broader community. Through targeted activities and awareness campaigns, we are dedicated to cultivating a culture of integrity and accountability.

CHAIRMAN'S STATEMENT

OUTLOOK

Looking ahead to 2024, UEM Edgenta is cautiously optimistic, guided by Bank Negara Malaysia's forecast of 4-5% Gross Domestic Product ("GDP") growth which is expected to be fuelled by strong domestic consumption, a stable labour market and the hopeful resurgence of global trade. This economic backdrop presents a supportive environment for our ongoing endeavours and future plans.

Our commitment to providing innovative, technology-driven sustainability solutions remains central to our strategy. We aim to continue responding to the needs of our clients with precision and foresight, ensuring our services are not just relevant but ahead of the curve. The projected economic upturn offers us a valuable opportunity to expand into emerging markets and tailor our offerings to better serve our customers' evolving needs.

In navigating the year ahead, we will maintain a focus on charting the path to sustainable profitability involving mitigating structural challenges in the short-term and building transformational growth in the medium to long-term. Our focus remains on cost optimisation across all levels including corporate and business units, cost of sales and operational expenditure to manage costs effectively and mitigate the challenging market conditions while maximising productivity and profitability.

We have initiated strategic pivots to establish a strong starting point by strengthening our digital assets, building ESG capabilities and entering new high growth markets such as the KSA and the UAE. These key areas are essential for our continued growth and for realising the ambitions set forth in our EoTF2025 strategy. By fostering the growth of our team, advancing our technological capabilities and ensuring our business model is adaptable, we are preparing to meet both the challenges and opportunities that 2024 may bring.

With our global presence as a key asset, we are ready to tackle the challenges ahead, seize new opportunities and create sustainable value for our stakeholders and shareholders. Our goal is to be a leader in providing technological and sustainable solutions, contributing to our company's growth and the betterment of society.

ACKNOWLEDGEMENTS

As we navigate through the ever-evolving landscape of our industry, it is with a sense of profound gratitude that I extend our collective thanks to all our key stakeholders for your unwavering support and commitment to our organisation. A special note of appreciation goes out to the management team and our Edgenta Stars for their dedication and unrelenting efforts in delivering value time and again.

It is also with a warm and respectful acknowledgment that we bid farewell to some of our esteemed board members. We extend our deepest gratitude to Dato' Noorazman Abdul Aziz for his five years of exemplary service upon his retirement. Additionally, we recognise Shirley Goh, who has resigned after two years of dedicated service. In light of these departures, it is with great pleasure that I welcome our new directors, Nurul Iman Mohd Zaman, Dato' Dr. Omar Abd Hamid and Simon Kua Choo Kai. Each brings a wealth of experience and insight that will undoubtedly propel our company forward.

As we move ahead, I am confident that the collective efforts of the Board, management and employees will steer us towards new horizons of success and innovation, overcome challenges and ultimately set us down a path of long-term and sustainable growth.

TAN SRI DR. AZMIL KHALID
Independent Non-Executive Chairman

MD/CEO'S STATEMENT

OVERVIEW

As we reflect on 2023, I am pleased to share that UEM Edgenta has persevered in strengthening our business and delivering value to our stakeholders, guided by our Edgenta of the Future 2025 ("EoTF2025") strategy. Our resilience within a challenging operating environment is testament to our strategic foresight, commitment to innovation and prudent cost management.

KEEPING THE MOMENTUM GOING STRONG

EoTF2025: OUR STRATEGIC PILLARS

Pillar 1



EXPAND
Footprint And
Deepen Solutions

Pillar 2



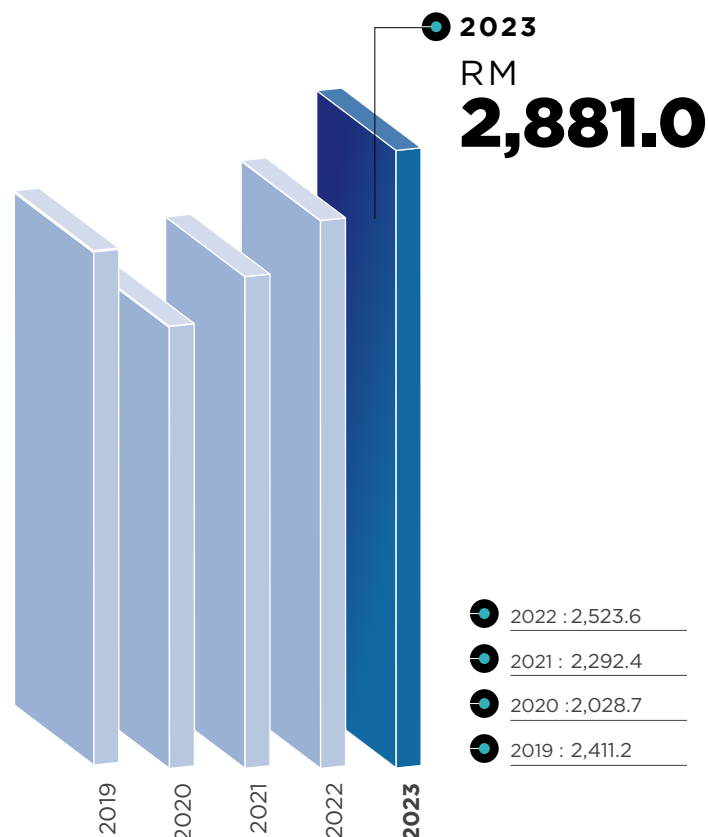
EXTRACT
Value From Core
Businesses

Pillar 3



ENHANCE
Product And
Technology
Proposition

Revenue (RM million)



MD/CEO'S STATEMENT



SYAHRUNIZAM SAMSUDIN

Managing Director/Chief Executive Officer

This year, we continued delivering on our strategy to obtain significant milestones such as higher revenues and the expansion of our international presence, largely driven by tech-enabled contract wins and our commitment to operational excellence. This aligns with our strategic focus under EoTF2025 to drive our growth through innovation and has brought us closer to our ambition of becoming a Malaysian company with a global presence.

In terms of our contract wins this year, our Infrastructure Services division secured several long-term state and rural contracts in Malaysia, while our core Healthcare Support division continues to expand its presence in the region, intensifying efforts into adjacent sectors such as the manufacturing and hospitality sectors. Our Property & Facility Solutions division also secured tech-enabled and sustainability solutions contracts in Malaysia as well as successful renewals and captured new business beyond existing clients in the United Arab Emirates ("UAE"). With the completion of the MEEM acquisition in the Kingdom of Saudi Arabia ("KSA"), we added approximately RM100 million to our orderbook.

We also continue to see a high contract renewal rate especially in our Healthcare Support businesses in Singapore and Taiwan. The accomplishment clearly indicates the confidence that customers have in us, predicated on our work ethic, culture, technology and sustainability-related offerings as well as the partners we have that enable us to provide greater value add. In essence, our achievements this year reflect our strategic priorities under EoTF2025 coming to fruition.

Overall, much of our revenue performance this year was driven by high contract renewals and realised workorders across Malaysia, Singapore and Taiwan. In addition, there was also revenue contribution from the KSA coming online following our recent acquisition there.

MD/CEO'S STATEMENT

We are innovating beyond traditional FM spaces, exemplified by our commitment of RM200 million to the Zero-Capex programme to help our clients be more resource-efficient and the strategic repositioning of entities like Opus Consultants to focus on resource efficiency.

In 2023, we strengthened our commitment to responsible practices by refining and solidifying our Sustainability Policy. It was also a significant year for us as we launched our Net Zero Targets for Scope 1 and Scope 2 emissions, reflecting our commitment to reducing our carbon footprint. Launching these targets is crucial as we take proactive steps towards sustainable practices to stay ahead of the competition and to address climate change.

Despite the significant progress achieved in 2023, we recognise that there have been challenges we faced which impacted our profits this year. While the macroeconomic environment and highly competitive industry created one set of headwinds, we also had to navigate another set of challenges, especially in the context of the cost/margin environment in the different countries we operate in. This required a unique approach to cost management in each operating country and we are committed to managing this more effectively as we expand our business further.

KEEPING THE MOMENTUM GOING STRONG



In the quest to fortify UEM Edgenta's market leadership and ensure enduring growth, our approach can be best described in three parts. The first is our ambition to develop a sustainable facilities management ("FM") business that embraces technology and sustainability across all markets, not just Malaysia. Our preference going forward will be towards embracing more opportunities in Integrated Facilities Management ("IFM"), where the value that we bring is the combination of technology and sustainability. This will be the main growth engine moving forward under EoTF2025.

- 1 This effort is not only about expanding our product and solution offerings but also about innovating beyond traditional FM spaces, exemplified by our commitment of RM200 million to the Zero-Capex programme to help our clients be more resource-efficient and the strategic repositioning of entities like Opus Consultants to focus on resource efficiency. This innovation represents a fundamental shift, propelling us beyond the conventional boundaries of FM.

MD/CEO'S STATEMENT



2

Secondly, I believe that we need to anchor our growth in markets conducive to building a long-term sustainable asset management business. This includes mature markets like Malaysia, Singapore and further into the Middle East, such as the UAE and the KSA. These regions offer UEM Edgenta the opportunity for long-term engagement in infrastructure asset management and technological capability development.

Through our strategic presence in key markets and harnessing our extensive talent pool, UEM Edgenta is not just pursuing global aspirations but setting the pace in IFM and propelling the transformation of expansive infrastructure initiatives beyond traditional boundaries. This expansion not only underscores our leadership but also generates employment opportunities both

in Malaysia and internationally. It embodies a deeply held ambition to integrate Malaysians into the global workforce, showcasing their expertise as project managers, engineers and facility managers on a worldwide stage. This global exposure not only enhances their professional growth but also allows them to contribute significantly to our organisation's development, enriching it with a wealth of international experience and insights.

3

Thirdly, we will continue focusing on continuous improvement in cost optimisation and process re-engineering across UEM Edgenta's operations. This approach is not solely about managing budget constraints but also about enhancing efficiency in the face of economic pressures, including exchange rates and rising costs. We are relentlessly reducing manual processes through digitalisation, allowing for swifter operations and more effective cost management within our asset management business. This strategic emphasis on cost efficiency and digitalisation ensures the company remains well-positioned in terms of having more headroom to invest in technological and sustainability initiatives, thus giving us a competitive edge as we pursue our global ambitions.

In summary, as we sit at the intersection of technology, sustainability and facilities management, I believe UEM Edgenta is uniquely positioned to be the service provider for everything a building needs. The most exciting part is that we do have the capabilities and the expertise. We can provide the entire array of services and infrastructure a building requires – the technology, energy efficiency, the cleaning, the equipment management, IT services and more. Therefore, an ongoing imperative for us is to infuse this concept of UEM Edgenta being the heart and soul of a building into our DNA to ensure we can continue to effectively serve our clients.

MD/CEO'S STATEMENT

EoTF2025 – Our Strategic Progress

UEM Edgenta's EoTF2025 strategy has played a pivotal role in shaping our strong performance in 2023. Throughout the year, we have made substantial progress in this strategy, focusing on a transformative approach that is deeply rooted in technological advancements. Our strategy is built around three fundamental pillars, each a cornerstone in guiding our path towards achieving our objectives.

PILLAR 1

EXPAND FOOTPRINT AND DEEPEN SOLUTIONS

GOAL

12% Revenue Growth per Annum

Achievement to date:

12% Compounded Annual Growth Rate ("CAGR") since 2020

Several initiatives under this pillar have been key to our success in maintaining this growth, including our resilience and ability to capture market opportunities effectively. In 2023, these efforts have seen us secure new contract wins worth RM2 billion, the highest in the post-COVID era.

A key strategy in our international expansion strategy has been the expansion and integration of our businesses in high-growth markets. A key initiative was the purchase of a 60% stake in MEEM, one of the KSA's leading facilities management companies, by Edgenta Arabia Limited ("EAL"). MEEM started to contribute to the Group's topline during the year and we foresee long-term sustainable growth in the region especially in supporting developments driven by the Saudi Vision 2030. We have also broadened our presence in the UAE through Edgenta International Investments LLC ("EII")'s 60% acquisition of KAIZEN Group – a pioneer in technology-driven end-to-end property management services.

In addition, we strive to enhance our global franchise through strategic partnerships. These partnerships work by complementing our capabilities and extending our market reach. In the Internet of Things ("IoT") space, we established partnerships with Tadoom, ZainTech and Disrupt-X to expand our technological capabilities to better serve our clients in the Middle East. In Healthcare Support, we entered into partnerships with WAS, First Ambulance and Optima Technic, with the aim to strengthen our position in the healthcare sector and enhance our service delivery. Additionally, to accelerate our involvement in Smart City solutions, partnerships with Watad, ITMax, Sumitomo, and Softbank were established to help us in our efforts to penetrate the urban infrastructure development segment.

MD/CEO'S STATEMENT



PILLAR 2

EXTRACT VALUE FROM CORE BUSINESSES

GOAL

Realise **RM100 million** in cost savings over a five-year period.

Achievement to date:

RM81.8 million in total cost savings since 2021

The success we have achieved has shown the extent of our strategic and prudent management, as well as our ability to optimise operations while maintaining high-quality service delivery. These efforts in extracting value through cost savings are vital in our pursuit of scaling and enhancing the profitability of our core businesses. This includes organisational simplification, which aims to streamline our operations for greater efficiency and effectiveness.

Besides continuing to identify cost efficiency opportunities across our operations through our LEAN programme, we also focused on optimising procurement processes and reducing Selling, General and Administrative ("SGA") expenses. These initiatives are crucial in trimming unnecessary costs and enhancing our financial health. Furthermore, our digitalisation and automation initiatives have seen us generate greater cost savings. These technological initiatives serve as enablers, allowing us to refine our operational processes. By embracing digital tools and automating where possible, we have improved our resource allocation and service delivery.

In 2022, we collaborated with HSBC Amanah Malaysia Bhd to launch Asia's first Syariah-compliant Supplier Financing Programme ("SFP"), offering collateral-free financing to suppliers for better cash flow and reduced business costs. This initiative earned recognition at The Asset's "Triple A" Islamic Finance Awards 2023. The company also supports small and medium enterprises ("SMEs") and micro, small and medium enterprises ("MSMEs") through the Strategic Vendor Management Programme, enhancing vendor relationships, improving pricing, delivery schedules and product or service quality. These efforts contributed to decreased costs without compromising the quality of our products and services.

Additionally, we established a centralised treasury function that will pool excess funds to ensure efficient capital deployment at optimal cost. This effort helps ensure effective cash management across our operations to reduce external funding costs.

MD/CEO'S STATEMENT

PILLAR 3

ENHANCE PRODUCT AND TECHNOLOGY PROPOSITION

GOAL

Drive **differentiation** through technology-based solutions

Achievement to date:

RM2 billion in tech-enabled wins since 2021

Our recent successes are driven by Edgenta NXT, our technology venture, which remains at the forefront of driving digital transformation in the built environment through its Asseto Platform. In 2023, Edgenta NXT successfully completed the Asseto rollout to 15 Property Facility Solutions ("PFS") clients, including prestigious locations such as three sites within the iconic KLCC and over 200 CIMB branches across Malaysia. During the same period, Edgenta NXT secured four new sites and over 3,000 assets of a higher education facility. The total number of assets managed within the Asseto Platform in 2023 is 35,000, showcasing its stable growth trajectory as UEM Edgenta's tech commercialisation venture.

The Asseto Platform stands as the bedrock of our operations, fostering seamless collaboration across all Edgenta entities. With its dynamic features, including real-time data analytics and bespoke dashboards, we empower our clients with invaluable insights into their facilities, driving efficiency, sustainability and customer excellence. The Asseto Platform will propel UEM Edgenta forward, allowing us to adapt and evolve our solutions in tandem with industry trends and the evolving needs of our clients. This encapsulates the core value of UEM Edgenta: a commitment to continuous innovation that drives us to continually set new standards of excellence in facilities management.

The essence of managing a vast and diverse organisation numbering more than 17,000 employees is grounded in UEM Edgenta's FIRST Principles and the Edgenta Way that aligns with the management's direction and defines every employee's role.

Additionally, Opus Consultants have been repositioned as a provider of Energy and Sustainability Solutions. This strategic move aligns with the growing global focus on sustainability. Opus Consultants now offers readily deployable energy efficiency capabilities and solutions, along with the necessary capital via the Sustainable Zero-Capex Programme. A total of RM200 million was pledged towards this programme in 2023, equally split between Peninsular Malaysia and East Malaysia.

CULTIVATING A UNIFIED CULTURE IN A DIVERSE WORKFORCE

At UEM Edgenta, the essence of managing a vast and diverse organisation numbering more than 17,000 employees is grounded in core principles and a culture that aligns with the management's direction and defines every employee's role. Central to our ethos are universal values that foster understanding and application across our global team. Implementing these values—Future Focused, Innovative Thinking, Solution-Oriented Mindset, Stewardship and Respect For Others—has been transformative.

Our approach, characterised by an inverted pyramid model where I start with meeting people at the working level, ensures that these principles resonate at every level, confirming alignment with our strategic goals. This has cultivated a tight-knit and committed team across various markets, transcending cultural and geographical boundaries who want to achieve exceptional performance. Our success underscores that performance, propelled not just by key performance indicators ("KPIs") but by a culture that inspires action and unity, proving that it is people, not just plans, that turn vision into reality.

This year, we continued to support our employees with ongoing development and empowerment initiatives to assist with their career growth in addition to providing support through various wellness programmes. We also published our commitment to the recent amendments to Employment Act 1955 that has increased and expanded the protection and welfare of all private sector employees.

MD/CEO'S STATEMENT

OUTLOOK

As we step into 2024, UEM Edgenta is poised for an exciting phase of growth, driven by a robust orderbook from 2023's strong contract executions and new wins.

Our focus will be on leveraging technology, environmental, social and governance ("ESG") principles and enhancing customer experience to meet evolving needs. The diverse pace of digital adoption presents an opportunity to elevate our business model towards higher margins and sustainability.

With our Asseto Platform spearheading UEM Edgenta's digital innovation, we are reshaping tech-enabled services for the built environment. We empower facility managers and building owners with real-time insights, enabling proactive decision-making and efficient operations. Through the integration of Internet of Things ("IoT") sensors and artificial intelligence ("AI") analytics, we actively minimise downtime and maximise asset performance, yielding tangible results.

At the core of our solution is a commitment to sustainability. Our Asseto Platform actively unlocks actionable insights that drive continuous improvement and optimisation, helping clients reduce energy consumption, lower carbon footprints and achieve their environmental goals. We offer a comprehensive strategy and a full spectrum of services including consultancy, advisory and tailored sustainability solutions and a Zero-Capex model.

We are consistently innovating our technology offerings to stay ahead of the curve, meeting evolving client needs. Our tech-enabled approach ensures seamless integration with existing systems and third-party applications, thus maximising return on investment ("ROI") for our clients.

Besides that, our Recycled Asphalt Pavement ("RAP") plant which is expected to be launched in the second quarter of 2024 is set to reduce up to 800 tonnes in carbon dioxide ("CO₂") emissions annually. This reflects our commitment to integrating business and sustainability to create synergies to ensure operational efficiency and long-term success while meeting global standards.

As we navigate through the challenges presented by both the macroeconomic landscape and the unique dynamics of our industry, our foremost objective remains the attainment of sustainable profitability. Our strategic approach will revolve around the meticulous optimisation and rationalisation of costs across all levels, streamlining our operating model, and mitigating risks associated with our business portfolio through strategic diversification. Central to our strategy is the prioritisation of endeavours where we hold a distinct advantage, maximising our potential for success. Concurrently, we will diligently evaluate the monetisation prospects of non-core businesses, while opportunistically exploring select opportunities to ensure the continuous expansion of our revenue streams, while maintaining our commitment to sustainable profitability.

We are confident that our strategies will help us mitigate structural challenges in the short-term and chart transformational growth in the medium to long-term. We look forward to seeing the results that they will bring as we pursue opportunities that lie ahead to drive our business forward.

ACKNOWLEDGEMENTS

In closing, my heartfelt thanks go out to all our stakeholders, loyal customers and the committed management team for their steadfast support and dedication. Special recognition is deserved by our Edgenta Stars, whose extraordinary efforts constantly motivate us, and our gratitude extends to our suppliers and vendors for their invaluable partnership. The trust placed in us by our shareholders propels our ambition forward, and we deeply appreciate the communities where we operate, whose welcoming support allows us to expand and flourish. As we move forward, our collective commitment is to not only sustain but enhance our trajectory towards a more sustainable and prosperous future. Our efforts in strategic markets and the global workforce are underpinned by a strong commitment to sustainability, ensuring that as we grow, we remain dedicated to responsible practices that benefit both our planet and its people. Together, we are poised to make significant strides in shaping a future that values sustainability as much as success, ensuring a lasting impact for generations to come.

SYAHRUNIZAM SAMSUDIN
Managing Director/
Chief Executive Officer

FINANCIAL REVIEW

OVERVIEW

In the midst of global supply chain disruptions, inflationary pressures and legislative changes, UEM Edgenta has demonstrated resilience in a challenging economic environment. The Group achieved notable revenue growth of 14.2%, reaching RM2.9 billion, driven by successful contract renewals and fulfilment of work orders from healthy contract wins across our operations in Malaysia, Singapore, Taiwan and the United Arab Emirates (“UAE”). Furthermore, the completion of the MEEM for Facilities Management Company (“MEEM”) acquisition allowed us to realise our first-year revenue from the Kingdom of Saudi Arabia (“KSA”).

Nevertheless, we encountered persistent escalations in costs, particularly in labour, raw materials, and consumables, which have exerted pressure on our margin and overall financial performance. The on-going challenges in the labour market, marked by increased wage demands and compliance with evolving labour regulations, have led to higher manpower costs. Similarly, volatility in commodity prices, supply chain disruptions and fluctuations in currency exchange rates have contributed to rising costs across various operational facets.

Our financial performance has also been affected by the initial costs associated with operationalising in new markets and investing in the development of tech-enabled products. While these initiatives are currently in their early stages and are not yet making a significant contribution to our bottom line, we anticipate their contribution to grow in the future.

These challenges, coupled with the broader macroeconomic landscape and intense industry competition, have necessitated a strategic focus on our cost and margin management. In response, we have initiated a comprehensive set of strategic cost optimisation and operational efficiency measures. These targeted initiatives are designed to mitigate the impacts of escalating costs and intensifying competition, reinforcing our operational resilience and financial health.

As we steadfastly progress towards the realisation of our EoTF2025 plan, our commitment to value extraction through cost optimisation and operational efficiency remains pivotal in our journey to scale and enhance the profitability of our business.



FINANCIAL REVIEW

ADAPTING WITH RESILIENCE, NAVIGATING CHALLENGES

GROUP FINANCIAL PERFORMANCE

In the year under review, the Group delivered revenue growth of 14.2% Y-o-Y, an increase from RM2.5 billion in 2022 to RM2.9 billion, driven by realised work orders from new project wins and renewed contracts. However, Profit After Tax and Zakat ("PAT") was 34.1% lower at RM30.1 million despite higher revenue, primarily due to inflationary pressures and rising operational costs.

Total
Assets

**RM2.95
billion**

▲ 3.0%

Net Assets per
Share

RM1.95

▲ 2.6%

Gross Gearing
Ratio

0.30x

▲ 0.01x

Earning per
Share

**3.7
sen**

▼ -1.8 sen

Dividend per
Share

**2.0
sen**

▼ -2.0 sen

FINANCIAL REVIEW

FINANCIAL PERFORMANCE BY SEGMENT

The **Healthcare Support** division witnessed an increase in revenue of RM40.2 million (2.7% Y-o-Y) to RM1,529.2 million, contributed mainly by new and renewed projects in Singapore and Taiwan, coupled with the strengthening of the Singapore Dollar against the Malaysian Ringgit. However, this division's growth faced challenges from increased operating costs, including minimum wage hikes, one-off machinery repair expenses and higher manpower costs across Malaysia, Singapore and Taiwan. Furthermore, the discontinuation of COVID-19 related business, such as Field Hybrid ICUs and RFID e-Bracelets, led to a decrease of RM25.8 million (-29.2% Y-o-Y) in Normalised Profit Before Tax and Zakat ("Normalised PBT") to RM62.8 million.

The **Infrastructure Services** division of UEM Edgenta saw significant revenue growth, with revenue increasing by RM226.7 million (29.4% Y-o-Y) to RM998.2 million. This surge was primarily fuelled by increased work volumes for our core client, PLUS Malaysia Berhad and new contracts for state and rural roads in Selangor, Johor and Sarawak. Accordingly, normalised PBT also rose by RM2.7 million (4.2% Y-o-Y) to RM68.0 million. However, this positive performance was partially offset by rising costs for materials and sub-contractors.

The **Property & Facility Solutions** division experienced a growth in revenue by RM71.4 million (43.0% Y-o-Y) to RM237.3 million, attributed to the successful renewal and new contracts beyond existing clients in the UAE, along with additional variation order works in Malaysia. However, despite the revenue increase, there was a decrease in PBT by RM1.3 million (-17.8% Y-o-Y) to RM6.4 million. This decline can be primarily attributed to increased costs associated with clearing backlog work orders, higher operating costs and the impact of escalating labour and subcontractor costs.

In contrast, the **Asset Consultancy** division faced a decline in revenue of RM10.4 million (-10.4% Y-o-Y) to RM89.4 million primarily due to reduced project contributions, particularly in Sarawak. Despite this revenue dip, the division achieved a notable 29.2% Y-o-Y increase in normalised PBT to RM2.3 million. This growth was propelled by effective cost optimisation measures and cost savings initiatives.

HEALTHCARE SUPPORT

Revenue	Normalised PBT
RM1,529.2 million	RM62.8 million
(2022: RM1,489.0 million)	(2022: RM88.6 million)

INFRASTRUCTURE SERVICES

Revenue	Normalised PBT
RM998.2 million	RM68.0 million
(2022: RM771.5 million)	(2022: RM65.3 million)

PROPERTY & FACILITY SOLUTIONS

Revenue	Normalised PBT
RM237.3 million	RM6.4 million
(2022: RM165.9 million)	(2022: RM7.7 million)

ASSET CONSULTANCY

Revenue	Normalised PBT
RM89.4 million	RM2.3 million
(2022: RM99.8 million)	(2022: RM1.8 million)

* Normalised PBT excluding:
2022: Staff rationalisation costs (RM12.2 million) and
inventories written-off (RM12.8 million)

Healthcare Support and Infrastructure Services segments continue to be the primary contributors to the Group's revenue and profit. Both divisions recorded growth in revenue, but profitability was adversely affected by the escalating operating costs.

FINANCIAL REVIEW



ENHANCING OUR OPERATIONAL RESILIENCE THROUGH COST OPTIMISATION

In the pursuit of financial excellence and operational resilience, the past fiscal years witnessed our organisation taking significant strides towards cost optimisation, underlining our commitment to sustainable growth amidst prevailing market challenges. The collective efforts across the Group yielded impressive results, with an additional RM29.9 million in savings for 2023 alone. This brings our total savings over the past three years to RM81.8 million (2021 to 2023), showcasing our commitment to efficiency and cost optimisation. This achievement marks an 82% progression towards our EoTF2025 goal of RM100 million in cost savings over five years, a testament to our strategic and diligent approach to financial stewardship.

STRATEGIC COST OPTIMISATION INITIATIVES

Our cost optimisation journey has continued at an unrelenting pace, underpinned by several key initiatives:

- 
Procurement Excellence: Our procurement initiatives stand as a cornerstone of our cost-saving strategies. Under the “Spend Refresh” programme, we have developed comprehensive spend reports and analysis, offering profound insights and identifying significant improvement opportunities in procurement spend. A notable example includes consolidating the purchasing of paper products across all business units, leveraging our collective demand to enhance purchasing power and achieve substantial cost reductions. Furthermore, the continuation of our Supplier Financing Programme in collaboration with HSBC Amanah Malaysia Berhad, alongside the Strategic Vendors Management Programme, which commemorated during our inaugural Vendor’s Day on 5 October 2023, has been pivotal in nurturing long-term vendor relationships, ensuring service excellence, enhancing delivery schedules and achieving cost efficiencies through rate reductions and sourcing efficiencies.
- 
Innovative Treasury Management: The establishment of the Treasury Management Centre (“TMC”) signifies a major leap towards optimising our financial resources. Serving as an in-house bank, the TMC facilitates the consolidation of surplus funds to provide working capital support to subsidiaries that require it, thereby enhancing cash management efficiency across the Group and minimising external financing costs. The phased implementation of the Treasury Management System (“TMS”), with Phase 1 successfully going live on 8 November 2023 and Phase 2 scheduled for roll out in the second quarter of 2024, is poised to further automate and refine treasury operations. The completion of this initiative in 2024 is expected to streamline processes, facilitating the adoption of Treasury Pooling and establishing an in-house bank at UEM Edgenta.
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Organisational and Operational Efficiency: A key focus has been on refining our organisational structure to ensure it meets our current needs. This involves streamlining work processes and right-sizing manpower to align with our strategic objectives and operational requirements, resulting in costs reductions without compromising efficiency or service quality. In addition to ongoing efforts to identify cost efficiency opportunities across our operations through our LEAN programme, we have maintained our initiatives in digitalisation, mechanisation, and automation. These efforts have led to more efficient processes and enabled us to achieve greater cost savings. Through the adoption of digital tools and automation, we continued to optimise our operational processes, enhanced resource allocation and improved service delivery.

FINANCIAL REVIEW

FINANCIAL POSITION

KEY INFORMATION OF FINANCIAL POSITION	2023	2022	Variance	
	RM million	RM million	RM million	%
Total Assets	2,954.3	2,868.7	85.6	3.0%
Property, plant and equipment	151.8	146.4	5.4	3.7%
Right-of-use assets	35.6	44.2	-8.6	-19.5%
Intangible assets	710.4	700.9	9.5	1.4%
Investment in associates	71.8	72.3	-0.5	-0.7%
Trade and other receivables	713.8	599.0	114.8	19.2%
Contract-related assets	474.0	433.1	40.9	9.4%
Short-term investments	26.6	97.2	-70.6	-72.6%
Cash, bank balances and deposits	615.8	609.5	6.3	1.0%
Total Liabilities	1,330.1	1,284.6	45.5	3.5%
Borrowings	489.9	458.8	31.1	6.8%
Trade and other payables	695.7	676.2	19.5	2.9%
Lease liabilities	33.0	41.0	-8.0	-19.5%
Contract liabilities	31.9	30.8	1.1	3.6%
Total Equity	1,624.3	1,584.0	40.3	2.5%
Shareholders' fund	1,619.3	1,580.9	38.4	2.4%
Non-controlling interests	5.0	3.1	1.9	61.3%

Our financial position continued to remain robust in 2023. At the end of the year, the Group's total assets grew by 3.0%, increasing from RM2.87 billion as at 31 December 2022 ("FY2022") to RM2.95 billion as at 31 December 2023 ("FY2023"). Similarly, net assets per share also increased from RM1.90 per share to RM1.95 per share when comparing FY2022 to FY2023. These increments in both total assets and net assets align with the growth in revenue, as well as higher valuation of international investments, particularly from Singapore and Taiwan, due to the strengthening of the Singapore Dollar against the Malaysian Ringgit.

Our efforts to enhance our collection process have yielded positive outcomes, as evidenced by a RM269.1 million (10.0% Y-o-Y) increase in collection from customers, totalling to RM2.96 billion in 2023. However, our net cash position declined from RM247.9 million in FY2022 to RM152.6 million in FY2023, primarily attributed to higher working capital requirements and the need to support investment for growth. Looking ahead, strategic initiatives like the Treasury Management Centre are set to enhance cash management, indicating a forward-looking approach to financial stewardship and growth.

Our cash and bank balances, inclusive of fixed deposits and funds in money market unit trusts, remained healthy at RM642.4 million at the end of the financial year, compared to RM706.7 million in 2022. We also maintained a low gearing ratio of 0.30x in FY2023 (FY2022: 0.29x), demonstrating our effective debt management capabilities. The combination of our strong financial position, solid financial foundation and low gearing ratio provides us with ample flexibility to navigate short-term volatility and allows us to maintain the capacity to leverage for future strategic growth and development.

Notwithstanding the operational cost challenges that affected our bottom line, we were able to maintain our dividend distribution trend post-COVID by issuing a dividend of 2 sen per share, reflecting our strong commitment to delivering value to our shareholders. The dividend payout adheres to our dividend payout policy of 50%-80% of PATANCI, aimed at providing sustainable long-term returns to our shareholders.

FINANCIAL REVIEW

OUTLOOK

In the upcoming financial year, Malaysia's economy is poised for continued resilience, buoyed by robust domestic demand, which is expected to mitigate the challenges posed by moderate global growth, ensuring a stable economic landscape. There are also new opportunities, especially with the implementation of the National Energy Transition Roadmap ("NETR") and the New Industrial Master Plan 2030 ("NIMP 2030"). These initiatives are set to drive significant developments across various sectors, promising an optimistic outlook for the nation.

UEM Edgenta, a key player in this evolving economic landscape, is steadfast in our commitment to executing our long-term strategy, encapsulated within the EoTF2025 framework and our Net Zero Targets. This strategy emphasises a focus on technology and sustainability solutions, aiming to meet the evolving demands of customers for integrated services.

Cost optimisation and operational efficiency remain at the forefront of UEM Edgenta's operational strategy. This includes the development and execution of a cost reduction roadmap, emphasising resource efficiency and cost-conscious spending. The introduction of Zero-Based Budgeting ("ZBB") for selected cost elements ensures that only essential spending is approved, supported by stringent budgetary controls and monitoring mechanisms to curb unnecessary and unbudgeted expenditure. Operational efficiency will be further enhanced through streamlining the operating structure, identifying and eliminating redundant processes, automating routine tasks, and implementing measures to streamline financial operations.

Each division within UEM Edgenta is pursuing targeted strategies to maximise its impact and contribution to the Group's overall goals. The Healthcare Support division continues to strengthen its relationships with the Ministry of Health in Malaysia and expand its private healthcare clientele, while also continuing to pursue diversification beyond healthcare support services strategy in Singapore and Taiwan. The Infrastructure Services division aims to maintain market dominance

and focus on delivering exceptional services, with a keen eye on sustainable pavement products to support environmental, social and governance ("ESG") agendas. The Property & Facility Solutions division champions technology and sustainability, integrating Smart City Solutions to enhance the in-house tech ecosystem, and continuing in operational efficiency initiatives to ensure a comprehensive approach that meet evolving clients and market needs. The Asset Consultancy division is pivoting towards end-to-end Energy and Sustainable Solutions ("EES"), leveraging on our commitment of RM200 million Sustainable Zero-Capex Programme to assist our clients in becoming more resource-efficient. In the growth market of the Middle East, we have further solidified our presence through strategic acquisitions in the KSA and the UAE. Through the integration and consolidation of the Group's existing operation in the markets, we will leverage our technology and sustainability capabilities as well as strategic partnership to deliver IFM services and smart cities solution.

In conclusion, UEM Edgenta's transformative journey and strategies firmly aligned with national development plans, emphasising sustainability and technological innovation. The core of our strategic vision is anchored in our unwavering commitment to excellence and innovation, which drives our ongoing efforts to advances, fostering sustainable growth and delivering long-term value for our esteemed shareholders. Concurrently, we are steadfast in our mission to make substantial contributions to Malaysia's economic resilience, thus securing our own sustained success in the long run.

OUR OPERATING ENVIRONMENT AND MARKET TRENDS

Amidst a challenging year marked by uneven economic growth worldwide, inflationary pressures and geopolitical tensions – UEM Edgenta has continued to navigated the headwinds by leveraging our diversified portfolio of businesses. This year, we made significant headway in our regional expansion with the full operationalisation of our Kingdom of Saudi Arabia (“KSA”) facilities management (“FM”) business. We also repositioned our asset consultancy to take advantage of the burgeoning sustainability solutions market.

The FM market, in mature markets like Malaysia, Singapore, and Taiwan are growing at 5-7% while the emerging markets like the United Arab Emirates (“UAE”) and the Gulf Cooperation Council (“GCC”) are growing at 13-15%. Transformative and technology-driven trends continue to reshape the FM landscape which UEM Edgenta has aligned with, positioning our business for growth opportunities and continued success. These include the integration of digital technology, environmental, social and governance (“ESG”) considerations, and integrated service delivery, all aimed at enhancing the customer experience. Nevertheless, challenges exist in the form of inflationary pressures impacting profitability as a result of rising manpower and material costs. Competition has also intensified considerably with a mix of traditional and new players in the FM market competing for a share of the pie, in addition to the demand for high-quality services requiring investments in further upskilling and training.

MALAYSIA

The base of our operations, Malaysia is home to our four primary divisions: Healthcare Support, Property & Facility Solutions, Infrastructure Services and Asset Consultancy. A key part in our ability to deliver value lies in Edgenta NXT as the provider of end-to-end facility management solutions and smart built-environment master integrator.

Trends

- Inflationary forces and minimum wage increase escalated operating costs
- Competitive pressure by smaller/ localised operators
- Growing demand for high-quality services at lower costs
- Increased demand for technology and sustainability solutions

Response

- Continued our cost optimisation exercise by implementing automation and mechanisation, streamlining finance and procurement processes and rationalising our business structure
- Enhanced operational efficiency through asset and facility digitalisation via Asseto roll-out and implementing smart building technologies for asset owners
- Delivered sustainable solutions to support our clients' sustainability agenda
- Allocated RM200 million for our Sustainable Zero-Capex Programme in Peninsular Malaysia and Sarawak to promote energy efficiency and sustainable asset management

OUR OPERATING ENVIRONMENT AND MARKET TRENDS



SINGAPORE

We have a growing footprint in Singapore, offering a range of services to both public and private hospitals. This includes healthcare support solutions, IFM, hospitality sector services and digital solutions.

Trends

- Escalation of operating costs, including both non-manpower and manpower related expenses (due to the new progressive wage model, increase in the qualifying salary and foreign worker levy of S-Pass holders, increase in supply chain costs and overall inflationary pressures in the post-pandemic environment)
- Intense competition from rivals
- Increased demand from client for service and quality at lower costs

Response

- Stringent optimisation of revenue and costs to minimise margin erosion, focusing on optimising non-manpower expenses through bulk purchasing, negotiations with suppliers on the best pricing and efficient inventory management
- Strong negotiation with clients on contract sum adjustment to reimburse and co-share the cost increase in regulatory driven measures e.g. Progressive Wage Model
- Optimised manpower by enhancing productivity through workforce training, redesign of job scope and staffing levels and implementing automation solutions to streamline processes
- Expanded digital solution offerings to the market by strengthening UETrack™ product profile
- Expanded hospitality market with the provision of room attendants and laundry attendant services to new clients
- Regular interaction with long-term clients fosters an environment where constructive feedback can be received and acted upon, leading to continuous improvement



TAIWAN

In Taiwan, we focus on hospital support services, including services such as portering, housekeeping and cleaning. Our housekeeping services is gradually growing its reach into other commercial sectors.

Trends

- Escalation of operating costs, including both non-manpower and manpower related expenses (due to the increase in minimum wage, National Health & Labour Insurances and Pension in Taiwan)
- Higher demand from client for service and quality at lower costs

Response

- Provided high-quality service (well-trained staff and standard operating procedure ("SOP"), good customer relationship, improved technology system-UETrack™ and continuously introduced innovative mechanisation



INDONESIA

Our initial venture into Indonesia involved maintenance services for toll roads. We have since broadened our scope in this region, taking on highway construction projects focusing on pavement works.

Trends

- Rising operating costs due to inflation and manpower scarcity
- Increasingly stringent service standard demands

Response

- Strengthened local supply chain
- Partnered with local entities to improve market access
- Participated mainly as Tier 2 or 3 contractor

OUR OPERATING ENVIRONMENT AND MARKET TRENDS



UNITED ARAB EMIRATES

Operon Middle East, our subsidiary in Dubai, specialises in end-to-end facility management solutions. We focus on commercial and residential real-estate as well as hospitality assets like golf courses and equestrian facilities.

Trends

- Increase in client expectations to fulfil contractual obligations
- Inflation in materials, transportation, communications and regulatory services
- Competitive market

Response

- We maintain strong client relationships to foster trust and loyalty as well as to secure repeat business and earn positive recommendations
- Secured various strategic and operating partnerships to:
 - Deepen our growth-enabling capabilities such as in tech and our Internet of Things (“IoT”) platform partners, Disrupt-X and ZainTech, to collaborate on smart city opportunities
 - Integration in value chain - KAIZEN Group acquisition presents synergistic opportunities to integrate with UEM Edgenta’s existing presence in the United Arab Emirates (“UAE”) facility management segment through Operon Middle East
- Broadened our presence in Abu Dhabi with new contracts and diversified clientele and market beyond Dubai



KINGDOM OF SAUDI ARABIA

In the Kingdom of Saudi Arabia (“KSA”), we operate through Edgenta Arabia Limited (“EAL”), a fully-owned subsidiary in Riyadh and MEEM for Facilities Management Company, part of UEM Edgenta’s international business division. We are committed to delivering both technology and sustainability-driven solutions, whilst also offering traditional IFM services.

Trends

- Saudi Vision 2030 continues to drive the growth of new sectors, companies and jobs
- Increasing demand for residential community and hospitality segment
- Healthcare services is driving the new growth

Response

- Market Expansion:
 - Set up foundations for residential community and hospitality market segments and exploring opportunities in healthcare support services market
 - Service Portfolio Expansion: New service offerings that align with market trends and customer demands such as IoT, robotics and energy management in providing comprehensive facility solutions
- Develop Robust Short, Medium and Long terms Pipelines by actively seeking out and engaging with potential and existing clients leveraging on our expertise to position ourselves as the trusted service provider
- Technology innovation partnerships: Collaborated with technology companies to leverage innovative solutions that enhance facility management processes, improve operational efficiency and provide competitive edge

OUR OPERATING ENVIRONMENT AND MARKET TRENDS

Our operating environment presents us with a variety of challenges and avenues for growth. With acceleration of our tech offerings and increasing importance placed on sustainability, we have the growing sustainability solutions demands from clients to position ourselves as a progressive and future-oriented company. At the same time, we continue to optimise costs while remaining attuned to the evolving expectations of our employees so we can deliver a high level of quality to our clients in the services and products we offer. Our stakeholders also require us to pay attention to sustainability matters in our operating environment and in the way we do business. In response to this, we have committed to reducing our carbon footprint, foster sustainability practices in our operations, promote diversity as well as equity in our value chain, emphasise health and safety considerations and do business transparently against the backdrop of a strong governance framework.

Key market trends and our response to them are outlined below:

Macroeconomic Challenges

After a year of ongoing geopolitical tensions and inflationary pressures, the global economy's growth trajectory remains subdued but with optimism for a soft landing for markets across the world in the coming years. Following the expected growth rate of 3.0% in 2023, the projected growth for 2024 is constrained by several factors, such as shifts in monetary policies in the world's largest economies, including the USA, the Eurozone and China, and supply chain disruptions.

IMPACTS

Risks:

- Continued inflationary pressure led to increasing cost of doing business, thus affecting profit margins
- Increasing competition - from traditional and non-traditional FM players, affected margins and ability to secure contracts

Opportunities:

- Technology and sustainability seen as opportunities - differentiating ourselves through technology and sustainability-based asset management solutions that drive cost savings and efficiency
- Utilising our cost advantage, agility and proven track record to renew existing contracts and secure new contracts in both local and international markets

RESPONSE

- A pivotal shift from the traditional repair, restore and maintain facility management services model to:
 - i) A transformation encompassing a dedicated focus on sustainability challenges
 - ii) Embracing cutting-edge technology, such as IoT, artificial intelligence ("AI") and machine learning, ensuring best-in-class asset performance and delivering an enhanced customer experience
- Continued our cost optimisation exercise by implementing automation and mechanisation, streamlining finance and procurement processes and rationalising our business structure
- Diversified into high growth and adjacent markets sectors that offer good earnings quality, such as hospitality and commercial sectors
- Secured various strategic and operating partnerships to:
 - Deepen our growth-enabling capabilities such as in tech and our IoT platform partners, Disrupt-X and ZainTech, to collaborate on smart city opportunities
 - Create integrated real estate services platform - KAIZEN Group acquisition presents opportunity to integrate property management and facilities management capabilities, focusing on customer experience, technology and sustainability

OUTLOOK

UEM Edgenta's approach for 2024 reflects a strategic commitment to driving the digital transformation of FM, underpinned by our international growth strategy.

UEM Edgenta is on the right footing to integrate property management and facilities management into a real estate services platform provider in the Middle East, addressing the emerging lifestyle needs with a focus on hospitality, wellbeing, sustainability and technology. UEM Edgenta is well positioned to unlock value by combining our smart buildings and sustainability solutions.

We will continue to harness cost efficiency across our business divisions in alignment with our Edgenta of the Future ("EoTF2025"), while pursuing a comprehensive approach to digital transformation that encompasses international expansion, strategic acquisitions, technological innovation, upskilling of our workforce and diversifying into emerging sectors.

This forward-looking strategy positions UEM Edgenta as a leader in shaping the future of FM - mitigating against the potential impact of global economic headwinds.

LINK TO

Capitals



Stakeholders

S2

S3

Material Matters

M2

M3

Risks

R1

R3

OUR OPERATING ENVIRONMENT AND MARKET TRENDS

Transition to Low-Carbon Economy

As we progress into 2024, the urgency to address climate change continues to intensify. The emphasis on sustainability and the environmental impact of businesses remains a pivotal concern for clients, governments, and investors. Following the announcement of the National Energy Transition Roadmap (“NETR”) by the government in 2023, Malaysian companies are now geared towards more ambitious projects to achieve the net zero emission target by 2050.

IMPACTS

Risks:

Non-compliance with environmental regulations or failure to meet globally-accepted environmental standards could lead to:

- Loss of access to international markets
- Difficulty in securing renewal of existing contracts and winning new projects
- Diminished reputation amongst clients, investors and governments, leading to significant financial impact
- Climate risk resulting in damages to assets we maintain or premises we occupy

Opportunities:

- Accelerating our growth by establishing ourselves as an industry leader in sustainability
- Introducing technology and sustainability-based solutions that drive improvement in our clients' sustainability performance

RESPONSE

- Implementation of various ESG initiatives as per our Sustainability Roadmap
- Announced our Net Zero Targets for Scope 1 and Scope 2 emissions in September 2023, aligning with the International Energy Agency's (“IEA”) Net Zero Emissions by 2050 Global Pathway (published in 2022)
- Integrating sustainability in our businesses - repositioning Opus to be an end-to-end sustainability engineering consultancy company
- Enhanced our sustainability policy to align seamlessly with our corporate values and business objectives
- In Singapore, we have initiated a supplier evaluation process that prioritises environmentally conscious practices and includes criteria related to green products and services
- Data automation for our carbon accounting exercise
- Initiated the implementation of a carbon budgeting process as part of our effort to implement our decarbonisation strategy

OUTLOOK

As part of our Sustainability Roadmap, we intend to solidify our sustainability pillars to future proof our business. By strategically integrating ESG principles into our operations, we aim to enhance our environmental stewardship and to foster positive social impact and uphold strong governance standards.

As a response to climate-related risks, we have curated a workplan and will start the assessment of our physical and transition risks as per the Task Force on Climate-related Financial Disclosures (“TCFD”) requirements.

To develop a more comprehensive map of our carbon footprint, we will also be calculating Scope 3 emissions to enable us to decarbonise our value chain.

LINK TO

Capitals



Stakeholders



Material Matters



Risks



OUR OPERATING ENVIRONMENT AND MARKET TRENDS

Evolving Workforce Challenges

The landscape of the workplace continues to evolve, with hybrid, remote and work-from-home arrangements now established norms in workplaces across the globe. Employees today value companies that not only offer flexible working conditions but also support their holistic wellbeing. Training in digital technology, sustainability, and other critical areas have also become paramount, particularly considering our global footprint and the increasingly digital-centric nature of our business.

IMPACTS

Risks:

- Ability to retain and attract new talent
- Ability to remain competitive as an employer of choice
- Prioritising adherence to evolving human rights standards, labour laws and practices

Opportunities:

- Building a leading employer reputation by fostering a sense of purpose through engaging initiatives
- Expand our reach to attract the best talent and retain top performers by boosting employee satisfaction through hybrid and flexible work structures, incentives, and rewards and recognition for employees' performance, achievements and contributions

RESPONSE

- Normalisation of flexible working arrangements and continuing to support our employee wellbeing through various wellness programmes
- Future-proofing employees through ongoing development and empowerment in career growth:
 - a. Individual Development Plan ("IDP") – Self-charted learning through formal and informal interventions e.g. training, mentoring, job rotation, sharing sessions, reading, etc. Through this plan, 87% of Edgenta Stars completed planned development interventions in 2023 which exceeded our target of 60% for first year implementation. This marks a significant milestone in our commitment to fostering professional growth and development among employees. (Note: Implementation excludes UEMS, KSA, OME)
 - b. Kept employees informed of available job openings at UEM Edgenta via "Opportunity Marketplace" which is hosted on our internal Human Resource platform
- Published commitment on diversity, equity and inclusion ("DEI") and adherence to Employment Act changes

OUTLOOK

In response to evolving business needs, we are intensifying our efforts to enhance the capabilities of our workforce. This includes prioritising employee development through structured individual development plans, introducing new learning programs and tools, and placing a greater emphasis on nurturing young Technical and Vocational Education and Training ("TVET") talent.

We are steadfast in our commitment to cultivating a high-performing work culture at UEM Edgenta. This involves refining our performance framework, recognising exceptional achievements through incentives, rewards, and informal acknowledgments to boost motivation and productivity.

Furthermore, our dedication to upholding "Human Rights and Labour Practices" remains unwavering. We are embedding principles of non-discrimination, equality, diversity and inclusivity into our HR procedures, ensuring that every individual within our workforce is treated with fairness and respect. Additionally, we actively participate in Human Rights Impact Assessments to further reinforce our commitment to these principles.

LINK TO

Capitals



Stakeholders

S1

S3

Material Matters

M8

Risks

R5

OUR OPERATING ENVIRONMENT AND MARKET TRENDS

The Digitalisation of Everything

The digitalisation of everything we do continues to redefine the business landscape. Technologies such as IoT, AI, cloud computing and automation are no longer just emerging trends but fundamental aspects of modern business operations. Our competitive edge in the global market is increasingly dependent on how effectively we harness these digital technologies to create value, and in tandem strengthening our cybersecurity and data privacy technologies to safeguard our operations and maintaining trust.

IMPACTS

Risks:

- Advancements in IoT and AI continued to have a profound impact on the current business landscape
- Companies, including our competitors, now have the capability to access data in real-time and derive insightful analytics from it, fundamentally changing how businesses operate and make decisions

Opportunities:

- This shift underscores the critical importance of adapting to and leveraging technological advancements to stay at the forefront of our industry
- By adopting these technologies, we gain the ability to access and analyse data instantaneously, leading to better informed decision-making
- Furthermore, predictive maintenance becomes achievable, allowing for more efficient and proactive management of assets
- Equally important is the creation of a digital ecosystem where various players can collaborate seamlessly to foster greater innovation and efficiency

RESPONSE

- Bolstered our cybersecurity to ensure a resilient digital infrastructure which is essential for supporting the advanced technologies that are central to our digital transformation
- Adopted and integrated cutting-edge technologies like low-code and no-code platforms, robotic process automation ("RPA") and generative AI, enabling us to be more agile, responsive and aligned with both market and business needs
- Leveraging technology and strategic partnerships to unlock new opportunities, such as with our first SaaS technology platform - Asseto

OUTLOOK

Our strategic outlook acknowledges the varied pace of digital adoption across different markets. There is a clear trend emerging across all markets - companies that lag in embracing digital innovations are likely to find themselves at a competitive disadvantage in the long run.

For UEM Edgenta, this landscape presents a unique opportunity to transform our business model towards higher margins and enhanced sustainability. Fortunately, our foresight in embracing digital technologies has given us a competitive edge.

To build on this, we must accelerate our efforts, focusing on partnerships and pursuing both organic and inorganic growth within the technological sphere.

LINK TO

Capitals



Stakeholders



Material Matters



Risks



STAKEHOLDER ENGAGEMENT

Board of Directors and Employees

Engagement Platforms and Frequency

Board and Board Committee meetings

- Periodically

Board Strategy meetings and retreats

- Annual Board Strategy Meetings
- Annual Board Retreats

Regular interaction with line manager

- Semi-annually, monthly and weekly team meetings

Regular announcement on corporate developments, campaigns and topical updates

- As needed

MD/CEO Mailbox

- Ongoing

Employee Digital Platforms such as People Connect and Edgenta Connect via Sharepoint, Edgenta Tech and Edgenta Academy

- Ongoing

Employee engagement survey

- Annually

Employee induction programmes and engagement activities

- As needed

Employee focus group discussions, townhalls, virtual talks and dialogues

- As needed

LEAP Visits (to allow senior management to meet employees at sites)

- Periodically as arranged by senior management

Key Topics and Concerns Raised by Stakeholders

- ESG matters including material matters, Net Zero Targets, supply chain management, sustainability reporting, sustainability risk and sustainability related policies
- Business strategy and growth, business pipeline, financial performance, ensuring business continuity and agility as well as maximising value amidst challenging operating environment
- Matters concerning governance and compliance including development of new policies and transparency of corporate decisions
- Employees' wellbeing, safety, security and concerns, career development and capacity building
- Employment and matters relating to National Union of Workers
- Matters arising from Employee Engagement Survey (EES) and improvement on EES
- Operational challenges faced at sites

Our Response

- Transparently provide regular updates on our ESG performance scorecard, ESG initiatives, roadmap progress, challenges faced and strategies to address material matters
- Regular updates and discussions on business strategy and pipeline, analyse cost strategy to maximise value to address rising costs and thinning margins
- Regular reporting on governance and risk matters by maintaining and updating risk registry
- Developed policies around Conflict of Interest
- Developed focus groups to address the results of employee engagement survey to improve employees' working experience
- Advancing in employees development monitoring by establishing Individual Development Programme
- Leveraging on digital platforms to cascade information, and centralised feedback mechanism for IT and HR enquiries and centralised learning portal for employees

STAKEHOLDER ENGAGEMENT

Client and Partners

Engagement Platforms and Frequency

Regular ad-hoc meetings

- As needed

Client Satisfactory Survey

- Every six months

Stakeholder Engagement Survey

- As Needed

Onsite inspections

- As needed
- As scheduled by HSSE for senior management visits

Industry Thought Leadership Programme as speaker/representative

- As needed

Industry conferences and exhibitions

- As needed

Printed and digital marketing materials

- As needed

Key Topics and Concerns Raised by Stakeholders

- Matters related to project management, service quality, manpower, business and operations risk, and areas of improvement in service delivery
- Compliance with safety requirements in operation sites
- Assessment of existing equipment and discussion on technological barriers such as high implementation costs
- Quality of professional development programmes and new knowledge on market interventions
- Integration of sustainability and circular economy in business operations
- Assessment of existing equipment, improvement works study and technological advancement proposals to achieve desired performance

Our Response

- Implementing a tracking mechanism to monitor progress and ensuring timely completion of projects while exploring automation solutions for tasks
- Organising workshops with partners to develop collaboration opportunities
- Organising knowledge sharing sessions and participate in conferences to stay abreast of technological advancements
- Conducting annual satisfaction surveys for our clients
- Regular HSSE inspections at various facilities to identify potential health and safety risks and assist in improving the workplace
- Contingency planning to mitigate business risks impacting service delivery
- Transforming services through innovation, automation and technological advancement
- Improving Integrated Facilities Management service delivery including enhanced job scheduling and broader monitoring capabilities, through the deployment of Asseto in operating sites

STAKEHOLDER ENGAGEMENT

Government and Regulators, Industry and Business Associates

Engagement Platforms and Frequency

Industry Associations - Malaysian Asset And Project Management Association (MAPMA) and Asia Pacific Real Assets Associations (APREA)

- Ongoing

Sustainability Networks such as the CEO Action Network ("CAN") and Climate Governance Malaysia ("CGM")

- Ongoing

For Frequency of Sustainability Networks to state

- Ongoing

Regulatory bodies - Bursa Malaysia, BOMBA, CIDB, MOF, MACC

- Periodically or as needed

Key Topics and Concerns Raised by Stakeholders

- Concerns and impact of government regulations on our business and alignment of regulatory requirements with the company's services
- Understanding regulators' needs, requirements including licensing for services offered
- Our ability to meet Sustainability Reporting requirements
- Industry's best practices, ability to achieve sustainability commitments set by sustainability networks

Our Response

- Actively engage in dialogues and consultation with governmental bodies to gain insights on their needs, requirements, priorities and staying abreast with regulatory changes
- Showcasing automation and digital solutions as part of sharing of best practices in the industry
- Provide feedback and share insights on the feasibility of achieving sustainability targets and commitments to provide market feedback and expectations to the regulators
- Build relationship with companies in the industry to leverage on their expertise and experiences

STAKEHOLDER ENGAGEMENT

Shareholders and Investors

Engagement Platforms and Frequency

Annual General Meeting
Annual Report
Quarterly Results Briefing

- Annually or as needed, arranged by the Group

Investor Engagement Group Meetings
Investor Day, Site Visits
Sustainability Circles

- As required

Bankers and Lenders

- Periodic credit reviews
- Periodic sustainability surveys

Rating agencies

- Periodic rating review exercise
- Periodic sustainability surveys

Key Topics and Concerns Raised by Stakeholders

- Overall business performance, prospects and strategies, margin compression and its effects on meeting investors' expectations
- Improvement in innovation and technology-based operational excellence to achieve cost optimisation and building efficiency
- Maximising shareholders' value and stable dividend distribution
- Business continuity strategy especially on renewal of concession contract
- Social responsibility for economic and nation development, including the contribution to local community
- ESG practices and disclosures
- Ability to meet debt obligation

Our Response

- Active investor relations programme and activities to engage and update the investment community and retail investors
- Execute cost savings initiatives to ensure healthy balance sheet, disciplined capital deployment and resilient earnings from long-term orderbook
- Demonstrates strong orderbook replenishment and contract execution track record
- Portfolio enhancement and growth acceleration strategy to adapt to the competitive and changing market landscape and improve earnings
- Pursue value enhancing opportunities
- Promoting / offering sustainability and technology solutions to be ahead of market
- Enhancing ESG into our operation practices to build a resilient sustainable Company - Net Zero pathway and commitments announced

Supply Chain Partners

Engagement Platforms and Frequency

UEM Edgenta Vendor Day 2023

- Annually

Vendor Engagements and Training (including Safety Training for employees and Contractors)

- As needed

Project Perintis Council Meeting

- Quarterly

Supplier's Survey (ESG)

- As needed

Key Topics and Concerns Raised by Stakeholders

- ESG awareness and sharing sessions for suppliers
- Effective supply chain management and OE HSSE practices
- Enhancement plan for VDP programme
- Transparent procurement procedures
- Cost savings through procurement negotiation
- ESG Practices, identification of Scope 3 and implementation in supply chain
- Business continuity for Small medium enterprise (SME)

Our Response

- Supporting the national VDP programme to enhance Vendors capability via training and the Malaysia Business Excellence Framework
- Engaging vendors on deliverables, service evaluation, long-term agreements and addressing their concerns
- Developed Code of Conduct for Business Partners to ensure alignment on professional conduct
- Established and align vendor practices with our standards
- Conducting ESG supplier evaluation survey to understand the vendors' ESG performance
- Provide Supplier Financing Programme for SMEs

STAKEHOLDER ENGAGEMENT

Media

Engagement Platforms and Frequency

Media Interview

- As needed
- One interview in FY2023 by Sinar Harian on UEM Edgenta's Integrity Policy
- COP28 Interview by Reuters

Corporate Website

- As Needed

Social Media Platforms

- As Needed

Editorial Placements

- As Needed

Analyst Briefings

- Quarterly and as required

Key Topics and Concerns Raised by Stakeholders

- Financial performance and business strategy and growth
- Matters related to corporate governance and integrity
- Strategic initiatives such as allocation of CAPEX in green ventures
- Social impact such as environmental initiatives, community involvement and sustainability efforts
- Sustainability initiatives and progress on targets

Our Response

- Organising green and sustainability events to engage the media and promote our sustainability programmes
- Communicating and launching Net Zero Targets (Scope 1 and Scope 2)
- Announcement of collaboration and strategic partnerships

Community

Engagement Platforms and Frequency

Corporate Responsibilities activities

- As needed

Strategic and ad-hoc meetings, visits to identify opportunities to collaborate on events/projects

- As needed

Key Topics and Concerns Raised by Stakeholders

- Community outreach to support the low-income and underprivileged group
- Provision of resources to the under-privileged group within the company and in the community
- Mitigation and adaptation in climate change
- Wildlife and environment preservation

Our Response

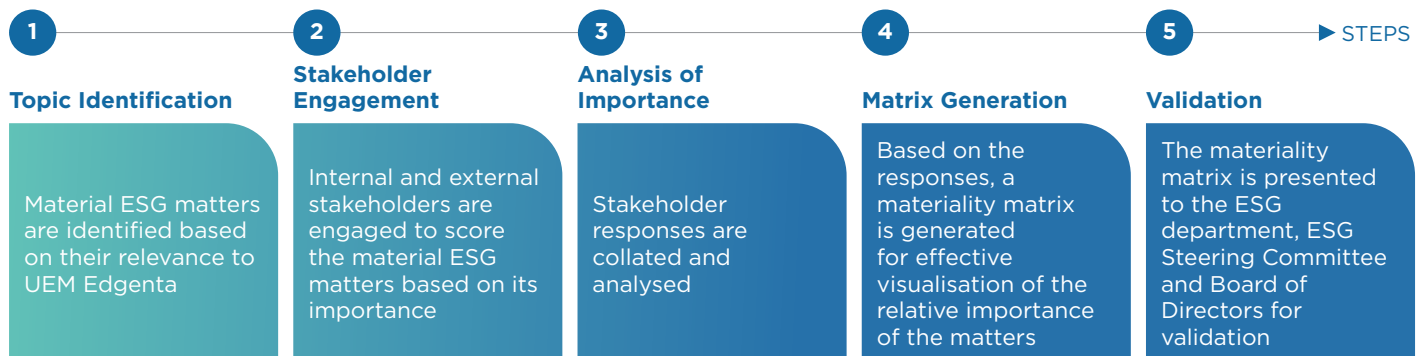
- Addressing the needs of Edgenta's employees through the establishment of the Edgenta Care Society
- Providing school supplies and necessities to children
- Distribution of zakat and donation to communities
- Participating and contributing in the preservation of environment by collaborating with various partners in environmental conservation
- Initiating recycling initiatives, encouraging the use of recyclable materials for composting to reduce waste, promoting circular economy practices, and contributing to sustainable agriculture

OUR MATERIAL MATTERS

In our pursuit of a sustainable value creation journey, we prioritise the identification and review of sustainability issues critical to both our business and stakeholders. This entails conducting a comprehensive materiality assessment as required by regulators and industry best practices and monitoring it regularly, ensuring alignment with prevailing sustainability trends and industry benchmarks. Feedback from internal and external stakeholders, collected through surveys, provides invaluable insights into the ESG impacts of our operations and our position in the sustainability landscape. To maintain the relevance of our material issues, we conduct an annual review, responding promptly to stakeholder concerns, mitigating risks and seizing opportunities.

In January 2023, we further enriched our understanding by engaging external stakeholders through interviews and additional online surveys, focusing on the existing list of 11 material matters. This collaborative effort allowed us to gather nuanced insights into evolving stakeholder expectations and refine our understanding of the material issues facing our industry. Our findings revealed a significant alignment between the material issues identified and the practices adopted within our industry, indicating close adherence to local regulations and sector-specific risks. Looking ahead, we remain committed to continuously enhancing the depth and scope of our materiality assessments to address stakeholder concerns and priorities, thereby ensuring the long-term sustainability of our organisation. The finalised list of material matters, detailed in this section, serves as the focal point for our reporting, communications and disclosures, both within this report and in our dedicated Sustainability Statement. We also recognise the importance of embracing the concept of double materiality in our operations. We will therefore be looking at embedding double materiality assessments into our decision making process moving forward.

MATERIALITY ASSESSMENT PROCESS



MATERIALITY MATRIX

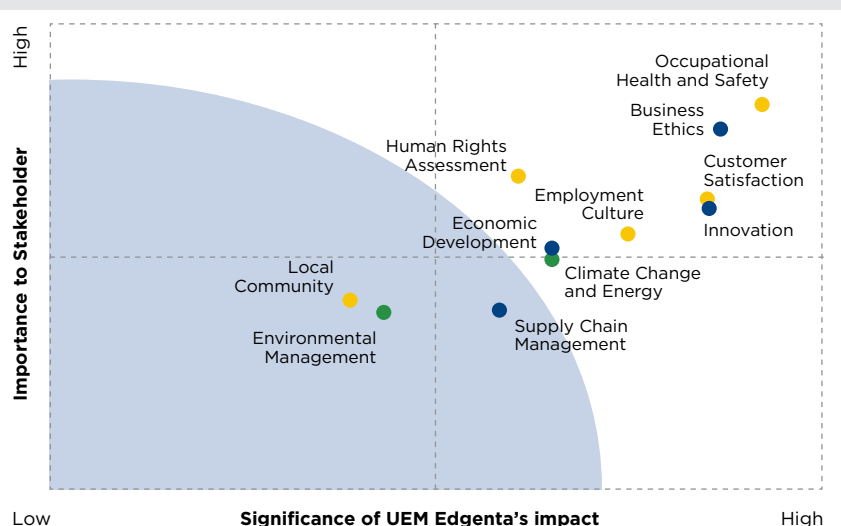
Through an analysis of stakeholder feedback, we constructed a detailed materiality matrix, illustrating the average ratings assigned to each concern throughout FY2023. These fluctuations in the relative positions of material matters allow us to synchronise our key ESG matters with our business strategy for 2023. The matrix serves as a guidepost, ensuring the comparative significance of each issue in relation to one another, all of which are integral components of our overarching strategic and ESG agendas within the Group.

Key Takeaways:

In light of the significance of all material topics, our materiality matrix emphasises the relative importance of each in comparison to others.

While we acknowledge the importance and impact of all material matters, we have identified four areas namely Climate Change and Energy, Environmental Management, Supply Chain and Human Rights as focus areas to be prioritised. Nevertheless we still address the other areas and will move these into our priority lists as we progress in our materiality process.

- Environment
- Social
- Economic



OUR MATERIAL MATTERS

Sustainability Pillar	Material Matter	Definitions
Sustainable Economic Growth	M2	Using technology to transform our processes for enhanced efficiency and reduced costs, and to provide our customers with more effective and technologically-advanced solutions.
	M3	Generating economic value from our business activities and sharing this value with local communities through remuneration and local hiring while driving continued market expansion.
	M4	Maintaining fair practices across our supply chain while developing local suppliers through purpose-fit programmes such as the Malaysian government's Bumiputera Vendor Development Programme.
Minimising Environmental Impact	M5	Taking concerted climate action by reducing our direct and indirect greenhouse gas ("GHG") emissions and reducing energy consumption across our operations.
	M6	Adopting responsible environmental management strategies across waste management, material use and water consumption.
Social Value Creation	M9	Meeting our customers' quality standards while ensuring their health, safety and data privacy are safeguarded at all times.
	M7	Actively anticipating, recognising, evaluating and controlling hazards arising in or from our workplaces that could impair the health and wellbeing of our employees, including their mental health.
	M8	Ensuring a non-discriminatory and merit-based approach to employment while supporting talent growth and carrying out succession planning.
	M10	Actively monitoring and managing human rights matters across our value chain.
	M11	Devising and delivering community engagement initiatives and development programmes that create positive, long-term social impact.
Governance	M1	Conducting business ethically by preventing abuse of entrusted power for private gain, remaining compliant with laws and regulations and protecting the Group's and our stakeholders' data from cybersecurity breaches, while incorporating business ethics into our business practices and governance structure.

VALUE CREATION BUSINESS MODEL

OUR CAPITALS

INPUTS

Financial

- Beginning of FY2023:
 - Shareholders' funds: **RM1.58 billion**
 - Cash, bank balances, deposits and short-term investments: **RM706.7 million**
 - Net cash position: **RM247.9 million**
 - Total assets: **RM2.87 billion**

Plants and Machineries

- Over **1,000 units** of cleaning machineries
- One (1) incinerator plant** for clinical waste treatment
- Two (2) laundry plants** for processing of soiled linen
- Revolutionised traffic management plans and emergency works with Truck Mounted Attenuator ("TMA")
- 6 major machineries for each Pavement Team (12 competent in-house Pavement Teams)

Social and Relationship Resource

- Regular media interviews by leadership
- Regular engagements with stakeholders
- 1,800** volunteering hours in various corporate responsibility programmes
- 19** community projects
- Supplier Financing Programme
- Vendor Development Programme

Intellectual

- UETrack™** to enhance primary healthcare support services
- RAMS** enables remote monitoring and management of roads
- Asseto** - Multi-tenant SaaS solution
- Pavement Research Centre ("PRC")** to support growth strategy and sustainability agenda

Human

- No of employees: **17,443** (excluding KSA's MEEM and UAE's KAIZEN Group)
- No of nationalities: **32**
- Flexible work arrangement, allowing flexibility in terms of timing and place of work
- Over **500** engineers

Natural

- Launched UEM Edgenta's Net Zero Targets to achieve net zero GHG emission by 2050
- Constructed Recycled Asphalt Premix Plant
- Installed solar panels on the roof of Menara UEM
- Sustainability solutions offered to clients
- Various water management initiatives in collaboration with PLUS

ENABLE VALUE-ADDING ACTIVITIES THAT CREATE

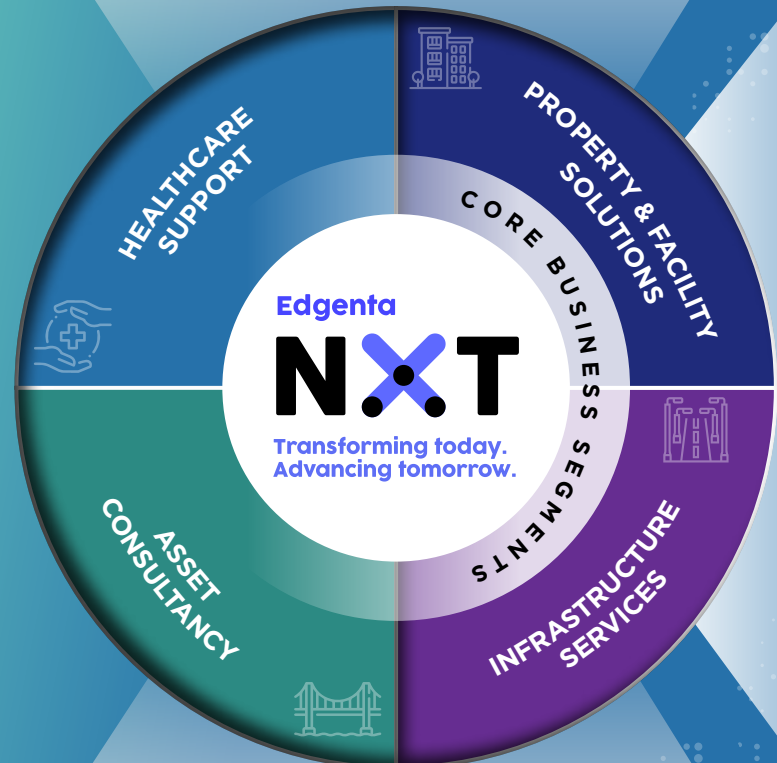
APPROACH TO BUSINESS VALUE CREATION

FORMULATE BUSINESS STRATEGIES

Guided by our material matters, we develop strategies that deliver shared value between our business and our stakeholders. Strategies are also aligned with our overarching EoTF2025 vision, which is geared towards transforming UEM Edgenta into a leading Technology-Enabled Solutions Company by 2025.

INTEGRATE INTO OUR BUSINESS MODEL

Leveraging our global resources, strategies are implemented through our business divisions



SUPPORTED BY OUR CORE VALUES

FUTURE FOCUSED **I**MAGINE NEW WAYS **R**ESPECT FOR ALL **S**OLUTIONING MINDSET **T**RUE TO OUR WORD

Material Matters

- | | |
|--------------------------------|--|
| M1 Business Ethics | M2 Innovation and Technology-based Operational Excellence |
| M3 Economic Development | M4 Supply Chain Management |

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

→ VALUE FOR OUR STAKEHOLDERS

OUTPUTS

FINANCIAL

- › Revenue: **RM2.9 billion**
- › **RM9.3 billion** order book
- › New contracts secured: **RM2.0 billion**
- › Net cash position: **RM152.6 million**
- › Total assets: **RM2.95 billion**

OPERATIONAL

- › Preserve the lifespan of more than **44,000 BEMS** assets worth over **RM2.4 billion**
- › Care for more than **RM850 million** worth of **FEMS** assets
- › Process over **19 tonnes** of soiled linen annually
- › Incinerate **more than 8.5 metric tonnes** of clinical waste annually
- › Maintain over **1.7 million m²** of cleanable area daily
- › Provide facility management services at over **500** buildings and facilities
- › Manage over **RM10 billion** worth of infrastructure assets
- › **RAMS** bringing over **1,500 km** of expressway and state road assets online
- › More than **9,000 km** of expressways and state roads managed in Malaysia and Indonesia
- › Involved in over **RM110 billion** worth of infrastructure projects (including projects currently under construction) through Opus Consultants
- › Up to **52% reduction** in electricity consumption through our Energy Efficiency Solutions
- › Saved a total of **38.4 million kWh** per annum in electricity
- › Asseto - Over **35,000 assets** under management in **363 buildings**

DIVERSIFIED PORTFOLIO WITH WORLD-CLASS SERVICES

- › Expanded our hospitality, IFM and commercial businesses in Singapore and Taiwan. Strong track record in healthcare support services market contributed to strong renewal rate:
 - Singapore: Renewed 8 contracts
 - Taiwan: Renewed 51 contracts
- › Strengthened our presence in Peninsular Malaysia through the continuation of the Selangor State Road maintenance contract and securing contracts in new states
- › Launched our hospitality business in Singapore
- › Expanding sustainability solutions contracts:
 - Secured RM115 million in EPC contract value since 2017
- › Acquisition of KAIZEN Group - property management-facility management integration reinforces the value proposition in the Middle East region

OUTCOMES

For Malaysia and Markets We Operate In

- › Enhanced healthcare at government and private hospitals
- › Safe and well maintained expressways and state roads, and smart buildings

For Shareholders

- › Shareholders' funds: **RM1.62 billion**
- › **2 sen dividend** per share single-tier interim dividend for FY2023
- › Net assets per share: **RM1.95**

For Our Customers

- › Incorporation of Health, Safety and Environment system and control from conception of project
- › Established safety guidelines for safe working environments
- › Supporting client **technology and sustainability** agendas through our solutions

For Greater Social Security

- › **50%** of total workforce are women and more than 30% of senior and middle management positions are held by women
- › A high performing workforce committed to excellence in service and solution delivery
- › Ability to attract and retain a talented and diverse workforce

For Communities

- › Projects and community engagements that impacted more than **8,805 underserved** communities nationwide
- › Nurturing SME suppliers to grow into larger companies

For a Better Environment

- › **20 buildings** received the GBI and LEED accreditations
- › **RM16.6 million** total annual energy cost savings for clients through our EPC projects
- › From an enterprise perspective, we determined **17,577 tCO₂** as baseline emission across Scope 1 and Scope 2 (baseline year:2022)

EDGENTA OF THE FUTURE 2025 (EoTF2025)

(2020-2025)

Our “Edgenta of the Future 2025” (EoTF2025) strategy outlines the key pillars of our transformation into a Technology-Enabled Solutions Company by 2025. It sets clear objectives for us to be competitive on a global scale, emphasising the uniqueness of our solutions, cost efficiency, and expansion into new markets and sectors. Our commitment to integrating technology and sustainability into our strategic fabric remains unwavering, yet we aim to remain agile in navigating the shifting sands of market landscape and challenges. As we crossed the halfway point of our EoTF2025 journey, whilst we are in good position to meet our objectives, we will continue to assess the changing market dynamics and adapt our strategy to ensure that we remain on a sustainable footing to deliver long-term value creation.

OUR EDGENTA OF THE FUTURE 2025 TRANSFORMATION PILLARS

EXPAND footprint and deepen solutions base

GOAL

12% revenue growth per annum over five years

STATUS

Achieved 12% CAGR since 2021

NEW WINS FOR FY2023

- Record new wins of RM2 billion
- 52% international new wins

NEW PRODUCTS AND SERVICES

- **Integrated Healthcare Support:**
 - Expanded our reach by diversifying into the hospitality sector and strengthening our commercial housekeeping business after securing eight new contracts in Singapore
 - Entered into partnerships with WAS, First Ambulance Services and Optima Technic to strengthen its position in the international healthcare business

EXTRACT value from core businesses

GOAL

RM100 million in cost savings over five years

STATUS

Delivered RM81.8 million cost savings since 2021 - 82% progression, ahead of target

ENHANCE product and technology proposition

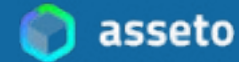
GOAL

Drive **differentiation** through technology-based solutions

STATUS

RM2 billion in tech-enabled wins since 2021

Commercialisation of digital platforms:



- Edgenta NXT deployed Asseto in 15 Property Facility Solutions (“PFS”) clients, including three sites within KLCC and over 200 CIMB branches nationwide
- We also attained new sites and more than 3,000 assets of a higher education facility
- In 2023, Edgenta NXT successfully implemented Asseto to 35,000 assets

EDGENTA OF THE FUTURE 2025 (EoTF2025)

(2020-2025)

- **Integrated Property Management/FM**
 - Capability acquired through KAIZEN Group acquisition in the UAE
 - New market expansion into the KSA aims to further expand our footprint in the Middle East region
- **Sustainability Solutions:**
 - Property & Facility Solutions division offered value-add ESG and Sustainability Services to existing FM contracts in Malaysia
 - 20 Green Building Certifications completed in 2023
 - National Energy Award 2023 - Hospital Sultanah Maliha-Merit: Retrofitted Building

BUSINESS GROWTH STRATEGY

- Operationalised Sarawak Regional Office to intensify business development and local capacity building, leveraging partnership with a subsidiary of Sarawak Economic Development Corporation ("SEDC")

GENERATING SAVINGS

- Continuous procurement initiatives to leverage on bulk purchasing to achieve substantial cost reductions. "Spend Refresh" programme to identify significant improvement opportunities in procurement spend
- LEAN programme continues to identify cost saving opportunities through digitalisation, mechanisation and automation initiatives
- The Strategic Vendor Management Programme supports SMEs and MSMEs while ensuring service excellence, enhancing delivery schedules and achieving cost efficiencies through rate reductions and sourcing efficiencies
- The establishment of the Treasury Management Centre ("TMC") serves as an in-house bank to pool funds to ensure efficient capital deployment at optimal cost

ENHANCING CAPABILITIES AND TECHNOLOGY SOLUTIONS

- **Healthcare Support (Singapore):**
 - Enhanced UETrack™ capabilities through partnerships with technology companies: Taitung System Technologies, Digile, SustainEdge and Evercomm
 - Integrated six new cleaning robots in hospitals in Singapore to increase efficiency
- **Healthcare Support (Malaysia):**
 - Began using AI and robotics to improve cleaning services and efficiency as well as reducing environmental impact at three government hospitals in the northern region of Peninsular Malaysia

- Opus Consultants secured its first project through partnership in Sarawak - Independent Consulting Engineer ("ICE") services for Jalan Sultan Tengah (Damai Masterplan)
- Infrastructure Services division strengthened its presence in Peninsular Malaysia through the continuation of the Selangor State Road (Zone 2) concession and securing contracts in new state

INTERNATIONAL GROWTH

- Acquired KAIZEN Group to integrate with UEM Edgenta's existing presence in the UAE facility management segment
- Acquisition of MEEM, one of the KSA's leading facilities management companies, began to contribute to the Group's topline in 2023
- Attained major healthcare contracts such as the Woodlands Health Campus contract in Singapore and six new ones in Taiwan
- Secured high-profile IFM contracts including INSEAD in Singapore and penetrated the Facility Engineering Services ("FES") sector in Taiwan

CREATING VALUE THROUGH DIVERSIFICATION

- Investment into advanced pavement machinery by Infrastructure division allowing for more complex projects to be completed with greater precision and efficiency
- The Hot Premix Plant with Recycling Facility recycles milling waste into Recycled Asphalt Pavement ("RAP") to reduce consumption of raw materials
- Opus is the sole Asset Management Consultant in Southeast Asia that is able to utilise dTIMS to optimise performance and cost effectiveness through comprehensive asset whole-life cycle analytics, planning and management

Infrastructure Services:

- Boost our capabilities to create long-term growth especially in tech solutions by partnering with Tadoom, ZainTech and Disrupt-X, enabling us to venture into smart city opportunities in the Middle East

EXPANDING INTO NEW BUSINESS

- UEM Edgenta launched Opus End-to-End Sustainability Solutions, marking Opus Consultants foray into energy efficiency and sustainable asset management
- Launched RM200 million Sustainable Zero-Capex Programme for Sarawak and Peninsular Malaysia
- UEM Edgenta signed three MOBEs with partners, Earth Finance Inc., Honeywell International Sdn. Bhd. and Yinson Green Technologies to provide greater sustainable solutions and green financing

The building of a global IFM franchise through technology and sustainability solutions is a key component of our EoTF2025 vision. To achieve this, we are focusing on:

Productising tech solutions

Transforming service delivery through technology, our strategy elevates UEM Edgenta into a frontrunner in delivering cutting-edge, productised tech solutions that redefine asset and facilities management

Driving sustainability solutions

Our relentless pursuit of sustainability solutions anchors our vision, setting new standards in eco-efficient practices across industries and reinforcing our commitment to a greener future

Driving operational efficiency

By revolutionising client operations with digitalisation, data analytics and IoT integration, we unlock unparalleled operational efficiency, showcasing our capability in steering industries toward intelligent, sustainable growth

Enhancing our IFM franchise in international markets

Expanding our IFM franchise globally reflects our strategic expertise, showcasing our prowess in melding technology and sustainability to reshape facilities management across international markets

RISKS AND MITIGATION

The Group remains steadfast in its commitment to effectively manage risks, recognising their presence in our business decisions and operations. Thus, effective risk management is crucial in balancing our risk exposure while successfully pursuing our strategic and business objectives.

We acknowledge both inherent and external risks in our business, which are addressed through a robust risk management framework. In addition to meeting compliance requirements, we actively embrace policies, principles and practices geared towards minimising risk exposure, optimising performance and fostering steady confidence among stakeholders.

We view risks as opportunities to enhance our internal controls, compliance protocols and management strategies. Each identified risk is evaluated based on its likelihood of occurrence and potential impact on our business.

The following highlights the main risks we have recognised which may substantially affect our operations. This list is not exhaustive and is not presented in any particular order of importance. While the Board regularly assesses these risks, it also acknowledges the possibility that unforeseen, non-existent or seemingly insignificant risks may emerge as significant in the future.

► Details of our risk management framework and control processes can be found on pages 238 – 246 under the Statement on Risk Management and Internal Control of this Annual Report.

STRATEGIC RISK

Strategic risks refer to the fundamental decisions made by the Board and Management of UEM Edgenta relating to the Company's objectives and exposure to a dynamic market environment and industry demands. These risks have the potential to influence the Company's business strategy and growth trajectory, posing a threat to achieving its objectives if not mitigated.

They stem from the evolving market landscape, including industry uncertainties and emerging issues that could impact various aspects such as strategy execution, performance metrics (e.g., market share and growth), shareholder value and reputation.

Strategic risks often require UEM Edgenta to make calculated decisions to expand its business and ensure long-term viability. They represent the inherent challenges and uncertainties associated with pursuing growth while remaining competitive in the marketplace.

Context

- Our engagement in various countries exposes UEM Edgenta to a range of economic, regulatory, political and social factors that can significantly influence our strategic decisions and day-to-day operations.
- Within our operating landscape, competition remains intense. Our clientele, both established and prospective customers, are increasingly shifting their demands from traditional services to those that offer added value, including technological integration, performance-driven models and sustainability initiatives.
- Clients, especially those in industries prioritising cost-effectiveness, may occasionally undervalue the importance of our services, despite their necessity. This trend of service commoditisation ultimately results in increased competition primarily driven by pricing.
- Market dynamics continue to exert pressure on our profit margins, making it challenging to both expand our revenue streams and sustain a robust order book.

Mitigation

- Our primary goal is to expand and diversify our market reach through the implementation of the Pan-Malaysia Strategy. This involves penetrating new regions and exploring adjacent sectors to broaden our revenue streams.
- We are committed to developing and implementing cutting-edge technology solutions to revolutionise service delivery in both the healthcare and infrastructure domains. Our aim is to establish new standards and benchmarks within these sectors.
- We are focused on productising our existing technological solutions and enhancing their scalability to cater to the needs of our current and prospective clients. This will enable us to efficiently meet the evolving demands of the market.
- We are dedicated to the ongoing cost rationalisation efforts aimed at driving organisational efficiency. By optimising our product and technology offerings, we aim to enhance our competitiveness in the market.
- Our strategy includes expanding our client base through cross-selling initiatives and the adoption of performance-based contracting models. Additionally, we remain committed to sustaining our existing concession businesses while pursuing growth opportunities.

RISKS AND MITIGATION

OPERATIONAL RISK

Operational risk involves the potential for financial loss arising from deficiencies in internal controls, malfunctioning internal processes, human error, system failures or other external factors. These elements introduce uncertainties and hazards that a Company encounters while conducting its routine operational activities within its industry.

Context

- Manual and labour-demanding aspects of our operations.
- Our focus lies on vigilant cost management and enhancing service efficiency to safeguard our margins and optimise cash flow.
- Instilling a culture of prioritising safety and maintaining constant vigilance over our work environment to uphold compliance with Health, Safety, Security and Environment ("HSSE") standards is paramount.
- We recognise the inevitability of unanticipated circumstances impacting UEM Edgenta's operations, stemming from external factors such as inflationary pressures, fluctuations in minimum wages, geopolitical tensions, disruptions in the supply chain, and fluctuations in interest rates. These challenges necessitate agility and resilience in our operational strategies.

Mitigation

- We are dedicated to continuously refining our operational procedures, leveraging technology and digitisation to enhance efficiency and productivity across the board.
- We have established proactive measures to manage costs effectively, ensuring the maintenance of robust fundamentals and safeguarding margins amidst the dynamic shifts in market conditions.
- Our commitment extends to the implementation of comprehensive HSSE programs aimed at fostering a safety-centric culture within UEM Edgenta, promoting the well-being of our employees and the environment.
- We closely monitor unforeseen developments and their potential impacts, continuously evaluating and adjusting our business strategies to maintain operational resilience and adaptability in an ever-evolving landscape.
- In anticipation of potential disruptions, we have meticulously developed Business Continuity Plans to ensure a swift and effective response, enabling us to sustain operations and deliver critical services without interruption.

FINANCIAL RISK

Financial risks are dangers that directly impact our Group's financial performance and the stability of our cash flow, potentially affecting its overall fiscal well-being and liquidity status.

Context

- Profitability is dwindling as competition intensifies and operating expenses soar.
- The delay in receiving payments from customers for trade and other receivables is impeding efficient cash flow management and liquidity.
- Increasing interest rates, a response by central banks to tackle various economic challenges, are putting pressure on finances.
- The Company faces foreign exchange risks, with potential fluctuations in exchange rates against local currencies affecting liabilities and expenses denominated in foreign currencies as well as the value and future cash flows of financial instruments.

Mitigation

- We prioritise the optimisation of costs and the preservation of margins by implementing robust cost management strategies, harnessing technology and promoting operational excellence to drive improved work efficiencies and cost-effectiveness.
- We implement Enterprise Resource Planning ("ERP") systems to seamlessly integrate financial processes across our organisation, facilitating enhanced analysis of spending, strategic sourcing and cost controls, while also increasing transparency into expenditure.
- We rigorously mitigate credit risk by conducting thorough credit evaluations and maintaining vigilant oversight of customer recovery processes and accounts receivable.
- We maintain proactive management of interest rates, employing a strategic blend of fixed and floating rate debts to effectively control costs and minimise financial risk.
- We utilise a natural hedge approach by securing borrowing in the same currency as anticipated revenue streams from international operations, mitigating currency exchange risks.

RISKS AND MITIGATION

COMPLIANCE RISK

Compliance risks entail the possibility of breaching laws or neglecting regulatory obligations. Failing to comply can profoundly disrupt the Group's business activities, resulting in legal and regulatory sanctions, financial losses and harm to its reputation. This could compromise the Group's position and trustworthiness within the industry and with stakeholders.

Context

- A substantial segment of our business operations revolves around concessions, notably within Healthcare Support and Infrastructure Services, which are subject to rigorous regulatory scrutiny and compliance measures.
- The geographical diversity of our business and customer base exposes us to potential non-compliance issues and litigation risks.
- Upholding integrity across our business operations and endeavours necessitates strict adherence to good corporate governance practices, regulatory frameworks and listing requirements.
- Any setbacks could lead to the suspension of vital authorisations, licenses and/or rights. The absence of regulatory clarity adversely affects our operations, reputation and investment choices.

Mitigation

- The Group meticulously manages contractual agreements with its customers, contractors and vendors through service-level agreements and contracts.
- We conduct regular assessments to ensure ongoing compliance, accompanied by continuous updates to policies and procedures to maintain their adequacy, effectiveness and relevance.
- We continue to foster and prioritise a culture of integrity and compliance within the organisation with internal processes rigorously enforced throughout operations.
- We maintain close collaboration with regulatory bodies and stay abreast of emerging legal and regulatory requirements, as well as industry standards and practices.
- Our robust Whistleblowing channels are established to provide employees, stakeholders and the public with a means to report any instances of actual or suspected malpractice, misconduct or violations of the Group's policies and procedures.

PEOPLE RISK

Securing and nurturing a committed and skilled team, equipped with the necessary knowledge, training, expertise and experience to accomplish our strategic goals, stands as a cornerstone of our success at UEM Edgenta. Challenges in attracting, assimilating and retaining the talents and proficiencies essential for our sustainable growth and performance could significantly impede our progress.

Context

- Our personnel represent one of our most valuable assets and fundamental pillars of success for the Group. Their role is paramount as they form the foundation of our capability to execute the Group's strategies and provide the necessary services and deliverables to our customers and stakeholders.

Mitigation

- We are crafting an Employee Value Proposition aimed at providing our employees with an unparalleled experience in exchange for their productivity and top-tier performance. This initiative goes beyond recruiting the right talent; we are committed to retaining the finest by consistently benchmarking against industry standards.
- Our robust succession planning framework and strategy are being implemented to identify and cultivate the right talents for pivotal roles within our organisation.
- Through Edgenta Academy, we are rolling out continuous training and development programmes designed to enhance and diversify the skill sets of our workforce, ensuring they are equipped with the latest talents and knowledge.

RISKS AND MITIGATION

CYBERSECURITY RISK

Cybersecurity risks represent the looming danger of the confidentiality, integrity or availability of UEM Edgenta's information, data or control systems being compromised, thereby potentially tarnishing the Company's operational efficiency, reputation and overall standing.

These risks are intricately intertwined with the Group's expansion initiatives and its increasingly presence in the realm of IT and digitalisation. With a mounting reliance on the internet and a surge in remote or offsite network access, vulnerabilities to cyber threats increase significantly.

The occurrence of any significant infrastructure failure, cyberattack or breach could severely disrupt UEM Edgenta's operational continuity, underscoring the urgent need for robust cybersecurity measures to safeguard its assets and interests.

Context

- At UEM Edgenta, we recognise technology as a force that empowers our organisation. It serves as a major catalyst for transforming our operations, enabling us to refine existing technological solutions, innovate digital healthcare offerings, streamline resource allocation, cut costs, boost productivity and enhance overall customer satisfaction and operational efficiency.
- With the expanding interconnectivity of our systems, we are increasingly susceptible to various cybersecurity risks. These include potential cyber threats, malicious attacks on our corporate cloud networks, information security threats, compromised data integrity and privacy and the potential for prolonged disruptions to UEM Edgenta's IT infrastructure.

Mitigation

- Our consistent vigilance and enhancement of IT security protocols are ensured through the implementation of cyber security solutions, which encompass network, application, information, end-user and data security. This involves bolstering cloud security, continuously monitoring critical data and implementing security controls such as firewall protection, endpoint detection and response systems, vulnerability assessments and penetration tests.
- Additionally, regular awareness initiatives are conducted to educate all employees about cyber threats, emphasising the significance of cybersecurity and keeping them updated on the latest developments in this field.

ESG RISK

Investors in today's investment landscape are increasingly prioritising Environmental, Social and Governance ("ESG") factors when evaluating companies' sustainability and risk profiles. The integration of ESG considerations can significantly impact a company's financial performance and shareholder value. Studies have revealed a positive correlation between strong corporate ESG, practices and financial success.

ESG risks encompass the diverse uncertainties and potential threats that challenge the ongoing enhancement of our business strategies and operational effectiveness. These risks are critical factors in sustaining our growth trajectory and ensuring the long-term availability of resources within our value chain, all within the context of ESG considerations.

Any form of non-compliance at UEM Edgenta may precipitate various adverse consequences. These encompass potential revenue and market share losses due to evolving customer preferences, an erosion of trust from investors and rating agencies, financial penalties imposed by regulatory bodies and a negative impact on our brand perception and public image.

Context

The growing importance of ESG programmes and disclosure is evident as stakeholders increasingly demand transparency regarding environmental stewardship, fair labour practices, occupational health and safety, diversity, responsible sourcing of materials, protection of communities a business serves and corporate governance. In response, our group has heightened its focus on ESG matters, reaffirming our commitment to these values and actively promoting them as integral to our identity as a responsible corporate citizen.

Mitigation

- The Group has established a robust sustainability framework across the Economic, Environmental, Social, and Governance pillars. This framework underpins a 2-year Sustainability Roadmap developed in 2022, guiding material matters relevant to our business. It also led to an effective Sustainability Governance structure involving the Board of Directors through our senior leadership team. A Sustainability Policy reinforces these efforts, integrating ESG principles and sustainability ethos within UEM Edgenta's operations and services.
- We are steadfast in maintaining compliance with prevailing ESG requirements, vigilantly monitoring changes in these standards and policies to ensure ongoing adherence.
- Regular assessments are conducted to evaluate our ESG compliance, with a commitment to updating our policies and procedures to ensure their adequacy, effectiveness and alignment with evolving standards.
- Engagement with stakeholders across our value chain is the foundation of our approach, enabling us to discern material matters, risks and threats. Through this dialogue, we devise and implement initiatives to mitigate these concerns effectively.
- Fostering conscientious and responsible ESG behaviour among employees, clients and vendors is a continuous effort, achieved through consistent communication and awareness-building at all organisational levels.

FINANCIAL PERFORMANCE

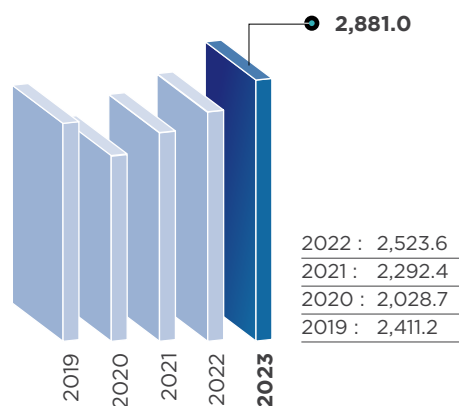
5-YEAR GROUP FINANCIAL SUMMARY

	Financial Year ended 31 December (RM million)				
	2019	2020	2021	2022	2023
KEY INFORMATION OF FINANCIAL RESULTS					
Revenue	2,411.2	2,028.7	2,292.4	2,523.6	2,881.0
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	325.1	131.6	157.1	179.9	157.9
Profit before tax and zakat ("PBT")	245.0	46.9	78.6	93.8	63.7
Profit after tax and zakat ("PAT")	188.0	14.4	43.4	45.7	30.1
Profit attributable to owners of the parent ("PATANCI")	181.8	12.9	42.0	45.9	31.1
KEY INFORMATION OF FINANCIAL POSITION					
Non-current assets	1,229.9	1,235.5	1,205.9	1,171.5	1,132.2
Current assets	1,682.9	1,571.9	1,649.2	1,607.1	1,760.7
Assets of disposal group classified as held for sale	-	-	-	90.1	61.4
Total assets	2,912.8	2,807.4	2,855.1	2,868.7	2,954.3
Share capital	268.1	268.1	268.1	268.1	268.1
Reserves	317.2	297.5	313.7	336.9	377.5
Retained earnings	986.7	935.1	954.0	975.9	973.7
Shareholders' funds	1,572.0	1,500.7	1,535.8	1,580.9	1,619.3
Non-controlling interests	12.4	8.6	3.5	3.1	5.0
Total equity	1,584.4	1,509.3	1,539.3	1,584.0	1,624.3
Non-current liabilities	443.4	398.6	147.9	423.8	389.7
Current liabilities	885.0	899.5	1,167.9	857.7	939.3
Liabilities of disposal group classified as held for sale	-	-	-	3.2	1.0
Total liabilities	1,328.4	1,298.1	1,315.8	1,284.7	1,330.0
Total equity and liabilities	2,912.8	2,807.4	2,855.1	2,868.7	2,954.3
SHARE INFORMATION					
Earnings per share (sen)	21.9	1.5	5.1	5.5	3.7
Dividend per share (sen)	14.0	-	3.0	4.0	2.0
Net assets per share attributable to owners of the parent (RM)	1.89	1.80	1.85	1.90	1.95
Net tangible assets per share (RM)	1.01	0.94	1.01	1.06	1.09
FINANCIAL RATIOS					
Current ratio (times)	1.9	1.7	1.4	1.9	1.9
Liquidity ratio (times)	0.6	0.8	0.5	0.7	0.7
Gearing ratio (times)	0.3	0.3	0.3	0.3	0.3
EBITDA as a percentage of revenue (%)	13	6	7	7	5
PBT as a percentage of revenue (%)	10	2	3	4	2
PBT as a percentage of total equity at year end (%)	15	3	5	6	4
PATANCI as a percentage of shareholders' funds at year end (%)	12	1	3	3	2

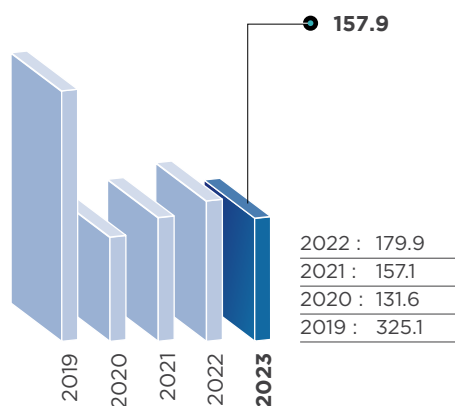
FINANCIAL PERFORMANCE

5-YEAR GROUP FINANCIAL HIGHLIGHTS

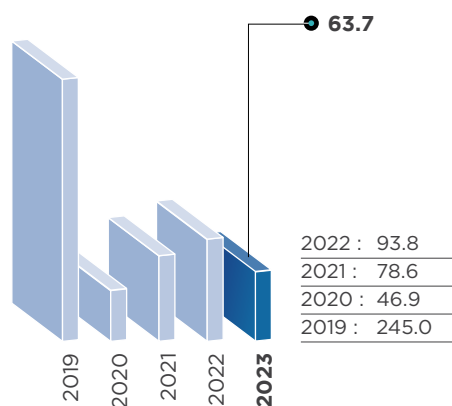
REVENUE
(RM million)



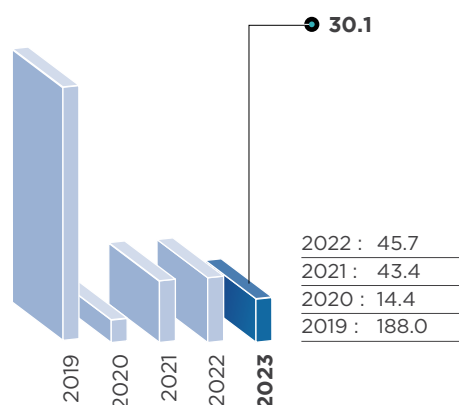
EBITDA
(RM million)



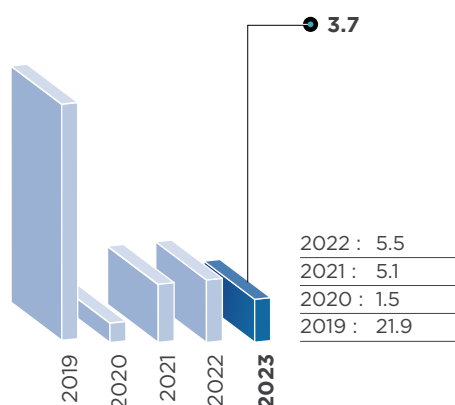
PROFIT BEFORE TAX AND ZAKAT
(RM million)



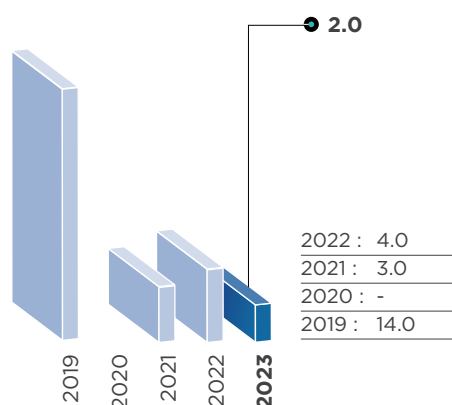
PROFIT AFTER TAX AND ZAKAT
(RM million)



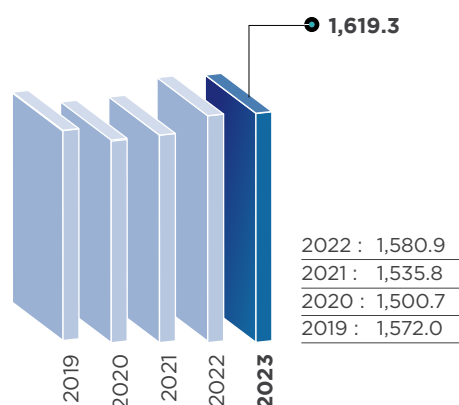
EARNINGS PER SHARE
(Sen)



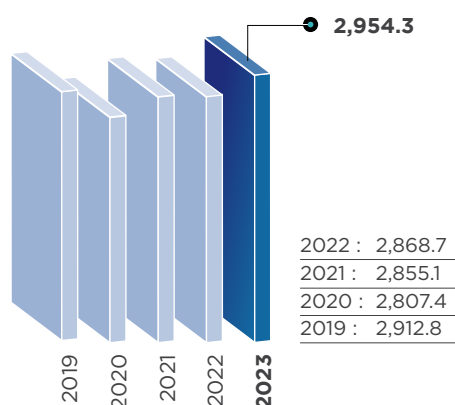
DIVIDEND PER SHARE
(Sen)



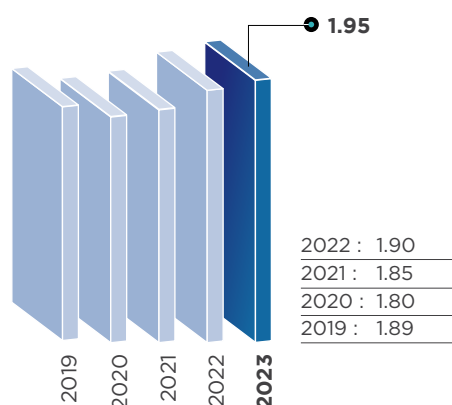
SHAREHOLDERS' FUNDS
(RM million)



TOTAL ASSETS
(RM million)



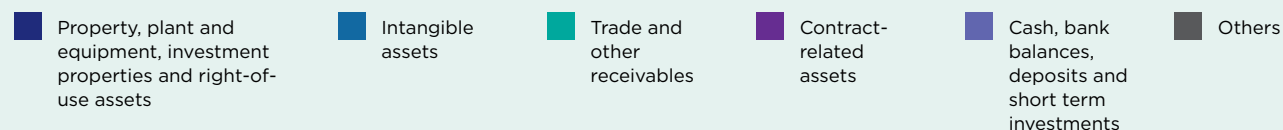
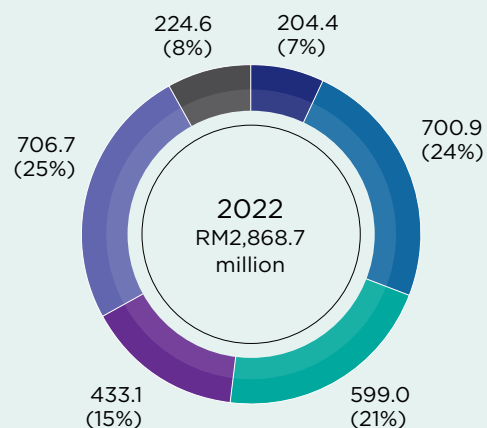
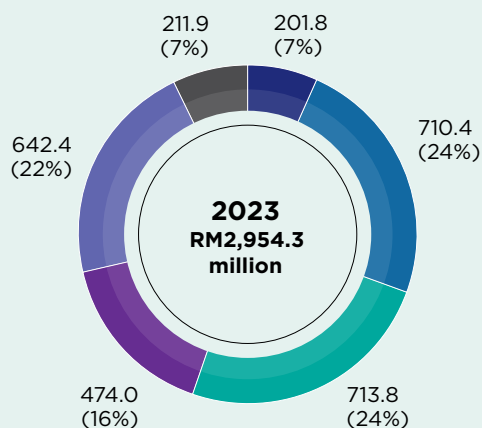
NET ASSETS PER SHARE
(RM)



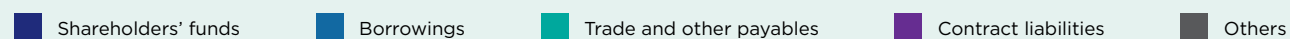
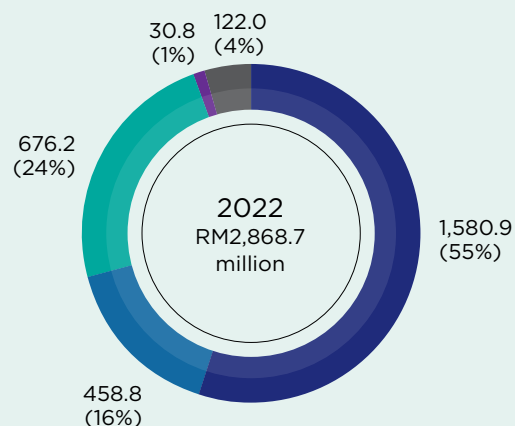
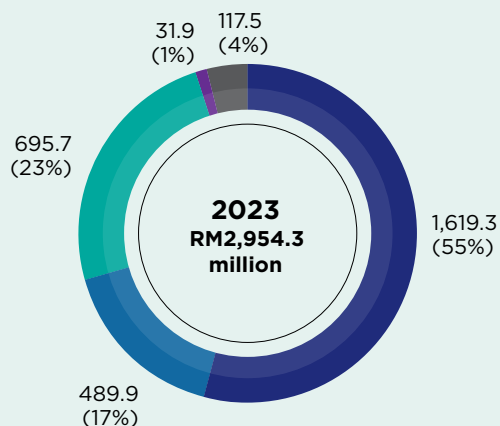
FINANCIAL PERFORMANCE

SIMPLIFIED STATEMENTS OF FINANCIAL POSITION

TOTAL ASSETS (RM million)



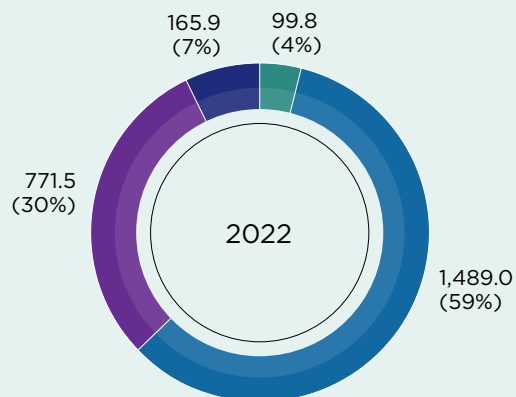
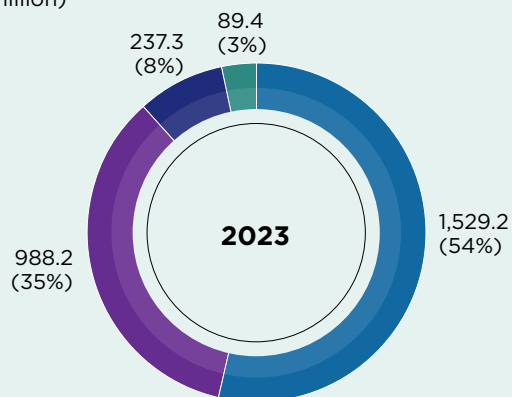
TOTAL EQUITY AND LIABILITIES (RM million)



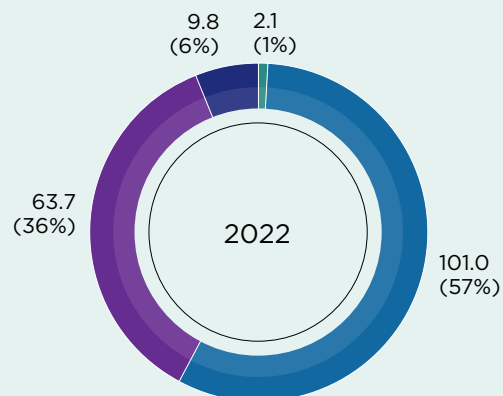
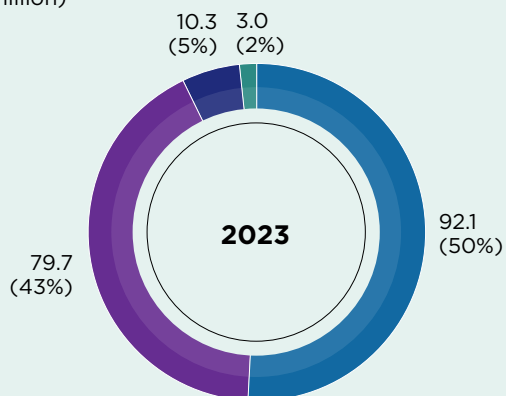
FINANCIAL PERFORMANCE

SEGMENTAL ANALYSIS

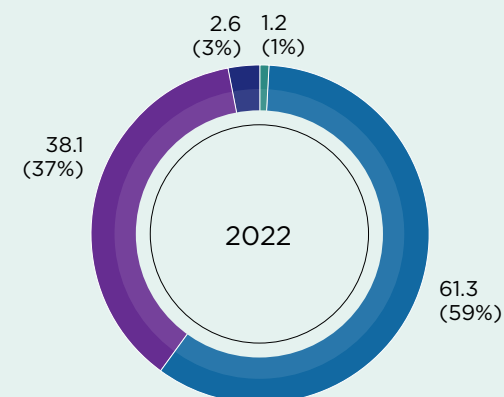
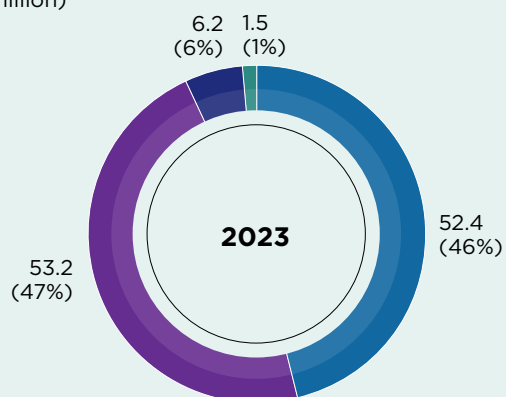
REVENUE (RM million)



EBITDA (RM million)



PROFIT AFTER TAX AND ZAKAT (RM million)



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

FINANCIAL PERFORMANCE

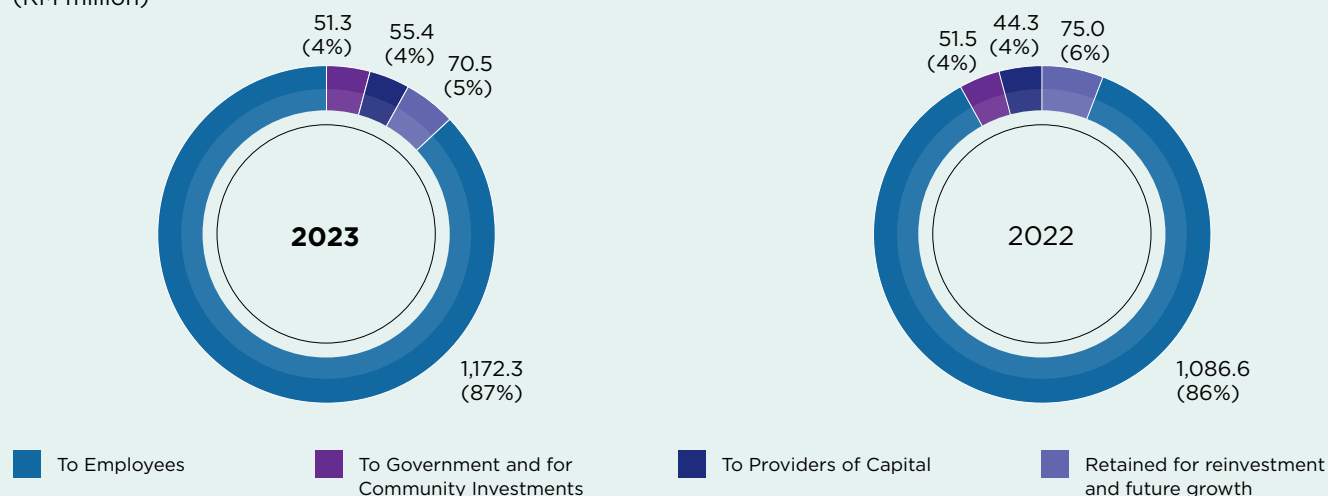
VALUE ADDED STATEMENT AND VALUE DISTRIBUTION

	2023 RM million	2022 RM million
Revenue	2,881.0	2,523.6
Interest income	7.1	3.2
Other income	0.3	1.9
Operating costs	(1,538.9)	(1,271.3)
Value added available for distribution	1,349.5	1,257.4

VALUE DISTRIBUTION

	2023 RM million	2022 RM million
To Employees		
Employee costs	1,172.3	1,086.6
To Government and for Community Investments		
Taxation and zakat	51.0	51.3
Community investments	0.3	0.2
To Providers of Capital		
Dividend paid to shareholders	33.3	24.9
Dividend paid to non-controlling shareholders of subsidiaries	-	0.2
Interest paid	22.1	19.2
Retained for reinvestment and future growth	70.5	75.0
Value added available for distribution	1,349.5	1,257.4

DISTRIBUTION OF VALUE ADDED
(RM million)



FINANCIAL PERFORMANCE

GROUP QUARTERLY PERFORMANCE

	Financial Year ended 31 December 2023 (RM million)				
	Q1	Q2	Q3	Q4	Full Year
Revenue	631.8	719.3	721.1	808.8	2,881.0
Gross profit	79.3	97.4	89.0	74.6	340.3
Other income	6.7	10.4	7.9	8.9	33.9
Operating expenses	(60.6)	(81.4)	(72.6)	(81.0)	(295.6)
EBITDA	44.0	45.3	44.8	23.8	157.9
Profit before tax and zakat	22.4	22.0	18.0	1.3	63.7
Profit after tax and zakat	10.8	12.5	5.2	1.6	30.1
Profit attributable to owners of the parent	10.9	12.5	5.1	2.6	31.1
Earnings per share (sen)	1.3	1.5	0.6	0.3	3.7

	Financial Year ended 31 December 2022 (RM million)				
	Q1	Q2	Q3	Q4	Full Year
Revenue	539.2	627.7	646.2	710.5	2,523.6
Gross profit	76.6	86.0	73.8	95.1	331.5
Other income	7.6	7.1	8.1	27.2	50.0
Operating expenses	(65.6)	(69.5)	(65.3)	(80.0)	(280.4)
EBITDA	40.4	44.4	33.2	61.9	179.9
Profit before tax and zakat	17.3	23.0	15.1	38.4	93.8
Profit after tax and zakat	9.4	10.8	4.4	21.1	45.7
Profit attributable to owners of the parent	9.4	10.9	4.6	21.0	45.9
Earnings per share (sen)	1.1	1.3	0.6	2.5	5.5

BUSINESS REVIEW



Serving over 250 hospitals since its inception across Malaysia, Singapore and Taiwan, Edgenta Healthcare Support is an internationally renowned market leader in non-clinical healthcare support services. In Malaysia, we serve more than 60 public and private hospitals, as well as various healthcare institutions.

As part of UEM Edgenta, our diverse knowledge and experience from multiple industries is an advantage which enables us to deliver optimal solutions in improving the non-clinical support services demanded by today's healthcare providers and other commercial industries.

From asset consultancy and management, facilities and biomedical engineering maintenance, waste management, linen and laundry, to housekeeping and portering services, we deliver quality services and fulfil the needs of the healthcare industry.

In our role as a strategic partner to healthcare institutions, we are highly dedicated and committed, ensuring our clients' hospital assets and facilities are operating at optimum levels of efficiency.



Operating in these diverse and challenging markets has compelled UEM Edgenta to navigate demographic shifts and intensified health awareness post-pandemic, as well as the rising demand for quality healthcare services. Concurrently, we have continued to focus on embedding Environmental, Social and Governance ("ESG") considerations into our business model to ensure we are delivering our healthcare services and solutions in a responsible manner.

Overview

UEM Edgenta has continued to strengthen its position as the leading hospital support services provider with over 250 healthcare institutions across Malaysia, Singapore and Taiwan. In the past year, UEM Edgenta demonstrated resilient financial and business achievements, maintaining operational excellence in the face of various challenges and a complex operating environment. These accomplishments are set against the backdrop of transitioning healthcare industries in countries that we operate moving towards more environmentally sustainable, efficient and patient-centric models, driven by an increasing focus on technology and innovation in healthcare delivery.

BUSINESS REVIEW

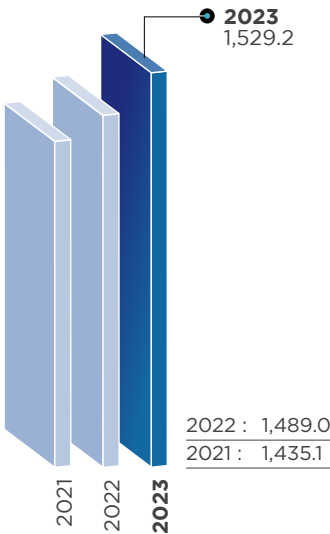


Business Review 2023

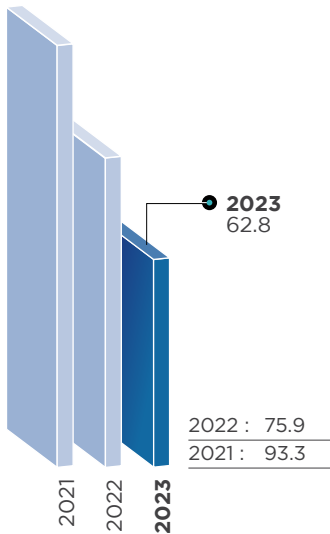
In 2023, UEM Edgenta’s strategic initiatives across Malaysia, Singapore and Taiwan showcased a commitment to expanding service footprints, extracting value from core businesses and enhancing product and technology propositions in line with our EoTF2025 pillars. These initiatives across the region, aligned with the company’s strategic pillars, highlight our resilience and adaptability in a challenging and dynamic healthcare support landscape.

FINANCIAL PERFORMANCE

Revenue
(RM million)



Profit Before Tax and Zakat
(RM million)



BUSINESS REVIEW

Our Initiatives and Outcomes

Initiative		Outcome	Alignment to EoTF2025 Pillar
MALAYSIA	Healthcare Support Services (“HSS”) Concession	Top quartile Company Performance Assessment (“CPA”) and Customer Feedback Survey (“CFS”) results in 2023.	
	Kamunting Incinerator Plant	Initiated essential improvement and upgrading works to maximize its performance capacity through business opportunities in the private healthcare waste management.	
	Concession Revolution	Advanced through comprehensive stakeholder discussions and strategic planning, setting a strong foundation for business beyond the current concession. Focusing on providing best-in-class integrated facilities management services and the ESG elements comparable to global standards aligned with Ministry of Health (“MOH”)’s aspirations.	
	Robotisation in Hospitals	Enhanced cleaning services performance using AI and robotics cleaning in these hospitals: • Hospital Raja Permaisuri Bainun, Ipoh, Perak • Hospital Sultanah Bahiyah, Alor Setar, Kedah • Hospital Pulau Pinang, Pulau Pinang Implementation of robotic floor scrubber to optimise labour usage, improve cleaning operations efficiency, and reduce the environmental impact by using less water and energy. Deployment of an electric waste bin tugger to enhance porter safety and efficiency by reducing manual handling and minimising risks associated with moving heavy bins and loads, especially in challenging weather conditions. This implementation improves productivity through increased workflow efficiency and staff morale.	
SINGAPORE	Major Healthcare Contract Win	Strengthened market leadership in healthcare portering through the acquisition of the Woodlands Health Campus contract, significantly enhancing service coverage.	
	Expansion into Hospitality	Successfully diversified into the hospitality sector, introduced new service such as offerings and broadened market reach.	
	Integrated Facilities Management Contracts	Gained high-profile contracts including INSEAD and expanded the Integrated Facilities Management (“IFM”) business with four new integrated contracts.	
	Commercial Housekeeping Contracts	Expanded the commercial housekeeping business with the acquisition of eight new contracts, enhancing service diversity and reach.	
	Kitchen Stewarding Contracts	Developed a business niche in kitchen stewarding with three new contracts.	

BUSINESS REVIEW

Initiative		Outcome	Alignment to EoTF2025 Pillar
SINGAPORE	Renewals and New Contracts	Successfully renewed eight contracts and won nine new ones in healthcare and hospitality.	
	UETrack™ Product Enhancements	Reinforced capabilities through partnerships with four technology companies: • Taitung System Technologies • Digile • SustainEdge • Evercomm	
	Automation Solutions	Integrated six new cleaning robots in hospitals, significantly improving efficiency and service standards in healthcare cleaning.	
TAIWAN	Healthcare and Commercial Business Expansion	Renewed 51 contracts and won six new ones in Healthcare Business. Renewed 22 contracts and won five Commercial Business contracts.	
	IFM/FES Venture	Successfully entered the IFM/Facility Engineering Services (“FES”) sector with a new contract, marking a strategic expansion in service offerings.	

Key Certifications/Awards

In 2023, the Healthcare Support division achieved significant milestones across Malaysia, Singapore and Taiwan. These accomplishments highlight the company’s commitment to excellence, sustainability and ethical practices in the healthcare sector.

Malaysia

● Certifications:

- Successfully attained the re-certifications for ISO 9001:2015 (Quality Management Systems), ISO 13485:2016 (Medical Devices - Quality Management Systems), ISO 14001:2015 (Environmental Management Systems), and ISO 45001:2018 (Occupational Health and Safety Management Systems)
- Successfully implemented and achieved 41st MSOSH Awards - OSH Gold Class 2 for Hospital Sultan Abdul Halim, Hospital Bukit Mertajam and Hospital Batu Gajah, and SoHELP Award for Hospital Sultanah Bahiyah
- Successfully led the design, implementation and achievement of the Green Building Certification and Sustainability Award for Ministry of Health in 2023:
 - Leadership in Energy and Environmental Design (“LEED”) for two hospitals:
 - LEED Platinum for Hospital Kepala Batas, Pulau Pinang
 - LEED Gold for Hospital Raja Permaisuri Bainun, Ipoh, Perak
 - Malaysian Carbon Reduction and Environmental Sustainability Tool (“MyCREST”) for three hospitals:
 - MyCREST 4-star rating for Hospital Seberang Jaya
 - MyCREST 3-star rating for Hospital Tapah and Hospital Kulim
- National Energy Award 2023
 - Hospital Sultanah Maliha - Merit in the Category 2: Energy-Efficient Buildings (Retrofitted Buildings)

● Awards:

- Malaysia Book of Records Award for the “Fastest Construction of the Field Hybrid Intensive Care Unit (“FHylCU”) Building During Covid-19 Pandemic”. The FHylCU is a modular ICU unit equipped with its own self-sustaining power, oxygen, and water supply and was built at 14 selected government hospitals in Malaysia.
- The BrandLaureate Sustainable Business & Brands Inspirational Achievement Awards 2022 - 2023 in the category of Healthcare - Hospital Support Solutions

BUSINESS REVIEW

Singapore

- Successfully attained the ISO 37001:2016 Certification for our Anti-Bribery Management System
- Successfully renewed our ISO Certification 41001:2018 for our Facility Management System
- Achieved the Clean Mark Gold Accreditation for the ninth consecutive year
- Two of our Healthcare staff were honoured with the National Awards (COVID-19) for their exceptional contributions to Singapore's efforts during the pandemic

Taiwan

- Received Certificate of Appreciation for actively employing disabled workers from these organisations:
 - Taipei City Foreign and Disabled Labour Office
 - The Body Disabled Association in Kaohsiung
 - Vocational Rehabilitation Resource Center
 - Kaohsiung Palette Association
- Attained re-certifications of ISO 9001 and Surveillance audit for ISO 14001, ISO 27001 and ISO 45001

ESG Initiatives

The ESG initiatives implemented by UEM Edgenta's Healthcare Support division are part of a broader strategy aimed at environmental stewardship and aligns with the company's focus on expanding our solutions base and enhancing our technology proposition under the EoTF2025 strategy.

Initiative		Outcome
MALAYSIA	• Energy Efficiency Projects • Indoor Air Quality Improvement • Reduce, Reuse, Recycle ("3R")	On-going implementation under the Hospital Support Services in Northern Region: • Estimated additional 2GWh of energy savings from energy management efforts • Submission of Green Building certification proposals for 16 hospitals, two hospital buildings now certified with Green Building - LEED and 14 more in the certification process • Improvement initiatives in Indoor Air Quality resulted in zero-detection of Sick Building Syndrome ("SBS") • Recycled 700,000 kg of waste (representing 7.3% of total waste)
	• Inaugural ESG Day • UETrack™ - ESG Application • Recycling and Energy-Saving Initiatives	• Promoted sustainability education and practices in our business and daily activities • Tracked carbon footprint among employees to better manage the environmental impact of carbon emissions • Emphasised environmental responsibility among suppliers
	• Participation in ESG Events, Training • Local and Low Carbon Initiatives	• Participated in various ESG trainings and knowledge sharing sessions to enhance understanding on the subject matter • Transitioned to using Forest Stewardship Council® ("FSC®")-certified paper • Formalising a supplier engagement plan to focus on ESG practices and conduct one supplier engagement initiative

►► For further information about our sustainability initiatives - please refer to our Sustainability Statement

BUSINESS REVIEW

OVERCOMING CHALLENGES

In 2023, the Healthcare Support sector across Malaysia, Singapore and Taiwan grappled with a series of challenges. In all three countries, the industry faced margin compression due to escalating operating costs, affected by factors like aging assets, supply chain issues and increased regulatory compliance, such as the gazettement of minimum and progressive wage which has also added to our costs. Additionally, the industries in these regions were strained by clients budgetary constraints, persistent manpower scarcity exacerbated by high staff attrition and competition for talent.

To mitigate these challenges, UEM Edgenta employed a range of strategies as outlined below:

MALAYSIA

Key Challenges

Margin compression due to higher operating costs contributed by cost inflation from maintenance of aging assets and infrastructure, supply chain challenges, regulatory compliance requirements such as the minimum wage, labour shortages and higher attrition rate

Mitigation Strategies

Diligent improvement in delivering quality services through enhanced operating model and business efficiency to retain clients' trust
Cost optimisation through austerity measures such as stringent monitoring of overtime claim, centralised purchase of consumables or spare parts and revision of services or maintenance contracts

Key Challenges

Talent retention, rewards and recognition

Mitigation Strategies

Review of organisational structure, manpower upskilling and redistribution

Key Challenges

Limited growth in new revenue and businesses due to prudent spending by clients

Mitigation Strategies

Leveraged on strategic technology partnership and digitalisation adoption or mechanisation to improve productivity and generate better margin and branding

BUSINESS REVIEW

SINGAPORE

Key Challenges

Significant escalation in operating costs driven by inflationary pressures and government regulations that has drastically impacted manpower cost as well as the cost of supplies, consumables and equipment

Mitigation Strategies

Stringent optimisation of revenue and costs to minimise margin erosion, focusing on optimising non-manpower expenses through bulk purchasing, negotiations with suppliers on the best pricing and efficient inventory management

Key Challenges

Heightened demands and expectations by clients in terms of service levels

Mitigation Strategies

Engaged in open communication to understand their evolving needs and explore mutually beneficial solutions

Key Challenges

Persistent manpower scarcity aggravated by high staff attrition, foreign worker quota constraints and continuous difficulty in attracting and retaining operatives to work in the housekeeping sector and healthcare environment, especially in the competitive market with growing demand for lower waged workers

Mitigation Strategies

Strategic collaboration with a wider panel of partners for manpower resources, leveraged various social media recruitment platforms and regular employee engagement and surveys

TAIWAN

Key Challenges

When Hospital Accreditation (“JCT”) commenced in 2023, manpower costs increased tremendously as a consequence of the extra support hospitals needed to attain the accreditation

Mitigation Strategies

To mitigate the margin compression arising from the double impact of revenue and cost pressures, we are continuously taking up with our clients on a collaborative basis on resolving these challenges

Key Challenges

Operating in a demanding environment where client's expectations of our services have increased

Mitigation Strategies

Continue to maintain high service quality and implementation of innovative equipment and systems to excite customers and create service differentiation

Key Challenges

Increase in minimum wage and concurrent intense escalation in all costs, particularly manpower expenditure

Mitigation Strategies

Implemented stringent cost reduction, control and avoidance strategies

BUSINESS REVIEW

Looking Forward to 2024

UEM Edgenta's Healthcare Support division is preparing for a proactive and strategic year in 2024 across Malaysia, Singapore and Taiwan, focusing on several key areas to enhance our services and expand our market presence.

Malaysia

The strategy in Malaysia is built around three core pillars:

Preserve: Continue the strong execution of contractual requirements with a focus on providing service levels that exceed expectations while fully complying with safety and regulatory requirements

Pivot: Implement digitalisation, Smart Facilities Management ("FM") and ESG-based initiatives to grow project margins

Progress: Expand the business domestically and internationally with a focus on new healthcare business projects and third-party healthcare waste businesses

In 2024, we will focus on:

- Intensifying operational quick win initiatives to ensure the delivery of high-quality services and prioritising engagements with stakeholders
- Optimising cost through prioritisation, rationalisation and meticulous deliberation on intended operational expenses
- Delivering exceptional healthcare support services ("HSS") for the newly secured Hospital Cyberjaya, transitioning its readiness towards a Smart Healthcare institution
- Rigorous pursuit of targeted investment in non-HSS businesses and identified growth pillars by diligently refining the pipeline of new opportunities

Singapore

In Singapore, the division is focusing on the expansion and diversification of our services. Key strategies include:

- Expanding existing services in current markets such as securing existing and winning new Housekeeping and Portering contracts under major groups including National University Health System ("NUHS") and National Healthcare Group ("NHG") and growing the Hospitality and Commercial Housekeeping business
- Developing new services like Inpatient Meal Services in the Healthcare sector
- Diversifying and growing existing services in new markets such as developing Concierge Specialist services in the Commercial sector, particularly for Grade 'A' Buildings
- Emphasising operational excellence, especially in response to intensifying manpower constraints, client demands and a changing market landscape. This involves being agile, resourceful and creative in operating contracts at competitive pricing while managing clients' increasing expectations and escalating costs

Taiwan

In Taiwan, the division is adapting to challenges in the healthcare and commercial sectors with a focus on strategic responses to market conditions. Key strategies include:

- Addressing price sensitivity and budget constraints in the healthcare and commercial sectors by navigating competitive pressures from local low-cost service providers
- Managing the transition to headcount-based contracts in the healthcare sector, which now include regular roll calls and penalties, post-COVID-19
- Preparing for the resistance from clients concerning the impending increase in the minimum wage in 2024, which adds to the reluctance of clients to bear higher costs
- Coping with additional staffing needs driven by the requirements of the Joint Commission of Taiwan accreditation body, and managing unforeseen events like typhoons that escalate manpower expenses
- Advocating for the lifting of restrictions on importing foreign workers for hotel housekeeping to address severe staff shortages

BUSINESS REVIEW



Our Edgenta Property & Facility Solutions offers technology-driven Green Building Solutions and Asset Optimisation, with a focus on enhancement and energy solutions.

Property & Facility Solutions has evolved from a traditional building maintenance provider into a comprehensive facility solutions partner. We go beyond the traditional operations and maintenance, offering expertise that encompasses the entire building lifecycle. From retrofits and refurbishments to renovations and upgrades, we transform buildings into energy-efficient, green-certified smart spaces.

At PFS, we are on a mission to usher your building into the future. We guide clients along a sustainability and technology journey, ensuring compliance with ESG standards. We create modern, cloud-connected intelligent buildings with autonomous capabilities. Our diverse solutions cater to every aspect of your building's needs.

Our comprehensive, end-to-end approach leverages years of experience and data-driven insights. This empowers us to deliver best-in-class, value-for-money solutions to help you make informed decisions, optimise operations, reduce costs, and achieve peak performance.

We embrace the "building-as-a-service" concept, prioritising the well-being and comfort of the people who inhabit these spaces. Our meticulously designed services cater to their needs while creating a thriving-built environment.



Overview

The Property & Facility Solutions division leverages on advanced technology to offer building owners a comprehensive view of their assets, operations and workforce. The division also applies Environmental, Social and Governance ("ESG") principles at all levels in our operations, while also assisting our clients and partners in their sustainability journeys. Our approach enables our clients to make informed decisions that improve liveability and embraces sustainability, resulting in significant cost savings.

In 2023, we achieved significant milestones in maintaining operational excellence, despite facing a challenging operating environment and recorded growth of RM131.41 million in our order book on the back of sustainability-led and tech-enabled contract wins.

Following the launch of UEM Edgenta's Sustainable Zero-Capex Programme, led by the Group's Asset Consultancy division, the Property & Facility Solutions division has implemented Energy Performance Contracting ("EPC") and Green Performance Contracting solutions for our clients. These solutions enable clients to purchase energy efficient equipment or renewable energy supply with no upfront capital required. Our clients can therefore deploy capital otherwise meant for capital expenditure towards other critical business operations, in addition to enjoying energy and ultimately financial savings. The division also made commendable strides in delivering energy and resource savings and green building certifications for our clients.

BUSINESS REVIEW

PROPERTY & FACILITY SOLUTIONS

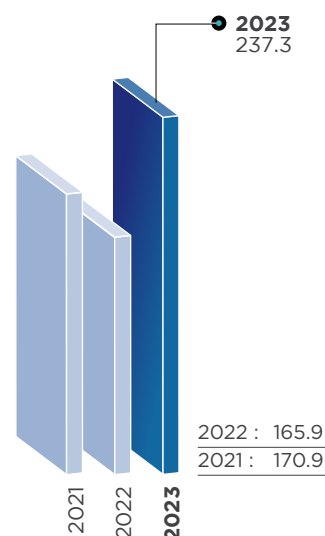
Business Review 2023

To date, we have successfully managed Total Energy Performance Contracting (“EPC”) Projects amounting to a contract value of RM115 million with tenures extending from 2017 to 2033. The targeted annual carbon emission reduction from these EPC projects is estimated at 31,200 tonnes of carbon dioxide (“CO₂”). Additionally, to date, we have achieved certifications for 20 buildings under the Green Building Index (“GBI”) and Leadership in Energy and Environmental Design (“LEED”).

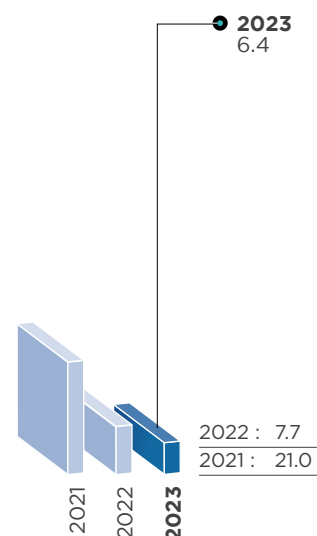
These efforts have resulted in targeted annual electrical savings of 38.4 million kWh for our clients, equating to RM16.6 million per year in 2023, resulting in an impressive total accumulated electrical savings of RM70.4 million up until September 2023. This has led to a significant reduction in electrical energy usage, ranging from 10% to 52%, based on the baseline condition for systems that were replaced or optimised. Meanwhile, we have also accomplished a reduction in water consumption by more than 29.6% for our clients as a result of these efforts in 2023.

FINANCIAL PERFORMANCE

Revenue
(RM million)



Profit Before Tax and Zakat
(RM million)



BUSINESS REVIEW

Key Certifications/Awards

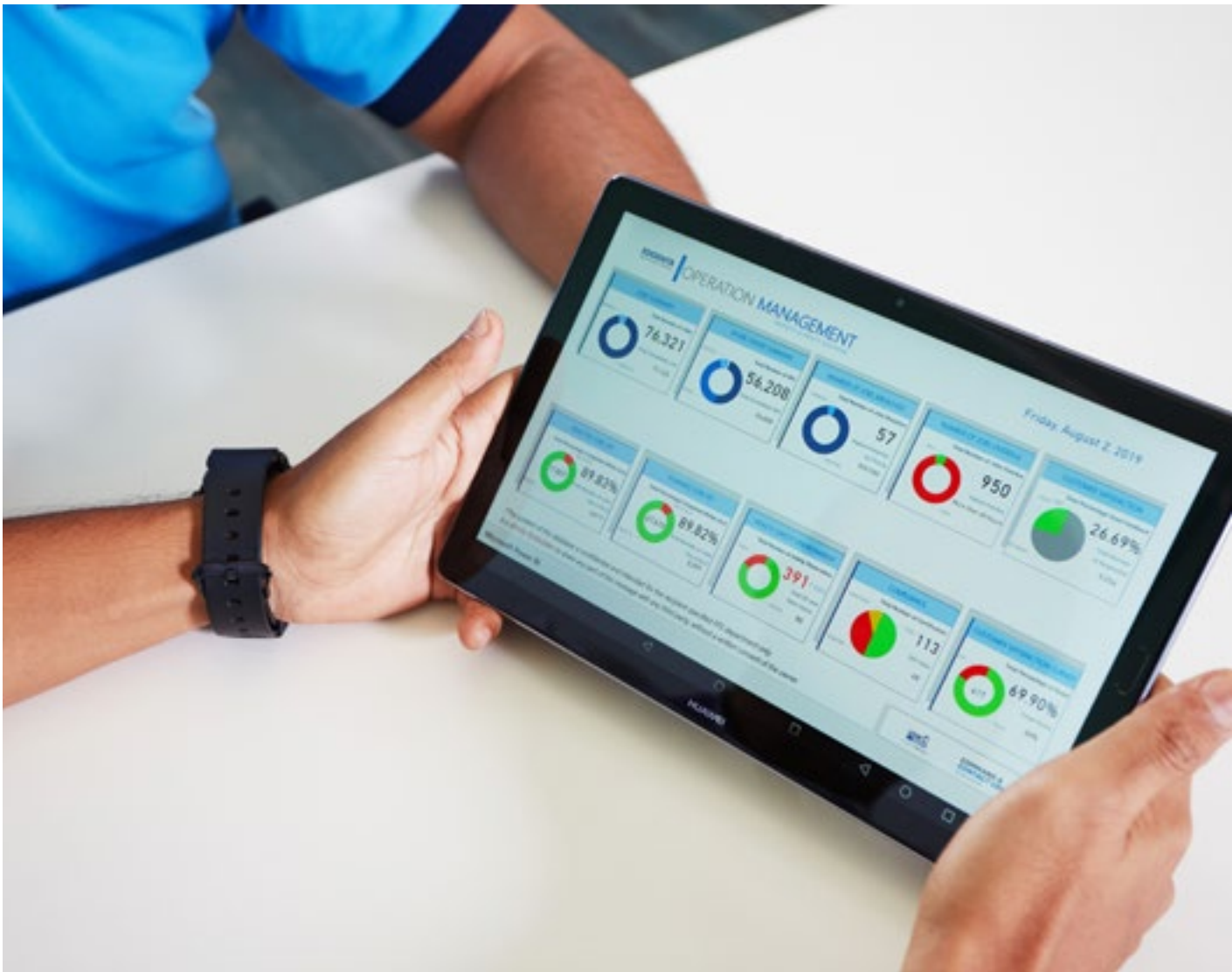
Last year, we were recognised for our ESG initiatives with the ESG Positive Impact Awards. The division was awarded with both gold and silver awards in the Energy Efficiency and Renewable Energy categories specifically. These accolades highlight our dedication to implementing environmentally responsible practices and underscore our success in integrating energy-efficient and renewable energy solutions into our projects.

Initiatives and Outcomes

In 2023, the Property & Facility Solutions division of UEM Edgenta made remarkable strides in enhancing our service offerings, embedding sustainability at the core of our operations and leveraging technology to deliver superior solutions.

Initiative	Outcome	Alignment to EoTF2025 Pillar
ESG Consultancy Work for Mercu UEM	Supported alignment with overall Group's ESG implementation and Net Zero roadmap development.	
ESG and Sustainability Solution Workshop for Government-linked companies ("GLC") Fund	Focused on educating the management team and key personnel about ESG and sustainability solutions.	
Zero Capital Expenditure Programme	Assisted clients in deploying capital towards business, optimising and generating energy savings, translating into savings as part of the Energy Performance Contracting programme.	
ESG and Sustainability Services for Financial Institution	Provided value-add services to the existing Facilities Management Contract, enhancing client's ESG compliance to enable our clients to reduce their carbon footprint.	
Consultation and Building Upgrade for Green Building Certification	Achieved Green Building Certification status and enhanced building efficiency. Supported energy efficiency through the replacement of old chillers and renewable energy generation via PV installation.	
Energy and Green Performance Contracting	These efforts have resulted in targeted annual electrical savings of 38.4 million kWh for our clients, equating to RM16.6 million in 2023.	
Installation of Sensors for Water Efficiency	Reduced water usage through leak detection and prevention, improving water management.	
Retrofitting Mechanical Systems for Tech Integration	Enhanced building systems for future integration with smart technologies through the retrofitting of Building Management Systems.	
Performance-Based Contracting	Improved facility management efficiency and performance through data-driven insights via cloud-based maintenance for selected sites.	

BUSINESS REVIEW



OVERCOMING CHALLENGES

The division faced and adeptly navigated a range of challenges. From managing the complexities of short-notice project awards to ensuring the delivery of high-quality services amidst manpower shortages, we employed a series of strategic actions to mitigate these challenges. Through these targeted strategies, we overcame operational hurdles and strengthened our market position as a provider of smart, sustainable facility solutions. These strategies are outlined below:

BUSINESS REVIEW

Key Challenges



Achieving key milestones despite Start-Up challenges

Mitigation Strategies

- Assigned specialised personnel to monitor progress and address issues
- Conducted thorough evaluations to identify and mitigate risks early
- Implemented methodologies with clear milestones for accountability and excellence

Key Challenges



Manpower Shortage/Attracting Talent and Enhancing Expertise

Mitigation Strategies

- Analysed skills gaps and aligning internal talent with project needs, including upskilling programmes
- Hired qualified external candidates to ensure adequate staffing and maintain project quality
- Prioritised training programmes and knowledge-sharing to equip staff with necessary skills

Key Challenges



UEM Solution Price Tag - Intense Market Competition

Mitigation Strategies

- Highlighted unique value propositions, including comprehensive solutions and technology integration
- Utilised expertise and robust support services to differentiate from competitors
- Cost optimisation

Key Challenges



Limited Stakeholder Awareness and Buy-In for Energy Efficiency Contracts

Mitigation Strategies

- Implemented communication strategies to educate stakeholders about the benefits of energy efficiency
- Showcased successful projects to build confidence and encourage adoption

Key Challenges



Difficulty in securing large contracts/accounts

Mitigation Strategies

- Introduced options like Energy Performance Contracting for cost-effective investments
- Demonstrated long-term financial benefits over traditional methods, including operational savings

BUSINESS REVIEW

Looking Forward to 2024

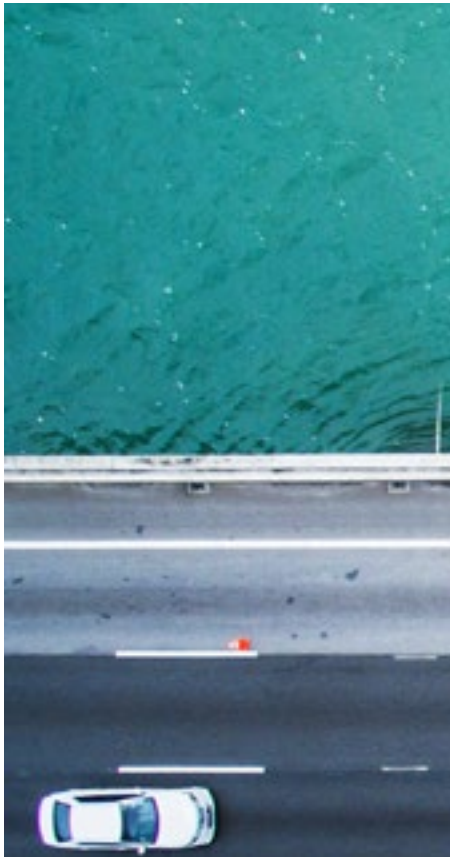
The year 2024 presents an exciting and transformative period for the Property & Facility Solutions division, as Malaysia's facility management sector embarks on a green revolution. This shift is primarily driven by national policies, such as the 12th Malaysia Plan, the National Energy Policy 2022-2040 and the National Energy Transition Roadmap ("NETR"), all of which aim to foster sustainable growth in line with the government's focus on environmental stewardship.

We find our services and expertise supported by our continuous cost optimisation strategy ideally positioned in this changing landscape. Our array of smart and green building solutions, encompassing asset optimisation and building efficiency programmes, aligns seamlessly with Malaysia's ambitious Net Zero goals. Our comprehensive approach, which includes real-time client dashboards and the Edgenta Smart Connect platform, provides clients with data-driven control to optimise asset lifecycle costs effectively.

Furthermore, the anticipated RM4 billion investments in implementing green and smart technology in government buildings by 2030 as outlined in the NETR open new avenues of potential for the division given our proficiency in energy and smart building integration. With our strong capabilities in this space, we are poised to be a major contributor in this transformation in the government sector. As the facility management landscape evolves to embrace green growth, we are well-prepared to take the lead to help pave the way for a greener, more sustainable Malaysia.



BUSINESS REVIEW



Overview

In 2023, the Infrastructure Services division of UEM Edgenta achieved substantial progress in a challenging operating environment. The division maintained operational excellence including initiatives to enhance road infrastructure maintenance and operational standards with Projek Lebuhraya Utara Selatan Berhad ("PLUS"). We have also seen higher adoption of our Road Asset Management System ("RAMS") which aims to enhance operational efficiency for our clients and ourselves.

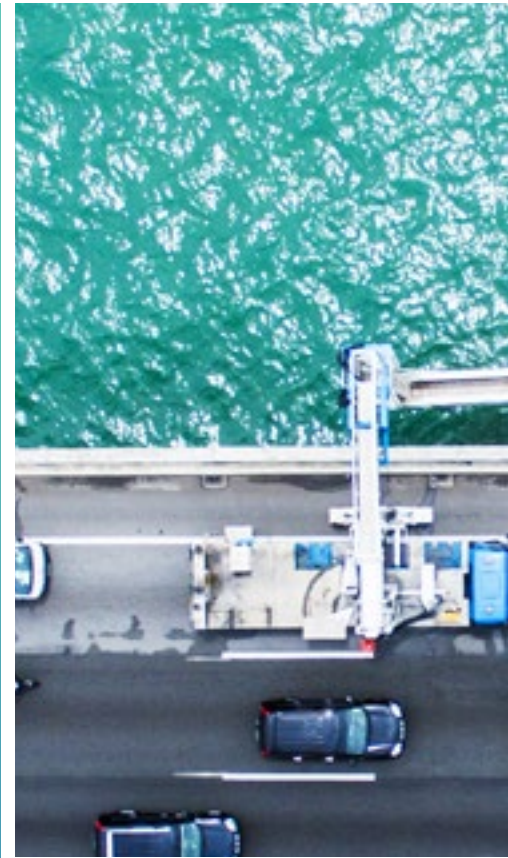
In addition, we continue to embed Environmental, Social and Governance ("ESG") practices in our operations. The highlight of this year was the

As Malaysia's foremost infrastructure maintenance specialist, Edgenta Infrastructure Services offers industry leading expertise on Highway Network Maintenance and Asset Management, including innovative Pavement Works and Solutions services.

With over 35 years of experience in highway maintenance, we provide strategic advisory services, design, development, maintenance and management of major transport projects and infrastructure assets. To further strengthen our forte in linear asset maintenance, we strive for continuous performance improvement through the implementation of technology systems and process improvement concept for quality project delivery in an effective and efficient manner.

With a team of experienced and talented personnel, we carry out extensive study in understanding our clients' pain points to provide smart, tailored optimal solutions that make us the ideal partner to the client and embark together in smart delivery model addressing our client's needs.

Today, we have expanded our capabilities beyond roads, servicing multiple industries including rail, airports, ports, oil & gas, plantation roads and other commercial and industrial sectors.



completion of the Hot Premix Plant ("Plant") with Recycling Facility which enables us to produce Recycled Asphalt Pavement ("RAP"). RAP is a sustainable product that is derived from recycled milling waste and will help to decrease reliance on virgin materials and promote circularity within our business operations.

Furthermore, the division continued to uphold socially responsible principles in our operations by advocating the safety of road users and contributing back to society through various community-related initiatives.

BUSINESS REVIEW

INFRASTRUCTURE SERVICES

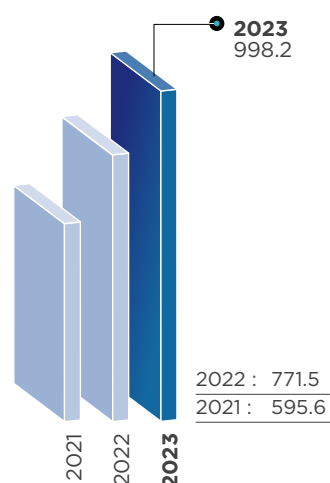
Business Review 2023

In 2023, the Infrastructure Services division has grown our order book significantly and has successfully broadened our client base. Additionally, the division marked a key milestone with the completion of the Hot Premix Plant in the third quarter of 2023, setting the stage for future growth and expansion.

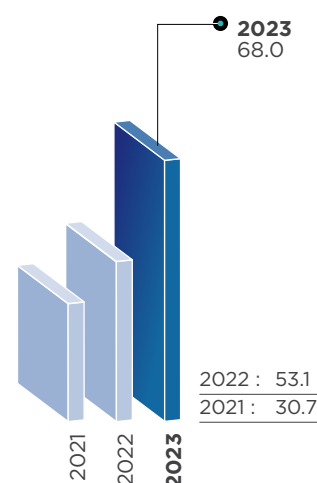
We saw higher growth in revenue in 2023 due to the higher amount of works on PLUS, Selangor State Road and Lebuhraya Pantai Timur 2 as well as revenue realisation from new projects secured in the fourth quarter of 2022, such as the Sarawak Coastal Road.

FINANCIAL PERFORMANCE

Revenue (RM million)



Profit Before Tax and Zakat (RM million)



BUSINESS REVIEW

Initiatives and Outcomes

Throughout the year, the Infrastructure Services division undertook a series of transformative initiatives to drive operational excellence and strategic growth. These initiatives are detailed in the table below:

Initiative	Outcome	Alignment to EoTF2025 Pillar
Continuation of Growth Strategy for Existing Business	Strengthened our presence in Peninsular Malaysia through the continuation of the Selangor State Road (Zone 2) concession and securing contracts in new state. We remain committed to expanding our business throughout East Malaysia and Indonesia.	
Acquisition of Advanced Pavement Machinery	The acquisition has enhanced our project execution capabilities, allowing for more complex infrastructure projects to be completed with greater precision and efficiency. This has also contributed to extending the longevity of road surfaces, ensuring long-term value for stakeholders.	
Collaboration with PLUS (MyRSA) in 45 Locations	The collaboration is aimed to foster a sense of ownership from the Management and Operations Teams. This includes monthly and planned visits by appointed leaders to Rest and Service Areas ("RSA") and Mainline Layby. This initiative enhanced our capability to maintain desired service levels for customers comfort and safety.	
Development of Hot Premix Plant with a Recycling Facility	The introduction of the Hot Premix Plant has markedly reduced the carbon footprint associated with road construction and maintenance. By recycling milling waste into RAP, the division has lowered its consumption of raw materials, demonstrating leadership in environmental stewardship.	
Implementation of Road Asset Management System ("RAMS")	RAMS has dramatically increased the lifespan of road assets through optimised maintenance schedules and reduced repair times. This system has enabled better resource allocation and cost savings, contributing to a sustainable and fiscally responsible approach to asset management. RAMS has also played a pivotal role in enhancing real-time monitoring and management of road conditions, leading to improved response times to incidents and maintenance needs. This has translated into a more reliable and efficient transportation network.	

BUSINESS REVIEW

ESG Initiatives

The Infrastructure Services division has remained steadfast in its commitment to ESG principles throughout 2023. The table below provides an overview of the ESG-focused initiatives that have been integral to our operations, reflecting our dedication to sustainability and social responsibility.

Initiative	Outcome
Programme Kitar Semula EIS	This programme was undertaken to help reduce waste diverted to landfill. It has fostered a sense of community and responsibility among employees, reinforcing our commitment to sustainable practices.
3R Awareness Campaign for PLUS Highway Users	The campaign has led to a user sustainability awareness and increased recycling habits along the highway. It has also enhanced public perception of UEM Edgenta as a socially responsible organisation.
Sharing Ramadan's Blessing with RSA's Users	By distributing food during Ramadan to RSA users at Sungai Buloh, the initiative has strengthened community ties and showcased UEM Edgenta's dedication to supporting cultural practices and providing for those in need.
Headquarters ("HQ") and Central Region's Iftar Celebration with Baitul Mahabbah Muallim	The celebration has bolstered our image as a caring and community-focused entity, reinforcing our commitment to giving back and supporting social welfare initiatives.
Local Projects Division and HQ Unite to Deliver Comfort to Masjid Al Falah, Klang	The initiative has not only improved the physical environment of a local place of worship but also served as a catalyst for increased community engagement and cohesion.
Protect Our Strays at Zero Strays Miri, Sarawak	This programme has contributed to the wellbeing of stray animals and has raised awareness about animal welfare in the community, aligning with our broader commitment to societal issues.

Key Certifications/Awards

The Infrastructure Services division achieved remarkable recognition for its commitment to workplace safety, obtaining both the Gold and Silver Award Winners for Occupational Safety and Health at the Malaysian Society for Occupational Safety and Health ("MSOSH") 41st Awards in 2023.

BUSINESS REVIEW



OVERCOMING CHALLENGES

In addressing the challenges of safety, quality preservation and portfolio diversification, the Infrastructure Services division has carried out several strategies and initiatives throughout the year. The safety initiatives, including the Traffic Safety Campaign, have been particularly impactful. Leveraging social media influencers and engaging content, the campaign has significantly raised public awareness about traffic safety, resulting in a comprehensive understanding of the Safety Vehicle (“SV”) functions among highway users. The introduction of the SV has been a safety measure lauded by the Malaysian Highway Authority (“MHA”), aimed at reducing risk for both maintenance workers and road users.

In terms of quality preservation, we have placed a strong emphasis on effective data management systems, which have enabled more efficient and precise tracking and analysis of operational data. The continuous improvement and enhancement of Standard Operating Procedures (“SOPs”) have also ensured that all processes not only meet but exceed the required standards.

When it comes to diversifying our portfolio, we have strategically positioned our value proposition by integrating new materials and technologies that meet evolving market needs. One of the most significant innovations has been the setting-up of the Hot Premix Plant with Recycling Facility which exemplifies our commitment to sustainability and innovation. This initiative not only opens new revenue streams but also positions us as a leader in sustainable infrastructure solutions, aligning with global environmental trends and customer expectations.

BUSINESS REVIEW

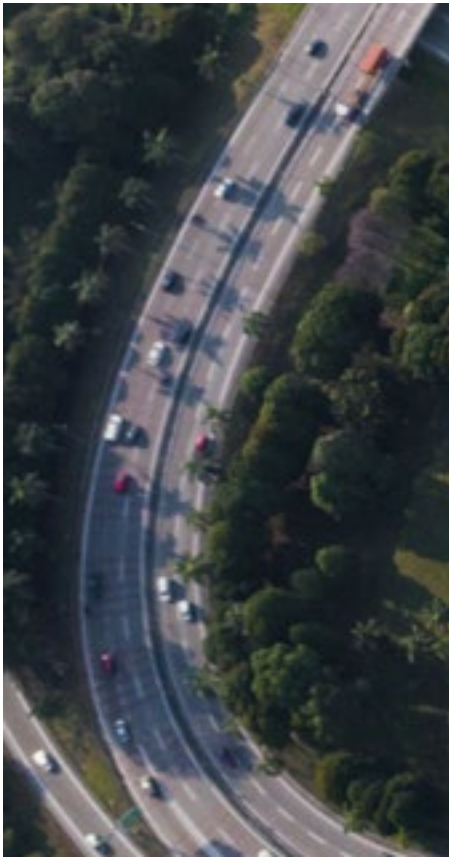
Looking Forward to 2024

Looking forward to 2024, the Infrastructure Services division is poised to solidify our standing as a leading force within the domestic market. Our operational initiatives are laser-focused on maintaining market dominance by capitalising on newly secured businesses, ensuring exceptional service delivery and intensifying our customer-centric approach.

Strategically, we are setting our sights on broadening our service portfolio and pursuing avenues for global expansion, while focusing on commercialising our premix products. Complementing these growth initiatives, we intend to enhance our technological infrastructure by executing the Infrastructure Services technology roadmap, thereby staying at the forefront of the tech and digital solutions revolution. This technological advancement will run parallel to the enhancement of existing ESG initiatives, ensuring that our growth is both innovative and responsible.



BUSINESS REVIEW



Opus leading the charge of sustainability solutions of UEM Edgenta Group to reinforce Edgenta's position as a leader in sustainability business, aligning with the group's long-term strategic goals.

In September 2023, the consolidation of UEM Edgenta sustainability business to Opus Consultants, marks a significant milestone for Opus. The strategic moves enable the group to leverage on Opus's renowned engineering and assets management consultancy expertise, while propelling growth trajectory and capitalising on emerging opportunities in the dynamic sustainability market.

Leveraging over three decades of engineering expertise, Opus Consultants has seamlessly transitioned into a premier provider of energy efficiency and sustainability solutions.

The diversification will solidify our leadership in engineering and asset management consultancy while venturing into the burgeoning sustainability sector. Despite this evolution, engineering and asset management consultancy remain the core of our operations.

Through innovative initiatives like our comprehensive end-to-end sustainability solutions and pioneering Zero-Capex Programme supported by innovative contracting models such as Energy Performance Contracting ("EPC") and Green Performance Contracting ("GPC"), our aim is to surpass evolving market demands and provide unmatched value to our clients.

Aligned with our unwavering sustainability commitment, Opus has allocated RM200 million under the Zero-Capex Programme to support our clients' decarbonisation and ESG initiatives, making sustainable practices accessible with minimal upfront costs.

Furthermore, the optimisation of our operational excellence agenda, facilitated by the restructuring of the UEM Edgenta sustainability business into Opus Consultants, ensures streamlined operations and underscores our commitment to excellence.



Overview

In 2023, amidst challenging business conditions with delays in various infrastructure projects, Opus has maintained resilience and stability. We fortified our core business and strategically diversified our market presence and offerings to capitalise on emerging opportunities.

The introduction of various Net Zero policies and initiatives by the Malaysian government including the National Energy Transition Roadmap ("NETR"), and the Energy Efficiency and Conservation Act ("EECA").

In response, Opus has successfully pivoted beyond our traditional engineering and assets management consultancy services, positioning itself at the forefront of the nation's decarbonisation agenda.

Throughout the year, Opus secured major project wins and added six new contracts, further strengthens our core business and our commitment to delivering value-driven outcomes for our clients.

Our strategic entry into the energy efficiency and sustainability sectors underscores our commitment to long-term growth and sustainability. We remain steadfast in our dedication to excellence and innovation, positioning Opus not only as a leader in engineering and asset management consultancy but also in energy efficiency and sustainability solutions.

BUSINESS REVIEW



Business Review 2023

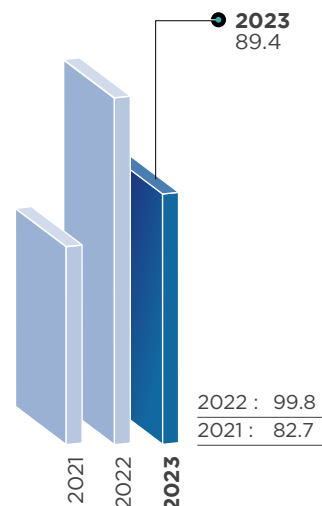
In 2023, the infrastructure sector faced continued challenges due to uncertain global economic conditions, resulting in revisions and delays in many planned projects. Despite these challenges, our dedicated and resilient workforce have worked hard to overcome the challenges and seized the opportunities to deliver a strong performance.

For the financial year ended 31 December 2023, Opus revenue of RM89.4 million, was 10.4% lower than the financial year ended 31 December 2022 revenue of RM99.8 million. This was largely due to unmaterialised projects arising from revisions or delays in unsecured infrastructure projects.

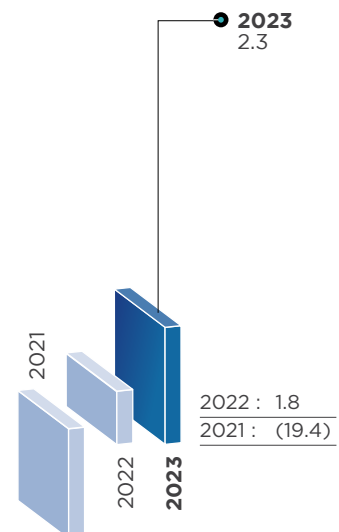
Despite the lower revenue, Opus reported a higher profit before tax and Zakat of RM2.3 million, an increase of 27.8% from RM1.8 million mainly due to our focus on various strategic initiatives, including cost optimisations and enhancing operational excellence to improve the bottom line for long-term sustainable and resilient business growth.

FINANCIAL PERFORMANCE

Revenue
(RM million)



Profit Before Tax and Zakat
(RM million)



BUSINESS REVIEW

Initiatives and Outcomes

In 2023, the Asset Consultancy division undertook a series of business initiatives, driving operational excellence and strategic growth. These initiatives are detailed in the table below:

Initiative	Outcome	Alignment to EoTF2025 Pillar
Geographical Expansion into East Malaysia	Strengthening market positions in East Malaysia with our Sarawak Regional Office. Secured a contract for the Jalan Sultan Tengah project through our partnership with PPES Consults Sdn Bhd. Continue to nurture and develop local talents. We have successfully maintained 60% manpower ratios for Sarawak project.	
Adopted Structured Approach and Intensify Business Development Activity	We have organised our business development into West and East Malaysia. Acquired diverse new projects as follows: i. West Malaysia • Technical Advisory for Hospital Tunku Antah • Project Management Consultant for Mayang Mall • Independent Consulting Engineer for the upgrade works of PLUS RSA Seremban ii. East Malaysia: • Project Management Assistant for Kuching Urban Transport System • Independent Consulting Engineer for the Jalan Sultan Tengah (Damai Masterplan) • Extension of Time for Sarawak Coastal Road Network and Second Trunk Road Phase 2	
Pivoting into New Business – Energy Efficiency and Sustainability	Launched the End-to-End Sustainability Solutions and allocated RM200 million for Zero-Capex Programme, targeting energy-efficient retrofitting green building certified structures to reduce operating expenses and environmental impact. i. End-to-end Sustainability Solutions: • Net Zero Strategy Solutions • Engineering Solutions • Project Implementation • Sustainable Asset Management • Sustainable Finance Solutions ii. Zero-Capex Programme: • EPC • GPC • Power Purchase Agreement (“PPA”) Entered a Memorandum of Business Exploration (“MOBE”) with Honeywell and Earth Finance, Inc.	
Engineering Excellence – Leveraging advanced assets management technology solutions	As the sole provider in Southeast Asia, we utilise the Deighton Total Infrastructure Management System (“dTIMS”), a business analytics tools for comprehensive asset lifecycle analytics, planning, and management, optimising performance and cost-effectiveness across the asset's lifespan.	
Innovative Solutions – Building Condition Assessment (“BCA”) and Slope Management	Embarking on BCA solutions for buildings and slopes management represents a strategic diversification initiative aimed at expanding our service offerings and appealing to a broader spectrum of clients through innovative solutions.	

BUSINESS REVIEW

ESG Initiatives

In 2023, our Asset Consultancy division advanced initiatives integrating Environmental, Social, and Governance (“ESG”) principles, notably launching the Sustainable Zero-Capex Programme in Peninsular Malaysia and Sarawak with a RM200 million allocation. This programme accelerates resource and energy reduction for building owners across various sectors without upfront costs, aiming for green certification.

Partnerships with Honeywell and Earth Finance under MOBE agreements further our commitment to carbon emission reductions in line with the Paris Agreement. Internally, we prioritise ESG, with initiatives including awareness training, a sustainability policy framework, and a fabric recycling programme.

Key Certifications/Awards

At OPUS, safety is our top priority. In 2023, we continued our commitment to workplace safety, environmental preservation, and regulatory compliance through various initiatives.

We are proud to have received The Occupational Safety and Health Award (Gold Class 1) from the Malaysia Society for Industry Safety (“MSOSH”) for two consecutive years, recognising our ongoing dedication to maintaining high safety standards and ensuring the well-being of our employees.

OVERCOMING CHALLENGES

During the year under review, OPUS faced and conquered significant challenges, demonstrating resilience and adaptability.

We strategically shifted our focus to East Malaysia, recognising its burgeoning infrastructure opportunities amid limited prospects in Peninsular Malaysia. Despite intense competition, we persevered, navigating obstacles with determination. Our market redirection intensified our presence in East Malaysia, with the establishment of a full-fledged Sarawak Regional Office and expanded service offerings.

We diversified our portfolio by targeting mid-size projects and introducing innovative solutions like modular engineering and project management consultancy. These initiatives not only broadened our client base but also strengthened our competitive edge.

Our ability to overcome challenges and seize opportunities underscores our commitment to sustained growth and excellence. Moving forward, we remain dedicated to delivering value and driving innovation while integrating ESG elements into our business practices.

Looking Forward to 2024

Looking forward, Opus is positioned to lead the industry by embracing resilience, innovation, and a strong focus on talent development as we transition towards the energy efficiency and sustainability segment while maintaining and reinforcing our core business.

Leveraging our established expertise in engineering and asset management consultancy, we are strategically pivoting to seize emerging opportunities and deliver comprehensive, value-driven solutions that cater to the evolving needs of our clients and the dynamic industry landscape.

Our commitment to excellence, sustainability, and innovation will continue to shape our approach as we integrate technology into our sustainable practices and ESG considerations into our core business strategies.

We will continue to grow and strengthen our energy efficiency and sustainability business through innovative solutions, monetising our RM200 million Zero-Capex Programme to facilitate asset owners’ adoption of energy efficiency and green structures in line with our nation’s decarbonisation agendas, such as NETR and EECA.

We will proactively focus on talent development initiatives, including comprehensive training programmes and upskilling opportunities. Furthermore, we recognise the importance of investing in new capabilities to support our strategic goals in energy efficiency and sustainability.

By combining these elements, we are confident in our ability to build a resilient and forward-thinking organisation.

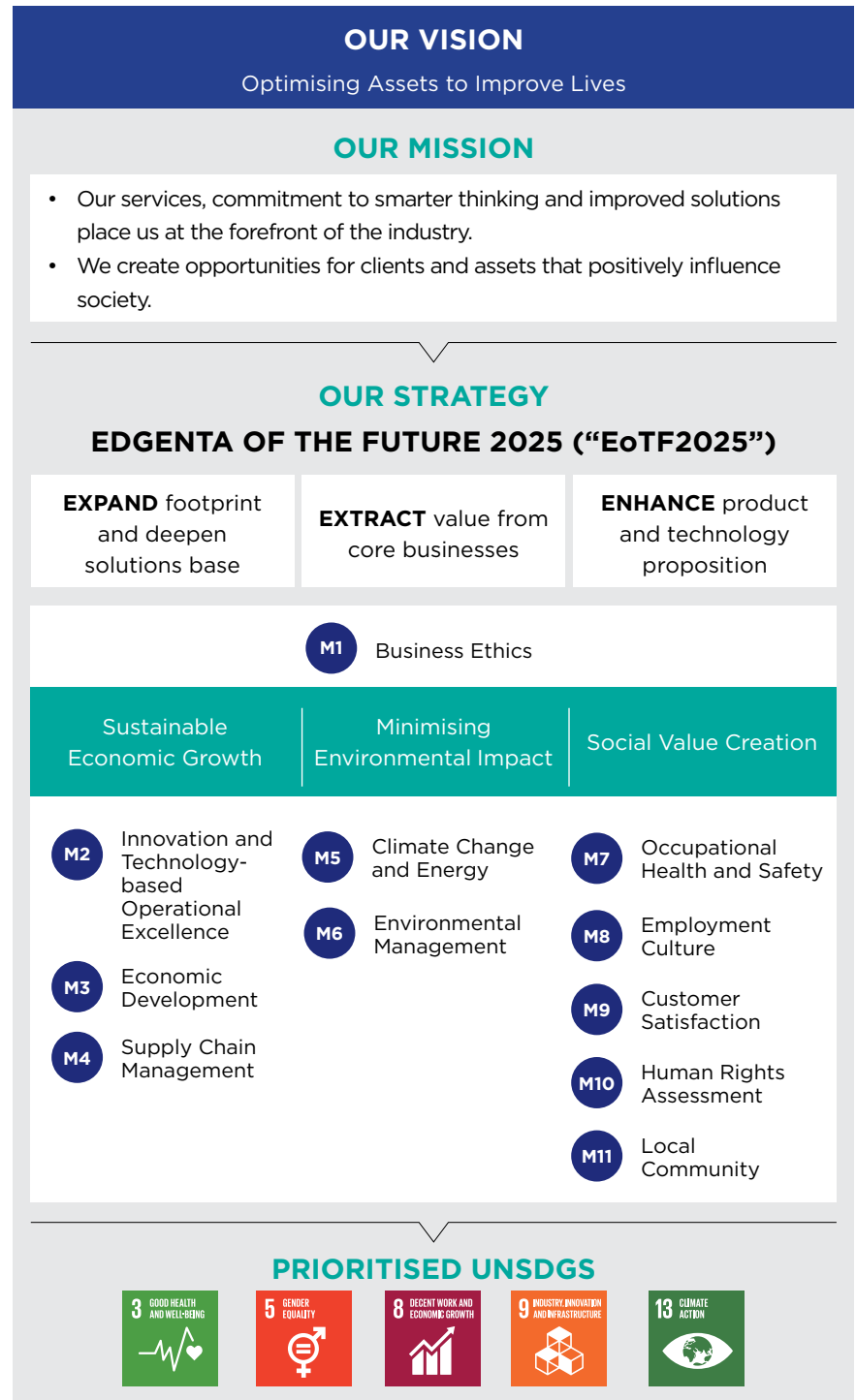
SUSTAINABILITY AT UEM EDGENTA

At UEM Edgenta, we align ourselves with principles that matter to our stakeholders, actively managing and operating a responsible business while securing profits and driving long-term value creation. In this regard, we strive to create innovative solutions to tackle the most pressing challenges facing our planet and society.

Our dedication to sustainability is about driving long-term economic growth while making positive impacts on the world we all share. We envision the Edgenta of The Future 2025 (“EoTF2025”) as a means to deliver top-notch services to our customers fuelled by precision, cutting-edge technology, and unwavering safety standards.

Our sustainability goals are guided by our Sustainability Framework which underpins three core pillars - Sustainable Economic Growth, Minimising Environmental Impact and Social Value Creation. They serve as a roadmap guiding us towards making a meaningful difference that contribute to a brighter future for all.

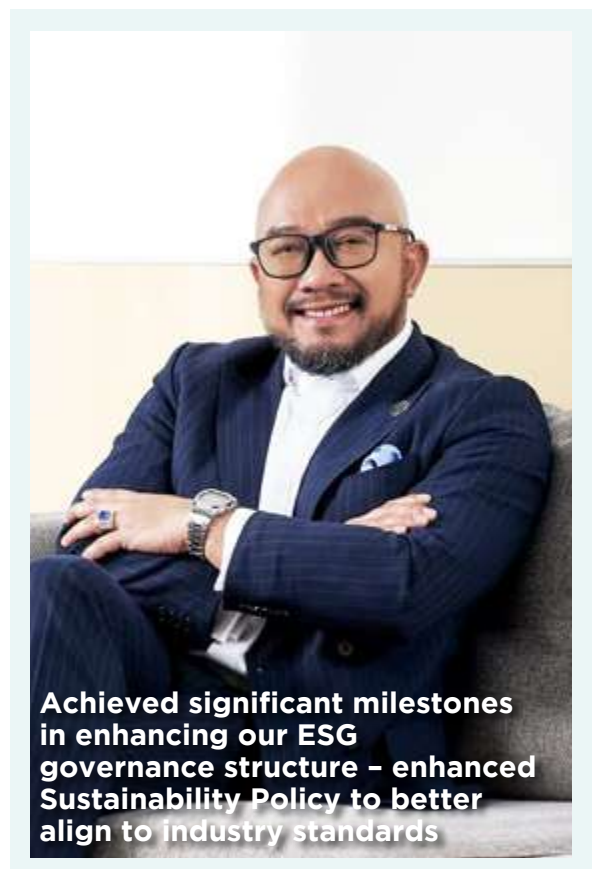
UEM EDGENTA’s Sustainability Framework



► For more information on Sustainable Economic Growth, see page 116
 For more information on Minimising Environmental Impact, see page 130
 For more information on Social Value Creation, see page 144
 For more information on our Sustainability Performance Data, see page 415

SUSTAINABILITY AT UEM EDGENTA

LEADERSHIP COMMITMENTS TO SUSTAINABILITY



DEAR STAKEHOLDERS

Reflecting on the past year, I am proud to share the strides UEM Edgenta has taken in advancing our sustainability agenda. Our journey towards sustainability is driven by the necessity to prioritise stakeholder expectations through our two-year Sustainability Roadmap (FY2022 – FY2024), which provides an overarching steer, outlining strategic initiatives and milestones, and shaping the trajectory of UEM Edgenta's sustainability journey.

In 2023, UEM Edgenta continued to address its material matters driven by our commitment to do business responsibly. During the year, we undertook several strategic initiatives as part of enhancing our sustainability commitments.

Firstly, we enhanced our Sustainability Policy for better alignment with Bursa Malaysia's Sustainability Disclosure guidelines, FTSE4Good and industry best practices. Through this enhancement, we expressed a greater commitment to adhere to evolving sustainability standards and practices across the Economic, Environment, Social and Governance ("EESG") spectrum and drive positive impact in our operations, value chain and services we offer.

In addition to promoting further transparency on sustainability performance, we continuously strive to enhance the quality of data disclosed in our sustainability statement. This has been achieved through aligning our disclosures with regulatory requirements and best practices, in compliance with Bursa Malaysia's sustainability reporting guidelines. For 2023, our sustainability statement includes a limited assurance statement based on a limited assurance exercise conducted by our internal audit team.

Through our Sustainability Roadmap, we have laid a solid foundation for an effective sustainability governance framework that prioritises ethics and transparency. The Board at UEM Edgenta plays a crucial role in setting the tone and overseeing the sustainability strategy of the Group. The Board Governance and Risk Committee ("BGRC") recommends and monitors sustainability programmes, while together with the Nomination and Remuneration Committee ("NRC"), it reviews performance against agreed KPIs. In this regard, the Board also oversees the monitoring of ESG targets and performance through the Company's corporate scorecard, which embeds relevant ESG metrics.

Net Zero Targets in 2023

With an interim target of **26%** reduction by 2030



DRIVEN BY SIX KEY LEVERS

- Green Materials
- Energy Efficiency
- Green Transport
- Green Building
- Clean and Renewable Energy
- Carbon Removal and Offsetting

SUSTAINABILITY AT UEM EDGENTA

The ESG Steering Committee, led by the Managing Director/CEO, deliberates and provides steer on sustainability matters across the Company. The Managing Director/CEO also ensures that policies and practices are disseminated throughout the organisation. During the year under review, an ESG Department was formalised to execute sustainability initiatives, providing strategic guidance and operational support in implementing and monitoring ESG-related activities across the organisation.

The Board also takes continuous steps to enhance its knowledge on sustainability-related matters. In 2023, the Board underwent more than 130 hours of ESG-related training, covering important topics such as setting climate targets and ESG governance processes to facilitate deliberations and discussions of ESG matters.

UEM Edgenta continuously ensures compliance with local and international laws through a structured approach, with oversight from the Responsibility, Integrity, Compliance, and Diversity ("RICD") department.

UEM Edgenta's risk management policies and practices are guided by its Risk Management Framework ("RMF") and aligned with ISO 31000 guidelines. Other policies and frameworks, such as the Sustainability Policy, Anti-Bribery Management System, and Whistleblowing Policy, reflect UEM Edgenta's commitment to governance and ethics. The company continuously engages with external stakeholders, NGOs, and authorities to enhance anti-corruption efforts. Throughout the reporting year, more than 15 engagement activities, such as Vendor Day and Integrity Awareness Sessions were held in 2023 to educate our stakeholders on key risk matters.

Key milestones achieved in 2023 include obtaining the ISO 37001 Anti-Bribery Management Systems ("ABMS") certification, enhancing the e-declaration portal to include more integrity declarations, and developing the Organisational Anti-Corruption Plan ("OACP").

Moving forward, the Company will enhance its risk management framework to capture sustainability-related risks, such as the impact of climate change and other material matters to the business. In the interim, UEM Edgenta has already taken steps to identify and assess environmental, social, and governance-related risks, which are reported to the BGRC quarterly. The Company has also begun preparations to address the recommendations of the Task Force for Climate-Related Disclosure ("TCFD") and International Sustainability Standards Board ("ISSB") by undergoing TCFD awareness training in 2023 and developing a roadmap for the compliance process.

OUR COMMITMENT TO THE CLIMATE AND ENVIRONMENT

During the year, UEM Edgenta completed several key sustainability initiatives, making further progress in two key material matters, namely Climate Change and Energy, and Environmental Management.

In response to climate change concerns and expectations from our stakeholders to address this material matter, we initiated the work to establish our Scope 1 and Scope 2 emissions inventory, which amounted to 17,577 tonnes of CO₂-equivalent (tCO₂e), comprising 10,356 tCO₂e of Scope 1 emissions and 7,221 tCO₂e of Scope 2 emissions. The exercise to establish our emissions inventory provided many learnings to the company – including data verification for completeness as well as the accuracy of calculating emission figures based on global standards – all of which provided further understanding of the nature of our emissions footprint and the correlation of our business activities to GHG emissions.

A notable achievement in 2023 was the launch of UEM Edgenta's groupwide Net Zero Targets and our commitment to achieve net zero GHG emission by 2050. Additionally, we established an interim reduction target of 26% by 2030 for Scope 1 and Scope 2 emissions, towards achieving Net Zero by 2050. These commitments align with the International Energy Agency's ("IEA") Net Zero Emissions by 2050 Global Pathway.

Our commitment to reducing emissions is predicated on our decarbonisation strategy which anchors on optimising energy consumption through energy efficiency solutions, leveraging on clean and renewable energy sources and electrification of our fleet of vehicles. Immediate initiatives undertaken during the year included the capacity optimisation of our Kamunting incinerator plant to generate optimum levels of heat and to reduce the reliance on natural gas. In addition, we piloted the use of Green Energy Tariffs from TNB as a means to offset our hard-to-abate sources of emissions. These initiatives had provided the initial momentum required to kick-start our decarbonisation journey. In 2023, we recorded a reduction of 777 tCO₂e in our Scope 1 and Scope 2 emissions, translating into a 4.04% emission reduction from our 2022 baseline.

Moving forward, we are focused on establishing GHG reduction monitoring process to measure the performance of our net zero strategy and also to allow us to refine our climate targets as we progress. We are also embarking on an exercise to establish our Scope 3 emissions inventory and make a similar pledge to Net Zero by 2050.

SUSTAINABILITY AT UEM EDGENTA

To manage our Environmental Management material matter, we remain committed to proactively reducing waste by implementing comprehensive waste-handling strategies. In 2023, we completed the construction of our Recycled Asphalt Pavement ("RAP") Premix plant in Tapah, Malaysia. The plant will help our clients in reducing milling waste from our pavement-related services and optimise raw material consumption by utilising up to 30% of recycled asphalt. Moving forward, UEM Edgenta remains dedicated to implementing environmental conservation practices in both its operations and its solutions. The company plans to compute its waste footprint to develop a comprehensive waste management programme while promoting recycling efforts.

BUILDING OUR SUSTAINABILITY CULTURE

At UEM Edgenta, we understand that ESG factors are not just components of our operations but fundamental to our core values and overarching objectives. Cultivating the right culture, skills, and mindset is crucial to propelling our sustainability agenda forward and achieving our goals.



WE ARE PROUD RECIPIENT OF THE STAR ESG AWARD

GOLD for Energy Efficiency and

SILVER for Renewable Energy, Talent Management
and Good Health and Wellbeing Practices

Sustainability culture is deeply embedded in our people in various aspects. Our employees undergo future-ready training to adapt to evolving challenges, ensuring they play an active role in enhancing operational efficiency and sustainability goals. During the year, we initiated a focused capability development programme for all our employees, called the Individual Development Programme ("IDP"), enabling the assessment of individual competencies and identification of areas for improvement. This initiative has empowered staff to pursue tailored training to address both their core and job-specific competency requirements. These learning initiatives resulted in staff recording a total of 295,702 learning hours during the year.

Fostering an inclusive and diverse workplace is integral to who we are. In 2023, we took steps to advance this cause by introducing a Diversity, Equity, and Inclusivity ("DEI") Statement, advocating for these values in all our workplace practices. Ensuring equal opportunities is a priority in our HR processes, and the company adheres to Employment Acts in the markets it operates and aligns with international labour standards. Furthermore, we reaffirmed our commitment to recognising the rights of our employees by acknowledging the National Union of Hospital Support, Allied Services, and Government Agencies. This action underscores our dedication to upholding the right to freedom of association and collective bargaining. Efforts are currently underway to reach a first set of collective agreements on areas of mutual interest for both parties.

Moving forward, UEM Edgenta will continue to engage with employees through various initiatives tailored to fortifying leadership development, championing inclusivity and diversity, and optimising recognition and rewards frameworks. By nurturing a workplace culture that celebrates diversity, we aim to foster a thriving and empowered workforce.

Employee health, safety, and well-being are core aspects of our corporate culture, as demonstrated by our FIRST principles. To this end, UEM Edgenta is dedicated to ensuring the health, safety, and security of its workforce. The overarching goal is to achieve zero incidents, occupational illnesses, environmental events, non-compliance with legal requirements, and prioritising the physical and emotional well-being of employees. This commitment is embedded in our comprehensive Quality, Health, Safety, Security, and Environment ("QHSSE") Policy, which focuses on compliance with statutory and regulatory requirements and promotes a culture of continuous improvement in Health, Safety, Security, and Environment ("HSSE").

SUSTAINABILITY AT UEM EDGENTA

During the year under review, Edgenta recorded several milestones in advancing its HSSE practices. The company successfully obtained the ISO 9001:2015, ISO 45001:2018 & ISO 14001:2015 (Quality, Occupational Health & Safety and Environmental Management Systems) Certifications, a demonstration of Edgenta's sound quality management system to ensure that the services and products offered meet international standards. In addition, the Company also operationalised its HSSE manuals, ensuring better adherence to health, safety and environmental practices. Assurance processes were carried out and intervention plans were identified for further improvements. As a result of these well-executed measures, we became the proud recipient of the Star ESG Award – Silver for our outstanding Health and Well-being practices, highlighting our dedication to creating a sustainable and thriving workplace for our employees.

Looking ahead, UEM Edgenta is committed to continually improving its HSSE management system, nurturing a robust safety culture, and striving for zero incidents, occupational illnesses, and environmental events through ongoing training, awareness sessions and monitoring processes. The organisation aims to instil a workplace ethos where safety is deeply ingrained in the culture, spanning from top management to every employee, ensuring the highest standards of well-being and environmental stewardship.

In our dedication to maintaining a strong supply chain, fostering ethical procurement practices, and supporting local vendors, UEM Edgenta maintains a rigorous set of procurement standards outlined in our Strategic Vendor Management Framework ("SVMF"). Through this framework, we actively collaborate with our suppliers via our signature Vendor Development Programme ("VDP") to ensure their alignment with our sourcing criteria, ultimately improving our supply chain performance.

Our assistance includes providing training programmes covering health and safety regulations, ethical sourcing principles and procurement practices. During the year, we expanded these training initiatives to include sustainability-related discussions, aimed at boosting our vendors' understanding of ESG principles. In addition, we onboarded 9 new suppliers into our VDP. Other initiatives like the Supplier Financing Programme ("SFP"), in partnership with HSBC Amanah Malaysia Berhad, provides vital support to SME suppliers, helping them manage their cash flows while conducting business with us.

We consistently monitor our vendors' performance through our Vendor Performance Review and HSSE Performance Rating processes. During the year, we evaluated 93 vendors from our Infrastructure business and offered training and support for those who do not meet our minimum rating requirements to assist them in meeting our established standards.

Going forward, we aim to enhance our SVMF by integrating more sustainability-related considerations in our procurement practices. This includes supplier environmental and social assessments, incorporating green material sourcing principles, implementing stricter health and safety requirements, as well as human rights screening procedures for supplier evaluation. To better prepare our vendors for these changes, we plan to conduct a risk profiling exercise to assess our suppliers and subsequently, develop a supply chain engagement plan to assist our vendors in complying with our enhanced supply chain framework.

At UEM Edgenta, community contributions and development with a focus on education, community enrichment and well-being is very much aligned with our vision.

Through the "Saving Animals, Serving Community" CSR programme, the Company allocated approximately RM30,000 to support animal welfare and conservation efforts of the endangered Aldabra Giant Tortoises and a giraffe. Additionally, UEM Edgenta practiced circularity by rescuing 7,225 kg of surplus pet food, benefitting over 50 shelters, preventing the release of 20,230 kg of carbon dioxide into landfills.

In its community empowerment CSR endeavours, UEM Edgenta launched several initiatives such as 'Back-to-School Riang Ria' to aid underprivileged school children and provided flood relief assistance in Segamat, Johor and the "Jalinan Kasih Edgenta" programme which facilitated inclusive festive celebrations, enhancing community engagement and social cohesion during key cultural events such as Chinese New Year, Ramadan, Deepavali, and Christmas.

The establishment of the Arboretum Education Center in partnership with Universiti Putra Malaysia in December 2023 highlights the company's commitment to further extend educational and awareness platforms in the area of environmental sustainability.

These efforts led to UEM Edgenta receiving the prestigious "Company of the Year (Asset Management & Infrastructure Solutions)" award at the esteemed Sustainability and CSR Malaysia Awards 2023. Looking ahead, the organisation is poised to further solidify its role in sustainable development by continuing to work with communities in the markets it serves to promote education and community enrichment programmes.

UEM Edgenta practiced circularity by rescuing 7,225 kg of surplus pet food, benefitting over 50 shelters, preventing the release of 20,230 kg of carbon dioxide into landfills.

SUSTAINABILITY AT UEM EDGENTA

EXPANDING OUR ECOSYSTEM

Sustainability is a collective effort that spans our entire value chain. At UEM Edgenta, we are committed to supporting our partners and clients to achieve their ambition towards reducing their climate footprint. To this end, related sustainability services that the company undertakes as part of its comprehensive facilities management includes conducting ESG site audits, facilitating Green Building Index certification, and developing sustainability roadmaps in line with global standards.

To-date, our services have proven impactful, with energy management initiatives resulting in annual savings of approximately 81.4 million kWh recorded in assets that we manage. This translates to savings of approximately RM55 million in energy bills since 2017. In addition, we helped one of our key clients, the Ministry of Health Malaysia, in obtaining the Leadership in Energy and Environment Design ("LEED") certification recognised by the U.S. Green Building Council for 8 healthcare facilities, showcasing our clients' dedication to environmentally sustainable practices. Our efforts in promoting sustainability practices in assets we managed in turn saw us receive two 4-star ratings and four 3-star ratings under the Malaysian Carbon Reduction and Environmental Sustainable Tool ("MyCrest") rating system for the healthcare facilities we manage.

To fortify our market standing, we launched Opus Sustainability, serving as the one-stop solutions provider to help asset owners decarbonise their assets towards achieving a sustainable build environment. This strategic consolidation, complemented by our established success in energy performance contracting, led to us securing nine sustainability mandates from clients in Malaysia in 2023, bringing our total ongoing sustainability mandates to 21 contracts. Additionally, we have earmarked RM200 million to help finance sustainability projects on a zero-capex model, aiding our clients' transition to a low-carbon economy. With this commitment, we aim to boost closer collaboration with our clients, promoting the use of renewable energy sources, expanding green infrastructure like EV charging points, and upgrading existing infrastructure to high-performance green buildings. Through strategic partnerships with organisations like Earth Finance, Honeywell, and Yinson Greentech, we are working together to pursue sustainability and decarbonisation goals.

Earmarked RM200 million through Opus Sustainability to finance sustainability projects, supporting our clients' transition to a low-carbon economy.

UEM Edgenta's approach to technology and operational innovation revolves around a threefold strategy focused on strengthening the core, transforming tech delivery, and redefining business models. This approach is delivered through the Digital, Technology and Innovation ("DTI") department and Edgenta NXT, the technology commercialisation arm of UEM Edgenta. Together, they implement various technology solutions to enhance cybersecurity measures, modernise cloud infrastructure, and optimise tech delivery processes via computer-aided facility management systems, sustainability solutions, IoT device deployment and smart city solutions.

During the year, Edgenta NXT rolled out Asseto, a cloud-based computer-aided facility management platform deployed across 15 sites of UEM Edgenta's portfolio. Asseto facilitates predictive maintenance, remote monitoring, data analytics works, and provides customised dashboards that include carbon emission tracking and energy usage optimisation, offered in collaboration with third-party platforms such as Alibaba.

Additionally, UEMS Singapore rolled out a Community App to facilitate our employees in Singapore to track their emission footprint. The app serves as a platform to encourage sustainability-driven behaviours, including waste reduction, adoption of environmentally friendly transportation modes, and the sharing of sustainability-related information among employees. UEM Singapore also deployed its UETrack™ application in an additional 27 sites in Singapore in 2023 to allow better asset tracking and improved efficiencies in scheduling cleansing work orders.

Our initiatives serve as a roadmap towards a more sustainable, inclusive, and prosperous world. By leveraging cutting edge technology and data analytics we optimise urban infrastructure and enhance the sustainability, efficiency, and liveability of cities, driving forward the vision of smarter, more connected urban environments for the future.

LOOKING AHEAD

While we have made significant strides in our sustainability journey, it is important to recognise that there is still much work ahead of us. As we look to the future, our focus is on further shaping our ESG journey.

To drive our efforts forward, we aim to entrench ESG into our operational culture, strengthen our policies, and invest in markets that value ESG principles. Our ultimate goal is to build a resilient, sustainable company that not only generates profits, but also benefits all stakeholders involved.

SYAHRUNIZAM SAMSUDIN

Managing Director/Chief Executive Officer

SUSTAINABILITY AT UEM EDGENTA

PRIORITISED UN SDGs

UEM Edgenta is committed to contributing to the United Nations Sustainable Development Goals ("UN SDGs") through our various initiatives and practices. We recognise the importance of addressing global challenges such as health, inequality, climate change, and environmental degradation, and we are dedicated to playing our part in achieving a sustainable and prosperous future for all.

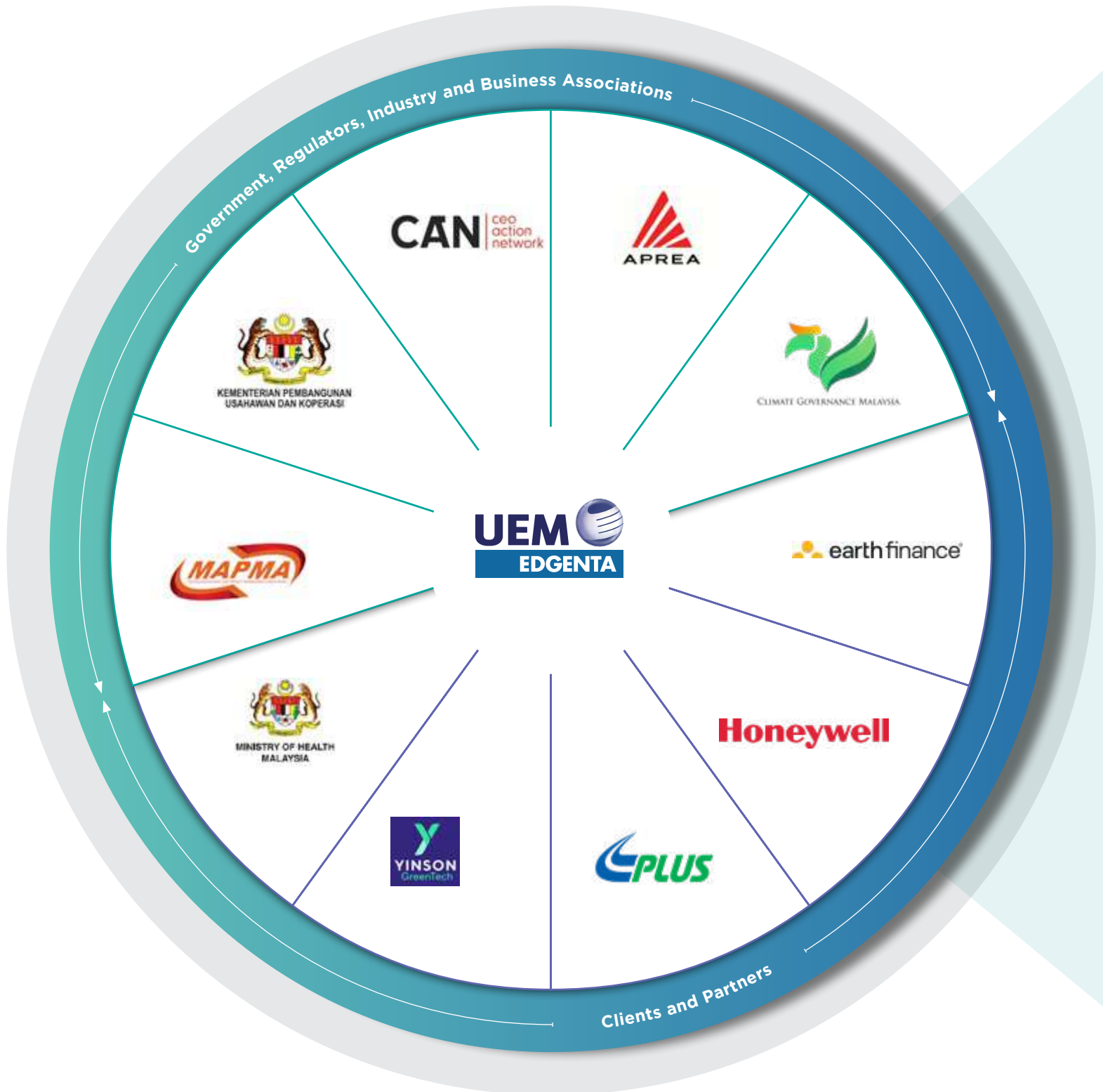
Prioritised UN SDGs	Linked SDG Targets	Achievements and Contributions
Material Matters: M7 Occupational Health and Safety M10 Human Rights Assessment		Relevant Stakeholders: - Board Of Directors and Employees - Supply Chain Partners
	Target 3.4 Reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being Target 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	- Commitment through our Quality, Health, Safety, Security, and Environment (QHSSSE) Policy, which focuses on compliance with statutory and regulatory requirements and promotes a culture of continuous improvement in Health, Safety, Security, and Environment (HSSE) and towards attained our goal of zero incidents, occupational illnesses, environmental events, non-compliance with legal requirements, and prioritising the physical and emotional well-being of employees. - Operationalised HSSE manuals, ensuring better adherence to health, safety and environmental practices - In promoting work-life balance, UEM Edgenta has introduced Flexible Working Arrangements, sports and recreational clubs, the Edgenta Care Society, and mental health support programmes.
Material Matters: M8 Employment Culture		Relevant Stakeholders: Board Of Directors and Employees
	Target 5.1 End all forms of discrimination against all women and girls everywhere Target 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	- Developed a Diversity, Equality and Inclusion Statement to advocate for these values at the workplace. - Conducted three awareness sessions on 'Understanding of Human Rights at Workplace' during Edgenta HR Roadshow 2023. 52% of the total workforce are women and more than 30% of senior and middle management positions are held by women. Board members also comprise 30% women. This allows for women's participation in decision making process.
Material Matters: M3 Economic Development M4 Supply Chain Management M9 Customer Satisfaction M11 Local Community		Relevant Stakeholders: - Board of Directors and Employees - Clients and Partners - Supply Chain Partners
	Target 8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities Target 8.6 Substantially reduce the proportion of youth not in employment, education or training Target 8.8 Aims to protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment Target 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	- Introduced an Opportunity Marketplace for employees to apply for positions, including those from sister companies like PLUS and UEM Sunrise. - Conducted 16 comprehensive training sessions focused on effective recruitment processes and fair hiring skills in 2023. - Implemented Individual Development Plan ("IDP") for employees to take control of their career development paths. - Enrolled 101 vendors in the Supplier Financing Programme ("SFP") in collaboration with HSBC Amanah. - Providing Graduate Trainee Programme ("GET") and internship programmes. - Our Vendor Development Programme ("VDP") cultivates robust, collaborative partnerships with our suppliers, leading to enhanced performance across our supply chain. - Recognised the National Union of Hospital Support, Allied Services and Government Agencies, a move to recognise the right to freedom of association and collective bargaining among our staff - Learning initiatives resulted in staff recording a total of 301,895 learning hours during the year.

SUSTAINABILITY AT UEM EDGENTA

Prioritised UN SDGs	Linked SDG Targets	Achievements and Contributions
Material Matters: M2 Innovation and Technology-based Operational Excellence		
Relevant Stakeholders: • Client and Partners • Employees • Supply Chain Partners • Government and Regulators, Industry and Business Associates		
	• Target 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all • Target 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	• Developed proprietary software, Asseto, to enable data-driven decision-making towards enhanced asset and facility management and sustainable operations by industry clients, governments and asset owners. • Constructed materials for pavement using recycled asphalt to reduce waste from milling. • Retrofit hospital buildings and maintained hospital assets and buildings for clients. • Energy management services have resulted in annual savings of approximately 38.4 million kWh which translates to approximately RM16.6 million in energy and cost savings in 2023. • Earmarked RM200 million to help finance sustainability projects on a zero-capex model, aiding our clients' transition to a low-carbon economy focusing on energy efficiency and renewable energy • UEMS Singapore rolled out a Community App to facilitate our employees in Singapore to track their emission footprint. The app serves as a platform to encourage sustainability-driven behaviours, including waste reduction, adoption of environmentally friendly transportation modes, and the sharing of sustainability-related information among employees • UEM Singapore also deployed its UE Track application in an additional 27 sites in Singapore in 2023 to allow better asset tracking and improved efficiencies in scheduling cleansing work orders.
Material Matters: M5 Climate Change and Energy M6 Environmental Management		
Relevant Stakeholders: • Board of Directors and Employees • Client and Partners • Government, Regulators, Industry and Business Associates • Community • Media		
	• Target 13.2 Integrate climate change measures into national policies, strategies and planning • Target 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	• Launched Edgenta's Net Zero Targets for both Scope 1 and Scope 2 with an established baseline. Enhanced our Sustainability Policy to integrate climate matters and Net Zero Targets. • Conducted more than 10 capacity building sessions on climate matters in 2023. • Providing energy efficiency services to clients and enabling them to attain green building certifications. • Pilot programme to lease electric vehicles as part of our fleet replacement, better energy management techniques at the workplace and reduction of idle time in our vehicles to reduce petrol and diesel consumption.

SUSTAINABILITY AT UEM EDGENTA

DRIVING SUSTAINABILITY THROUGH PARTNERSHIPS



SUSTAINABILITY AT UEM EDGENTA

Driving Sustainability Through Partnerships and Networks

Government, Regulators, Industry and Business Associations

Kementerian Pembangunan Usahawan dan Koperasi ("KUSKOP")

Through collaborative endeavours aimed at upskilling Small and Medium Enterprises ("SMEs") and Social Entrepreneurs, we have fortified the business ecosystem, promoting inclusive economic growth. In 2023, we successfully onboarded nine additional vendors into the three-year Vendor Development Programme, further enhancing our commitment to fostering sustainable business partnerships.

CEO Action Network ("CAN")

Engaged in partnerships with over 60 companies to develop capacity building programmes that have positively impacted over 1,000 employees spanning 20 diverse sectors. Additionally, we participated in CAN Nature Retreat that was held in July. The event brought together leaders from 60 companies to deliberate on environment and climate related matters and reinforce their commitments towards climate action.

Asia Pacific Real Assets Association ("APREA")

Actively engaged with Asia Pacific real estate companies to acquire valuable insights and market intelligence within the real estate industry, while simultaneously leveraging the Sustainability guide materials provided by the association. This collaborative effort not only enhances our understanding of market trends but also serves as a platform to foster collaboration and identify growth opportunities within the sector.

Malaysian Asset and Project Management Association ("MAPMA")

We organised an engagement session for members to collaborate on enhancing standards in asset and project management across various industries in Malaysia.

Climate Governance Malaysia ("CGM")

Continued to become a member of Climate Governance Malaysia, which is the Malaysian chapter of the World Economic Forum's Climate Governance initiative. We also attended the National Climate Governance Summit to gather insights from corporate leaders on climate ambition and best practices.

Clients and Partners

Ministry of Health ("MoH")

Closely collaborated with the Ministry of Health Malaysia to provide vital non-clinical hospital services to 32 Government hospitals. This partnership aims to advance their sustainability objectives and support the attainment of Green Building Index ("GBI") status for these healthcare facilities.

PLUS Malaysia Berhad

Partnered with PLUS to produce sustainable pavement material using milling waste and implemented water conservation initiatives across PLUS facilities.

Honeywell Engineering Sdn. Bhd.

Exploration of development and provision of end-to-end solutions for renewable energy and comprehensive sustainable building asset management solutions for Net Zero in Malaysia, including energy and waste management solutions, and capability development of smart city technologies.

Earth Finance Inc.

Provided capacity building in Scope 3 emissions, offering training, technical assistance, knowledge sharing, resources, and strategic guidance to enhance Edgenta's ability to measure, manage, and reduce its Scope 3 emissions effectively.

Initiated business collaboration with Opus Consulting through Memorandum of Business Exploration (MOBE), to provide Energy Efficiency and Sustainable Solutions to clients

Yinson GreenTech

Exploration of Sustainability Services and potential to develop go-to market end-to-end Sustainable vehicles solutions to respective clients whilst ensuring a greener supply chain.

SUSTAINABILITY AT UEM EDGENTA

SUSTAINABILITY ROADMAP

Our two-year roadmap, spanning from FY2022 to FY2024, serves as a strategic blueprint for integrating sustainability into the fabric of our organisation. Developed through a comprehensive and holistic approach, this roadmap was informed by insights gathered from stakeholders through various workshops, and it takes into account material matters significant to both our business operations and stakeholders. The roadmap is structured around six sustainability pillars: Approach, Materiality, Performance Measurement, Governance and Culture, Initiatives and Action, and Reporting and Communication, guiding our journey towards a more sustainable future.

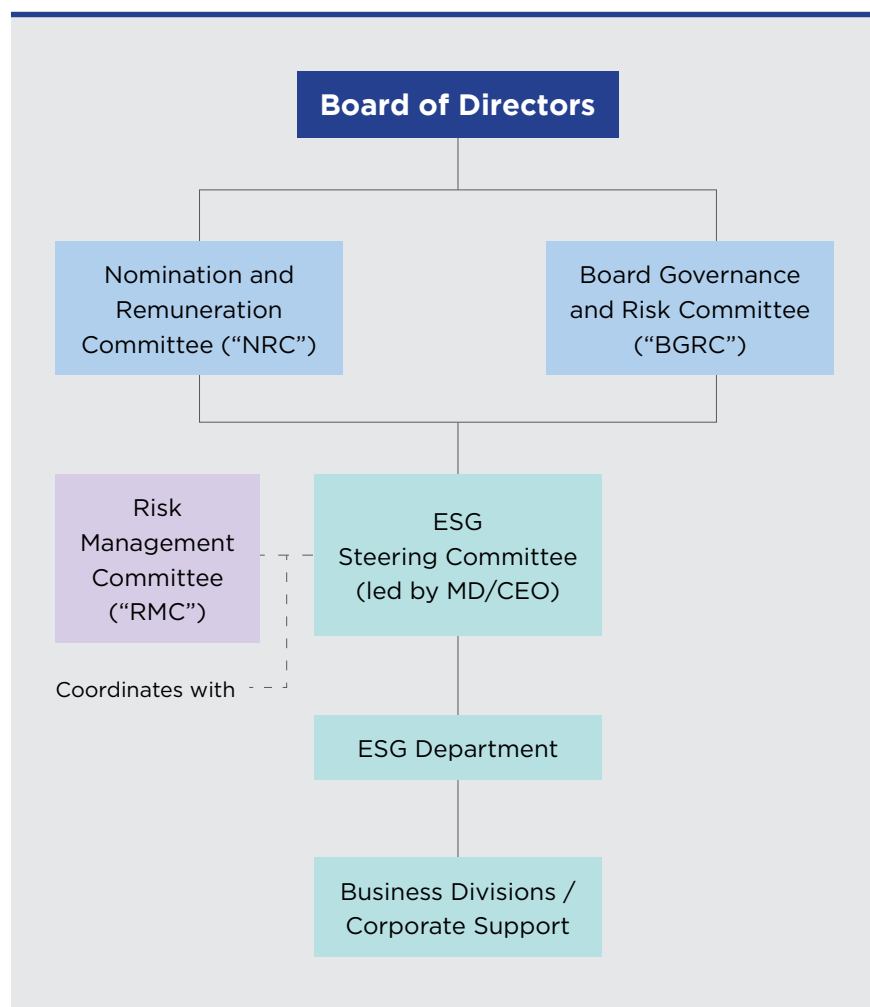
Progress in 2023

2022	2023	2024
Strengthening Our Fundamentals We launched our sustainability journey: • Approach: Initiated a strategic 2-Year Sustainability Roadmap to guide our efforts. • Materiality: Conducted a detailed materiality assessment to identify key sustainability issues. • Performance Measurement: Developed Scope 1 and Scope 2 Emissions Inventory and embedded ESG into corporate scorecard. • Governance and Culture: Strengthened our ESG governance with an enhanced Terms of Reference. Launched ESG Awareness Month and self-paced ESG training. • Initiatives and Action: Prioritised material matters, set up focus groups and identified champions to drive action. Execute survey suppliers for ESG suppliers profiling. • Reporting and Communication: Enhanced Sustainability Statement reporting according to Bursa Guidelines, GRI and FTSE4Good.	Building Momentum We intensified our sustainability efforts across all of our roadmap's sustainability pillars: • Approach: Enhanced and communicated Sustainability Policy to align internal and external stakeholders with our goals. • Materiality: Conducted an annual review of the Material Matrix to incorporate external stakeholders view. • Performance Measurement: Developed Net Zero Targets and initiated selected categories for Scope 3 emission inventory, demonstrating our commitment to comprehensive sustainability tracking. Continued to embed ESG into corporate scorecard. • Governance and Culture: 2nd year of ESG Awareness month and ESG self-paced training, formalised ESG department. • Initiatives and Action: Segmentised supplier to prepare for scope 3 emission inventorisation. • Reporting and Communication: Digitised emission calculation and continued to report according to Bursa's requirements. Developed a TCFD roadmap for reporting.	Towards Integration • Approach: Develop ESG strategy for integration into corporate vision and mission. • Materiality: Continue to refine our approach to materiality, ensuring it informs our strategy and engagement. Preparing for double materiality. • Performance Measurement: Monitoring of sustainability policy and Net Zero Targets progress. Continue to embed ESG KPI into corporate scorecard. • Governance and Culture: Further embed sustainability into our corporate culture and governance practices. • Initiatives and Action: Advance our commitment to responsible supply chains and human rights. • Reporting and Communication: Enhance our reporting framework to better adhere to reporting requirements and demonstrate our sustainability achievements and ambitions comprehensively. Enhance our risk management framework to incorporate climate risk.

SUSTAINABILITY AT UEM EDGENTA

SUSTAINABILITY GOVERNANCE

We are dedicated to upholding robust sustainability governance, which ensures accountability, transparency, and ethical conduct across all our operations. This commitment is ingrained in our business ethos, involving all stakeholders and fostering trust through the demonstration of our dedication to sustainable practices. By adhering to these standards, we not only secure our immediate success but also strengthen the long-term sustainability and resilience of our business. Furthermore, we emphasise the importance of business ethics in this section, acknowledging it as the way we do business.



The Board at UEM Edgenta plays a crucial role in setting the tone and overseeing the sustainability strategy of the Group. The Board also oversees the monitoring of ESG targets and performance through the Company's corporate scorecard, which incorporates relevant ESG metrics.

Roles and Responsibilities:

The Board Governance and Risk Committee ("BGRC")

Oversees the sustainability efforts and reviews the material sustainability risks and opportunities as well as sustainability issues in the overall planning, performance and long-term strategy of the Company.

The Nomination and Remuneration Committee ("NRC")

Review performance against established corporate scorecard including ESG performance.

The Risk Management Committee ("RMC")

Collaborate closely with the senior management team in integrating a Risk Management Framework ("RMF") throughout the Group.

The ESG Steering Committee

A committee led by the MD/CEO comprising C-suites and select senior management team that periodically reviews and provide steers on sustainability initiatives, performance and action plans to be recommended to the BGRC and Board.

The ESG Department

Leads the execution of sustainability initiatives according to the 2-Year Roadmap and in alignment with the Bursa Sustainability Framework and GRI standards.

Business Divisions ("BUs") & Corporate Support

Works in collaboration with the Group ESG Team to implement sustainability initiatives and activities.

SUSTAINABILITY AT UEM EDGENTA

The following section describes how we embed sustainability metrics into our decision making and performance evaluation processes.

Establish Clear Goals and Strategies

ESG is integrated into the target setting, resource allocation, and performance measurement. It is also a key criterion in the Board Evaluation Assessment, evaluating Board roles, responsibilities, and performance.

Education and Awareness

We prioritise instilling a strong sustainability mindset throughout our Board. The Board actively engages in workshops, seminars, and invites external experts to stay updated on ESG matters and best practices.

All directors have attended at least one training related to ESG in year 2023. We have provided 2 Board Awareness Session in 2023.

Education and Awareness



Integrate Sustainability into Decision-Making Process

The board is increasingly looking at ways to integrate sustainability matters into our decision-making process. It considers the Group's material matters, regulatory requirements, rating standards and best practices when evaluating policies, processes and investment opportunities.

Incentivise Sustainable Practices

ESG KPIs are integrated into the corporate and business unit scorecards and performance evaluations take into consideration achievement of ESG targets.

Review and Adapt

Policies and practices undergo regular review and assessment for sustainability initiative effectiveness.

Transparency and Reporting

ESG matters are a regular agenda discussion in our quarterly board meetings. We ensure timely updates, frequent discussions, and engagement on sustainability progress, performance, and areas for improvement.

For more information on our Corporate Governance responsibilities, see page 212 to 234 of our Integrated Report.

SUSTAINABILITY AT UEM EDGENTA

ENHANCED SUSTAINABILITY POLICY

At UEM Edgenta, our sustainability mission is supported by our Group Sustainability Policy. This policy outlines our focus, commitment, and approach to sustainability, integrating principles of sustainable development into our activities. It aims to establish and promote sound environmental practices, minimise harm, and foster sustainable development across our operations.

In 2023, we enhanced our Sustainability Policy, which reflects our approach to Sustainability which is based on the Economic, Environment, Social and Governance (“EESG”) pillars. The policy now better aligns with Bursa Malaysia’s Sustainability Disclosure Guidelines, industry best practices and international benchmarks such as FTSE4Good. It also supports UEM Edgenta’s Net Zero 2050 commitments which were recently announced.

Some key commitments now stated in the Enhanced Sustainability Policy, under each of the EESG pillars are as follows:

Economic

We aspire to create a positive economic impact through our processes and business activities to contribute to the local economies in which we operate.

We commit to supporting our vendors in such that they remain sustainable and relevant.

Social

We commit to complying with all applicable labour, employment, and human rights legislation, including, but not limited to the minimum wage and minimum age for employment.

To create long-term positive impacts in the community we commit to focus on education, community enrichment and well-being, and the environment.

Governance

Ensure timely reporting on our sustainability data and performance.

Environment

We will be taking steps to reduce emissions to support the global initiatives to limit global warming to well below 2.0°C, including tracking our emissions & our clients’ emissions.

We commit to decarbonising our operations and reducing emissions brought by growth to meet Net Zero Targets (Scope 1 and Scope 2) by 2050.

We recognise the importance of protecting the environment and will look at ways to integrate responsible use of energy and resources, reduce waste, and increase recycling efforts.

Explore technologies that reduce emissions such as renewable energy solutions, explore the use of green materials and environmentally clean processes for use in our own businesses and in our service offerings to our clients.

Acknowledge suppliers who prioritise the use of products and services that are environmentally friendly.

GOVERNANCE

BUSINESS ETHICS

WHY IT MATTERS?

Business ethics and integrity are foundational to our sustainability efforts and are essential in creating long-term value for our stakeholders. By committing to ethical conduct and robust governance, we ensure that the interests of all our stakeholders including employees, customers, investors, and the communities we serve, are respected and prioritised. This commitment not only fosters trust and strengthens our relationships but also positions us as a leader in sustainable practices. This commitment fosters trust and strengthens our relationships with our stakeholders.

WHAT IS OUR APPROACH?

We enforce a zero tolerance approach against all forms of corruption, advocating for the highest standards of ethical conduct and integrity. This approach ensures compliance among employees and business partners, reinforcing our commitment to our vision, mission, and values. Our approach to integrity is governed by a comprehensive list of policies.

The list of policies are on page 248, under Corporate Integrity And Ethical Business Conduct.



Our key focus areas include:

Anti-Bribery and Anti-Corruption (“ABAC”)

- In ensuring that UEM Edgenta adopts International Standards, UEM Edgenta pursued and obtained the ISO 37001:2016 Anti-Bribery Management System in 2023.

► For more information on Anti-Bribery and Anti-Corruption Policy please refer to the Corporate Integrity and Ethical Business Conduct in page 249 of this annual report

Whistleblowing

UEM Edgenta has implemented a Whistleblowing Policy Statement, outlining the protection measures afforded to whistleblowers who submit disclosures under this policy.

The Whistleblowing Procedure stipulates the channels for submitting Protected Disclosures.

Whistleblowers' identities are kept confidential to the extent permitted by law, except when required for legal purposes or proceedings involving UEM Edgenta Berhad.

The Whistleblowing Committee evaluates all Protected Disclosures and determines the subsequent course of action.

GOVERNANCE



WHAT VALUE WAS CREATED IN 2023?

ADVANCEMENTS IN INTEGRITY & COMPLIANCE

We have made significant progress in advancing integrity and compliance through a multi-faceted approach. This includes tightening internal controls, enhancing compliance training programmes, and conducting regular audits to ensure compliance with regulations and ethical standards. Additionally, our collaborations with stakeholders have been instrumental in continuously improving our practices and services. Furthermore, we have obtained certifications that demonstrate our commitment to integrity and compliance, further solidifying our dedication to conducting business with the utmost integrity and in full compliance with regulations.

COLLABORATION WITH STAKEHOLDERS

We collaborate with stakeholders to tackle integrity and anti-corruption issues head-on. This involves engaging in workshops, forums, and direct discussions to promote transparency and ethical behaviour. Together, we develop and implement strong policies, procedures, and training programmes to prevent corruption. Our goal is to foster a culture of integrity and accountability, ensuring that we operate ethically and sustainably.

UEM Edgenta is proactive in conducting programmes to reach out to our Edgenta Stars.

5 Meet and greet activities with employees to create risk awareness and understand on the ground challenges

5 Compliance site visits and engagements to evaluate operations for risk identification and verification

5 Integrity awareness sessions

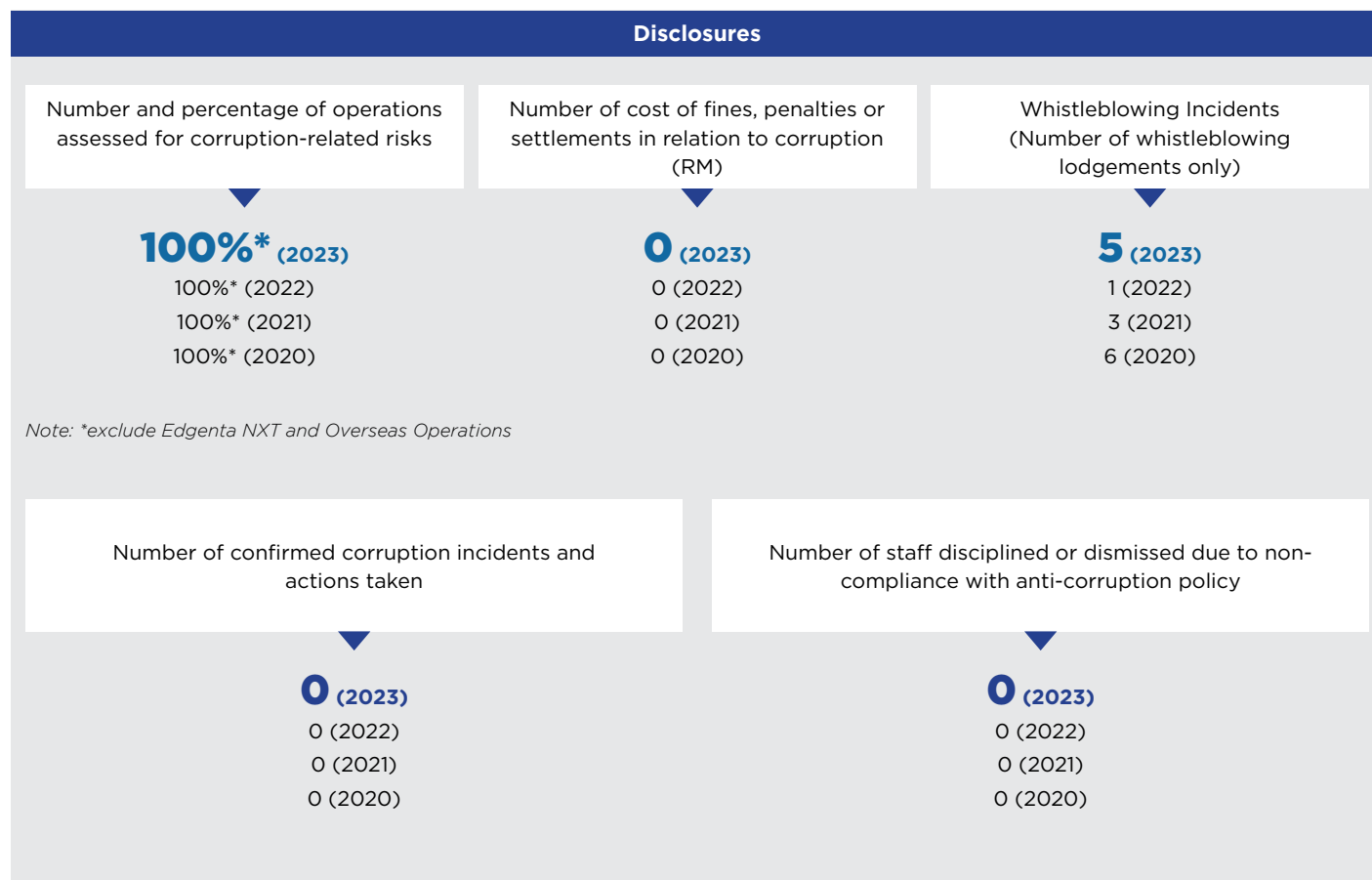
1 Vendor and business partners engagement to assess adherence to UEM Edgenta's risk policies and practices and receive feedback

3 External stakeholder engagement activities to understand risk matters in our operations and service offerings

► For more information on the engagement please refer to Corporate Integrity and Ethical Business Conduct Section on page 251 of this annual report

GOVERNANCE

OVERALL PERFORMANCE



GOVERNANCE

INTEGRITY TRAINING

We have developed an integrity training module and made it mandatory for all our employees to undergo this training, with a refresher training required every 2 years. We have developed Risk, Integrity and Compliance e-learning module that consist of lessons on:

- 1 **Code of Conduct**
- 2 **Anti-Bribery and Anti-Corruption ("ABAC")**
- 3 **Code of Conduct for Business Partner**
- 4 **Fundamental of Risk Management**

The modules are offered in both Bahasa Malaysia and English, and are made interactive to ensure engaging and dynamic learning experience. It also incorporates real-life business cases to ensure relevance to UEM Edgenta.

Moving forward, we will continue to offer this training and take steps to track as well as disclose the number and percentage of employees who have received training on anti-corruption by employee category.

SUSTAINABILITY RISK MANAGEMENT

Our dedication to comprehensive risk management runs deep within our corporate culture, extending well beyond mere compliance. We utilise globally recognised methodologies to identify and assess risks across financial, environmental, and social domains. Our response strategies cover a wide range of measures, from mitigation to transfer mechanisms, are all supported by continuous monitoring and communication. This approach seamlessly integrates into our strategic planning and decision-making processes, highlighting the critical link between effective risk management and our overarching performance objectives.

► Further details to our Risk Management practices please refer to our Statement on Risk Management and Internal Control disclosure in page 238 - 246 of this annual report.

Throughout 2023, we conducted numerous initiatives aimed at raising awareness and educating stakeholders on key risk matters and made significant strides in advancing our sustainability risk management practices.

In 2023, we took the first step towards understanding Task Force for Climate-Related Disclosure ("TCFD") disclosure requirements by undergoing TCFD training to create awareness of its scope and reporting parameters. We then developed a TCFD Roadmap to guide us in our compliance journey. Through our Net Zero exercise, we conducted scenario analysis, incorporating various climate-related assumptions, including differing levels of greenhouse gas emissions, potential changes in regulatory policies, and technological advancements in our proposed decarbonisation pathways. These projections served as a starting point for including climate risk in our enterprise risk framework.

OUTLOOK

Moving forward, the Company will enhance its risk management framework to capture sustainability-related risks such as the impact of climate change and other material matters to the business. Plans are underway to incorporate sustainability risk management practices more effectively into the existing RMF and align risk management practices with broader sustainability goals and regulatory reporting requirements. In the interim, UEM Edgenta has already taken steps to identify and assess environmental, social, and governance-related risks, which are reported to the BGRC quarterly. The Company has also begun preparations to address the recommendations of TCFD and International Sustainability Standards Board ("ISSB") by undergoing TCFD awareness training in 2023 and developing a roadmap for the compliance process.

SUSTAINABLE ECONOMIC GROWTH

INNOVATION AND TECHNOLOGY- BASED OPERATIONAL EXCELLENCE

WHY IT MATTERS?

Improved operational practices through innovation helps us optimise the use of resources. It also allows us to prioritise public safety and community well-being through smart solutions. Innovation also helps us drive cost efficiency and improve our market competitiveness, enabling sustainable growth and economic resilience.

WHAT IS OUR APPROACH?

UEM Edgenta's approach to technology and operational innovation revolves around a three-fold strategy focused on strengthening the core, transforming tech delivery, and redefining business models. This approach is delivered through the Digital, Technology and Innovation ("DTI") department and Edgenta NXT, the technology commercialisation arm of UEM Edgenta. Together, they implement various technology solutions to enhance cybersecurity measures, modernise cloud infrastructure, and optimise tech delivery processes via computer-aided facility management systems, sustainability solutions, IoT device deployment and smart city solutions.

Central to our digital infrastructure is our Command and Contact Centre, serving as the nucleus for integrated facility management. This centralised hub revolutionises operational efficiency and response capabilities by streamlining monitoring, control, and analytics. It empowers us to maintain optimal performance and swiftly adapt to evolving circumstances or requirements, ensuring seamless operations and customer satisfaction.

During the year, Edgenta NXT rolled out Asseto, a cloud-based computer-aided facility management platform deployed across 15 sites within UEM Edgenta's portfolio, and also external clients. Asseto facilitates predictive maintenance, remote monitoring, data analytics, and offers customised dashboards inclusive of carbon emission tracking and energy usage optimisation. This comprehensive solution is provided in collaboration with leading third-party platforms such as Alibaba, ensuring enhanced functionality and seamless integration.



SUSTAINABLE ECONOMIC GROWTH



STRATEGIC APPROACH

Bolstering the Core

- Invest in cybersecurity and modern cloud infrastructure to ensure robust and resilient digital foundations.
- Streamline IT procurement to enhance efficiency, ensuring scalable and compliant operations.

Reimagining Tech Delivery

- Drive innovation and efficiency through automation and advanced tech deployment, focusing on user-centric design to enhance experiences.
- Adopt agile and responsive strategies in tech development, fostering a culture of continuous improvement.

Reinventing Business Model

- Explore data and AI to lead business model transformations, adopting performance-based approaches to align success with value delivery.
- Leverage Edgenta NXT for tech commercialisation, establishing UEM Edgenta as a pioneer in the technological domain.

INDUSTRY STANDARDS AND BEST PRACTICES

We adhere to industry-leading practices and standards to ensure the highest level of quality and security in our technology operations. This includes embracing DevSecOps principles for secure development processes, Agile methodologies for agile project management, and Information Technology Infrastructure Library (“ITIL”) for efficient IT service management. Additionally, we uphold the Zero Trust Framework and adhere to National Institute of Standards and Technology (“NIST”) guidelines to bolster our cybersecurity measures.

GLOBAL EXPANSION AND COLLABORATIVE PARTNERSHIPS

UEM Edgenta’s technological arm, Edgenta NXT, is proactively extending its reach into new markets such as United Arab Emirates and Singapore. Through strategic partnerships, we are elevating our service offerings by incorporating predictive maintenance, data analytics, and tailored software solutions. These collaborations are geared towards expanding our global influence and strengthening our operational capacities, positioning UEM Edgenta as a leader in cutting-edge technology solutions worldwide.

SUSTAINABLE ECONOMIC GROWTH

WHAT VALUE WAS CREATED IN 2023

TECH-ENABLED FUTURE TRANSFORMATION

Asseto, an integratable and adaptable facility management platform designed to enhance operational efficiency and sustainability across diverse sectors. It provides a comprehensive suite of solutions that cater to the nuanced needs of clients, employees, and communities.

Throughout 2023, UEM Edgenta made significant strides, including the introduction of Asseto, a cloud-based computer-aided facility management platform deployed across 15 sites including KLCC Urusharta for Tower 1, 2, 3, CIMB as well as B. Braun Malaysia.

How does it create value?

- **Client Value:** Asseto empowers clients by streamlining maintenance and breakdown tasks, improving inventory management, and offering detailed operational and managerial reports. This digitised approach aids clients in achieving higher operational efficiency and reducing environmental footprints through better resource management.
- **Employee Empowerment:** The platform facilitates employees in executing their responsibilities more effectively, fostering a culture of productivity and accountability. By providing real-time data and insights, it enables employees to make informed decisions and contribute to sustainable practices.
- **Community and ESG Impact:** Asseto addresses various environmental, social, and governance (“ESG”) challenges by promoting efficient asset use, reducing waste, and enhancing energy management.
- **Other Tech-Enabled Improvements:** UEM Edgenta has embraced multiple technology-driven initiatives to bolster its sustainability agenda and operational efficiency:

AI and Generative AI

Innovations such as CEO avatars and AI-driven analytics enhance decision-making and operational processes, demonstrating UEM Edgenta's commitment to technological leadership and operational excellence.

Community App (UEMS Singapore)

Facilitates our employees in Singapore to track their emission footprint. The app serves as a platform to encourage sustainability-driven behaviours, including waste reduction, adoption of environmental friendly transportation modes, and the sharing of sustainability-related information among employees.

Data Lakehouse and Dashboards

Establishing a significant data management infrastructure, this technology provides deep analytics and real-time insights, facilitating informed decision-making and strategic planning.

UETrack™

In 2023, our Singapore office expanded the deployment of its UETrack™ suite to 27 additional sites across Singapore & Taiwan. This furthers UEMS digitalisation strategy to optimise manpower utilisation while streamlining work processes.

Cleaning Robots

These robots enhance cleaning efficiency and operational sustainability, reducing human labour and promoting environmentally friendly practices across facilities.

Electric Scooters

Encouraged as an eco-friendly transport option, they illustrate UEM Edgenta's commitment to reducing carbon emissions and fostering sustainable mobility.

SUSTAINABLE ECONOMIC GROWTH

EDGENTA APPS

In 2023, we created 10 custom-developed apps to streamline business processes and 12 low-code, no-code apps for business operations.

Edgenta Tech Marketplace was internally developed by DTI in 2023 to serve as a unified platform for Edgenta Stars, allowing them to browse through all available dashboards, applications, and IT services. Its purpose is to simplify the request and access process.

Business License Management System ("BLMS")

The BLMS has streamlined the registration process for 260 licenses to date, spanning both local and international business entities. Key features include effortless registration of new licences and automated reminders for renewals. Furthermore, licences can be conveniently accessed and viewed via mobile phones.

e-PR Forms App

Enables digitalisation and optimisation of the purchase request business process

HSSE Portal

Enables HSSE team to perform HSSE Performance Review, HSSE Capability Assessment, HSSE Consequence Management and manage Permit to Work

CSP Business Monthly Report App

Our centralised reporting dashboard offers visual representations and real-time updates for all business units to manage their business funnels effectively. This application enhances efficiency in reporting and meetings when compared to traditional methods.

e-Declaration Application

Enable Edgenta Stars to declare conflict of interest which is crucial for compliance tracking

Edgenta Travel

Centralised Edgenta travel platform for booking process of hotel, flight and vehicle in which facilitate the user with digitalise booking system and for admin to handle the booking request.

AWARENESS CAMPAIGNS

We safeguard our digital assets by having continuous training and awareness sessions, including the development of incident response protocols.

Edgenta NXT created awareness for the need for ESG initiatives through a one-hour webinar titled "Getting to Net Zero" on 30th March 2023 and at the PIKOM CIO Conference on 18th May 2023 for both internal and external audiences. Edgenta NXT also introduced emission tracking tools both to the UEM Edgenta group and as a product for commercialisation which enabled automated emission calculations and insightful dashboards in Scope 1, 2 and 3 emissions.

Knowledge sharing through awareness training and workshops. Most programme lead by Department Head and an expert from various subjects (Mechanical & Electrical, Geological, Highway, Project Management, QHSE and Finance).

ADDRESSING TECH CHALLENGES

In the past year, we have navigated various challenges in our quest for technological advancement and innovation. Through strategic interventions and adaptive solutions, we demonstrated resilience and a proactive approach to overcoming these hurdles.



Cybersecurity Threats

UEM Edgenta implemented comprehensive cybersecurity measures, fostering a security-aware culture through awareness programmes, continuous training, and collaborative partnerships. These efforts aimed to safeguard digital assets and establish a robust security posture.



Rapid Technological Evolution

The company addressed the swift pace of tech evolution by forming specialised task forces, engaging in ongoing training and certifications, and forging strategic partnerships. This approach helped in adapting to new technologies and maintaining a competitive edge.



Escalating Tech Costs

Facing the need for increased investment in cutting-edge technology, UEM Edgenta employed cost-benefit analyses, efficient resource allocation, and vendor negotiations to optimise investments, ensuring that technology expenditures drive value and support sustainable growth.

SUSTAINABLE ECONOMIC GROWTH



OUTLOOK

We recognise significant potential in catalysing organic smart city environments, through cohesive management of smart building clusters. With the recent deployment of 5G technology and predictive analysis tools, we are poised to integrate smart solutions seamlessly into future cities. This advancement promises ongoing enhancements, enabling us to better support clients in achieving excellence in their asset and facility management requirements.

Key Areas of Focus Moving Forward

Pioneering Innovation

By nurturing a culture of innovation, we empower our workforce to drive transformative change, exploring and adopting novel technologies and methodologies that propel industry leadership.

Technology Integration

Our strategic commitment to integrating state-of-the-art technologies enhances our operational efficiency, enabling advanced data analytics, automation, and AI to streamline workflows and improve decision-making.

Collaborative Learning and Development

Investing in our team's continuous growth, we emphasise skill enhancement and knowledge sharing, fostering a learning environment that supports adaptation and innovation.

Agile and Adaptive Operations

Embracing agility allows us to swiftly navigate the dynamic business landscape, adjusting our strategies and operations to meet changing demands and capitalise on emerging opportunities.

Metrics-Driven Performance

Utilising a metrics-based approach, we monitor and evaluate our initiatives and outcomes, ensuring that our pursuit of innovation and operational excellence are grounded in measurable results and continuous improvement.

SUSTAINABLE ECONOMIC GROWTH

ECONOMIC DEVELOPMENT

WHY IT MATTERS?

At UEM Edgenta, we are dedicated to driving economic value through our existing business activities and expanding into new markets to foster economic and social growth. We place importance in sustainable economic development, balancing growth with environmental and social responsibility. Our commitment extends to fostering shared prosperity and contributing to societal advancement. By supporting the growth of our customers, we strengthen partnerships and promote mutual success, while also contributing to broader economic growth initiatives.

WHAT IS OUR APPROACH?

Local Hiring and Remuneration

We understand the significance of local employment in improving the economic prosperity of the communities where we operate. By primarily recruiting from local talent pools, we actively engage with the community and help develop local skill sets. This ensures that the economic advantages of our operations directly benefit the communities we serve. Additionally, this approach aligns with governmental commitments regarding minimum and/or progressive wage requirements.

Market Expansion

Through strategic market expansion, we grow our business footprint and fuel economic dynamism in both new and existing markets. This expansion creates job opportunities, stimulates local economies, and facilitates the exchange of expertise and innovation, contributing to overall economic growth and development.

Value Distribution

Our economic contribution extends beyond our immediate operations. Through the development of innovative products and services, we drive growth across industries, enriching the economic landscape. Additionally, our financial contributions, including taxes and Corporate Social Responsibility ("CSR") initiatives, play a crucial role in distributing economic benefits, supporting essential public services, infrastructure development, and community programmes, thereby enhancing the overall socio-economic fabric of the regions we operate in.

WHAT VALUE WAS CREATED IN 2023

VALUE DISTRIBUTION

In 2023, UEM Edgenta focused on economic value creation through strategic enhancements in facilities management, demonstrating commitment to the community and market growth.

Key Initiatives for Value Creation and Distribution

• Targeted Business Development and Product Diversification

We collaborate closely with our partners to address emerging demands and challenges by harnessing our wide array of solutions and services as well as expanding our service offerings

This year, we continued delivering on our strategy to obtain significant milestones such as higher revenues and the expansion of our international presence, largely driven by tech-enabled contract wins (43% new wins on tech-enabled contracts) and our commitment to operational excellence. This aligns with our strategic focus under EoTF2025 to drive our growth through innovation and has brought us closer to our ambition of becoming a Malaysian company with a global presence.

• Market Diversification and Expansion into International Market

Continues to expand our presence in the region, intensifying efforts into adjacent sectors such as the manufacturing and hospitality sectors

Revenue generated from international markets (%)



GROWING PRESENCE

Throughout the year, we strengthened our footprint in the hospitality, commercial housekeeping, and industrial sectors, particularly in markets like Singapore and Taiwan. These endeavours positioned us to effectively support both governments and private enterprises in meeting the increased demand for healthcare services and supply chain logistics in the aftermath of the COVID-19 pandemic.

Income earned in other markets contributes to the realisation of economic benefits when consolidated, allowing such values to accrue to the economic performance of Malaysia.

SUSTAINABLE ECONOMIC GROWTH

ADAPTATION TO ECONOMIC CHALLENGES

UEM Edgenta navigates several overarching economic challenges affecting its global operations, with implications for its value creation and economic impact:

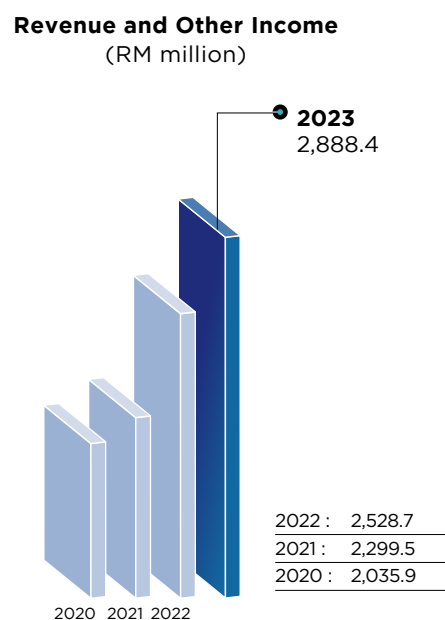
- **Elevated Costs:** The group contends with rising costs across the board, from manpower expenses linked to wages and benefits to operational costs associated with materials, technology, and infrastructure.
- **Market Competition:** The intensity of competition in the markets UEM Edgenta operates within exerts downward pressure on pricing, compelling the company to find innovative ways to deliver value without compromising on profitability.
- **Labour Market Dynamics:** Issues such as workforce shortages, heightened turnover, and increased absenteeism place additional strain on the company's ability to deliver services efficiently and cost-effectively.

Responses:

- **Revenue Protection Measures:** Actively defend our revenue streams against liquidated damages, clawbacks, and billing discrepancies to optimise earnings and mitigate financial pressures.
- **Cost Optimisation Initiatives:** Adopted stringent cost reduction, control, and avoidance strategies, demonstrating a dedicated approach to curbing unnecessary expenditures.
- **Contractual Terms:** Proactive engagement with clients to manage the effects of regulatory changes and macroeconomic shifts such as inflationary cost pressures to safeguard contract sums.
- **Sector-Specific Growth Focus:** Amidst economic challenges, we capitalised on growth opportunities within the existing sectors, as well as adjacent sectors (example: hospitality and manufacturing sectors, aiming to expand its revenue base through new and existing contracts).

OVERALL PERFORMANCE

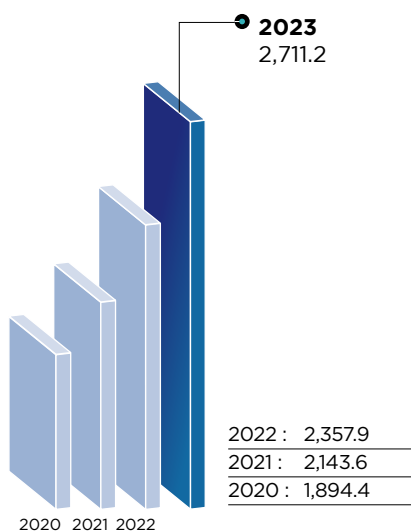
A. Direct Economic Value Generated



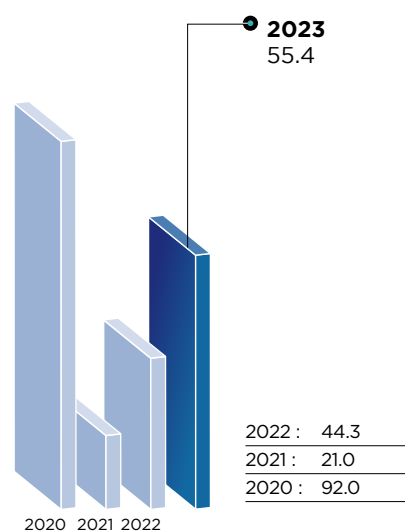
SUSTAINABLE ECONOMIC GROWTH

B. Economic Value Distributed

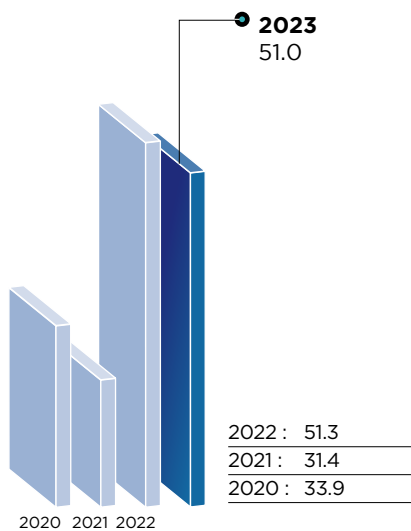
Operating Costs, Employee Wages and Staff Benefits (RM million)



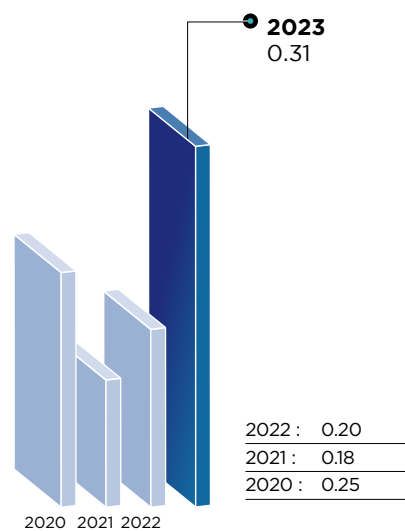
Payments to Providers of Capital (RM million)



Payments to Government (RM million)



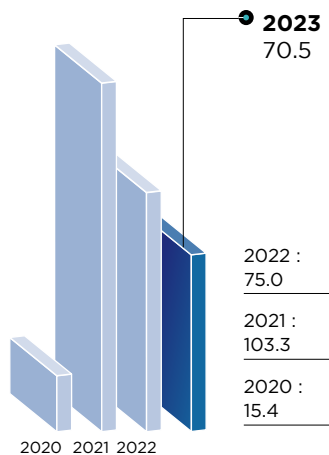
Community Investments



SUSTAINABLE ECONOMIC GROWTH

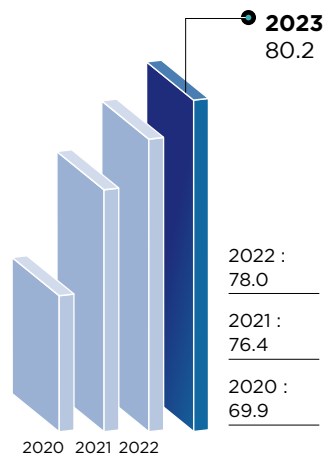
C. Economic Value Retained

Direct Economic Value Generated Less Economic Value Distributed (RM million)

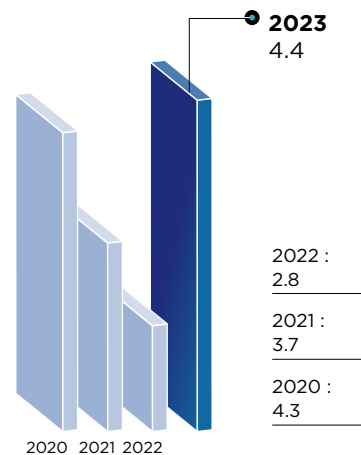


Defined benefit plan obligations and other retirement plans

Defined Contribution Plan (RM million)



Defined Benefit Plan (RM million)



A way to return value to our employees is by contributing towards their retirement plans. We maintain the following two schemes:

i. **Defined Contribution Plan**

Post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds, as required by respective countries' employment acts. The Group 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. Pension liabilities are calculated based on a contractual rate against employees' salaries as stipulated in the employment contract.

This is a mandatory plan to be observed by the Company.

ii. **Defined Benefit Plan**

Voluntary contributions that are not mandated by the countries' employment acts are made entirely by the employer when the employees become eligible for the pension scheme. The pension assets and liabilities are valued on annual basis by independent actuary.

Pension liabilities are calculated based on the actuarial present value of the benefits payable to the employees when certain conditions are met, (example: reached retirement age, pre-determined number of years of services or death). The present value of the liabilities takes into accounts on estimated salary increase, discount/inflation rate and mortality rate.

This is a voluntary scheme and is currently exercised in some of the companies within UEM Edgenta, namely Edgenta Mediserve Sdn. Bhd., Edgenta UEMS Ltd. ("UEMS Taiwan"), Edgenta Arabia Ltd. and MEEM for Facilities Management Company ("MEEM").

OUTLOOK

Looking ahead, we are committed to expanding our market presence and fostering socio-economic growth in both new and existing regions. This involves harnessing technology-driven infrastructure and facilities management solutions to drive strategic growth initiatives. Additionally, we will continue to contribute to local economies and enhance community welfare through the creation of jobs and sustainable economic development, with a particular focus on high-growth sectors such as healthcare and public infrastructure to deliver impactful and sustainable solutions. Our focus on innovation and sustainability will remain steadfast, aligning with evolving global trends and meeting market demands effectively. Through strategic investments and the adoption of sustainable practices, we aim to support development initiatives and deliver long-term value to all stakeholders.

SUSTAINABLE ECONOMIC GROWTH

SUPPLY CHAIN MANAGEMENT

WHY IT MATTERS?

Suppliers are integral to UEM Edgenta's operational excellence. Their practices significantly influence our product quality, cost-effectiveness, and sustainability aspirations. Understanding and addressing ESG risks within our supply chain is essential to ensuring operational resilience and minimising potential disruptions. A robust supply chain enhances our adaptability to unforeseen circumstances, guaranteeing uninterrupted service delivery to our clients. Moreover, our impact extends beyond our immediate operations to our suppliers. By aligning them with our sustainability objectives, we can amplify our positive environmental and social footprint, driving industry-wide progress and promoting sustainable practices across the supply chain.

WHAT IS OUR APPROACH?

In our dedication to maintaining a strong supply chain, fostering ethical procurement practices, and supporting local vendors, UEM Edgenta maintains a rigorous set of procurement standards outlined in our Strategic Vendor Management ("SVM") framework.



Group-Wide Sustainable Procurement Strategy

- **Ethical and Sustainable Sourcing:** We commit to ethical procurement practices, reinforcing strong supplier relationships and prioritising local vendors to bolster regional economic growth while aligning with our sustainability goals.
- **SVM Framework and ESG Integration:** Across our operations, we deploy the Strategic Vendor Management ("SVM") Framework. We have begun conducting ESG awareness sessions to select suppliers to enable them to understand our ESG aspirations and prepare them to also embed sustainability in their practices and in services they offer to us.

UEMS Singapore

- **Eco-Friendly Product Adoption:** In Singapore, our focus is on sourcing and promoting environmentally sustainable products, aligning our procurement practices with green standards like the Singapore Green Labelling Scheme ("SGLS").
- **Plastic and Chemical Usage Reduction:** In sourcing suppliers, we actively encourage reductions in plastics and chemicals, reinforcing our dedication to environmental stewardship and aligning with broader sustainability objectives.

Operon Middle East

- **Vendor Performance Reviews:** Through annual evaluations, we scrutinise vendor performance to affirm their alignment to operational expectations for compliance with our procurement policies and standards. Moving forward, Operon like other business units will look at conducting ESG screening on its suppliers.

Taiwan's Sustainable Sourcing and Vendor Assessment

- **Supplier Performance Evaluation:** We assess our performance and commitment ensuring resilience to our quality standards.

SUSTAINABLE ECONOMIC GROWTH

WHAT VALUE WAS CREATED IN 2023

SUPPLIER FINANCING PROGRAMME

We have collaborated with HSBC Amanah Malaysia Berhad (“HSBC Amanah”) to establish a Shariah-compliant Supplier Financing Programme (“SFP”). This initiative provides financing to support our suppliers in managing their cashflows effectively.

VENDOR DAY 2023

Vendor Day 2023, held on 5 October 2023, focused on sustainability within UEM Edgenta’s supply chain. The event showcased Business Opportunity Sessions covering diverse service domains, along with discussions on the SVP and SVM. A significant aspect was the ESG Sustainable Supplier segment, featuring ESG awareness training as a key highlight.

The event witnessed approximately

600 participants

(310 companies) attending the ESG awareness training



VENDOR DEVELOPMENT PROGRAMME (“VDP”)

UEM Edgenta’s Vendor Development Programme (“VDP”) forms an integral part of our SVM Framework. This initiative is pivotal in enhancing the quality, efficiency, and reliability of our supply chain through comprehensive evaluation and enhancement of our vendors’ capabilities.

Through the VDP, we provide extensive assistance, including training programmes covering health and safety regulations, ethical sourcing principles, and procurement practices. During the year, we expanded our flagship VDP by onboarding nine new suppliers. These efforts are geared towards enhancing our vendors’ understanding of ESG principles.

Our support through these programmes plays a crucial role in improving the operational performance of our suppliers. We maintain rigorous monitoring of our vendors’ performance through our Vendor Performance Review and HSSE Performance Rating processes.

Furthermore, we are committed to supporting the Malaysian government’s efforts to stimulate the growth of Bumiputera vendors through the VDP. Aligned with the government’s Bumiputera Empowerment Agenda, the Bumiputera Vendor Development Programme (“BVDP”) aims to empower local entrepreneurial communities through in-house-designed training modules. This initiative enables Bumiputera businesses that meet our governance and policy requirements to competitively participate in both local and global markets.

SUSTAINABLE ECONOMIC GROWTH

STRENGTHENING SUPPLY CHAIN SUSTAINABILITY

Supply chain resilience is crucial for ensuring organisational readiness in the face of unforeseen challenges, enabling seamless continuity of business operations. It also provides an opportunity for the organisation to gain a competitive edge by enhancing customer satisfaction, reducing operational costs, and improving overall efficiency. Moreover, a strengthened supply chain fosters transparency among customers, stakeholders, and suppliers, nurturing stronger relationships through demonstrated commitment to risk management, quality, and reliability.

Groupwide Initiatives	- Awarded contracts to explicitly choosing Green Certified vendors for waste bins and FSC/PEFC certified paper on specific dates in December 2023, underlining a firm commitment to sustainable sourcing. - Developed and applied an ESG Management Framework alongside specific ESG questionnaires aimed at assessing and enhancing supplier engagement with sustainability principles.
Singapore Initiatives	- In Singapore, the focus was on collaborating with 12 suppliers accredited by the Singapore Green Labelling Scheme ("SGLS"), actively promoting the adoption of green products to minimise environmental impact. - The emphasis was also on utilising environmentally friendly products, including green-certified waste bins and FSC/PEFC certified paper, supporting Singapore's commitment to environmental sustainability within its procurement practices.
Operon Middle East Initiatives	- Increased green detergent usage and mandated that all vendors adhere to Dubai Municipality's environmental standards, ensuring the use of approved chemicals only. - We have actively pursued initiatives such as reviewing procurement policies, sourcing green chemicals, and conducting thorough vendor assessments, which include method statements and risk assessments. Additionally, we consistently review the performance of our vendors to ensure adherence to our standards and expectations.
Taiwan Initiatives	- We began engaging our suppliers through ESG surveys in 2022 to evaluate their awareness of ESG principles. - The survey was extended into 2023 to expand our outreach with suppliers and gain a deeper understanding of sustainability within our value chain.

SUSTAINABLE ECONOMIC GROWTH

EMPOWERING LOCAL SUPPLIERS

We recognise the impact that supporting local suppliers has on regional economies and communities. By prioritising local sourcing, we are committed to fostering economic growth within the locales we operate, ensuring that our business practices contribute positively to local business development and sustainability.

LOCAL SUPPLIERS (%)

2020	2021	2022	2023
99.54	99.73	99.20	98.47

TOTAL NUMBER OF SUPPLIERS

2020	2021	2022	2023
1,742	1,116	1,751	1,900

The number disclosed in the AR 2022 only covered Bumiputera suppliers. The correct number of total suppliers for 2022 should read 1,751.

CONTRACTS OUTSOURCED TO BUMIPUTERA VENDORS OVER TOTAL PROCUREMENT (%)

2020	2021	2022	2023
41.80	65.00	47.30	46.70

PROCUREMENT BUDGET USED FOR LOCAL SUPPLIERS (%)

2020	2021	2022	2023
99.67	99.95	99.40	98.88

The percentages indicate the proportion of the procurement budget allocated to products and services purchased from local suppliers within Malaysia.

SUSTAINABLE ECONOMIC GROWTH



OUTLOOK

Moving forward, our objective is to enrich our SVM Framework by infusing sustainability considerations into our procurement practices. This will involve a comprehensive approach, including environmental and social assessments of suppliers, adoption of green material sourcing principles and reinforcement of health and safety standards. Notably, in Singapore, we have already initiated preliminary screenings, emphasising the engagement of sustainable and environmentally friendly vendors to align with the Green Labelling Scheme.

As we progress, our commitment to enhancing supplier segmentation processes and conducting thorough due diligence assessments of suppliers' ESG compliance levels remains unwavering. Through a meticulously planned supplier engagement strategy, we will effectively communicate our sustainability objectives, fostering alignment with our overarching strategic vision. Additionally, plans are underway to introduce environmental screening measures to further fortify our supply chain sustainability efforts.

In the short term (2024), our focus lies in laying the groundwork for progress by launching ESG vendor management initiatives as outlined in our sustainability roadmap. This includes the deployment of an ESG questionnaire to gauge supplier maturity levels and conducting comprehensive supply chain ESG risk assessments. We will continuously refine our evaluation criteria to diversify our supplier panel and collectively achieve our sustainability objectives.

Transitioning into the medium term (2025 - 2026), our efforts will be directed towards addressing key gaps to achieve structured maturity levels in line with our sustainability roadmap. This encompasses amending the code of conduct, embedding ESG principles into procurement policies and contracts, conducting detailed ESG risk assessments on strategic vendors, and establishing a robust ESG management framework for vendor risk profiling and methodology.

To facilitate this transition for our vendors, we plan to conduct a comprehensive risk profiling exercise, followed by the development of a tailored supply chain engagement plan to assist them in meeting our enhanced framework requirements. This engagement plan will also facilitate our understanding and mapping of Scope 3 emissions within our supply chain.

Looking ahead, our strategic focus will center on implementing value-driven enhancements to elevate our ESG vendor management practices to industry-leading maturity levels. This entails governance improvements, stakeholder engagement initiatives, and enhanced transparency in monitoring practices.

MINIMISING ENVIRONMENTAL IMPACT

CLIMATE CHANGE AND ENERGY

WHY IT MATTERS?

Tackling climate change is crucial for reducing significant risks, including those posed by natural disasters and extreme weather events, which can greatly affect our operations and the health and safety of our employees. Furthermore, extreme climate conditions have the potential to disrupt our supply chain.

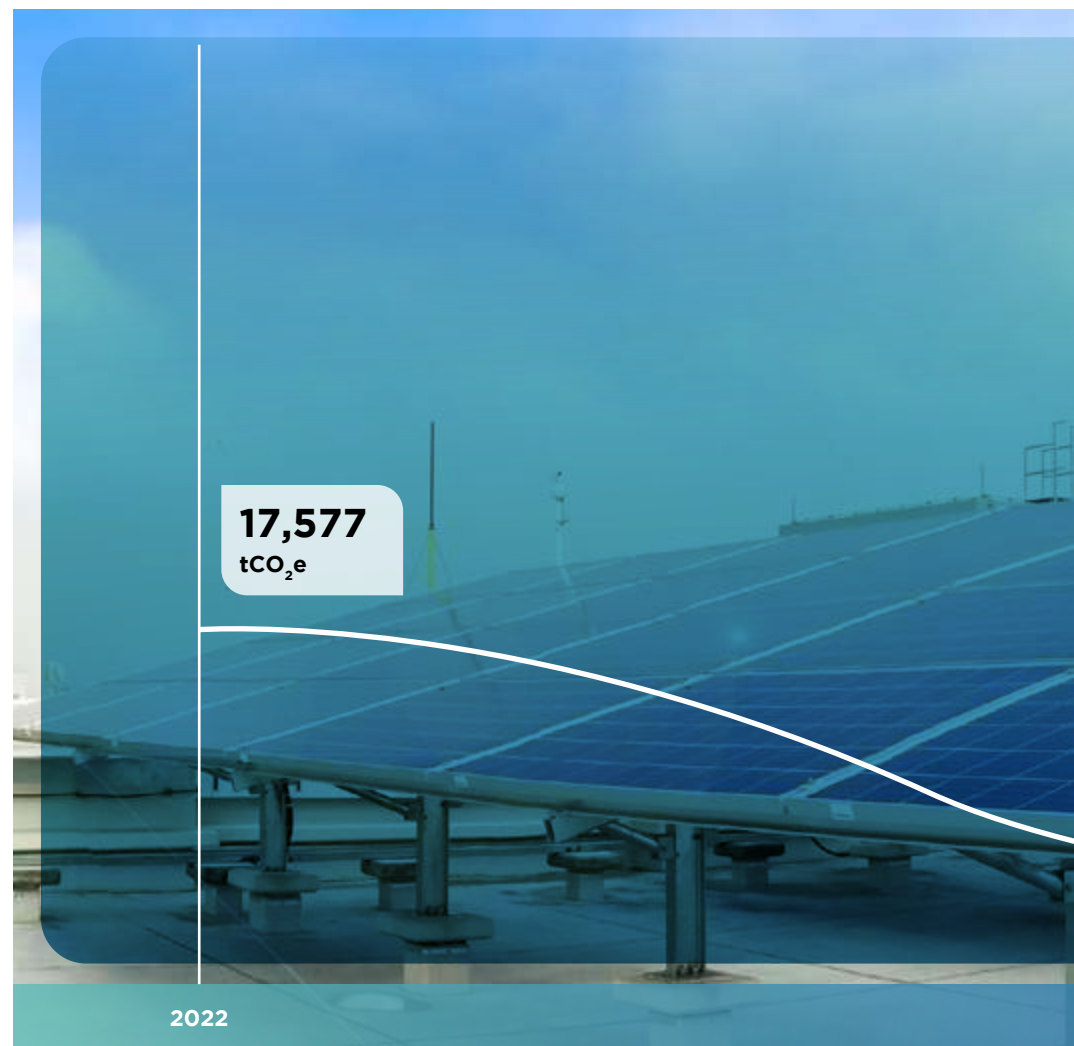
WHAT IS OUR APPROACH?

We understand the urgent need to address climate change and its impact on our planet. Our approach begins with a thorough inventory of our greenhouse gas emissions. By cataloging our emissions, we gain insight into our environmental footprint and can pinpoint areas for improvement.

In 2023, we introduced UEM Edgenta's groupwide Net Zero Targets and our pledge to achieve Net Zero greenhouse gas ("GHG") emissions by 2050. Additionally, we set an interim reduction target of 26% by 2030 for Scope 1 and Scope 2 emissions, as part of our journey towards achieving Net Zero by 2050. These commitments align with the International Energy Agency's ("IEA") Net Zero Emissions by 2050 Global Pathway (published in 2022).

UEM EDGENTA'S NET ZERO (SCOPE 1 & SCOPE 2) DECARBONISATION PATHWAY

Our climate targets are set against the company's 2022 groupwide global baseline GHG carbon footprint of 17,577 tonnes of CO₂-equivalent (tCO₂e), comprising 10,356 tCO₂e of Scope 1 emissions and 7,221 tCO₂e of Scope 2 emissions. The exercise to establish our emissions inventory provided many learnings to the company – including data verification for completeness as well as the accuracy of calculating emission figures based on global standards – all of which provided further understanding of the nature of our emissions footprint and the correlation of our business activities to GHG emissions.



MINIMISING ENVIRONMENTAL IMPACT

2023 INITIATIVES

Throughout the year, we embarked on several immediate initiatives to enhance our environmental sustainability efforts. At our Kamunting incinerator plant, we conducted an exercise to optimise heat generation, thereby reducing our reliance on natural gas. Additionally, we piloted the use of Green Energy Tariffs from TNB to offset emissions from our hard-to-abate sources.

Furthering our commitment to sustainability, we initiated a pilot programme to lease electric vehicles for our fleet replacement. We also implemented better energy management techniques at our workplace and reduced idle time in our vehicles to minimise petrol and diesel consumption. These proactive measures align with our goal of reducing our carbon footprint and promoting eco-friendly practices across our operations.



Carbon Budgeting

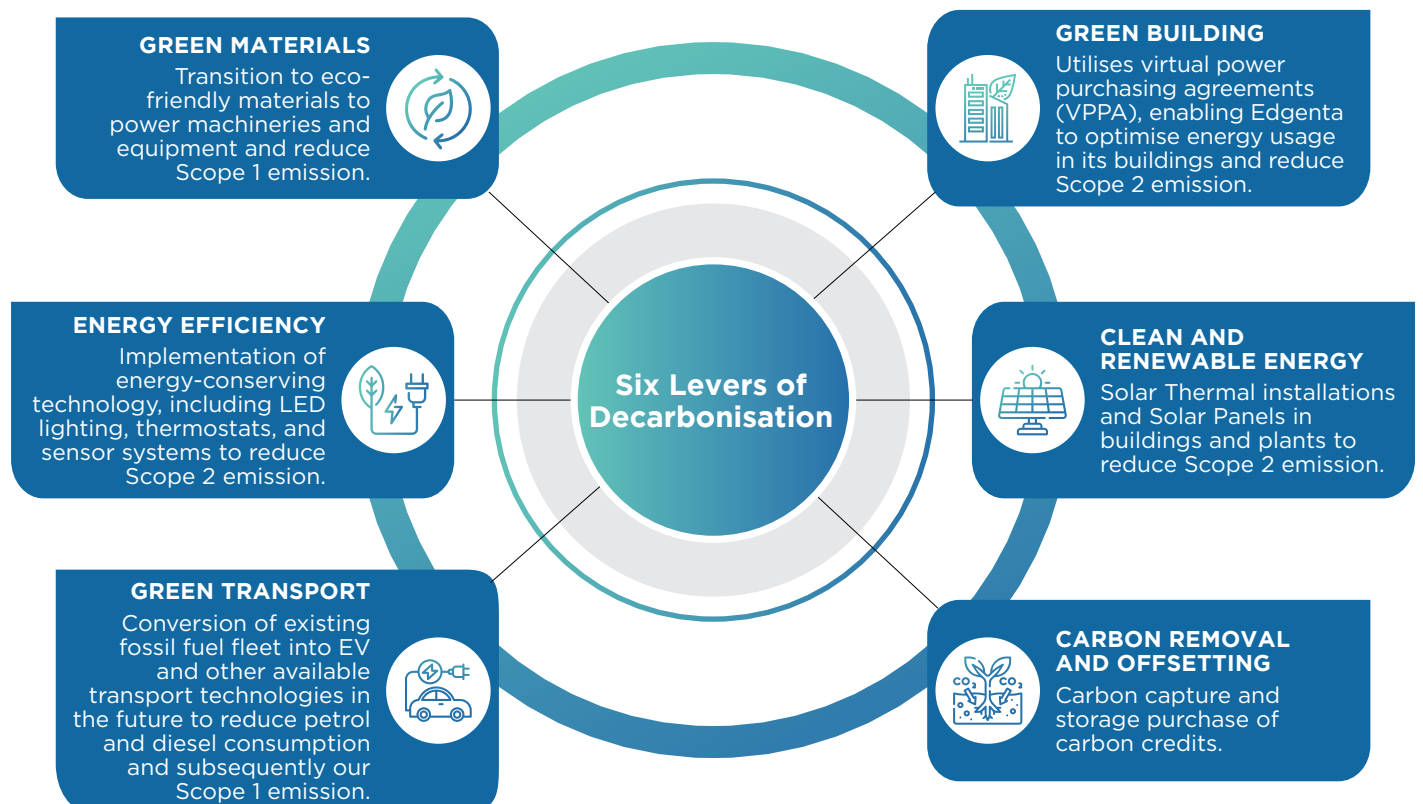
In delivering our commitment towards our Net Zero Targets, we initiated a carbon budgeting exercise during the year, to allocate carbon share to all businesses for preparation of planned reduction programmes in the coming years. Once fully developed, these reduction targets will be introduced as one of the key performance indicators for the businesses which enables tracking and monitoring of the achievement of reduction targets that have been established.

MINIMISING ENVIRONMENTAL IMPACT



In 2023, we recorded a reduction of 710 tCO₂e in our Scope 1 and Scope 2 emissions, translating into a 4.04% emission reduction from our 2022 baseline, in line with our year-on-year carbon emission reduction target of 3.69%

Our commitment to reducing emissions is predicated on our decarbonisation strategy which anchors on optimising energy consumption through energy efficiency solutions, leveraging clean and renewable energy sources and electrification of its fleet of vehicles.



MINIMISING ENVIRONMENTAL IMPACT

WHAT VALUE WAS CREATED IN 2023

Our Approach Involves:

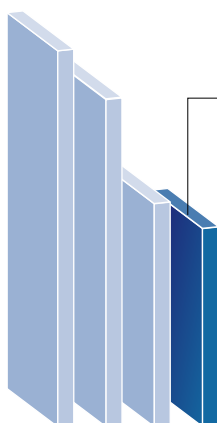


Total Scope 1, Scope 2 and Scope 3

Scope 1

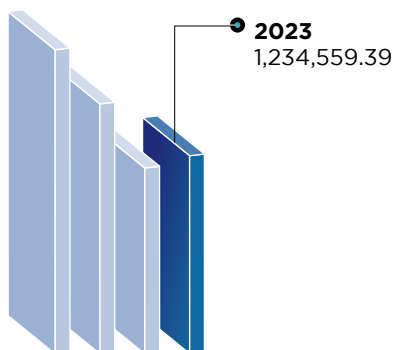
Combustion Emission and Consumption Data (Fuel in tonnes CO₂) Vehicle Fleet

Total Fuel (Petrol) Consumption
(litres)



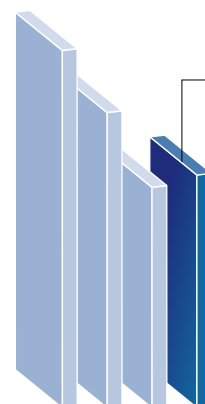
2020 : 861,051.17 2021 : 741,073.89 2022 : 562,490.00

Total Fuel (Diesel) Consumption
(litres)



2020 : 1,330,443.66 2021 : 1,318,651.62 2022 : 1,212,460.45

Total Emissions (Petrol and Diesel)
(tonnes CO₂)



2020 : 5,589.84 2021 : 5,279.65 2022 : 4,540.01

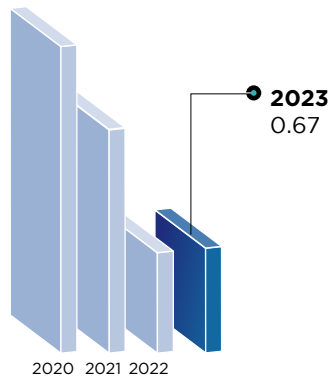
MINIMISING ENVIRONMENTAL IMPACT

Scope 1

Combustion emission and consumption data (Tonnes CO₂)

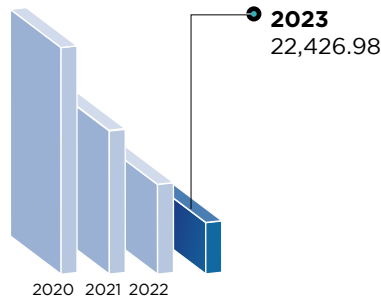
Vehicle Fleet

Fuel (Petrol and Diesel) Emissions Intensity (tonnes CO₂/employee)



2020 : 1.32
2021 : 0.86
2022 : 0.66

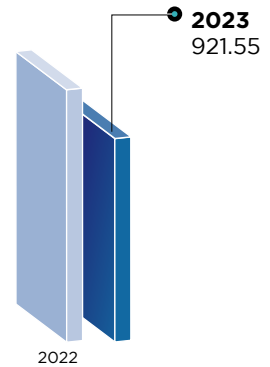
Total Energy (Petrol) Consumption (gJ)



2020 : 34,605.65
2021 : 29,783.76
2022 : 22,606.47¹

Refrigerants

Total Emissions (tonnes CO₂)



2022 : 1,019.20

Notes:

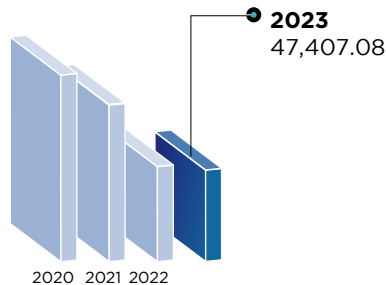
¹ Data was inadvertently computed in 2022 that affected the accuracy of our reported total energy (petrol) consumption figures

Year

2022

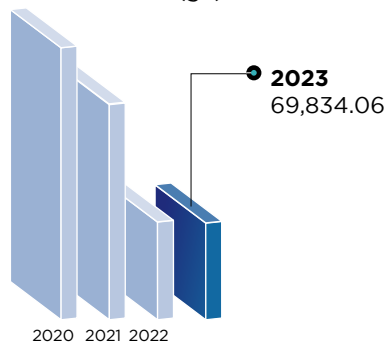
Original Energy (Petrol) Consumption Figure (gJ)	52,120.00
Restated Energy (Petrol) Consumption Figure (gJ)	22,606.47
Variance (%)	57

Total Energy (Diesel) Consumption (gJ)



2020 : 51,089.04
2021 : 50,636.22
2022 : 46,558.48²

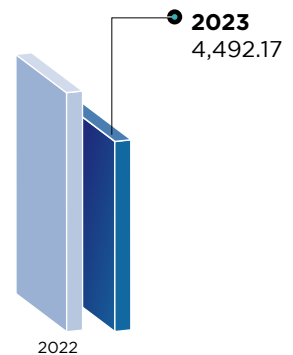
Total Energy (Petrol and Diesel) Consumption (gJ)



2020 : 85,694.69
2021 : 80,419.98
2022 : 69,164.95

Natural Gas

Total Emissions (tonnes CO₂)



2022 : 4,767.76

Notes:

² Data was inadvertently computed in 2022 that affected the accuracy of our reported total energy (diesel) consumption figures

Year

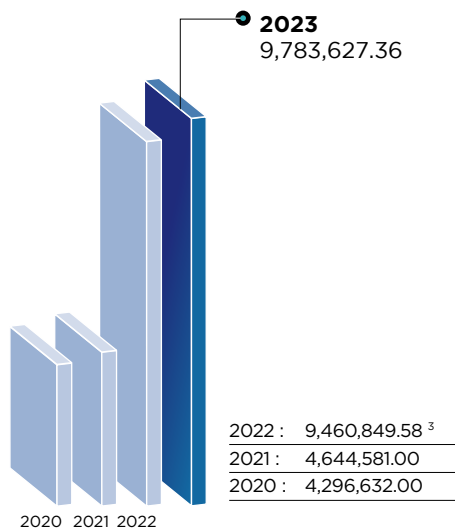
2022

Original Energy (Diesel) Consumption Figure (gJ)	64,986.24
Restated Energy (Diesel) Consumption Figure (gJ)	46,558.48
Variance (%)	28.40

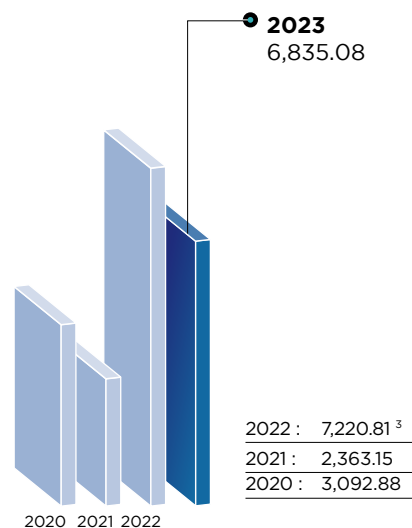
MINIMISING ENVIRONMENTAL IMPACT

Scope 2

Purchased Electricity Consumption
(kWh)



Total Purchased Electricity Emissions
(tonnes CO₂)



Notes:

³ Data was inadvertently computed in 2022 that affected the accuracy of our purchase electricity consumption (kWh) and total purchased electricity emissions (tonnes CO₂) reported figures

Year	2022
Original Purchased Electricity Consumption Figure (kWh)	8,788,707.00
Restated Purchased Electricity Consumption Figure (kWh)	9,460,849.58
Variance (%)	7.60

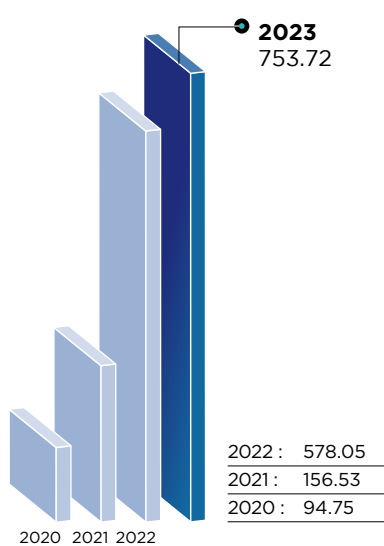
Year	2022
Original Purchased Electricity Emission Emissions (tonnes CO ₂)	4,792.37
Restated Purchased Electricity Emission Emissions (tonnes CO ₂)	7,220.81
Variance (%)	50.70

MINIMISING ENVIRONMENTAL IMPACT

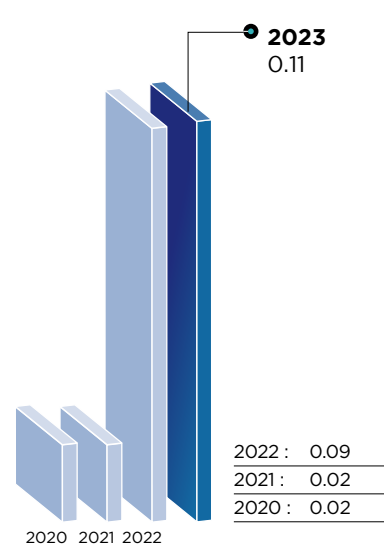
Scope 3

Category 6: Business Travel

Total Emissions (tonnes CO₂)

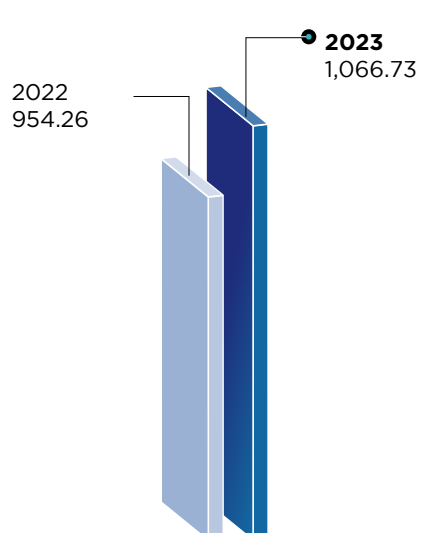


Emissions Intensity (tonnes CO₂/ employee)



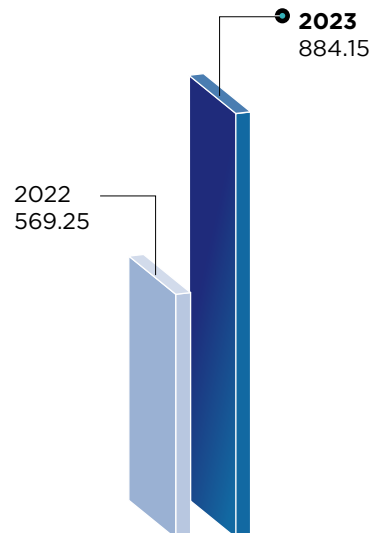
Category 7: Employees Commuting

Total Emissions (tonnes CO₂)



Category 8: Upstream Leased Assets Emissions

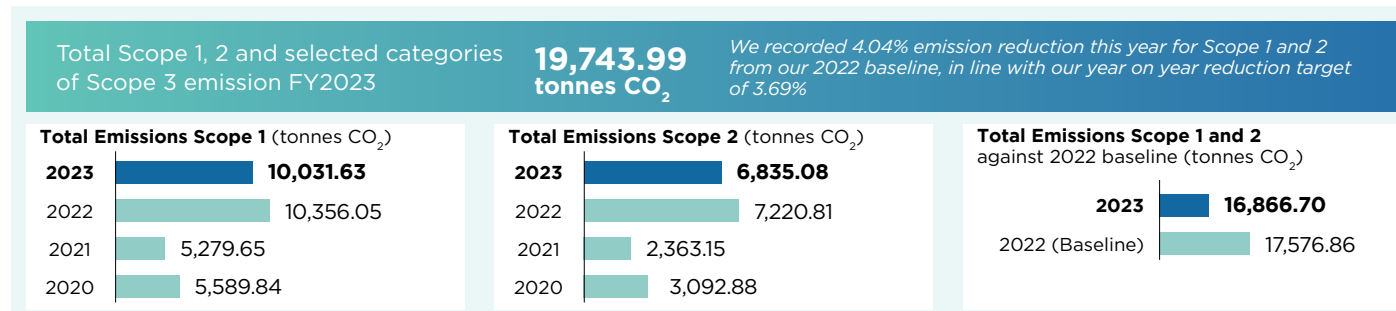
Total Emissions (tonnes CO₂)



MINIMISING ENVIRONMENTAL IMPACT

OVERALL PERFORMANCE

Our Performance



Given that the emissions data from MEEM represent a negligible proportion of our overall emissions baseline, constituting less than 1% of our total emissions, we have determined that a restatement of the baseline is not warranted. Our original baseline remains representative of our environmental performance.

As a result of our processes, we were given two awards:

“World Sustainability Icon Leadership Lifetime Achievement Award”-organised by the World Green Organisation (WGO), the United Nations Global Compact (UNGC), and KSI Strategic Institute for Asia Pacific (KSI), the WGSS, co-hosted by the Sarawak Government.

THE STAR ESG IMPACT AWARD

Gold: Energy Efficiency
Silver: Renewable Energy
Talent Management
Good Health & Wellbeing

Our Value Proposition to Clients

As a leading player in the asset management and infrastructure solutions industry, UEM Edgenta is dedicated to assisting our partners and clients in their efforts to reduce their climate impact. As part of our comprehensive facilities management services, we offer various sustainability initiatives, including ESG site audits, Green Building Index certification facilitation, and the development of sustainability roadmaps aligned with global standards.

Our services have already made a significant impact, with energy management initiatives resulting in annual savings of approximately 38.4 million kWh in assets under our management. This translates to savings of around RM16.6 million in energy bills.

To further solidify our position in the market, we launched Opus Sustainability, providing comprehensive solutions to help asset owners decarbonise their assets and create a sustainable built environment. This strategic move, combined with our proven success in energy performance contracting, enabled us to secure nine sustainability mandates from Malaysian clients in 2023, bringing our total sustainability mandates to 22 contracts. Additionally, we have allocated RM200 million to finance sustainability projects on a zero-capex model, assisting our clients in transitioning to a low-carbon economy.

With this commitment, we aim to strengthen collaboration with our clients by promoting the adoption of renewable energy sources, expanding green infrastructure such as EV charging points, and upgrading existing infrastructure to high-performance green buildings.

OUTLOOK

As we progress in our commitment to environmental, social, and governance (“ESG”) responsibilities, we are fully aligned with group ESG Initiatives. Moving forward we are focused on establishing GHG reduction monitoring process to measure the performance of our net zero strategy and also to allow us to refine our climate targets as we progress. We are also embarking on an exercise to establish our Scope 3 emissions inventory and make a similar pledge to Net Zero by 2050. This initiative is in line with our goal of achieving a 26% reduction in our carbon footprint by 2030, using a baseline set in 2022, and ultimately reaching Net Zero emissions by 2050. To drive our decarbonisation pathway further, we aim to integrate emission reduction into our key performance indicators through our carbon budgeting process.

Continuing to provide ESG consultancy services remains a cornerstone of our strategy, seamlessly integrated into both short-term and long-term contracts. Collaborating with the Edgenta Academy ensures our teams are equipped with cutting-edge knowledge and expertise, particularly in climate change-related topics. This encompasses a diverse array of ESG-related training, covering areas such as TCFD, ESG Data Assurance, and Net Zero Workshops.

Central to our approach is active engagement with our supply chain partners, clients, and stakeholders within our ecosystem. By conducting awareness sessions, delivering comprehensive training programmes, and fostering strategic green collaborations, we aim to ignite collective action toward our shared mission of decarbonisation.

MINIMISING ENVIRONMENTAL IMPACT

ENVIRONMENTAL MANAGEMENT

WHY IT MATTERS?

An effective environmental management system lies at the core of UEM Edgenta's commitment to corporate responsibility and long-term sustainability. As stakeholder expectations evolve and societal demands grow, there is an increasing emphasis on environmental factors in our decision-making processes. Acknowledging the intricate interplay between our operations and the wider ecosystem, our dedication extends beyond mere business concerns to encompass a profound acknowledgment of the global imperative for resource stewardship and community well-being.

WHAT IS OUR APPROACH?

Our enhanced Sustainability Policy reaffirms our commitment to fostering environmentally responsible practices throughout our business units. We uphold responsible environmental management by implementing various initiatives across material utilisation, waste management, and water consumption. Ensuring alignment between our ISO standards and environmental practices, we integrate ISO requirements into our environmental management systems. In 2023, UEM Edgenta Berhad achieved certification to ISO 9001:2015, ISO 45001:2018, and ISO 14001:2015 standards (Quality, Occupational Health & Safety, and Environmental Management Systems respectively) awarded by Bureau Veritas Certification (M) Sdn. Bhd.

WHAT VALUE WAS CREATED IN 2023

Throughout the course of 2023, UEM Edgenta remained resolute in its commitment to environmental stewardship and the reduction of waste, achieving notable advancements and yielding substantial benefits as a result. The company implemented a series of strategic initiatives aimed at minimising its ecological footprint and promoting sustainable practices across its operations.

One of the pivotal initiatives undertaken was the implementation of comprehensive waste reduction programmes across various business units. Through waste management practices and the adoption of innovative technologies, UEM Edgenta successfully minimised waste generation, optimised resource utilisation, and significantly reduced its environmental impact.

In addition to our waste reduction endeavours, we actively engaged in initiatives to conserve natural resources and optimise our usage. To achieve this goal, we have sustained our research and development efforts in recycled Asphalt Mixes at our Pavement Research Center. In 2023, we continued these efforts:

To support the production of large-scale Recycled Asphalt Pavement ("RAP"), UEM Edgenta has successfully completed its first RAP Plant. Sustainability is at the core of this facility, with features such as the utilisation of recycled oil, which not only aligns with our environmental goals but also proves to be more cost-efficient.

In 2023, we expanded our asphalt mix offerings to include 15 variations, up from 13 in 2022. These mixes are customised to meet the specific requirements of our customers. Notably, 8 of these variations are made from recycled materials, aligning with our commitment to sustainability. Furthermore, a total of 11 mixes have been deployed on the PLUS Expressways. These mixes are currently undergoing or have completed a 12-month test run. Initial results indicate promising performance, demonstrating the effectiveness of our products in real-world applications.

The approval for large-scale use of 30% Recycled Asphalt Pavement ("RAP") in hot applications and 100% RAP in cold applications marks a significant milestone. This initiative effectively reduces the amount of waste asphalt millings sent to landfills, while also conserving energy and natural resources.

At the corporate level, various initiatives have been undertaken to promote sustainability. These include the continued use of the KLEAN machine for collecting plastic waste, installation of an E-Waste bin, efforts to reduce paper usage, expansion of e-forms usage, and encouragement for staff to use recyclable utensils.

Furthermore, at the community level, UEM Edgenta has actively participated in beach clean-up projects, tree-planting initiatives, and established an Arboretum Education Center at Ayer Hitam Forest Reserve to promote environmental education. These efforts reflect our commitment to environmental stewardship and community engagement.

MINIMISING ENVIRONMENTAL IMPACT

Further details of our initiatives can be found below:

Efficient Material Utilisation

Across our diverse operations, we have implemented a series of initiatives on sustainable material utilisations.

Key Initiatives

- Recycling of engine oil in ambulance as part of the preventive maintenance plan
- Installation of Mcfill oil filter in our operations' fleet
- The usage of recycled oil in RAP operations as part of our commitment to reduce environmental impact
- Developed and applied 15 customised asphalt mixes while incorporating eight recycled varieties, across PLUS Expressways in Tapah
- Obtained approval for the extensive utilisation of 30% and 100% recycled asphalt
- UEM Edgenta collaborated with CIMA through a Proof of Concept to produce and install New Jersey Barriers in expressways. The collaboration leverages on CIMA's innovative technology in creating eco-friendly glass fiber for use in expressway barriers and UEM Edgenta's technical expertise in maintaining roads and highways.

Our Impact

Actively diverting harmful materials from landfills and contributing to energy and resource conservation

Enabled the recycling of road milling waste into environmentally friendly road pavement materials

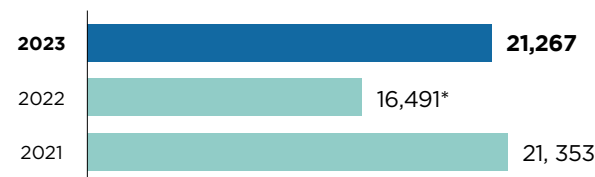
Responsible utilisation of materials by leveraging innovation and technology to optimise concrete quality and ensure efficiency

PAPER

We recognise the environmental impact of increased paper consumption and hence we have continued empowering Edgenta Stars to leverage on digitalising our processes.

Some of our digitalisation efforts to reduce paper consumption include a Document Request Forms ("DRF") system to request for administrative documents, online application for staff claims, and the digitalisation of making Conflict of Interest declaration. In our Operon office we transitioned to digital process to deliver our FM services through Computer Aided Facility Management ("CAFM") System. This has enabled us to reduce paper consumption, ensuring operational efficiency to align with our overall sustainability objectives.

Paper Consumption (No of A4 Reams)



* The disclosed number of Paper Consumption in AR2022 should read 16,491 instead of 902

KLEAN Machine

We have continued to deepen corporate culture around recycling through the installation of KLEAN machine.

Number of Unique Recyclers
1,808

Number of Sessions
4,700

Total Number of Cans Recycled
4,730

Total Number of PET Recycled
19,168

23,898

MINIMISING ENVIRONMENTAL IMPACT

Responsible Waste Management

Throughout 2023, UEM Edgenta demonstrated its commitment to responsible waste management through various programmes and activities.

- Organised Sweep the Shore Day 2023 in collaboration with Majlis Perbandaran Sg. Petani Kedah ("MPSPK") and Balai Polis Tanjung Dawai for a beach cleanup programme at Pantai Rhu.
- Launched the "Towards Zero Waste 2023" campaign for all sites' participation to boost awareness for recycling as part of a Sustainable Waste Management Programme ("SWMP") piloted at Sultanah Bahiyah Hospital.

Our Results

Successfully recycled hospital waste, such as food waste, into fertiliser, diverting approximately 10% of waste from landfills

Increase awareness on responsible waste management within our Healthcare sector

Disclosures	2022	2023
Waste generated from operations		
Waste generated (metric tonnes)	567.45	1,498.97
Hazardous waste generated (tonnes)	512.41	724.54
Waste diverted from disposal (million cubic metres per year)	10.60	604.93
Waste directed to disposal (million cubic metres per year)	556.85	894.042
Disclosure of three years of waste recycled (tonnes)	0.05	0.63
Waste managed for clients		
Total Waste Managed by Edgenta for clients (tonnes)	16,435.95	67,114.11
Directed to Disposal (tonnes)	15652.64	20,398.30
Hazardous (tonnes)	12,921.31	5,508.83
Non Hazardous (tonnes)	2,730.93	15,010.75
Diverted to Disposal	4,582.45	46,715.22

These are the total waste that Edgenta manage for clients, across Healthcare, Infrastructure Services and Property and Facilities Solutions. Data for 2023 include waste data from our middle east office.

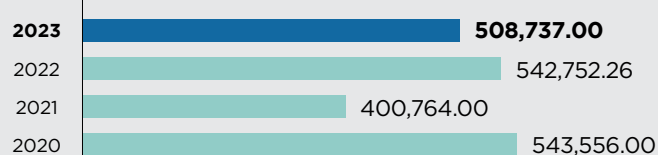
Moving forward we will expand our data coverage and enhance our waste management capabilities to increase efforts of waste diversion from landfills.

MINIMISING ENVIRONMENTAL IMPACT

Water Resource Stewardship

As part of our ongoing initiative for water resource stewardship, we actively monitor and implement various water management initiatives to minimise our water consumption across all operations. Within our Property and Facility Solutions ("PFS") department, they strategically manage risks, opportunities, and impacts related to the consumption and disposal of water.

Water consumption (m³)



Water Conservation Project

In 2023, we sustained our water conservation efforts in collaboration with our client, PLUS, through various water management initiatives including rainwater harvesting and usage of tube wells. These efforts have proven impactful, allowing us to conserve and recycle water for our operations at clients' sites. In total, we conserved 10,582m³ of water in 2023, a significant increase from the previous year's conservation of 6,000m³.

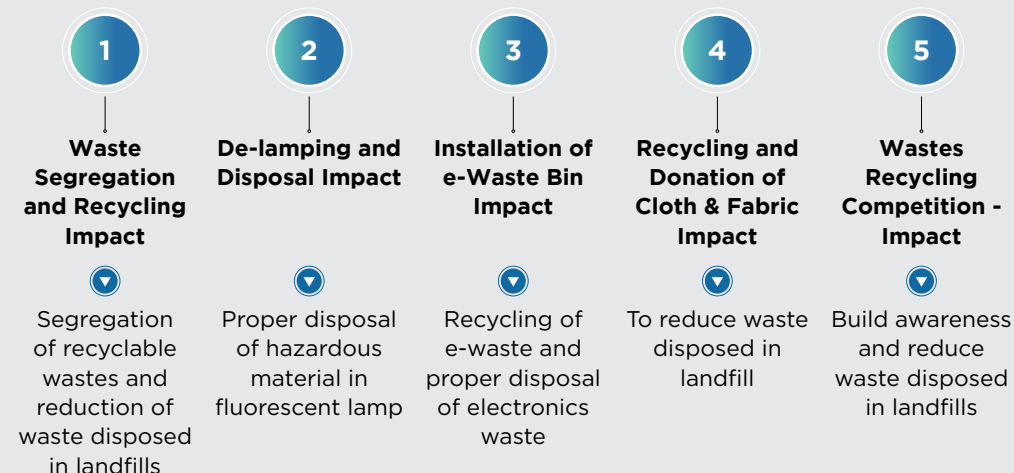
Environmental Awareness Programmes

From the corporate level, we adopt many environmental work practices, from introducing digital e-forms, composting to Reduce, Reuse, Recycle ("3Rs") initiatives. Recognising the significance of our workforce, UEM Edgenta takes steps to actively contribute alongside our partners and community. Thus, we ensure our employees are involved in the environmental-related Corporate Social Responsibility ("CSR") programmes implemented by the Group.

Our 2023 CSR Programmes:

- The Environmental CSR Initiative in Rantau Abang, Terengganu, was conducted in collaboration with Opus Consultants. The campaign focused on protecting coral reefs and promoting a safe and clean recreational beach area. Over 50 volunteers, including professional divers, participated in a clean-up programme both underwater and on the beach. Contributions of RM5,000 to Majlis Perbandaran Dungun and RM1,000 to the Rantau Abang Turtle Conservation Information Centre were made to support their preservation efforts.

We have also empowered each business units to organise recycling initiatives:



MINIMISING ENVIRONMENTAL IMPACT

Environmental Awareness Programmes (Continued)

Our 2023 CSR Programmes:

- #EdgentaActGreenCampaign Tree Planting CSR Programme in collaboration with the Forest Department of Sarawak ("FDS") and local communities. 80 Edgenta Stars from Opus Sarawak successfully completed the #EdgentaActGreenCampaign Tree Planting CSR Programme. Over 1,000 valuable native trees from various species were planted at Sabal Forest Reserve in Simunjan, Sarawak. The campaign aligned with Malaysia's "100 million Trees campaign by 2025" to raise awareness about the importance of conserving forest areas.



- Established an Arboretum Education Center at the Ayer Hitam Forest Reserve in Puchong in partnership with University Putra Malaysia ("UPM"). This initiative specifically focuses on the conservation and development of the Dipterocarp genus, a family of hardwood tropical trees primarily found in Sarawak, Sabah, and Peninsular Malaysia. The dedicated section within the Ayer Hitam Forest Reserve will transform into an arboretum, serving as a knowledge hub for students, researchers, and the public to deepen their understanding of forests and the Dipterocarp genus.

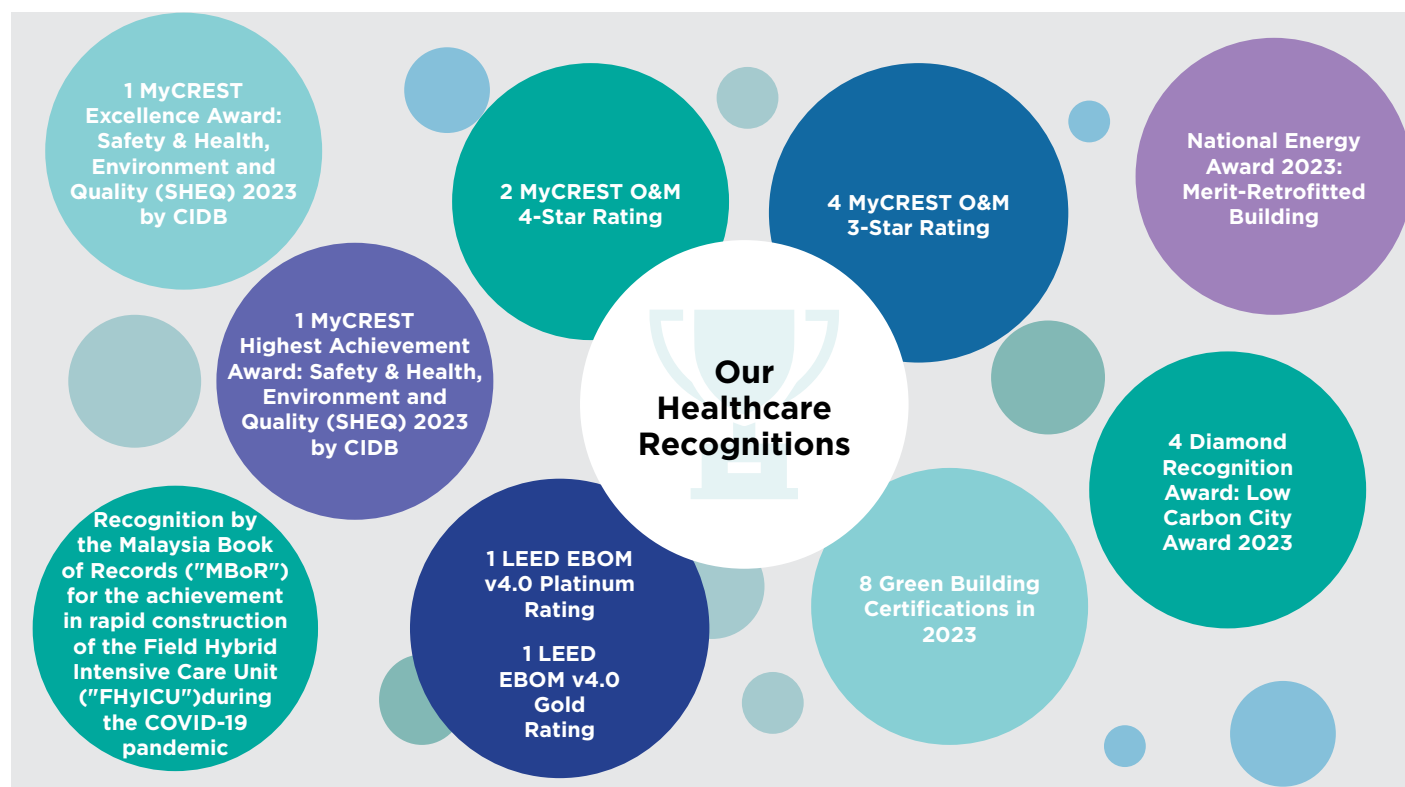


Other Sustainability Initiatives

- Implementation of Sustainable Waste Management Programme ("SWMP") including the utilisation of weighing scales for waste, food and kitchen waste bins, usage of composting machines, managing organic and landscape waste in various hospitals that we operate in.
- Organised an Awareness Training Programme during the Green Building Forum-Journey Towards Green Building Hospitals in Pulau Pinang.
- Participated in various environmental and social events that were funded by MoH including:
 - i. Lestari Fun Ride & Ekspo at Hospital Kuala Nerang
 - ii. Programme Penanaman Bakau Bersama Komuniti in Kedah

MINIMISING ENVIRONMENTAL IMPACT

Healthcare Recognitions



OUTLOOK

In the upcoming year, our primary focus will be on enhancing the commercialisation of sustainable materials tailored to meet the evolving needs of our clients. This strategic initiative entails advancing responsible material utilisation by operationalising our Recycled Asphalt Premix ("RAP") Plant. Through close collaboration with our clients, we are committed to proactively reducing waste by implementing comprehensive waste handling strategies.

A key component of our sustainability efforts involves the tracking of our own waste through Scope 3 activities, ensuring transparency and accountability in our environmental impact. This initiative drives our commitment to responsible environmental stewardship and pushes us towards continuous improvement in our operations.

While the implementation of groupwide water management practices remains a work in progress within our current operational landscape, our dedication to fostering sustainability remains unwavering. As we chart our course for the forthcoming years, the integration of comprehensive water management strategies emerges as a pivotal objective, reaffirming our commitment to responsible corporate citizenship.

Furthermore, our short-term agenda includes a thorough assessment of our suppliers, collectively addressing environmental challenges. We prioritise suppliers who share our commitment to sustainability and encourage them to integrate environmental considerations into their business activities. Through these collaborative efforts, we aim to build a supply chain that aligns with our sustainability goals and promotes responsible environmental practices across all facets of our operations.

Moving forward, UEM Edgenta remains dedicated to implementing environmental conservation practices in both its operations and its solutions. The company plans to compute its waste footprint to develop a comprehensive waste management programme while promoting recycling efforts.

SOCIAL VALUE CREATION

OCCUPATIONAL HEALTH AND SAFETY

WHY IT MATTERS?

In our industry, where employees, vendors, and suppliers are vital to essential tasks and operations, ensuring a secure work environment is a core focus of our health and safety practices. A secure workplace directly impacts the well-being of our staff, contractors, suppliers, and clients. By fostering a safe workplace, we empower our employees to fulfill their responsibilities with focus and dedication. Amidst the diverse physical and challenges inherent in our industry, a healthy work environment acts as a shield, safeguarding the health and well-being of our workforce, clients, and the communities we serve.

WHAT IS OUR APPROACH?

At UEM Edgenta, we are deeply committed to safeguarding the health, safety, and security of our workforce while prioritising environmental protection. Our ultimate aim is to achieve zero incidents, occupational illnesses, environmental events, and non-compliance with legal requirements, all while placing a strong emphasis on the physical and emotional well-being of our employees. This dedication is ingrained in our robust Quality, Health, Safety, Security, and Environment (“QHSSSE”) Policy. This policy is designed to ensure compliance with statutory and regulatory requirements, while fostering a culture of continuous improvement in Health, Safety, Security, and Environment (“HSSE”) throughout our organisation.



SOCIAL VALUE CREATION



OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

Our comprehensive system is built on the standard requirements of ISO 14001 and ISO 45001, complemented by adherence to local regulations and other pertinent HSSE legal requirements and industrial codes of practice.

For our entities in Malaysia, our system aligns to the following regulations:

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

With a Group-wide implementation, all of our business units are now certified under ISO 14001 and ISO 45001.

Additionally, in 2021, we obtained ISO 45005:2020, offering guidelines for safe working during the COVID-19 Pandemic.

Our occupational health and safety management system extends to cover all key stakeholders, including employees, contractors, and vendors, through the implementation of relevant policies and procedures.

** International operations in Taiwan, Singapore, and the UAE adhere to the rules and regulations of their respective countries.*

100% of our operating business units in Malaysia have obtained ISO 14001:2015 and ISO 9001:2015.

100% of our Business units have obtained ISO 45001:2018

Moving forward, we will expand our tracking of HSSE certifications and accreditation to our International Offices.

SOCIAL VALUE CREATION

Risk Assessment and Hazard Identification

As part of our approach to hazard identification, we currently adopt several methodologies and procedures including the bowtie methodology, Hazard Identification Risk Assessment and Risk Control (“HIRARC”) procedures, Job Hazard Analysis (“JHA”), Ergonomic Risk Assessment (“ERA”), Chemical Health Risk Assessment (“CHRA”), Noise Risk Assessment (“NRA”), document reviews, audits and incident reviews.

For each approach mentioned, we assign competent and qualified personnel to perform the relevant tasks. This may include our Safety and Health Officer (“SHO”), Site Safety Supervisor (“SSS”), certified Environmental Professionals In Scheduled Waste Management (“CEPSWAM”), Ergonomic Trained Persons or Occupational Health Doctors (“OHD”), according to the type of reviews being conducted.

The Group currently utilises a reporting platform (BenchmarkESG) to notify, report, monitor and review any incidences relating to unsafe acts or conditions, perform health and safety risk management, carry out audit reviews and other relevant activities. The results, analysis and recommendations from the reporting of such incidences are then presented through our HSSE structure on a bi-weekly basis as part of our HSSE reporting exercise. For on-the-job safety hazard avoidance and precautionary processes, we have implemented various procedures such as the Consequence Management, 12 Life Saving Rules and several “do’s and don’ts” guidelines for specific operational activities.

Our control measures are monitored closely by site HSE personnel through trainings and supervision as well as the use of tools such as the PPE Matrix. In addition, regular compliance audit and inspections are also carried out by HSE personnel to ensure the effectiveness of our control measures. In overall, our risk assessment on health and safety is performed to provide coverage on our defined focus areas as well as our existing operations or projects.

Safety Audit

In 2023, we continued to perform safety audits as part of ensuring compliance to workplace safety. In contrast to the previous year, the number of Gemba Walk participants

Gemba Walk participation		The amount of final audits for 6S	
66 2023	132 2022	33 2023	66 2022

The results and findings from the audits were recorded on the BenchmarkESG, which is an AI-driven Safety, Health and Environment incident reporting platform. It enables the Group to perform a root cause analysis which facilitate a faster implementation of any corrective and preventive actions (“CAPAs”).

HSSE Governance Structure

Health and Safety leadership is vested in the Board, which regularly oversees, assesses, and deliberates on relevant issues on a quarterly basis. Our MD/CEO serves as the designated person at the Board level, providing leadership and direction in managing HSSE.

The governance structure is further supported at the working level by our

1. HSSE Committees, which have been established at each operational site. The committee meets periodically through monthly meetings and weekly (ad-hoc) meetings when deemed necessary to deliberate and act upon any occupational health and safety issues.
2. Quarterly Perintis Council meetings are also held for contractors to discuss and bring forth any health and safety related issues to the committee. Besides, in order to lead the day-to-day monitoring of our HSSE performance.
3. Head of QE & HSSE has been tasked to:
 - Develop an annual HSSE plan which is aligned with objectives and targets of the Group at addressing HSSE;
 - Provide key and consistent communication on our HSSE related objectives, targets and plans;
 - Identify and assess key HSSE Critical Positions for Technical Authorities;

SOCIAL VALUE CREATION

- Compile, review and submit HSSE related performance data to each business division;
- Implement and maintain an HSSE assurance plan for each business division;
- Establish and ascertain the competency of independent leads on HSSE audit; and
- Identify and form the members of the HSSE audit team

To mitigate health and safety risks across our varied business activities, UEM Edgenta implements a robust risk management system overseen by qualified HSSE personnel. This proactive approach identifies hazards such as needle pricks, exposure to live traffic, working at heights, and slip and fall incidents. We have developed HSSE Manual to guide our efforts in this area.

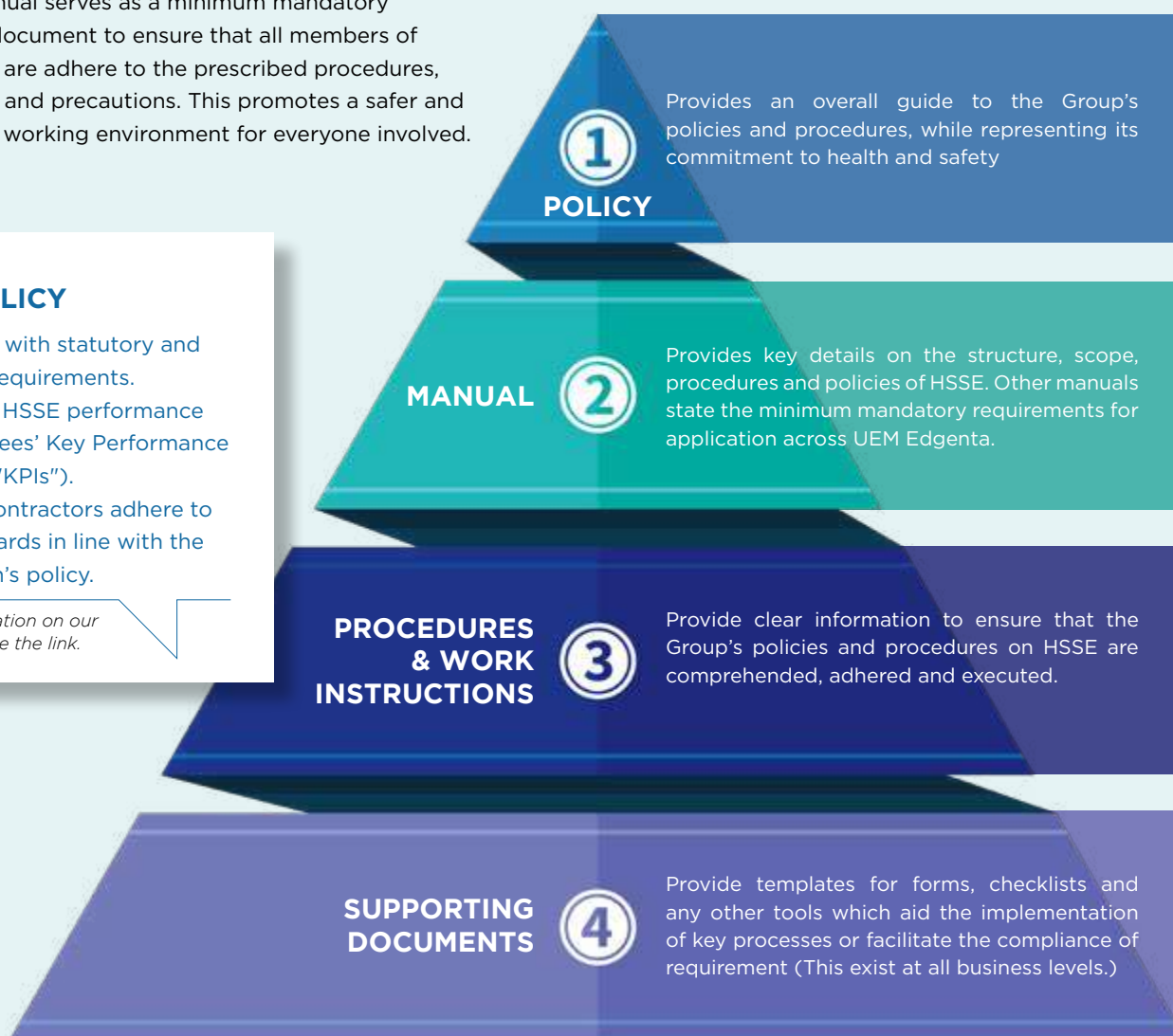
HSSE MANUAL STRUCTURE

The HSSE Manual serves as a minimum mandatory requirement document to ensure that all members of UEM Edgenta are adhere to the prescribed procedures, requirements, and precautions. This promotes a safer and more resilient working environment for everyone involved.

QHSSE POLICY

- Compliance with statutory and regulatory requirements.
- Incorporate HSSE performance into employees' Key Performance Indicators ("KPIs").
- Mandates contractors adhere to HSSE standards in line with the organisation's policy.

For more information on our QHSSE Policy, see the link.



SOCIAL VALUE CREATION

WHAT VALUE WAS CREATED IN 2023

Health and Safety Accreditation

During the year under review, Edgenta recorded several milestones in advancing its HSSE practices. The company successfully obtained the ISO 9001:2015, ISO 45001:2018 & ISO 14001:2015 (Quality, Occupational Health & Safety and Environmental Management Systems) Certifications.

This is a demonstration of Edgenta's sound quality management system to ensure that services and products offered meet international standards. In addition, the Company also operationalised its HSSE manuals, ensuring better adherence to health, safety and environmental practices. Assurance processes were carried out and intervention plans were identified for further improvements.

Prioritising Health and Personal Security

The company's commitment to health and safety is further exemplified through various initiatives, including comprehensive mental and physical health programmes, safety training focused on the "12 Life Saving Rules," and initiatives aimed at raising awareness of personal security. Through the Personal Security Brown Bag Talk Series, experts discuss topics such as cybercrime, data theft and other criminal threats, equipping employees with knowledge about inherent risks to enhance their sense of safety and security.

We have also curated health talks and awareness sessions on topics such as ergonomics, fatigue management, non communicable diseases ("NCD"), heatstroke prevention, audiometric health and occupational illness diseases.

Brown Bag Session: Personal Security

Launch Brown Bag Session for Personal Security to create awareness of crime prevention, educate on the methodology or modus operandi in a crime as well as general tip on how to avoid becoming a victim. We have also launched a handbook of Personal Security Guideline for Edgenta Stars that is made available in our e-library, e-Ilmu platform.

Leadership Exchange and Action Programme ("LEAP")

As a platform for local leaders/staff to highlight the challenges/issues/action item at the site and the support required from Top Leaders. Engaged with frontline staff on progress in HSSE and recognised any good HSSE practice.

Physical Wellness Programmes

We curated a specialised Physical Wellness Programme that includes individual fitness assessments and monitoring as well as health workshops. These workshops are part of our BeFit Programme that we have started in 2021.

PARTICIPATION RATE

- **201** Edgenta Stars participated in 2023 individual fitness assessment.
- **49** participants gained the Befit award.

In 2023, we maintained our commitment to employee health by organising health screenings. A total of 170 employees participated in the Perkeso Health Screening Programme 3.0, with 103 employees attending the Integrated Health Screening Test at Menara and 122 participating in Postural Analysis Measurement. Additionally, we extended healthcare coverage through medical cards, ensuring access to medical assistance for employees, direct contract workers, and their dependents from both government and private healthcare providers.

SOCIAL VALUE CREATION

Inculcating A Culture Of Health And Safety

To prevent and reduce injuries and illnesses in our workforce, we prioritise the importance of health and safety standards for our employees and workers by:

Programmes	Key Highlights
Personal Security E-Learning	Personal security E-Learning entails understanding, owning responsibilities, and consistently applying best practices to safeguard oneself, emphasising individual accountability. 59 staffs fully enrolled in the learning module via our digital learning platform.
Brown Bag Session: Personal Security	Launch of Brown Bag Session for Personal Security to create awareness of crime prevention, educate on the methodology or modus operandi in a crime as well as general tip on how to avoid becoming a victim. Multiple sessions were conducted with total attendance more than 500 staffs through physical and online participation.
Personal Security Handbook	Launched of Personal Security Handbook with focus on comprehensive coverage of personal safety principles, individual responsibilities, and essential practices for effective security in everyday life, emphasising accountability and awareness.
Safety Day 2023 (theme "Safety Starts from Home")	Focus on employee safety during their daily commutes across all UEM Edgenta entities, including international businesses and contractor partners.
Launched the HSSE Pocketbook	Outlined all the essential requirements to be complied with during the execution of risky tasks.
Hosted Defensive Driving Training ("DDT")	Addressed the rising number of commuting incidents by conducting seven impactful sessions with a total of 134 staff. Also conducted a session for contractors with a total of 91 participants focusing on drivers in high-risk category.
HSSE Capability Assessment ("HCA")	Conducted the pilot assessment in Central Region on selected mainline contractors where 64% (14 of 22 contractors) were rated 1-star. They attended small group coaching sessions conducted by our HSSE practitioners to help improve their HSSE capability. Average HCA score improved from 1-star to 2-star. We conducted evaluations on 97 mainline contractors responsible for 288 contracts along the NSE. As of 5 January 2023, the overall average HPR 2023 result stands at 2 stars. There has been a notable improvement in HPR 2023, with a 3.9% increase to 69.36%, compared to 65.5% in HPR 2022. Despite the operational challenges faced by contractors, this rise in scores signifies a positive trend. However, for those who fail to adhere to the relevant HSSE rules and regulations, we are prepared to take action and impose penalties as outlined in our HSSE Consequence Management procedures. Our HSSE Consequence Management process is structured into a 3-tier system, as detailed below. 1 HSSE Violation based on the 12 Life Saving Rules and risk matrix 2 Completion of HSSE Consequence Management by HSSE practitioner 3 Deduction from next payment
HSSE Performance Ranking	97 mainline contractors servicing 288 contracts along NSE were evaluated. As of 5 Jan 2023, overall average HPR 2023 result is 2-stars. An improvement of 3.9% in HPR 2023 (69.36%) compared to HPR 2022 (65.5%). The score's improvement shows positive development despite operational challenges faced by contractors.

SOCIAL VALUE CREATION

Programmes	Key Highlights
Contractor Engagement Roadshow ("CER")	A total of 231 contractors participated in the CER where the team shared pocket talks on HSSE Leadership, Traffic Management, HCM, Infra VDP and RAMS.
Walk the Talk Visits ("WTVs") for contractor leadership	Conducted as a practical guide to Perintis contractors on how to effectively communicate HSSE with employees at multiple locations along NSE and managed to get full participation from all 26 Perintis contractors' companies. Total of 238 pax including contractors, Edgenta Stars and clients participated in the visits.
Perintis Council Programme	Held two Perintis Council Meetings with a take-up rate of 85% (130 touchpoints) consisting of contractors' owner & HSSE coordinators, Edgenta Stars (HSSE practitioners & operations) and client (PLUS). Organised pocket talks on Learning From Incident, HSSE Documentation, Traffic Management, PPE and PTW.

With the measures in place, we managed to achieve a 100% success rate in assessing health and safety impacts from the products and services we provide.

Advocating Health and Safety in our Supply Chain

Beyond the health and safety of our employees, we also recognise the need to promote good health and safety practices among our business partners and contractors/vendors. By adopting a cohesive approach towards this issue, we can achieve a more robust, safer ecosystem within our value chain.

OSH Training and Management System

We conduct thorough audit processes integrated within our OSH management systems. These internal audits serve as a proactive measure to evaluate and improve the effectiveness of our OSH protocols, ensuring that our workforce operates within a secure environment.

Disclosures	2020	2021	2022	2023
Number of training programmes for employees on occupational health and safety	Not tracked	Not tracked	255	152
Number of all employees and workers covered by an occupational health and safety management system	4140	3965	3645	3900
Number of all employees and workers covered by an occupational health and safety management system that has been internally audited	3674	3493	3195	3900
Number of all employees and workers covered by an occupational health and safety management system that has been audited or certified by external party	3674	3493	3195	3900

Percentage of employees completed the mandatory OHS e-learning modules (%)

100%

1,738
of employees HSSE training cumulatively

130
vendors and Contractors (Perintis Council) completed health and safety trainings

A total of 152 training sessions have been conducted in 2023

SOCIAL VALUE CREATION

OVERALL PERFORMANCE

Throughout the year, UEM Edgenta has consistently documented and reported its Health, Safety, Security, and Environment ("HSSE") performance, offering a comprehensive overview in the corporate scorecard.

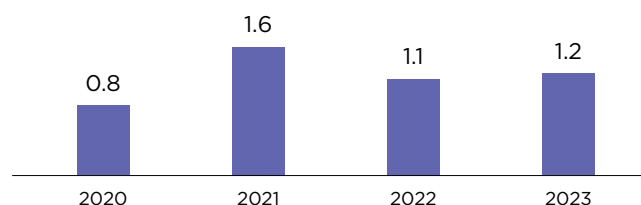


SOCIAL VALUE CREATION

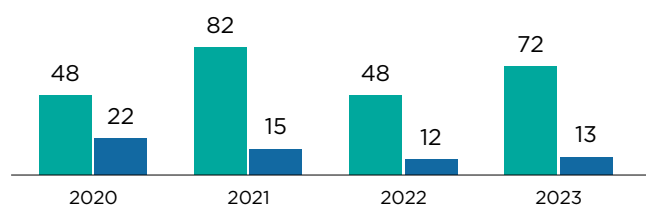
Number of Work-Related Fatalities



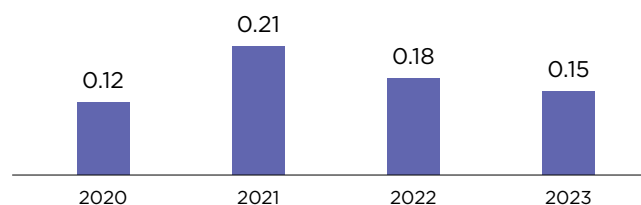
Total Recordable Incident Rate ("TRIR")



Number of Work-Related Injuries



Lost Time Incident Rate (LTIR)



Number of incidents during the reporting year are expressed per the total number of hours worked as at the end of the reporting period times a standardised value of 200,000 which represents the total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks. Method of calculating this indicator is as per Bursa Malaysia's disclosure guideline.

The number and rate of high-consequence work-related injuries (excluding fatalities)



● Employees ● Workers ● Total (inclusive of employees and workers)

Total recordable injury rate for 2023 rose to 1.2 from 1.1 in 2022 due to enhanced monitoring accuracy, encompassing more from international business operation, which accounts for 93% of the increased number in Lost Time Injury and Medical Treatment Case.

2023 Performance

Rate of work-related Fatalities:
0.03

Work related Injury (TRIR):
1.2
(Target for 2023: 1.4)

2024 Target

Fatalities:
Zero Fatality

Work related Injury (TRIR):
1.0

SOCIAL VALUE CREATION



OUTLOOK

In the short term, our primary focus is to strengthen the implementation and monitoring of our Health, Safety, Security, and Environment ("HSSE") management system. This entails developing comprehensive policies, procedures, and guidelines, including risk assessments, emergency response plans, and employee training programmes. We will establish continuous monitoring and evaluation mechanisms to ensure the system's effectiveness and promptly identify areas for improvement.

Moving into the medium term, UEM Edgenta aims to cultivate a robust HSSE culture, with a particular emphasis on leadership. Our objective is to instill a proactive safety mindset throughout all levels of the organisation, starting with top management. Leaders will be encouraged to champion safety initiatives through open communication channels, conducting regular safety briefings, and actively participating in safety-related activities.

Looking towards the long term, UEM Edgenta remains committed to achieving the goal of zero incidents, illnesses, environmental events, and non-compliance with legal requirements. This necessitates a sustained dedication to continuous improvement, ongoing training, education, and the integration of advanced technologies to enhance safety measures. Proactive measures will be implemented to identify and address potential risks before they escalate, while regular audits and assessments will ensure compliance with relevant laws and regulations.

SOCIAL VALUE CREATION

EMPLOYMENT CULTURE

WHY IT MATTERS?

Our workforce is central to our pursuit of excellence. When our employees feel valued and respected, they play a crucial role in our success. Placing emphasis on their mental, physical, and social well-being is essential, as it cultivates a culture of trust and equal opportunities where they can thrive and reach their full potential. This approach not only helps us attract and retain top talent but also increases motivation and productivity, benefiting everyone involved.

WHAT IS OUR APPROACH?

UEM Edgenta has incorporated the FIRST principles introduced in 2021, guiding our interactions with both internal and external clients to emphasise our organisation's character, commitment, and culture. To ensure its workforce remains well-informed and engaged, UEM Edgenta utilises a range of communication channels, including email, townhalls, roadshows, social media platforms, as well as its own website. Both formal and informal avenues are employed to gather feedback from employees, fostering a culture that values diverse perspectives and ideas. In promoting work-life balance, UEM Edgenta has introduced Flexible Working Arrangements, sports and recreational clubs, the Edgenta Care Society, and mental well-being support programmes.

We employ both structured and unstructured channels to gather feedback from employees, including Employee Engagement Surveys, Idea Bank, and Internal Customer Satisfaction Surveys. This fosters a culture that encourages the sharing of opinions and ideas. UEM Edgenta supports employee professional development through targeted development programmes, individual development plans, certification training, and self-paced e-learning initiatives.

In 2023, Edgenta Academy Designed an Individual Development Programme ("IDP"), which is a self-directed development tool for employees to chart their individual development plans based on skill gaps and immediate job role needs. The objectives of the IDP include understanding the linkages between competencies, development, and performance, empowering self-directed development and growth, increasing motivation and accountability, and enabling structured development discussions with People Managers.



In promoting work-life balance, we have introduced Flexible Working Arrangements, Sports and Recreational Club, the Edgenta Care Society, and Wellbeing support programmes via Naluri platform. Additionally, we foster an inclusive and diverse workplace, evident from our DEI statement published on September 12, 2023. We are committed to promoting equality, diversity, and inclusion among our workforce, ensuring equal opportunities through HR processes embedded with principles promoting non-discrimination, equality, diversity, and inclusivity.

SOCIAL VALUE CREATION



WHAT VALUE WAS CREATED IN 2023?

Improving Employee Engagement Survey ("EES")

The EES helps gauge overall employee satisfaction and as a result we have consistently maintain a score above 70 on Employee Engagement Survey. The results and feedback from Employee Engagement Survey is analysed and task force is created to address matters arising from the Employee Engagement Survey.

Disclosures ¹	2019	2022	2023
We have conducted Employee Engagement Survey in 2023 and we are 1 point higher than the Malaysia norm.			
Employee Engagement Surveys ("EES") Score	74%	71%	70%

Notes²:

1. The scores are 1 point higher than the Malaysia norm excluding EAL.
2. EES was not conducted in 2020 and 2021.

Employee engagement at UEM Edgenta has fostered more open and honest communication, leading to enhanced team collaboration and decision-making processes. Our focus on employee engagement has significantly contributed to overall productivity and individual performance. We conduct company-wide engagement and communication sessions, including the Annual Management Dialogues ("AMD"), town halls, Leadership Exchange and Action Programme ("LEAP"), and site visits, to engage employees and facilitate communication. There was also active effort to engage with staff at the grassroots level through the "HR Turun Padang" initiative, launched in 2023. Feedback received highlighted the need for more active management involvement in operations and customisation in the recognition approach, prompting the introduction of rewards and acknowledgment to demonstrate appreciation for the contribution made by employees. The implementation of the Employee Engagement Survey ("EES") helps gauge overall employee satisfaction, with action planning and execution set to be a focus for 2024. There has been an increased demand for more engagement activities that can promote direct interaction for 2-way communication on various people-related matters. UEM Edgenta will continue to promote initiatives like the Mental Health Month, Edgenta Sihat, the Sports and Recreational Club ("SRC"), and the utilisation of Naluri.

Edgenta Care Society Event

- As of December 2023, we have disbursed RM16,912 in assistance for 10 of our Edgenta colleagues.

Employees Wellness and Wellbeing Programmes

- MD Walkabout Series
- Infra Mega Sports

Sustainability and Employees Engagement Programmes

- ESG Awareness Month 2023
- HR Turun Padang

UEMS Singapore Initiatives

- Launched *UETrack™* ESG – a sustainability app for all UEMS staff in Sept 2023
- Corporate Social Responsibilities initiative partnering with Lions Befrienders Singapore to distribute 1,000 care packs
- Refurbished laptops were given to staff by Tech Services

SOCIAL VALUE CREATION

EMPLOYEE TRAINING AND AWARENESS

Building an ESG Culture

In 2023, UEM Edgenta focused on cultivating a culture of sustainability through its Environmental, Social, and Governance (“ESG”) initiatives. We organised ESG Awareness Month in September 2023 and conducted various ESG training programmes. Additionally, we hosted three workshops, three training sessions, and four webinars aimed at upskilling our Edgenta Stars. Some of the training and awareness areas that we focused on in 2023 are Net Zero Targets, Introduction to Task Force on Climate-related Financial Disclosures (“TCFD”) and Assurance of ESG Data.

We empowered all business units and operating sites to organise ESG Knowledge Sharing Sessions at their respective locations. These are some of the capacity-building initiatives held as prescribed in our Sustainability roadmap as we advance in our sustainability maturity, as well as in response to regulatory requirements. We partnered with our Internal Auditors who were upskilled through the Assurance of ESG Data training and our Risk, Integrity and Compliance department on TCFD and produced a TCFD workplan. During the year, we upskilled over 1,000 participants from various business units and departments on these broad areas of sustainability. We also collaborated with subject matter experts from other organisations on sustainability knowledge-sharing sessions. Our sustainability knowledge sharing programmes include a discussion on The Protection of Children and Youths, Welfare and Rights Act in our Taiwan office and awareness on UAE’s Labour Law in our UAE office.



ENHANCING EMPLOYEE CAPABILITIES

UEM Edgenta has enhanced its internal mobility programme with the introduction of the Opportunity Marketplace which serves as a platform for employees to explore new career growth and opportunity within UEM Edgenta. The platform aims to promote talent mobility, skills development and career progression.

In addition, Edgenta Academy has designed various programmes to enhance employee capabilities. These include Signature Programmes like the Facility Managers Development Programme (“FMDP”), which prepares existing facility managers to support future social trends and needs. We have implemented Executive Leadership Programme, targeted for senior management leaders, with an aim to foster cooperation, develop transformational leaders, strengthen leadership competency, boost creative leadership, and innovate, focusing on changing behaviours in participants to achieve the EoTF25 vision.

Additionally, there are Talent Programmes such as the 12-month programme designed to train high performers based on the Enhanced Talent and Succession Management framework. Furthermore, the Professional Qualification programme sponsors relevant professional qualification enrollments for employees.



SOCIAL VALUE CREATION

TRAINING

Average Cost of Training per Employee (RM)

2020	2021	2022	2023
1,558	1,044	1,041	4,374

1. 2020 - 2022 data covers UEM Edgenta MY only.
2. 2023 data is group-wide, excluding EAL.

Number of Hours Spent on Employee Development Training

2021	2022	2023
95,216	313,899	301,895

The reported training data excludes non-classroom training methods, such as mentoring, job shadowing, job rotation, participation in projects, reading, and other similar activities.

1. 2021 data covers UEM Edgenta MY only.
2. 2022 & 2023 data covers group-wide excl. EAL.

Number of Employee Upskilling Programmes

2023
2,246

Data for 2023 covers Malaysia, Singapore and Taiwan operations only

Employees Receiving Regular Performance and Career Development Reviews

2020	2021	2022	2023
100%	100%	100%	100% 85% for OME and 25% for UEMS

Data for 2023 covers Malaysia, Singapore and Taiwan operations only

Approved Training Budget (RM)

2020	2021	2022	2023
8.06 million	6.24 million	5.52 million	6.72 million

1. 2020 - 2022 data covers UEM Edgenta MY only.
2. 2023 data covers group-wide excl. EAL.

SOCIAL VALUE CREATION

TRAINING

Training Budget & Utilisation Budget

2020	2021	2022	2023
27%	66%	100%	77%

1. 2020 - 2022 data covers UEM Edgenta MY only.
2. 2023 data covers group-wide excl. EAL.

Total Spent on Training and Education (RM)

2020	2021	2022	2023
2.1 million	4.1 million	5.54 million	5.16 million

The number of hours excludes non-classroom training ie mentoring, job shadowing, job rotation, participation in project, reading, etc.

1. 2020 - 2022 data covers UEM Edgenta MY only.
2. 2023 data covers group-wide excl. EAL.

% of Employees Who Received Training

2020	2021	2022	2023
93%	98%	95.7%	73% (UEM Edgenta MY) 100% (UEMS TW, SG & OME) 97.3% (UEMS MY)

1. 2020 - 2022 data covers UEM Edgenta MY only.

SOCIAL VALUE CREATION

TRAINING

Average Training Hours per Employee (Male)

2021	2022	2023
21.12	20.78	16.45

1. 2021 data covers UEM Edgenta MY only.
2. 2022 & 2023 data covers group-wide excl. EAL.

Average Training Hours per Employee (Female)

2021	2022	2023
31.77	17.50	18.13

1. 2021 data covers UEM Edgenta MY only.
2. 2022 & 2023 data covers group-wide excl. EAL.

Total Training Hours of Employee (Male)

2021	2022	2023
60,963	161,950	137,698.08

1. 2021 data covers UEM Edgenta MY only.
2. 2022 & 2023 data covers group-wide excl. EAL.

Total Training Hours of Employee (Female)

2021	2022	2023
34,253	151,948.5	164,196.63

1. 2021 data covers UEM Edgenta MY only.
2. 2022 & 2023 data covers group-wide excl. EAL.

SOCIAL VALUE CREATION

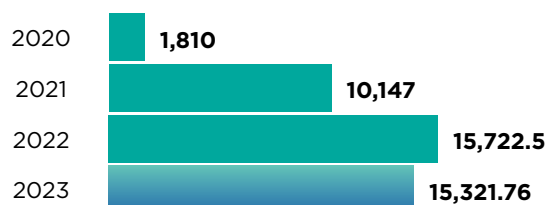
TRAINING

Average Training Hours by Employee Category

	2021	2022	2023
 Top Management	53.94	48.79	28.63
 Senior Management	52.57	49.99	28.52
 Middle Management	44.92	46.35	25.42
 Junior Management	36.23	48.13	21.73
 Non-Executive Management	14.17	19.73	16.41

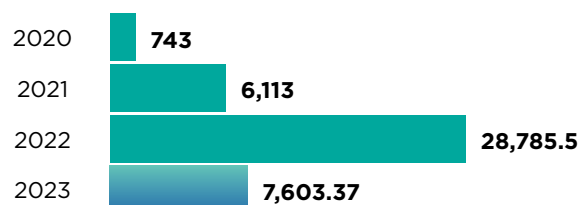
- 2021 & 2022 data covers UEM Edgenta MY only.
- 2023 data covers group-wide excl. EAL.

No. of Hours Soft Skill Development



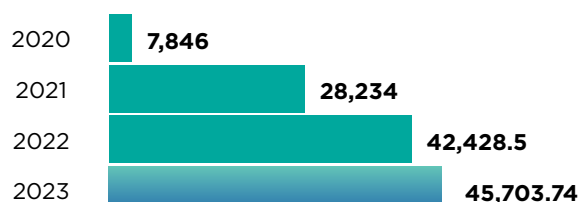
- 2020 - 2022 data covers UEM Edgenta MY only.
- 2023 data covers Malaysia operations incl. UEMS MY

No of Hours Leadership Programme



- 2020 - 2022 data covers UEM Edgenta MY only.
- 2023 data covers Malaysia operations incl. UEMS MY

No. of hours Technical and Functional Training



- 2020 - 2022 data covers UEM Edgenta MY only.
- 2023 data covers Malaysia operations incl. UEMS MY

Employee Training Hours - Internal



covers group wide excl. EAL.

Employee Training Hours - External

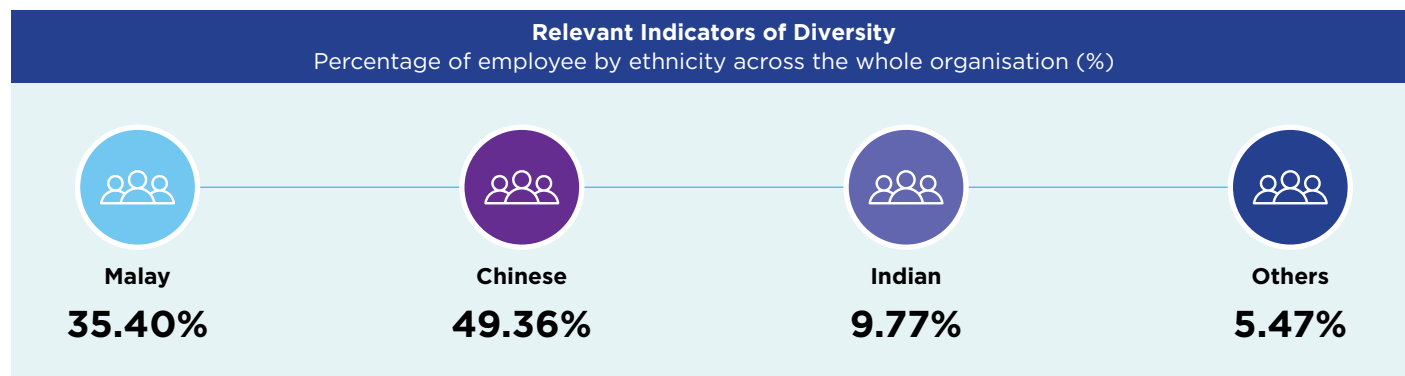


covers group wide excl. EAL.

SOCIAL VALUE CREATION

Embedding DEI in Workplace

UEM Edgenta's commitment to diversity and inclusion is captured in its DEI statement. Through this statement, it encourages equality, diversity, and inclusion among its workforce and the elimination of any forms of discrimination. Every characteristic of the company's employee be it age, gender, marital status, disability, ethnicity, or marital status, is respected and acknowledged as factors that make our employees unique. The statement calls for a healthy working environment free of bullying, harassment or victimization. Respect and dignity must be always observed. Any form of discrimination or acts that depart from the values contained in the DEI statement is condemned and complaints arising therefrom are treated seriously. The DEI statement is not only applicable to how employees are treated but also extends to how UEM Edgenta deals with its vendors, suppliers, contractors, visitors, customers, and even job applicants. Initiatives outlined in the DEI statement contribute to fostering an inclusive workplace and healthy work environment. It will also provide the bedrock for the refinement of our human rights policy and form the foundation for the assessment of how we approach Human Rights issues.

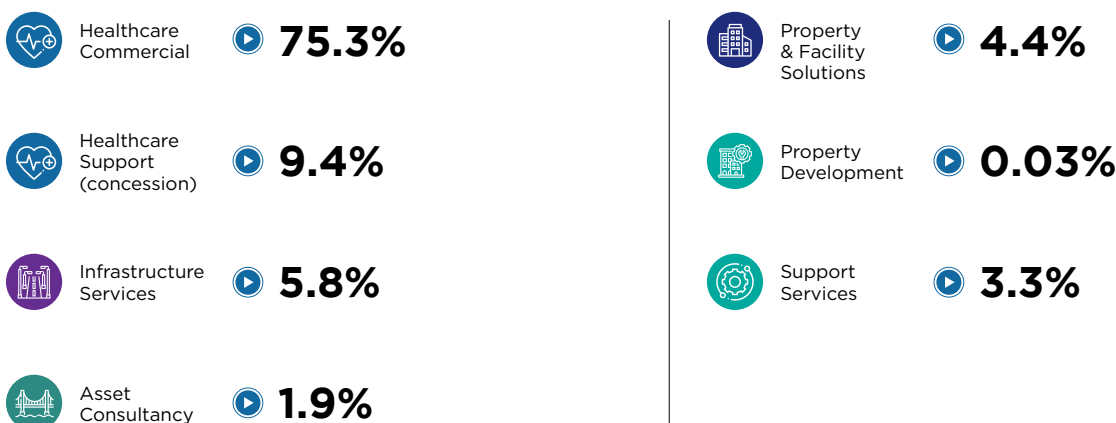


SOCIAL VALUE CREATION

By Employee Category



By Division



Disclosures¹

2023

We have diligently abided by the minimum wage law and progressive wage model in the countries we operate in.

Percentage of employees with a salary that meets the minimum wage (%)

Male	100%
Female	100%

Notes¹:

1. The above includes employees who meet the minimum wage (excluding allowances)
2. For Operon Middle East (UAE), is not governed by Minimum wage.
3. For SG, Comply with Progressive Wage Model (Compulsory for Cleaning Sector)

SOCIAL VALUE CREATION

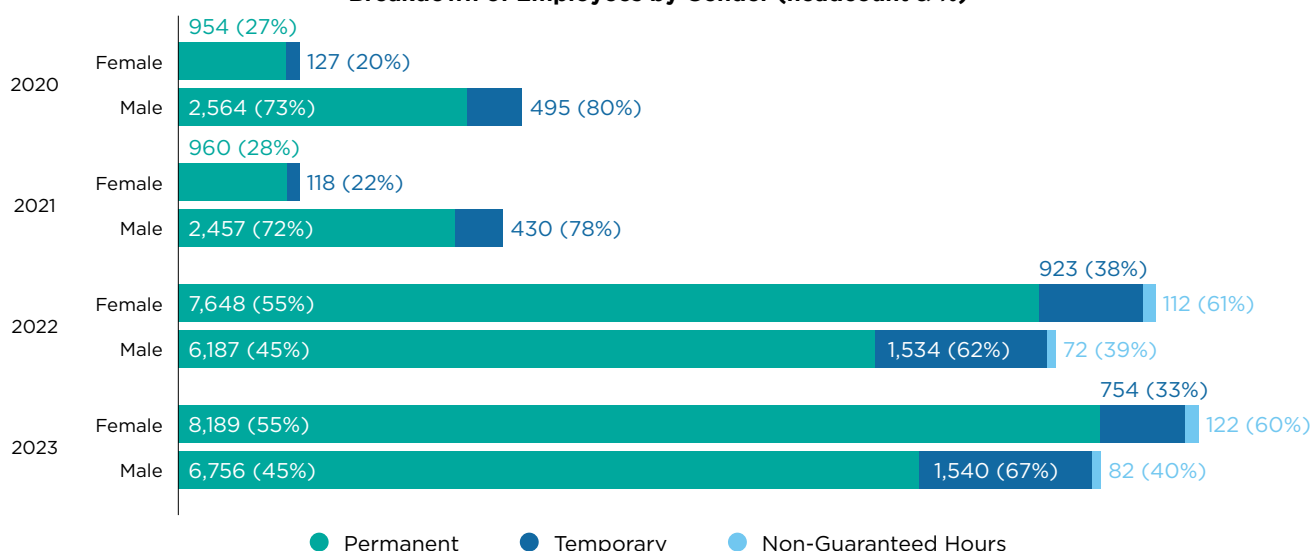
Disclosures ²	2023
Ratio of basic salary and remuneration (male to female)	
Top Management	1.1:1
Senior Management	0.9:1
Middle Management	1:1
Junior Management	1.1:1
Non-Executive	1:1

Notes²:

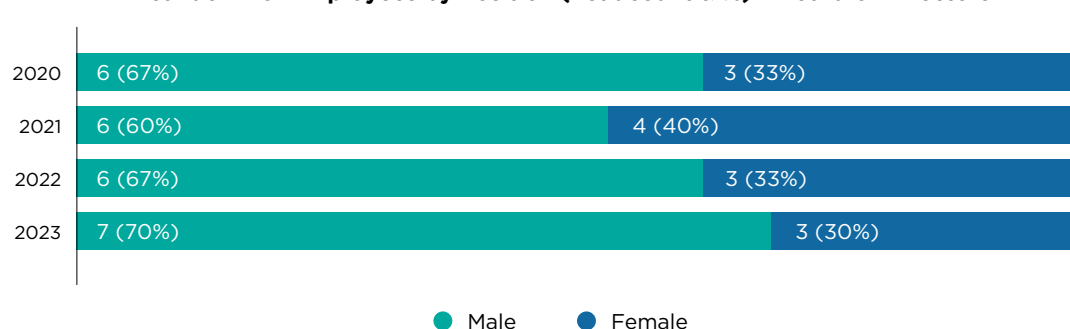
1. The data is for Edgenta MY (Excluding UEMS MY And International Business)

2. Based on Median

Breakdown of Employees by Gender (headcount & %)



Breakdown of Employees by Position (headcount & %) - Board of Directors

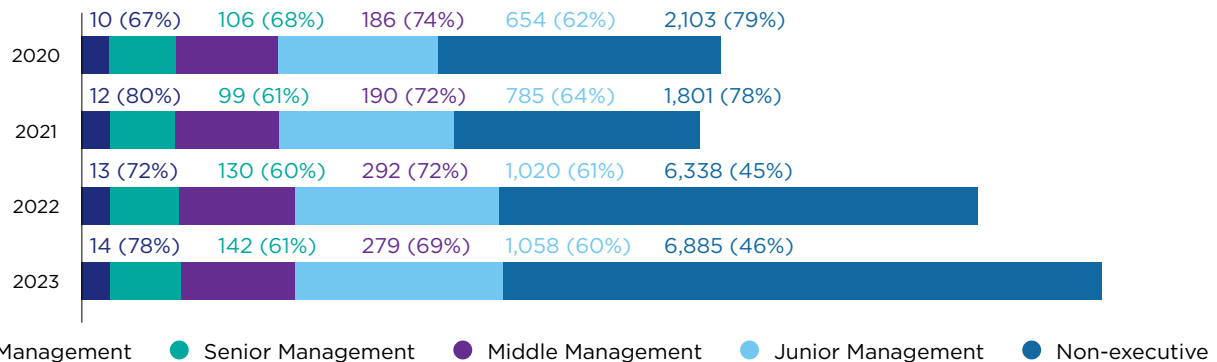


1. For 2020 & 2021 data covers UEM Edgenta MY only.

2. 2022 & 2023 data covers group-wide.

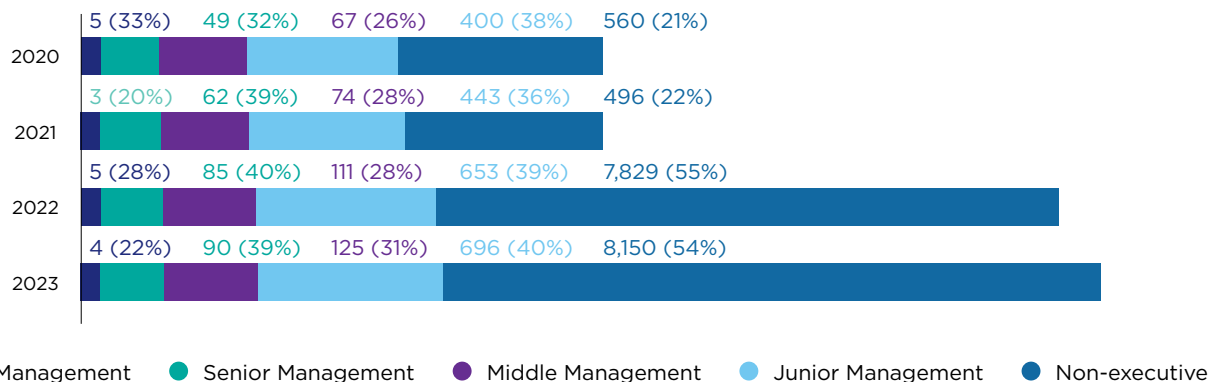
SOCIAL VALUE CREATION

Breakdown of Male Employees by Position (headcount%)



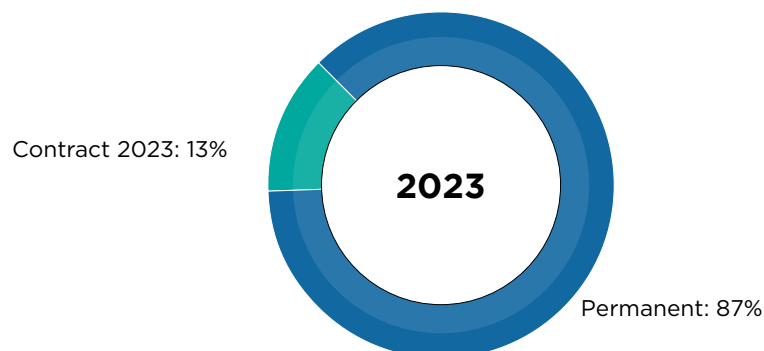
1. For 2020 & 2021 data covers UEM Edgenta MY only.
2. 2022 & 2023 data covers group-wide.

Breakdown of Female Employees by Position (headcount%)



1. For 2020 & 2021 data covers UEM Edgenta MY only.
2. 2022 & 2023 data covers group-wide.

By Employment Status

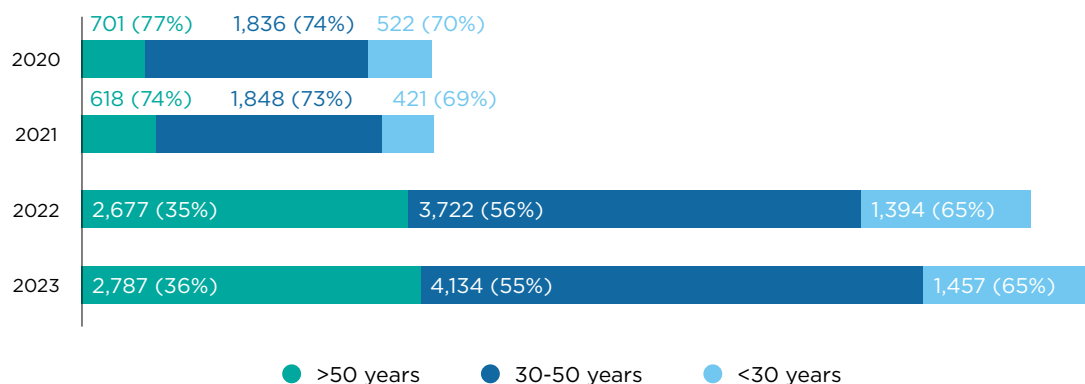


SOCIAL VALUE CREATION

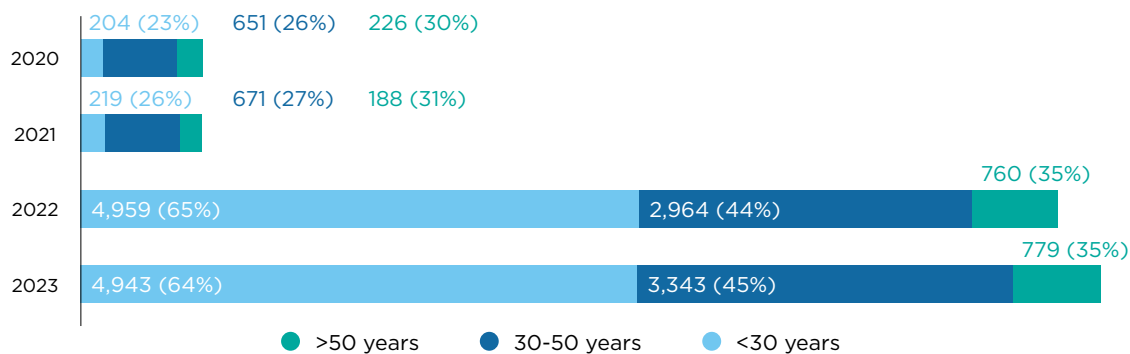
Breakdown of Directors by Age Group (headcount & %)



Breakdown of Male Employees by Age Group (headcount & %)



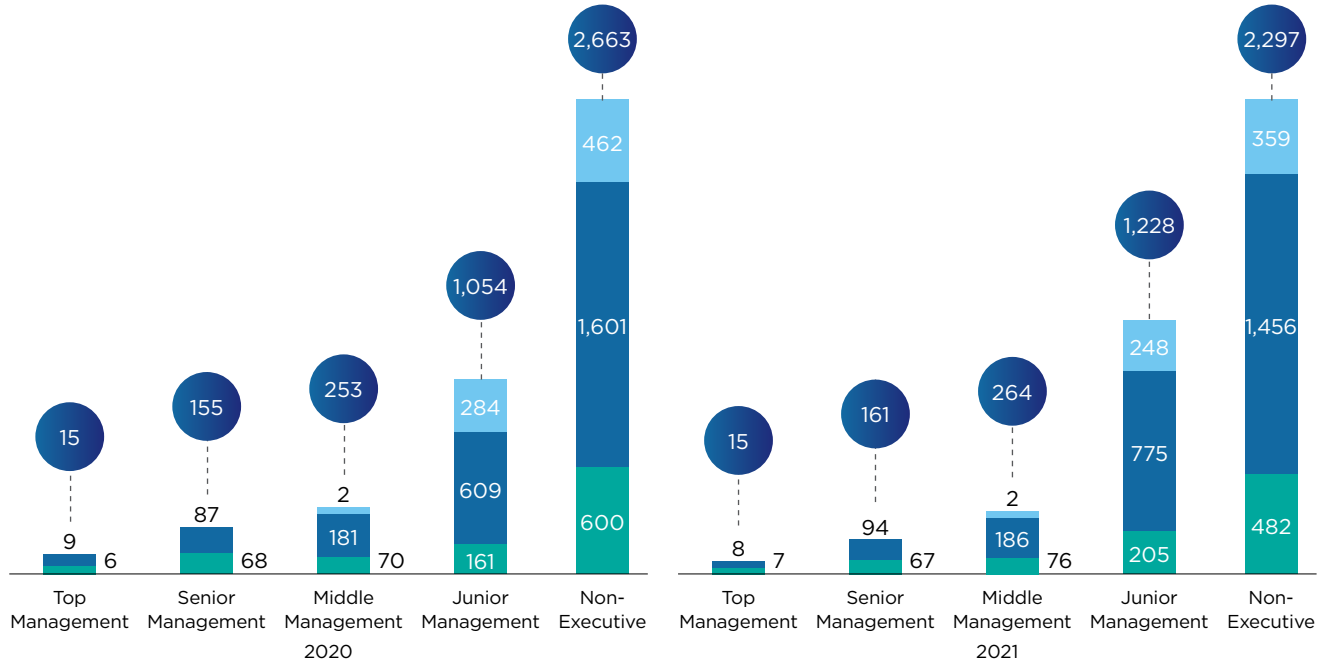
Breakdown of Female Employees by Age Group (headcount & %)



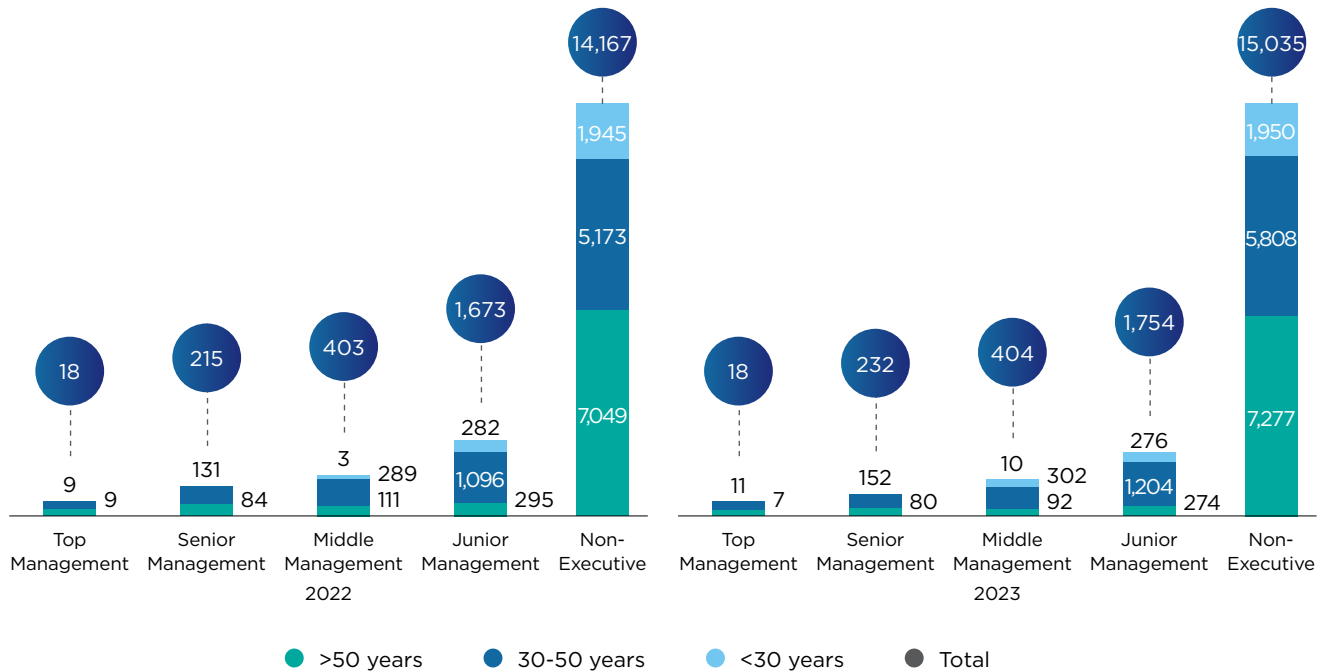
1. 2020 & 2021 data covers UEM Edgenta MY only.
2. 2022 & 2023 data covers group-wide.

SOCIAL VALUE CREATION

Breakdown of Employee Category by Age

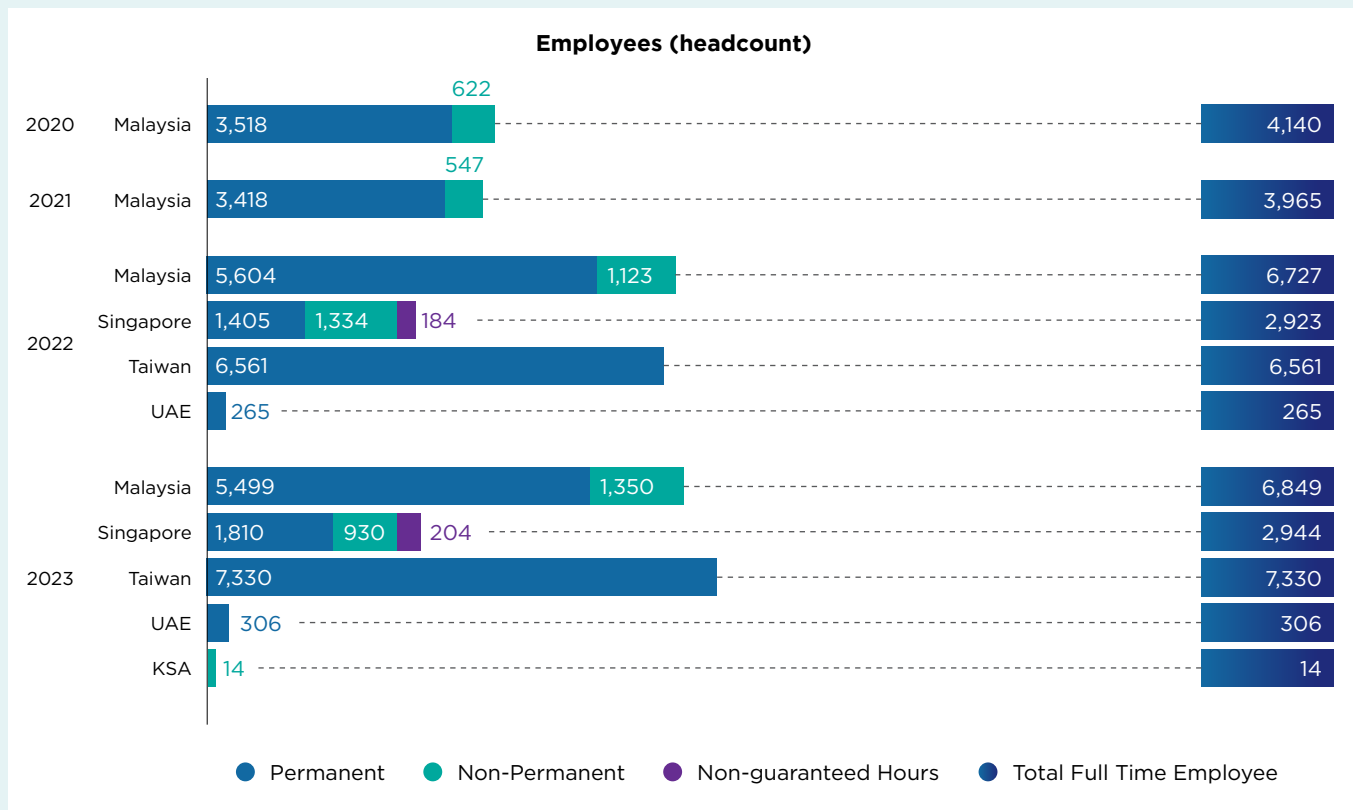


1. 2020 & 2021 data covers UEM Edgenta MY only.
2. 2022 & 2023 data covers group-wide.



■ >50 years
 ■ 30-50 years
 ■ <30 years
 ● Total

SOCIAL VALUE CREATION

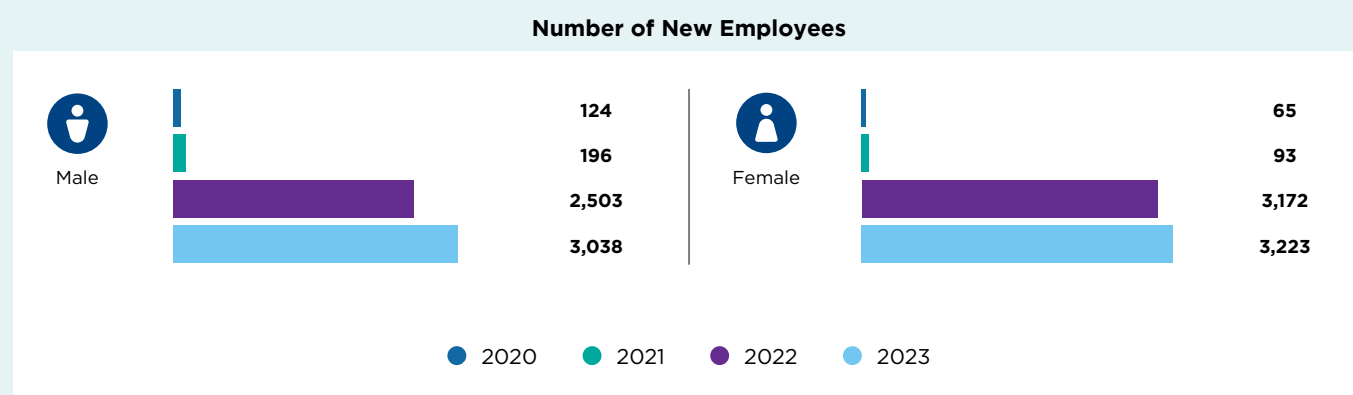


1. 2020 & 2021 data covers UEM Edgenta MY only.

2. 2022 & 2023 data covers group-wide.

Indonesia headcounts are included in Malaysia data.

TOTAL NUMBER OF NEW EMPLOYEES

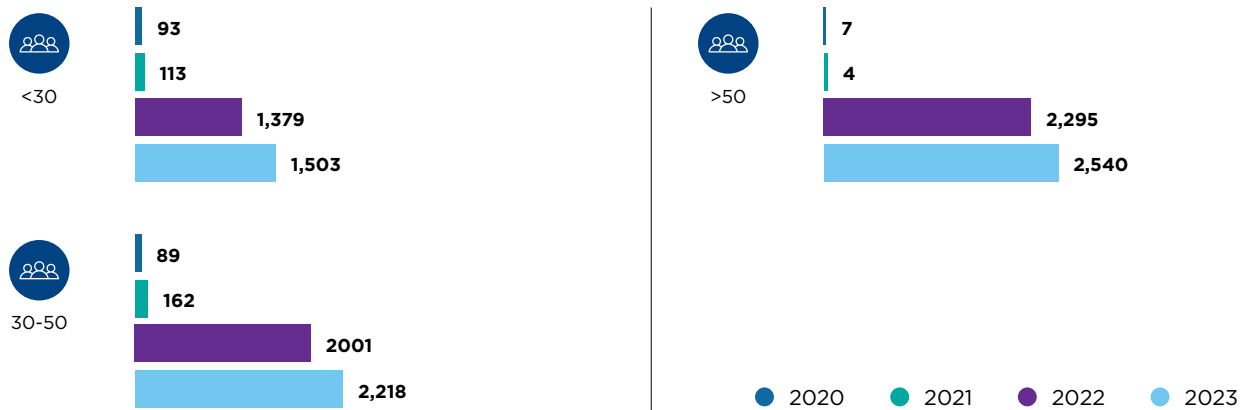


1. For 2020 & 2021 data covers UEM Edgenta MY only.

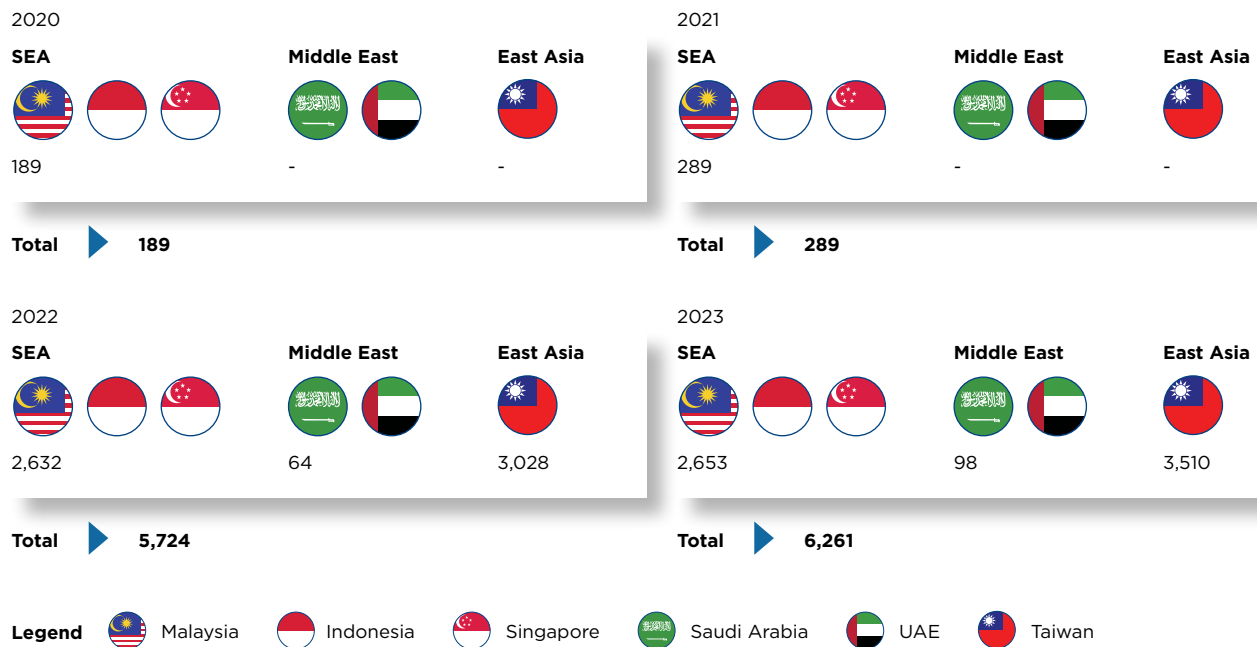
2. 2022 & 2023 data covers group-wide.

SOCIAL VALUE CREATION

TOTAL NUMBER OF NEW EMPLOYEES



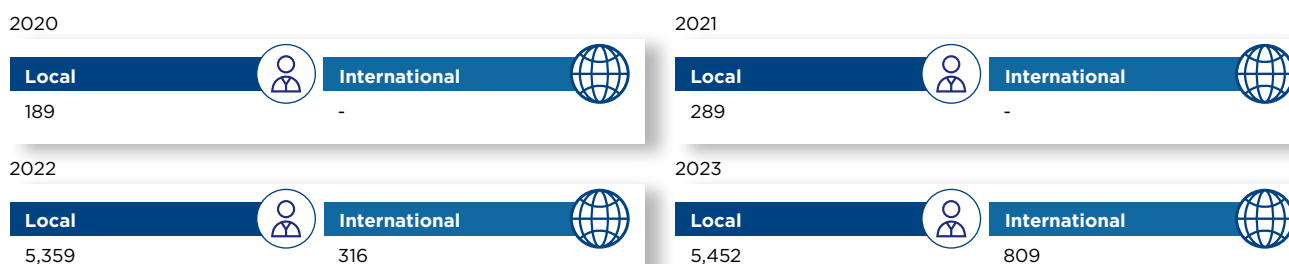
Number of New Employees by Region (countries)



SOCIAL VALUE CREATION

TOTAL NUMBER OF NEW EMPLOYEES

Number of New Employees by Nationality



1. For 2020 & 2021 data covers UEM Edgenta MY only.
2. 2022 & 2023 data covers group-wide.

SENIOR MANAGEMENT

Number of Senior Management hired from Local Communities¹

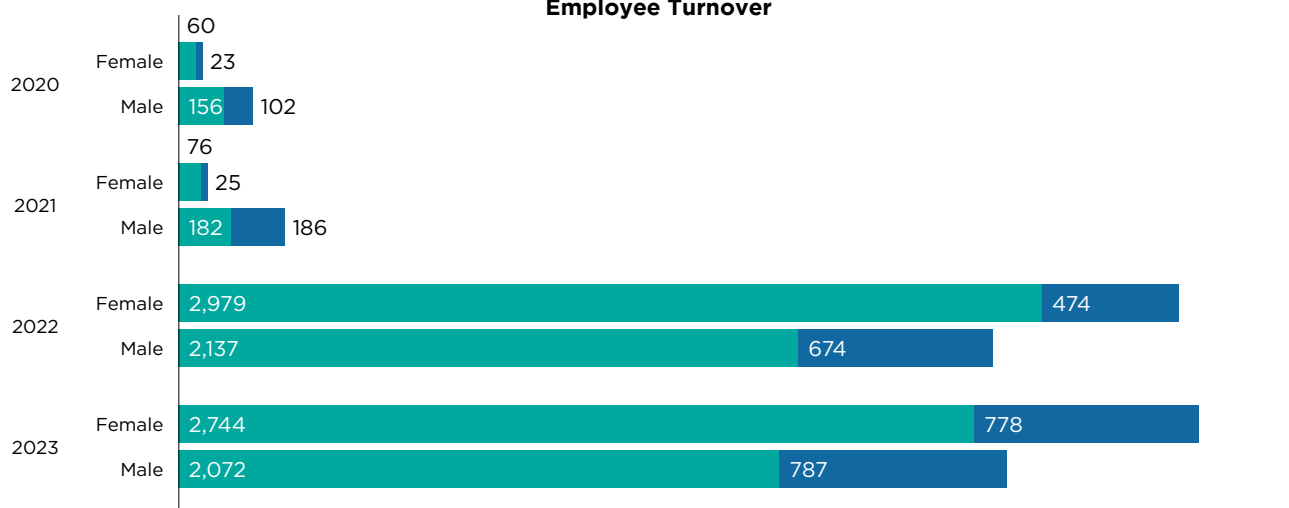


Female in Technical Position (%)



- ¹ Local Communities = locally hired in the respective country
For 2022 and 2023: Group-wide Data
- ² Female in technical positions is calculated based on the total number of employees in Sr Mgt UET7-9.
UEM Edgenta MY data only due to no centralization of job band for IB entities at present.

Employee Turnover



1. For 2020 & 2021 data covers UEM Edgenta MY only.
2. 2022 & 2023 data covers group-wide.

● Voluntary Turnover ● Non-Voluntary Turnover

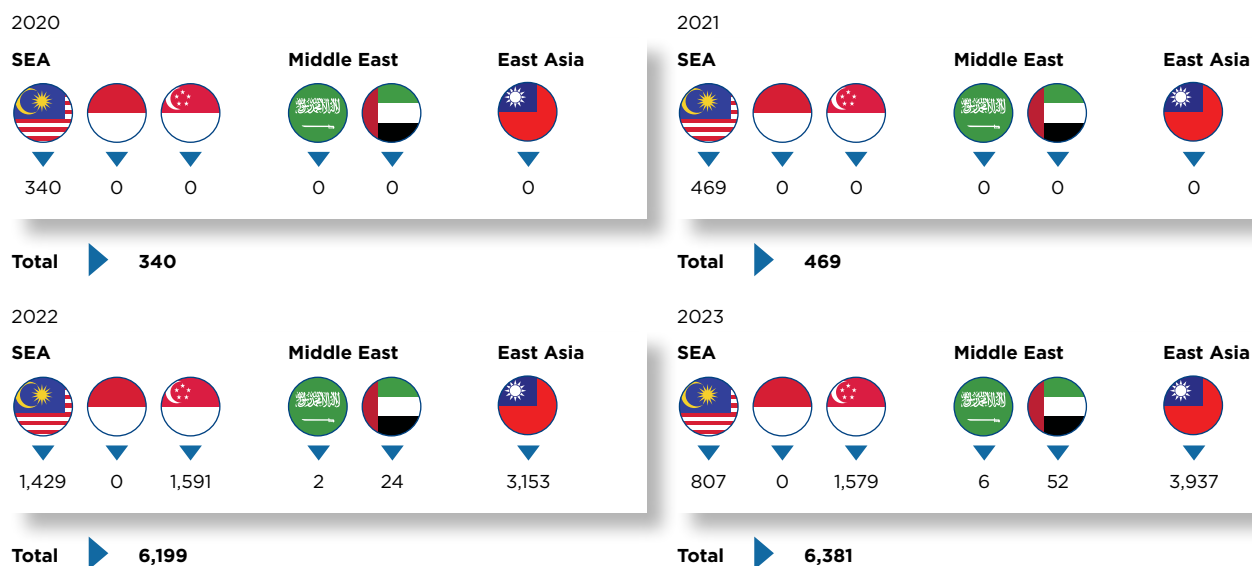
SOCIAL VALUE CREATION

TURNOVER BY EMPLOYEE CATEGORY (NUMBER)

	2020	2021	2022	2023
 Top Management	9	5	5	5
 Senior Management	32	40	38	37
 Middle Management	35	40	75	87
 Junior Management	94	115	309	274
 Non-Executive Management	171	269	5,837	5,978
Total Turnover	341	469	6,264	6,381

- For 2020 & 2021 data covers UEM Edgenta MY only.
- 2022 & 2023 data covers group-wide.

Voluntary & Non-Voluntary Turnover



- 2020 & 2021 data covers UEM Edgenta MY only.
- 2022 & 2023 data covers group-wide.

Legend  Malaysia  Indonesia  Singapore  Saudi Arabia  UAE  Taiwan

SOCIAL VALUE CREATION

Total Turnover by Region



807



3,937



6



1,579



52

Legend


Malaysia



Indonesia



Singapore



Saudi Arabia



UAE



Taiwan

Total Number of Employees Who Were Entitled To Parental Leave

	2020	2021	2022	2023
Male	2,448	2,423	2,286	2,396
Female	737	763	747	758

All data covers UEM Edgenta MY only.

Total Number of Employees That Took Parental Leave

	2020	2021	2022	2023
Male	133	127	147	173
Female	49	54	43	37

All data covers UEM Edgenta MY only.

Total Number of Employees Who Returned To Work In The Reporting Period After Parental Leave Ended

	2020	2021	2022	2023
Male	131	124	137	168
Female	48	54	40	35

All data covers UEM Edgenta MY only.

Total Number of Employees That Returned To Work After Parental Leave Ended That Were Still Employed 12 Months After Their Return To Work

	2020	2021	2022	2023
Male	N/A	123	104	161
Female	N/A	45	45	33

All data covers UEM Edgenta MY only.

Return To Work Rate of Employees That Took Parental Leave, By Gender

	2020	2021	2022	2023
Male	98.5	97.6	93.2	97.1
Female	98	98.2	93	94.6

All data covers UEM Edgenta MY only.

Retention Rates of Employees That Took Parental Leave

	2021	2022	2023
Male	93.9	83.9	117.5
Female	93.8	83.3	82.5

All data covers UEM Edgenta MY only.

SOCIAL VALUE CREATION

Disclosures	2020					2021					2022					2023				
The following benefits are standard for full-time employees of the organisation but are not provided to temporary or part-time employees. This list represents the minimum requirement:																				
	MY	SG	TW ¹	UAE	KSA	MY	SG	TW ¹	UAE	KSA	MY	SG	TW ¹	UAE	KSA	MY	SG	TW ¹	UAE	KSA
Life insurance	✓	-	✓	✓		✓	-	✓	✓		✓	X	✓	✓		✓	X	✓	✓	X
Health care	✓	-	X	✓		✓	-	X	✓		✓	✓	X	✓		✓	✓	X	✓	✓
Disability and invalidity coverage	✓	-	X	✓		✓	-	X	✓		✓	✓	X	✓		✓	✓	X	✓	✓
Parental leave	✓	-	X	✓		✓	-	X	✓		✓	✓	X	✓		✓	✓	X	✓	✓
Retirement provision	✓	-	X	X		✓	-	X	X		✓	X	X	X		✓	X	X	X	X
Stock ownership	X	-	X	X		X	-	X	X		X	X	X	X		X	X	X	X	X

¹ Life Insurance is only for Non-Operative employees.

OUTLOOK

In the upcoming phase, UEM Edgenta will continue to engage with employees through various initiatives tailored to fortifying leadership development, championing inclusivity and diversity, and optimising recognition and rewards frameworks. By nurturing a workplace culture that celebrates diversity, we aim to foster a thriving and empowered workforce.

UEM Edgenta aims to manage employee engagement by continually listening to their voices and developing action plans to enhance their engagement levels. This involves setting short, medium, and long-term goals and targets.

To adapt engagement strategies based on feedback, UEM Edgenta utilises focus groups and action plans, implementing both quick-win solutions and long-term initiatives. We plan to boost employee engagement by fostering leadership capabilities, including increased interaction with senior leadership through events like town halls and initiatives such as “Turun Padang.” In promoting inclusivity and diversity, UEM Edgenta has published a Diversity, Equity & Inclusion (“DEI”) statement on Edgenta website aimed at raising awareness among employees, stakeholders and the public on our dedication to creating a fair and inclusive workplace. Additionally, the company is conducting a Human Rights Impact Assessment to better understand its social impact.

To ensure the effectiveness and relevance of recognition and rewards programmes, UEM Edgenta envisions an individualised approach. This includes personalised development plans through IDPs and accommodating diverse preferences through flexible spending accounts. The company also emphasises non-monetary recognition, such as spot recognition, and implements various incentive schemes tied to productivity, profitability, and sales to acknowledge employee contributions.

SOCIAL VALUE CREATION

CUSTOMER SATISFACTION

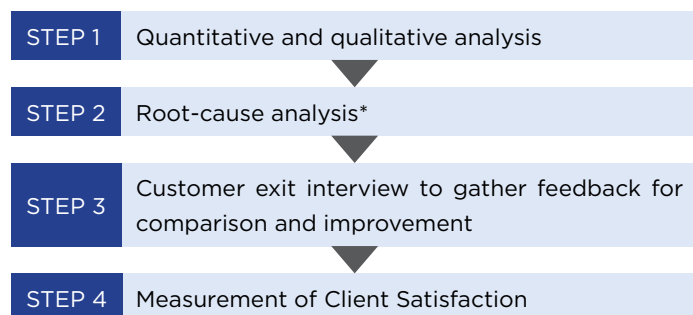
WHY IT MATTERS?

In our corporate culture, we understand the significance of satisfied customers in fostering enduring relationships. Their fundamental to building loyalty, extending beyond mere transactions to form lasting partnerships. By actively listening to our clients, promptly addressing concerns, and flexibly adapting our services to meet their evolving needs, we create an environment where trust and exceptional service flourish.

WHAT IS OUR APPROACH?

To continuously enhance our services, we employ proactive measures during meetings to gather insights and suggestions for refinement. Bi-annual Customer Satisfaction Surveys (“CSS”) is conducted systematically to gather feedback. Our on-site management team actively engages with end users, swiftly adapting and implementing improvements to address any service gaps. Additionally, we closely monitor customer retention rates and analyse the frequency of repeat engagements.

Regular surveys and reviews help us identify pain points and refine our core service offerings to meet evolving customer demands and expectations. To ensure a structured and prompt response to customer feedback, we develop a comprehensive corrective action plan after receiving the reports. This plan delineates detailed improvement initiatives, covering both soft and hard services, with a clear timeline for implementation. We leverage customer surveys and feedback to extract actionable insights through:



* Customer feedback is carefully examined across various service categories and compared against the Key Performance Indicators (KPIs) specified in contracts.



Our management approach revolves around ongoing training, career development opportunities, and clear goal-setting. We empower our employees to achieve shared objectives.

In response to negative feedback, we swiftly collaborate with clients to implement immediate improvements. When faced with challenges in meeting timelines or client expectations, we engage in transparent discussions, seeking mutually beneficial solutions.

We analyse customer surveys and feedback comprehensively. Following each survey, the team works together to devise solutions aimed at enhancing customer satisfaction, ensuring that clients are kept informed and involved throughout the improvement process.

SOCIAL VALUE CREATION

WHAT VALUE WAS CREATED IN 2023?

Fostering customer loyalty lays the groundwork for developing specialised and customisable services that effectively meet customer needs. We continuously adapt and refine our service offerings based on customer preferences and requirements. Our strong focus on customer satisfaction encompasses various aspects, including enhancing service quality, building exceptional customer relationships, ongoing system improvements, innovative mechanisation, and efficient problem-solving. This approach not only ensures client satisfaction but also encourages contract renewals.

Moreover, our commitment to staff welfare, adherence to ESG principles, and flexibility in adjusting services to match evolving market dynamics set us apart from competitors. When executed skillfully and tailored to individual customer needs, these strategies give us a competitive advantage in the marketplace.

OVERALL PERFORMANCE

Our approach in upholding a good customer satisfaction has been translated into both an overall good Customer Satisfaction Survey ("CSS") in the year 2023 across our operating companies and have enabled us to retain our current customers.

Scored 89% on the Customer Satisfaction Survey ("CSS") (2022:88%)

OUTLOOK

As we move forward, we are poised to harness the power of data, technology, and advanced analytics to gain deeper insights from customer surveys and feedback in a systematic manner. By leveraging data-driven tools, we aim to uncover patterns, trends, and specific pain points. These insights will serve as a compass for strategic decision-making, empowering UEM Edgenta to implement targeted enhancements in its services and customer interactions, thereby elevating overall satisfaction and fostering brand loyalty.

In response to the evolving landscape of customer needs and expectations, we are committed to adapting our strategies by instituting regular feedback mechanisms. In the immediate term, our focus will be on introducing and optimising channels for real-time customer feedback, spanning surveys, reviews, and direct communication. This will include ongoing customer feedback sessions, engagement initiatives, and swift resolution of immediate customer concerns. Investments in research and development, upskilling of our workforce, collaboration with external partners, and the utilisation of emerging technologies for continuous innovation and the development of new products or services will enhance our customer value. Furthermore, our emphasis will be on delivering exceptional customer experiences across all touch points, encompassing streamlined processes, greater customer support, and personalised interactions.

SOCIAL VALUE CREATION

HUMAN RIGHTS ASSESSMENT

WHY IT MATTERS?

At UEM Edgenta, we believe in the universal application of human rights, irrespective of personal characteristics. As a responsible business, we are dedicated to upholding human rights law and standards throughout our operations, supply chains, and business relationships. We aim to ensure that our external stakeholders align with our commitment to championing human rights, promoting fair labour practices, and treating communities with respect. This commitment is deeply rooted in our company values and forms an integral part of our identity.

WHAT IS OUR APPROACH?

At UEM Edgenta, we are deeply committed to upholding human rights principles and promoting responsible labour practices. To achieve this, we have implemented various initiatives to build capacity and address this important topic to our business. These include increasing awareness of human rights issues across the organisation through knowledge-sharing effort, adhering to basic international human rights laws namely those regarding Child Labour and Forced Labour and expressing commitment in our policies to better align ourselves to international standards on human rights. To understand the impact of this material matter on our business, we commissioned a Human Rights Impact Assessments ("HRIA") engagement. This assessment involves three phases: due diligence gap assessments, potential impact assessments, and actual impact assessments, culminating in a score aligned with the United Nations Guiding Principles ("UNGP"). Based on this score, we shall develop our human rights policy to ensure that human rights are consistently upheld across our organisation and supply chain, fostering a culture of respect and responsible practices, and treating communities with respect. This commitment is deeply rooted in our company values and forms an integral part of our identity.

Existing policies and frameworks reinforce UEM Edgenta's commitment to human rights and labour practices:

- Code of Conduct sets ethical standards for employees.
- Code of Conduct for Business Partners extends ethical expectations to supply chain partners.
- Diversity, Equity & Inclusion Statement affirms the commitment to diversity and inclusion.
- Notice on Sexual Harassment establishes a framework to prevent and address sexual harassment in the workplace.

WHAT VALUE WAS CREATED IN 2023?

Championing Human Rights

Human Rights Training across UEM Edgenta is comprehensive, reaching all staff, specific departments, and individuals. These training sessions are conducted by a Human Rights lawyer as part of our ESG initiatives, engaging management and leaders. Additionally, human rights talks during HR Edgenta Roadshows create awareness, complemented by the development of digital learning materials for broader accessibility.

HUMAN RIGHTS AWARENESS SESSIONS

What We Did: Conducted a series of sessions covering all regions in Malaysia to enhance awareness and understanding of human rights principles among employees.

Progress and Achievements: Throughout the year, the company has initiated steps to recognise the National Union of Hospital Support, Allied Services, and Government Agencies. This move demonstrates our commitment to respecting the right to freedom of association and collective bargaining among our staff. Currently, efforts are in progress to reach a first set of collective agreements addressing areas of mutual interest for both parties.

SOCIAL VALUE CREATION



Top Initiatives and Programmes in 2023:

Human Rights Awareness Sessions:

Conducted a series of sessions covering all regions in Malaysia to enhance awareness and understanding of human rights principles among employees.

Leadership-Specific Awareness Session:

Organised a dedicated human rights awareness session for UEM Edgenta's Senior Leadership Team, facilitated by a Human Rights lawyer to ensure leadership alignment.

Commissioning HRIA initiative:

Took a crucial step by embarking on a Human Rights Impact Assessment ("HRIA"), showcasing the commitment to conduct a thorough assessment aligned with UN Guiding Principles.

Roll-out of Sexual Harassment Notice:

Initiated the implementation of a notice on sexual harassment, reinforcing a zero-tolerance policy and establishing mechanisms for addressing such issues.

Diversity, Equity & Inclusion Statement:

Rolled out a comprehensive statement affirming the company's commitment to promoting diversity, equity, and inclusion.

SOCIAL VALUE CREATION

OVERALL PERFORMANCE

Number of substantiated complaints concerning human rights violations

0 CASES
in 2020 - 2023

Number of confirmed cases of forced, indentured, bonded or involuntary labour



OUTLOOK

Looking ahead, our commitment remains firm in adhering to international best practices and bolstering compliance across all aspects of our operations. We are dedicated to refining our human rights policy to ensure it reflects our strong dedication to ethical conduct and respect for human rights.

Moreover, we will diligently assess the action points identified through our Human Rights Impact Assessments ("HRIA") and strive towards better alignment with international standards. As part of our growth strategy, we are exploring opportunities to expand into international offices and supply chains. In doing so, we aim to strengthen our global presence while upholding our values and principles.

Critical to this endeavour is the enhancement of our code of conduct for business partners. By fostering a shared commitment to ethical business practices, we aim to ensure that our partners uphold the same standards of integrity and accountability that we hold ourselves to.

SOCIAL VALUE CREATION

LOCAL COMMUNITY

WHY IT MATTERS?

At the core of our operations is a deep understanding of the communities and neighbourhoods we serve, acknowledging our duty to support them. We recognise the significant impact our business activities can have on these communities and value their pivotal role in shaping our initiatives. Through our community support programmes, we actively involve stakeholders such as investors and employees, building stronger bonds and trust within the company. Embracing this mutual relationship, we are committed to contributing to the overall development and well-being of these communities, thereby enhancing social capital and fostering a sense of belonging.



WHAT IS OUR APPROACH?

The focus on 'Community Contributions and Development' is directed towards three key areas: Education, Community Enrichment and Well-being, and Environment.

Education

Advocating and supporting a collaborative approach in all our efforts to empower and advance education, especially for the younger generation

Community Enrichment and Well-being

Delivering positive impact to the communities where our businesses are rooted, including by assisting underserved communities, supporting festive celebrations, national events, sports activities as well as providing essential aid during natural disasters

Environment

Contributing to biodiversity conservation, ecosystem protection and other important environmental issues

We are dedicated to making a positive impact on the local communities where our business operates, aiming to enhance overall socioeconomic development. Our policies prioritise the well-being of both society and the environment while delivering value to our shareholders. This commitment aligns with our "Edgenta of The Future 2025" ("EoTF2025") vision, guiding us to understand and address society's needs and concerns. Through this vision, we develop strategies to tackle future opportunities and challenges, ensuring sustainable growth and prosperity for our local communities.

We are aligned with the 12th Malaysia Plan ("12MP") for 2021-2025, which emphasises sustainability across the economy, society, and the environment. As a responsible corporate citizen, we are committed to supporting Malaysia's sustainable development goals.

SOCIAL VALUE CREATION

WHAT VALUE WAS CREATED IN 2023

Saving Animals, Serving Community

UEM Edgenta, through its visionary programme “Saving Animals, Serving Community,” actively promotes a compassionate society towards animal care.

From September to December 2023, the Corporate Communications Department achieved a significant milestone by rescuing 7,225kg of surplus pet food and preventing 20,230kg of carbon dioxide emissions through the Pet Food Project. In collaboration with The Lost Food Project, this project supported over 50 shelters, rescuers, and feeders in the Klang Valley, Seremban, and Malacca, delivering 120,424 cat and dog meals.



Jul



Starting in July 2023, the company collaborated with the Society for the Prevention of Cruelty to Animals (“SPCA”) Selangor for a five-month ‘spay and neuter’ initiative, encouraging responsible pet ownership with subsidised rates.

Aug

Sept

Oct



In October 2023, a contribution of RM19,000 was made to the SPCA fund, supporting animal adoption, spay/neuter programmes, and overall animal welfare. In the same month, UEM Edgenta sponsored a pair of more than 100-year-old Aldabra Giant Tortoises named Do and Re, and renewed the adoption of a 5-year-old giraffe, Mas Kira, reflecting the company’s commitment to wildlife conservation through a one-year comprehensive sponsorship covering welfare, food supply, and veterinary care.

Nov

Dec

Additionally, UEM Edgenta provided sponsorship to the Faculty of Veterinary Medicine at Universiti Putra Malaysia and Universiti Malaysia Kelantan, contributing to the betterment and welfare of animals. These initiatives showcase the company’s dedication to animal welfare, conservation efforts, and sustainable practices.

SOCIAL VALUE CREATION

Our commitment to community welfare extends throughout the year with the "Jalinan Kasih Edgenta" programme, bringing joy to underserved communities during various festive seasons:

CHINESE NEW YEAR CELEBRATION (16 JANUARY 2023)

UEM Edgenta engaged in a heartwarming Chinese New Year celebration with Rumah Orang Tua Ampang, Kuala Lumpur. Essential food items were distributed to the senior citizens. We also decorated the home with Chinese New Year theme decorations accompanied by an engaging "Yee Sang" tossing session, aiming to bring joy to the home residents.



RAMADAN COMMUNITY INITIATIVE (MONTH-LONG):

A month-long community initiative during Ramadan impacted the lives of over 2,000 individuals across various states nationwide. Essential food, grocery vouchers, and cash contributions were provided to over 475 asnaf families in locations where the company operates. The programme included raya shopping treats, beginning from Masjid Ar Rahah in Bangsar South and extending to mosques in Perak, Penang, Kedah, Terengganu, and Perlis. Orphans from Rumah Bakti Nur Ain in Bangi were treated to a shopping spree at AEON in IOI City Mall, Putrajaya, in preparation for Hari Raya Aidilfitri, concluding with an "iftar" session at Le Meridien Hotel in Putrajaya on 18 May 2023.



DEEPAVALI SHOPPING SPREE (31 OCTOBER 2023):

More than 20 Edgenta Stars and volunteers from Jabatan Kebajikan Masyarakat (JKM), Kuala Lumpur, accompanied 35 families from the needy group in Bangsar for a shopping spree at Mydin Hypermarket, Subang Jaya. Each family had the opportunity to purchase groceries of their preference for the upcoming Deepavali celebration.



CHRISTMAS CELEBRATION AT RUMAH KIDS (SUBANG JAYA):

UEM Edgenta spread festive cheer with an early Christmas celebration at Rumah KIDS in Subang Jaya. Edgenta Stars actively participated by singing Christmas songs, playing games with the children, and presenting gifts to create lasting memories. A monetary contribution was also presented to Rumah KIDS to support its financial needs, ensuring it continues to provide a safe and nurturing environment for the children.



SOCIAL VALUE CREATION

Empowering the Community



Mar

In March 2023, UEM Edgenta conducted the 'Back-to-School Riang Ria' programme, providing school uniforms, scholastic supplies, and gift vouchers to 200 underprivileged students from SK Bangsar, SK Jenderam, and SMK Jenjarom, ensuring their preparedness for the new school year.

Also in March 2023, UEM Edgenta aided flood-affected communities in Segamat, Johor, by providing 1,000 families with 1,000 boxes of food essentials valued at RM50,000, including rice, flour, sugar, biscuits, cooking oil, sardines, noodles, tea, and coffee. During the launch of Net Zero Targets, UEM Edgenta organised a charity recycled craft workshop for Edgenta Stars, donating proceeds to Rumah KIDS in Subang Jaya.

Jul

Furthermore, in July 2023, UEM Edgenta was honored with the prestigious "Company of the Year (Asset Management & Infrastructure Solutions) for Outstanding Community Engagement" award at the Sustainability and CSR Malaysia Awards 2023.

Dec

Additionally, on 1 December 2023, UEM Edgenta partnered with Universiti Putra Malaysia ("UPM") to establish an Arboretum Education Center at the Ayer Hitam Forest Reserve in Puchong, demonstrating its commitment to environmental sustainability and social responsibility. This initiative transformed the forest reserve into an arboretum, promoting learning about forest significance and Dipterocarp genus conservation.

SOCIAL VALUE CREATION



OVERALL PERFORMANCE

Disclosures	2022	2023
Operations with local community engagement, impact assessments, and development programmes	15	19
Investments in community initiatives (RM)		
Total investment / contributions for community initiatives (RM)	195,000	308,666.35
Number of community members reached through CSR programme	12,500	8,805
Number of NGO partnerships	11	28
Volunteering		
Number of employees participating in CSR programme	158	360*
Number of hours volunteered per employee	5	5
Number of total hours volunteered	790	1,800

* Malaysia Operations only

OUTLOOK

Our goal is to maintain an ongoing commitment to our communities by actively engaging in outreach programmes, offering sponsorships, and making donations. We aim to allocate our efforts in alignment with our CSR pillars, which include education, community enrichment, well-being, and environmental initiatives. This involves supporting educational programmes, fostering community development projects, promoting well-being initiatives, and contributing to environmental conservation efforts.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dr. Azmil Khalid
Independent Non-Executive Chairman

Syahrunizam Samsudin
Managing Director/Chief Executive Officer

Dato' Mohd Izani Ghani
Non-Independent Non-Executive Director

Dato' George Stewart LaBrooy
Independent Non-Executive Director

Rowina Ghazali Seth
Independent Non-Executive Director

Jenifer Thien Bit Leong
Independent Non-Executive Director

Mohd Asrul Ab Rahim
Non-Independent Non-Executive Director

Nurul Iman Mohd Zaman
Non-Independent Non-Executive Director
(Appointed on 1 July 2023)

Dato' Dr. Omar Abd Hamid
Independent Non-Executive Director
(Appointed on 1 August 2023)

Simon Kua Choo Kai
Independent Non-Executive Director
(Appointed on 8 November 2023)

Dato' Noorazman Abd Aziz
Non-Independent Non-Executive Director
(Retired on 15 June 2023)

Shirley Goh
Independent Non-Executive Director
(Resigned on 31 August 2023)

AUDIT COMMITTEE

Simon Kua Choo Kai
Chairman
(Appointed as Chairman on 8 November 2023)

Mohd Asrul Ab Rahim
Member

Dato' Dr. Omar Abd Hamid
Member
(Appointed on 1 August 2023)

Jenifer Thien Bit Leong
Member
(Relinquished membership on 1 August 2023)

Shirley Goh
Chairperson
(Resigned as Chairperson on 31 August 2023)

BOARD INVESTMENT COMMITTEE (Ad-hoc Board Committee)

Dato' Mohd Izani Ghani
Chairman
(Appointed as Chairman on 1 July 2023)

Mohd Asrul Ab Rahim
Member
(Appointed on 1 July 2023)

Simon Kua Choo Kai
Member
(Appointed on 8 November 2023)

Dato' Noorazman Abd Aziz
Chairman
(Retired on 15 June 2023)

Tan Sri Dr. Azmil Khalid
Member
(Relinquished membership on 1 July 2023)

Shirley Goh
Member
(Resigned on 31 August 2023)

Dato' George Stewart LaBrooy
Member
(Appointed on 1 September 2023 and relinquished membership on 8 November 2023)

BOARD GOVERNANCE AND RISK COMMITTEE

Dato' George Stewart LaBrooy
Chairman

Rowina Ghazali Seth
Member

Jenifer Thien Bit Leong
Member

Nurul Iman Mohd Zaman
Member
(Appointed on 1 July 2023)

Dato' Noorazman Abd Aziz
Member
(Retired on 15 June 2023)

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

Mohd Asrul Ab Rahim
Member

Dato' Dr. Omar Abd Hamid
Member
(Appointed on 1 August 2023)

Dato' George Stewart LaBrooy
Member
(Relinquished membership on 1 August 2023)

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
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Tel : +603 2725 6688
Fax : +603 2725 6888

AUDITORS

ERNST & YOUNG PLT
202006000003 (LLP0022760-LCA) & 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
Bank Islam Malaysia Berhad
CIMB Bank Berhad
CTBC Bank Co., Limited
DBS Bank Limited
HSBC Amanah Malaysia Berhad
Malayan Banking Berhad
RHB Bank Berhad

PRINCIPAL SOLICITORS

Abdullah Chan & Co.
Rahmat Lim & Partners
Raja Darryl & Loh
Shearn Delamore & Co.

STOCK EXCHANGE LISTING

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

BOARD OF DIRECTORS

Independent Non-Executive Chairman



TAN SRI DR. AZMIL KHALID

Managing Director/Chief Executive Officer



SYAHRUNIZAM SAMSUDIN

Non-Independent Non-Executive Director



DATO' MOHD IZANI GHANI

BIC

NRC

Independent Non-Executive Director



DATO' GEORGE STEWART LABROOY

BGRC

NRC

Independent Non-Executive Director



ROWINA GHAZALI SETH

NRC

BGRC

Independent Non-Executive Director



JENIFER THIEN BIT LEONG

BTC

BGRC

BOARD OF DIRECTORS

Non-Independent Non-Executive Director



MOHD ASRUL AB RAHIM

AC BIC BTC

Non-Independent Non-Executive Director



NURUL IMAN MOHD ZAMAN

BGRC

Independent Non-Executive Director



DATO' DR. OMAR ABD HAMID

AC BTC

Independent Non-Executive Director



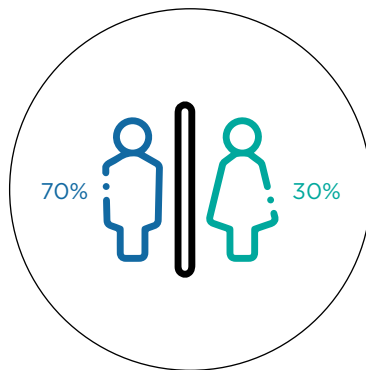
SIMON KUA CHOO KAI

AC BIC

Legend

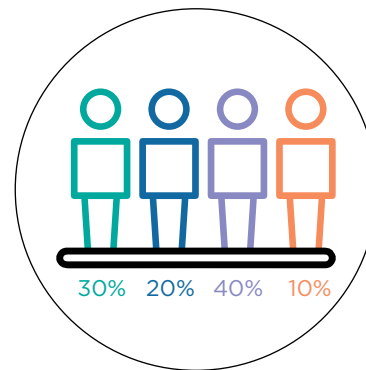
	Chairman/Chairperson		Member
	Audit Committee		Board Governance and Risk Committee
	Nomination and Remuneration Committee		Board Investment Committee
	Board Tender Committee		

BOARD OF DIRECTORS



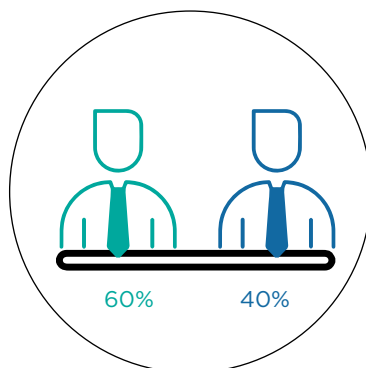
Gender

● Male ● Female



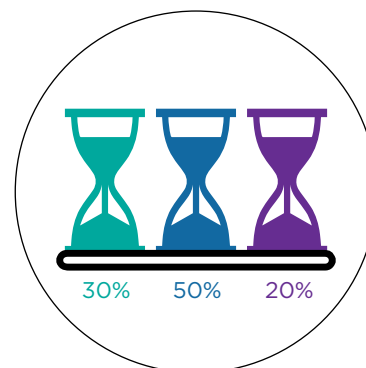
Age Group

● 50 years and below ● 51 - 60 years
● 61 - 70 years ● 70 years above



Composition

● Independent ● Non-Independent



Tenure

● Less than 1 year ● 1 - 5 years ● 6 - 8 years

DECLARATION:

- **Family Relationship with Director and/or Major Shareholder**

None of the Directors have any family relationship with any Director and/or major shareholder of UEM Edgenta

- **Conflict of Interest**

None of the Directors have any conflict of interest or potential conflict of interest in any competing business with UEM Edgenta or its subsidiaries

- **Conviction of Offences**

None of the Directors have been convicted for offences within the past five 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 2023

Notes:

- Dato' Mohd Izani Ghani, En. Mohd Asrul Ab Rahim and Pn. Nurul Iman Mohd Zaman are nominees of UEM Group Berhad.
- Age as at 20 March 2024.

BOARD OF DIRECTORS' PROFILE

TAN SRI DR. AZMIL KHALID

Independent Non-Executive Chairman

Age: 63

Gender: Male

Nationality: Malaysian

**Date appointed
to the Board:**

24 May 2019



Qualification

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

Present Directorship(s) in other Public Companies

- Reach Energy Berhad (Listed Company)
- Sapura Industrial Berhad (Listed Company)
- ANIH Berhad
- Elridge Energy Holdings Berhad

Experiences

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, Elridge Energy Holdings Berhad and Cenviro Sdn. Bhd.

BOARD OF DIRECTORS' PROFILE

SYAHRUNIZAM SAMSUDIN

Managing Director/Chief Executive Officer

Age: 50

Gender: Male

Nationality: Malaysian

**Date appointed
to the Board:**

1 July 2020



Qualification

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

Present Directorship(s) in other Public Companies

- Opus Group Berhad

Experiences

Prior to his appointment, Syahrhunizam 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.

Syahrhunizam 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.

BOARD OF DIRECTORS' PROFILE

DATO' MOHD IZANI GHANI

Non-Independent Non-Executive Director

Age: 56

Gender: Male

Nationality: Malaysian

Date appointed to the Board:

22 October 2019

BIC

NRC



Qualification

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

Present Directorship(s) in other Public Companies

- UEM Sunrise Berhad (Listed Company)
- UEM Group Berhad
- UEM Builders Berhad
- UEM Lestra Berhad
- Cenergi SEA Berhad
- Cement Industries of Malaysia Berhad
- PLUS Expressways International Berhad
- PLUS Malaysia Berhad
- Projek Lebuh raya Usahasama Berhad
- Yayasan UEM
- International Centre for Education in Islamic Finance (INCEIF)

Experiences

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

He has over 31 years of investment and management experience. Prior to joining UEM Group, Dato' Mohd Izani was 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.

Besides holding directorship in the public companies, he also sits on the Board of Institut Jantung Negara Sdn. Bhd., Samsung C&T Corporation UEM Construction JV Sdn. Bhd., KYUEM Sdn. Bhd. and Pantai Panorama Sdn. Bhd.

He is the Chairman of the Board of Cenergi SEA Berhad, UEM Lestra Berhad, UEM Builders Berhad, Konsortium ProHAWK Sdn. Bhd., Unipati Concrete Sdn. Bhd. and Lestra HEXA JV Sdn. Bhd.

He is also a member of the Board of Governors of Kolej Yayasan UEM and Board of Trustees of Yayasan UEM and Capital Market Development Fund.

BOARD OF DIRECTORS' PROFILE

DATO' GEORGE STEWART LABROOY

Independent Non-Executive Director

Age: 72

Gender: Male

Nationality: Malaysian

Date appointed to the Board:

1 December 2017

BGRC

NRC



Qualification

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

Present Directorship(s) in other Public Companies

Nil

Experiences

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 and is the Investment Manager of Compass IP Sdn. Bhd., a joint venture between The AREA Group, PNB and KWEST. He currently serves as a Director of the Compass IP Board.

An esteemed and renowned property professional, he has over 47 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 also serves as 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.

BOARD OF DIRECTORS' PROFILE

ROWINA GHAZALI SETH

Independent Non-Executive Director

Age: 62

Gender: Female

Nationality: Malaysian

**Date appointed
to the Board:**

1 August 2018

NRC

BGRC



Experiences

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.

Qualification

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

Present Directorship(s) in other Public Companies

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

BOARD OF DIRECTORS' PROFILE

JENIFER THIEN BIT LEONG

Independent Non-Executive Director

Age: 56

Gender: Female

Nationality: Malaysian

**Date appointed
to the Board:**

1 July 2021

BTC

BGRC



Qualification

- BSc. Food Science & Technology, Universiti Putra Malaysia

Present Directorship(s) in other Public Companies

- AEON Co. (M) Bhd (Listed Company)
- Malaysian Pacific Industries Berhad (Listed Company)
- Sime Darby Plantation Berhad (Listed Company)

Experiences

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 throughout her career. This includes 25 years with Mars Incorporated where she last served as the Global Chief Procurement Officer. Jenifer has successfully led complex business transformation and sustainability programmes through her deep understanding of the business enterprise, the ability to bring the right capability together, as well as intensive stakeholder engagement.

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

BOARD OF DIRECTORS' PROFILE

MOHD ASRUL AB RAHIM

Non-Independent Non-Executive Director

Age: 42

Gender: Male

Nationality: Malaysian

Date appointed to the Board:

21 January 2022

BIC

AC

BTC



Experiences

Asrul Rahim is currently a Director 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 specialising in corporate finance advisory. He was also a General Manager with DRB-HICOM Berhad heading its corporate strategy and business development functions.

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)

Present Directorship(s) in other Public Companies

- UEM Group Berhad
- UEM Lestra Berhad

BOARD OF DIRECTORS' PROFILE

NURUL IMAN MOHD ZAMAN

Non-Independent Non-Executive Director

Age: 39

Gender: Female

Nationality: Malaysian

**Date appointed
to the Board:**

1 July 2023

BGRC



Experiences

Iman is currently a Director in the Investments division of Khazanah Nasional Berhad (Khazanah), where she oversees the Private Markets Consumer & Services sector. Her work experience includes investments origination, deal structuring and execution, corporate strategy, and business planning.

She joined Khazanah in 2008 and has covered various sectors, including property and healthcare. She also sits on the Boards of various Khazanah consumer portfolio companies.

Qualification

- Master of Business Administration, University of Cambridge's Judge Business School
- Bachelor of Arts in Economics and English, Cornell University

Present Directorship(s) in other Public Companies

- Blue Archipelago Berhad
- Biotropics Malaysia Berhad

BOARD OF DIRECTORS' PROFILE

DATO' DR. OMAR ABD HAMID

Independent Non-Executive Director

Age: 69

Gender: Male

Nationality: Malaysian

**Date appointed
to the Board:**

1 August 2023

AC

BTC



Experiences

Dato' Dr. Omar has over 35 years of management experience and entrepreneurship in the healthcare industry, especially in the private hospital, pharmacy benefit management, hospital information system (HIS), and home-based healthcare.

He founded Avisena Healthcare in the early 1997, and was the President and Chief Executive Officer from September 1999 to December 2020. Since its inception, the small 40 bed outfit hospital in Shah Alam has expanded into two private hospitals, 120 beds Avisena Specialist Hospital and 140 beds Avisena Women's & Children's Specialist Hospital. He had also successfully setup Oratis Consulting which specialises in Hospital Information System (HIS) and, to date had more than 45 government hospitals under its consulting works.

Qualification

- Master of Business Administration, University of Ballarat, Australia
- Post-Graduate Diploma in Hospital & Health Service Administration, University of South Bank, United Kingdom
- Bachelor of Medicine and Bachelor of Surgery (MBBS), University of Malaya

Present Directorship(s) in other Public Companies

- Yayasan Avisena

BOARD OF DIRECTORS' PROFILE

SIMON KUA CHOO KAI

Independent Non-Executive Director

Age: 64

Gender: Male

Nationality: Malaysian

**Date appointed
to the Board:**

8 November 2023

AC

BIC



Qualification

- Master of Business Administration, University of Bath
- Bachelor of Economics, Monash University, Australia
- Member of Malaysian Institute of Accountants (MIA)
- Member of The Malaysian Institute of Certified Public Accountants (MICPA)
- Fellow of Certified Practising Accountants, Australia

Present Directorship(s) in other Public Companies

- Cengild Medical Berhad (Listed Company)
- REDtone Digital Berhad (Listed Company)
- Berjaya Land Berhad (Listed Company)

Experiences

Simon Kua had been in the accounting profession for almost 38 years. He started his career with the Ernst & Young ("EY")'s predecessor firm, Ernst & Whinney (EW) after his graduation and have been with the firm since January 1983.

Prior to his retirement in June 2020, Simon was a Partner within the Kuala Lumpur Assurance Practice and was the Professional Practice Director for East Malaysia. He was also the Administration Leader of the Malaysian Firm responsible for facilities management and support services.

Simon's professional service experiences were in internal and external audits, information systems assurance, enterprise risk management framework, corporate governance framework, financial and management advisory. His industry experience included the automation, technology, telecommunications, property development and construction, gaming, consumer products and healthcare industries. He was also involved in international expatriate assignments in the UK and the USA.

He was previously head of EY Advisory Services from 1997 until 2005 where he was instrumental in the start-up of EY Risk & Assurance Business Services. Simon was the partner in charge of numerous Corporate Governance and Risk Management framework implementation assignments. He returned to mainstream Assurance in 2005 and was the engagement partner in charge of several large conglomerates in Malaysia and MNCs.

COMPANY SECRETARY'S PROFILE

CHIEW SIEW YUEN

Head, Secretarial, UEM Edgenta Berhad

Age: 44

Gender: Female

Nationality: Malaysian

Date of

Appointment:

23 July 2014



Experiences

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

Qualification

- Associate Member of Malaysian Institute of Chartered Secretaries and Administrators
- Chartered Secretary and Chartered Governance Professional under The Chartered Governance Institute

Present Directorship(s) in other Public Companies

Nil

EXECUTIVE LEADERSHIP

**SITTING (FROM LEFT TO RIGHT)**

Razman Ismail; Syahrunezam Samsudin; Rais Imran; Chua Yong Howe; Shariman Yusuf Mohamed Zain;
Ir. Vekneswaran T. Arasappan

EXECUTIVE LEADERSHIP



STANDING (FROM LEFT TO RIGHT)

Andrew Raj Varatharaju; Wan Laila Fatimah Wan Omar Sukri; Nik Marien Nik Ahmad Kamal; Faizatul Farhah Ghazali; Shaiful Subhan; Tan Cheh Tian; Raihana Ahmad; Ahmad Zakri Ismail; Hillary Chua Pei Sum; Mustakim Ilman Mustafa; Ir. Mazlan Yusoff

EXECUTIVE LEADERSHIP'S PROFILE

SYAHRUNIZAM SAMSUDIN ...



Date of Appointment:
1 July 2020

Managing Director/
Chief Executive Officer,
UEM Edgenta Berhad

Malaysia Age 50 Male

Please refer to his profile in the Board of Directors' Profile on page 188.

RAIS IMRAN ...



Date of Appointment:
22 February 2021

Chief Strategy Officer,
UEM Edgenta Berhad

Malaysia Age 41 Male

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 Econo

EXECUTIVE LEADERSHIP'S PROFILE

RAZMAN ISMAIL



Date of Appointment:
1 November 2019

Chief People Officer,
UEM Edgenta Berhad



Malaysia



Age 53



Male

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, PricewaterhouseCoopers (PwC)

CHUA YONG HOWE



Date of Appointment:
18 January 2021

Chief Digital Officer,
UEM Edgenta Berhad



Malaysia



Age 46



Male

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 PProjects 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, Accenture
- July 2009 – February 2011: Business Development Manager, China Telecom Europe
- January 2007 – July 2009: Senior Service Analyst, Centrica
- September 2003 – October 2005: Solution Architect, Hewlett Packard
- February 2001 – August 2003: Head of Technology, Smart Global Network
- January 2000 – December 2000: User Experience Research, e1000.com

EXECUTIVE LEADERSHIP'S PROFILE

IR. VEKNESWARAN T. ARASAPPAN



Date of Appointment:
1 January 2022

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



Malaysia



Age 48



Male

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



Date of Appointment:
17 March 2020

Head, Infrastructure
Services Managing Director,
Edgenta PROPEL Berhad



Malaysia



Age 49



Male

Professional Qualifications:

- Bachelor of Economics (Accounting & Finance) (Hons), London School of Economics & Political Science ("LSE"), United Kingdom
- Advanced Management Program (AMP) at Harvard Business School, Harvard University

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

EXECUTIVE LEADERSHIP'S PROFILE

SHAIFUL SUBHAN



Date of Appointment:
27 January 2023

Head, Healthcare Solutions
Managing Director,
Edgenta Mediserve Sdn Bhd



Malaysia



Age 47



Male

Professional Qualifications:

- Master's Degree in Business Administration from the University of New England, Australia
- Bachelor's Degree in Accounting from the University of Birmingham, England
- Chartered Accountant with the Malaysian Institute of Accountants (MIA)
- Fellow of the Association of Chartered Certified Accountants (ACCA), UK

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

Nil

Working Experiences:

- January 2023 - Present: Head of Healthcare Solutions & Managing Director, Edgenta Mediserve Sdn. Bhd.
- October 2017 - December 2022: Group Chief Executive Officer, IRIS Corporation Berhad
- September 2011 - September 2017: Vice President, Segment & Portfolio Management - Customer Division, Astro (Measat Broadcast Network Systems Sdn. Bhd.)
- January 2008 - August 2011: Head of Sales Development (Enterprise Business), Head of Key Account Management (Enterprise Business) and Senior, Business Planning, Digi Telecommunications Sdn. Bhd.
- February 2003 - January 2008: Executive Director, Privasia Sdn. Bhd.
- August 2000 - January 2003: Assistant Manager, Office of the Chief Executive, TIME dotCom Berhad
- September 1999 - July 2000: Accounts Executive, Propel Berhad
- September 1998 - August 1999: Internal Audit Executive, United Engineers Malaysia Berhad

HILLARY CHUA PEI SUM



Date of Appointment:
15 October 2023

Head of Asset Consultancy
and Managing Director of
Opus Consultants



Malaysia



Age 48



Female

Professional Qualifications:

- Association of Consulting Engineers Malaysia (ACEM)
- Bachelor of Commerce (Accounting and Finance), Distinction, University of Southern Queensland, Australia
- Chartered Accountant of the Malaysian Institute of Accountants
- Certified Practicing Accountant of CPA Australia

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

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

Working Experiences:

- October 2023 - Present: Managing Director of Opus Consultants
- October 2020 - October 2023: 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 (PwC) Malaysia

EXECUTIVE LEADERSHIP'S PROFILE

TAN CHEH TIAN ...



Date of Appointment: 1 September 2021

Chief Executive Officer,
UEMS Singapore & Taiwan

 Singaporean  Age 51  Female

Professional Qualifications:

- Master of Science (Estate Management), National University of Singapore
- Bachelor of Science (Estate Management) (2nd Upper Honours), National University of Singapore
- Board of Directors, Singapore International Facility Management Association, Singapore
- Chairperson, Membership & Publicity Committee, Singapore International Facility Management Association
- 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
- Certified Facilities Management Expert (CFME) – Tier 1, Singapore International Facility Management Association

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

Nil

Working Experiences:

- September 2021 – Present: Chief Executive Officer, UEMS Singapore & Taiwan
- April 2018 – August 2021: Chief Operating Officer, Healthcare Support (Commercial), UEMS Pte. Ltd.
- April 2012 – August 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, 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), Exceltec Property Management Pte. Ltd., Singapore
- May 1996 – June 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, Singapore Land Authority and Land Office, Singapore

AHMAD ZAKRI ISMAIL ...



Date of Appointment: 29 November 2022

Chief Executive Officer,
Edgenta Arabia Limited

 Malaysia  Age 57  Male

Professional Qualifications:

- Bachelor of Science (Advanced Major in Computing Science) Dalhousie University, Nova Scotia, Canada

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

Nil

Working Experiences:

- November 2022 – Present: Chief Executive Officer Edgenta Arabia Limited, Riyadh, Saudi Arabia
- November 2021 – October 2022: Director, Digital & Technology Solution Operon Middle East, Dubai, United Arab Emirates
- June 2011 – October 2021: Holding various technology, project management and operational positions with the last 4 years as Chief Technology Officer Touch 'n Go Sdn. Bhd., Kuala Lumpur, Malaysia
- February 2008 – December 2010: Head of Information Technology Wasatah Capital, Riyadh, Saudi Arabia
- March 2007 – January 2008: Vice President, Information Technology Kenanga Investment Bank Berhad, Kuala Lumpur, Malaysia
- March 2006 – February 2007: Vice President, Strategic IT Planning & IT Policies K&N Kenanga Holdings Berhad, Kuala Lumpur, Malaysia
- January 1994 – February 2006: Holding various technology positions with the last 10 years as Senior Manager, Information Technology SBB Securities Sdn. Bhd./ Mohaiyani Securities Sdn. Bhd., Selangor, Malaysia

EXECUTIVE LEADERSHIP'S PROFILE

NIK MARIEN NIK AHMAD KAMAL



Date of Appointment:
12 January 2023

Chief Executive Officer,
Edgenta NXT Sdn. Bhd.



Malaysia



Age 40



Female

Professional Qualifications:

- Master's Degree in Business Administration from the Massachusetts Institute of Technology (MIT), where she was a Sloan Fellow under the Sloan School of Management
- Bachelor's Degree in Science, Information Technology (majoring in Finance) from the Polytechnic Institute in New York

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

- Edgenta Facilities Sdn. Bhd.

Working Experiences:

- June 2019 – January 2023: Team Lead Iskandar Malaysia Portfolio, Khazanah Nasional Berhad
- December 2019 – January 2022: Pioneer and Senior Care Lead Dana Impak, Khazanah Nasional Berhad
- December 2015 – April 2018: Senior Vice President, Utilities Sector, Khazanah Nasional Berhad
- February 2012 – November 2015: Vice President, Leisure & Tourism Sector, Khazanah Nasional Berhad
- June 2010 – June 2012: Assistant Vice President, Healthcare Sector, Khazanah Nasional Berhad
- November 2007 – June 2010: Associate, Khazanah Nasional Berhad

RAIHANA BINTI AHMAD



Date of Appointment:
1 May 2020

Chief Operating Officer of
Infrastructure Services



Malaysia



Age 57



Female

Professional Qualifications:

- Bachelor of Science (Civil Engineering), University of Arizona, USA-1988

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

Nil

Working Experiences:

- January 1989 – November 1998: Project Planning, Monitoring and Reporting Manager (Opus Group Berhad)
- December 1998 – November 2004: Senior Manager Business Development (TOUCH N GO Sdn Bhd)
- November 2005 – March 2007: Project Director Technology Infrastructure (TIME QUANTUM Sdn Bhd)
- April 2007 – December 2009: Head of Company (CYBERPLUS Sdn Bhd (Subsidiary of TIME Quantum))
- December 2009 – October 2012: Head of Division (UEM GROUP BERHAD)
- November 2012 – November 2016: Head Growth and Strategy (PROPEL BERHAD)
- December 2016 – February 2019: Head of Utilities Project (PROPEL BERHAD)
- March 2012 – April 2020: Head of Project Management (Edgenta PROPEL Berhad)
- May 2020 – Present: Chief Operating Officer (Edgenta Infrastructure Services Sdn. Bhd.)

EXECUTIVE LEADERSHIP'S PROFILE

IR. MAZLAN BIN YUSOFF



Date of Appointment:
1 January 1997

Chief Operating Officer,
Healthcare Solutions



Malaysia



Age 56



Male

Professional Qualifications:

- Bachelor of Engineering (Hons) in Mechanical Engineering, UiTM
- Registered Professional Engineer with Practicing Certificate with the Board of Engineers, Malaysia
- Registered Electrical Energy Manager with the Energy Commission, Malaysia
- Corporate Members of The Institute of Engineers, Malaysia
- Certified Energy Manager, Asean Energy Centre (AEC)
- Member of Renewable Energy Institute (REI), UK
- Indoor Air Quality (IAQ), NIOSH
- International Certified Healthcare Facility Manager (ICHFMM), City & Guilds, London

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

Nil

Working Experiences:

- January 2024 - Present: Chief Operating Officer, Healthcare Solutions
- August 2023 - Acting Chief Operating Officer, Healthcare Solutions
- January 2020 - Head of Service, Facility Engineering Maintenance Services and Sustainability Programme, Edgenta Mediserve Sdn Bhd
- January 2015 - Head of Sustainability Programme, Edgenta Mediserve Sdn Bhd
- January 2012 - Engineering Manager, Faber Mediserve Sdn Bhd
- April 2007 - Project Manager, Faber LLC, United Arab Emirates
- January 2002 - Facility Manager, Faber Mediserve Sdn Bhd
- January 1997 - Head of Engineering, Edgenta Mediserve Sdn Bhd
- September 1992 - Engineer, Ministry of Health, Malaysia
- January 1990 - M&E Consultant, EMZEX Sdn Bhd

ANDREW RAJ VARATHARAJU



Date of Appointment:
1 July 2021

Head, Operational
Excellence & HSSE,
UEM Edgenta Berhad



Malaysia



Age 50



Male

Professional Qualifications:

- Executive Diploma in Management Operation - Universiti Teknologi Malaysia
- Certificate in Mechanical Engineering - Polytechnic Port Dickson
- Certificate in the Oil & Gas Industry - NEBOSH
- Lead auditor for OHSAS 18001 - NIOSH

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

- Edgenta Facilities Sdn. Bhd.

Working Experiences:

- 2021: Head Operational Excellence & HSSE, UEM Edgenta Berhad
- 2018: Head Behavioural Safety, Culture & Learning, UEM Edgenta Berhad
- 2013: HSSEQ Manager, Shell Middle Distillate Synthesis Plant in Bintulu, Sarawak
- 2008: Head of HSSE MS and Safety, Shell Refining Company Port Dickson
- 2005: Workshop Leader, Shell Refining Company Port Dickson
- 2002: Engineering Planner, Shell Refining Company Port Dickson
- 1997: Mechanical Supervisor, Shell Refining Company Port Dickson

EXECUTIVE LEADERSHIP'S PROFILE

WAN LAILA FATIAH WAN OMAR SUKRI ...



Date of Appointment:
15 December 2022

Head of Corporate Communications,
UEM Edgenta Berhad

Malaysia Age 42 Female

Professional Qualifications:

- Masters in Knowledge Management with Multimedia, Multimedia University, Cyberjaya
- Bachelor's Degree in Multimedia (Film & Animation), Multimedia University, Cyberjaya
- 20 years of experience specializing in Branding, Marketing, Strategic & Corporate Communications, in addition to Stakeholder Management (both local and international) across various industries, including Oil & Gas, Media & Broadcasting, and Government Agencies

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

- Nil

Working Experiences:

- 2022 – Present: Head, Corporate Communications, UEM Edgenta Berhad
- 2020 – 2022: Director, Strategic Communications, Malaysian Rubber Council (MRC), responsible for a wide spectrum of communications portfolio including Corporate Communications, Strategic Communications, Corporate Social Responsibility (CSR), Media Relations, Government Relations, Advertising, Brand Management, as well as Creative Services
- 2010 – 2019: Held various roles including spearheading the role of Head, Branding & Stakeholder Management, Project Delivery & Technology Division, PETRONAS. In this role, she played a pivotal part in branding initiatives related to project delivery, technology and motorsports, enhancing the company's image in these dynamic sectors. Additionally, her responsibilities included managing stakeholder relationships both locally and internationally, ensuring robust communication and partnership across diverse geographical and industry spectra.
- 2003 – 2010: Held various roles in TV3 and Media Prima Berhad, which includes Corporate Governance, Risk Management, Internal Audit, News & Current Affairs, Magazine & Entertainment, and Creative Services

FAIZATUL FARHAH GHAZALI ...



Date of Appointment:
1 December 2022

Head, Risk, Integrity & Compliance
UEM Edgenta Berhad

Malaysia Age 46 Female

Professional Qualifications:

- Master in Business Administration (MBA, Islamic Banking & Finance), International Islamic University Malaysia (IIUM)
- Bachelor's Degree in Accounting (B.Acc), International Islamic University Malaysia (IIUM)
- Chartered Accountant (CA(M)), Malaysian Institute of Accountants (MIA)
- Certified Risk Management (CRM), Academy Risk Management Malaysia (ARiMM)

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

- Nil

Working Experiences:

- December 2022 – Present: Head of Risk, Integrity & Compliance, UEM Edgenta Berhad
- 2021 – 2022: Head of Group Enterprise Risk Management, Axiata Group Berhad (AGB)
- 2018 – 2021: General Manager/Head of Group Risk Management, Malaysia Resources Corporation Berhad (MRCB)
- 2014 – 2018: Head of Risk Management, Mass Rapid Transit Corporation (MRTC)
- 2011 – 2014: Head of Risk Management, East Coast Economic Region Development Council (ECERDC)
- 2007 – 2011: Head of Internal Audit & Risk Management, Malaysian AgriFood Corporation Berhad (MAFC)
- 2004 – 2007: Team Leader, Financial and Management Audit Department (Specialisation: Investment & Fund Management), Permodalan Nasional Berhad (PNB)
- 2000 – 2004: Senior Associate, Assurance and Business Advisory Services (Specialisation: Financial Services), PricewaterhouseCoopers (PwC) Malaysia

EXECUTIVE LEADERSHIP'S PROFILE



Professional Qualifications:

- Bachelor of Accounting (Hons) University Tenaga Nasional
- Associate Member of Institute of Internal Auditor (IIA)

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

- Nil

Working Experiences:

- September 2023 – Present: Head of Internal Audit, UEM Edgenta Berhad
- April 2022 – August 2023: General Manager, Managing Director Office, PLUS Malaysia Berhad
- 2020 – Present: Industry Advisory Panel for University Tenaga Nasional
- March 2018 – March 2022: Head of Internal Audit, PLUS Malaysia Berhad
- September 2018 – February 2019: Deputy Head of Internal Audit, PLUS Malaysia Berhad
- July 2016 – August 2018: Head of Section (Project, Utilities and Joint Venture), Malakoff Corporation Berhad
- November 2011 – June 2016: Senior Internal Auditor, PETRONAS
- July 2008 – October 2011: Executive Finance, Tenaga Nasional Berhad

EXECUTIVE LEADERSHIP'S PROFILE

DECLARATION:

- **Family Relationship with Director and/or Major Shareholder**

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

- **Conflict of Interest**

None of the Key Senior Management have any conflict of interest or potential conflict of interest in any competing business with UEM Edgenta or its subsidiaries.

- **Conviction of Offences**

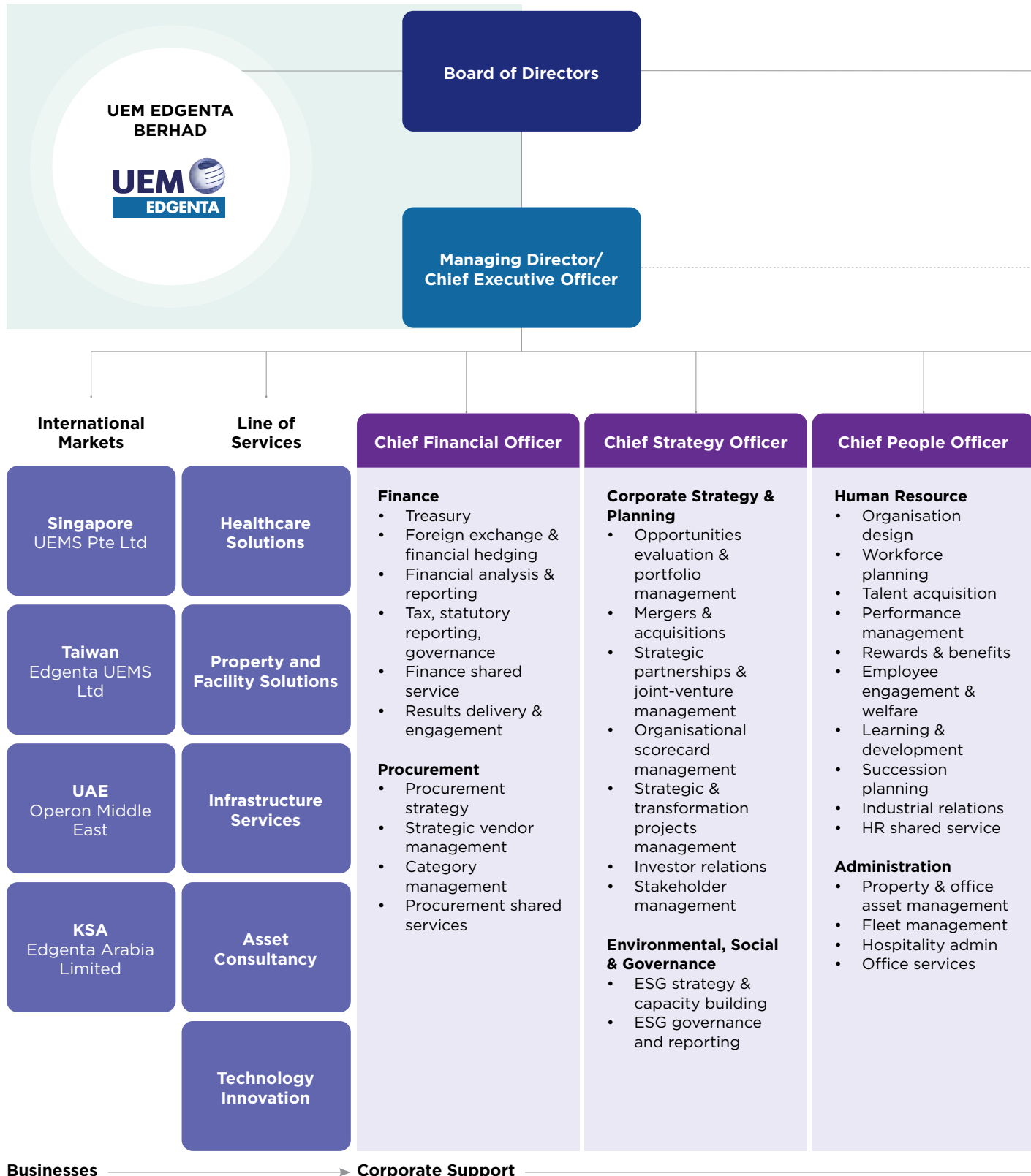
None of the Key Senior Management have been convicted for offences within the past 5 years other than traffic offences, if any.

- **Public Sanction/Penalty**

None of the Key Senior Management have any public sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2023.

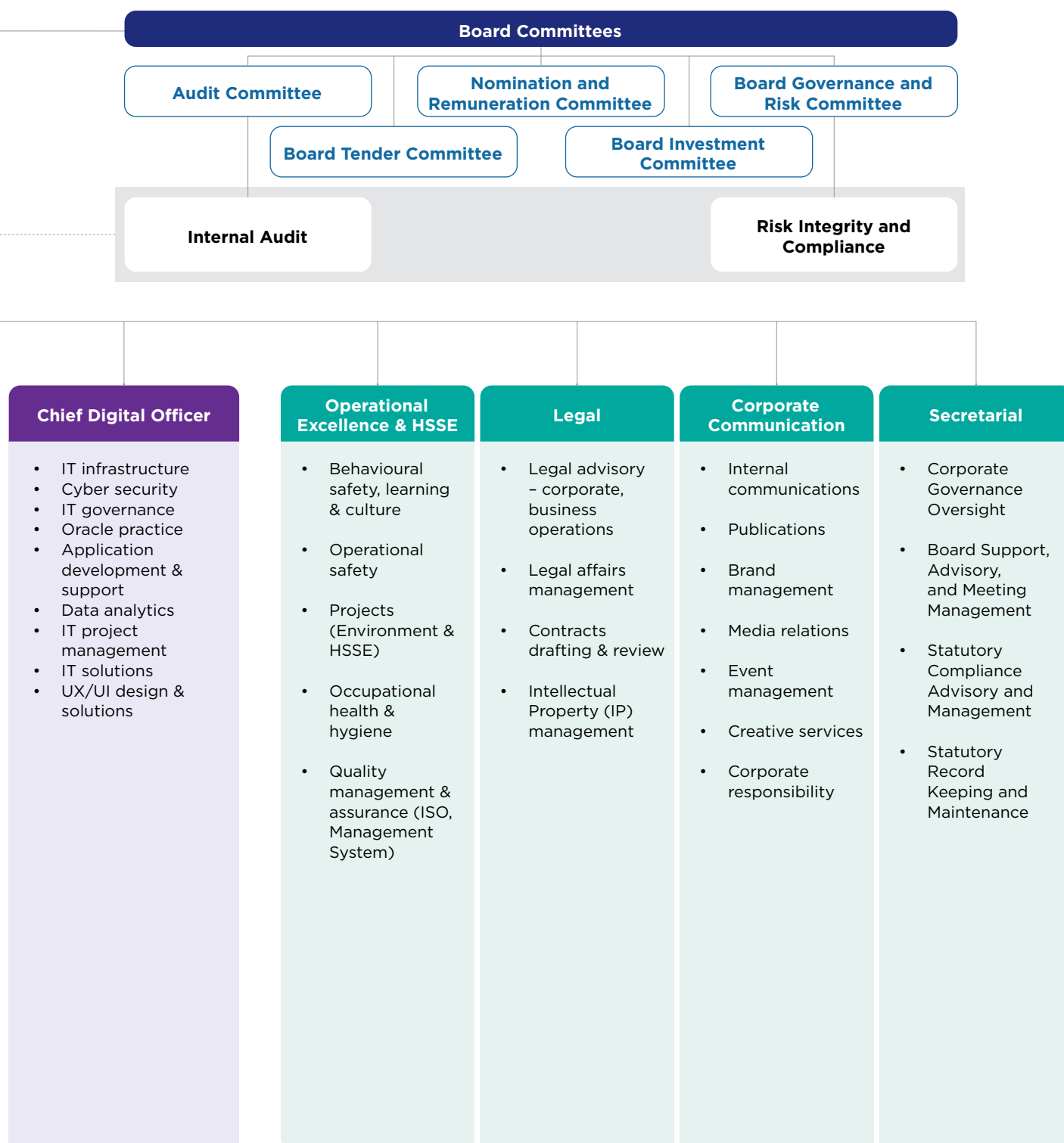
ORGANISATION STRUCTURE

AS AT 31 MARCH 2024



ORGANISATION STRUCTURE

AS AT 31 MARCH 2024



CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Statement is prepared in compliance with Bursa Securities Main Listing Requirements and 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 Malaysia Code on Corporate Governance 2021 (“MCCG”). The CG Report is available on the Company’s website at www.umedgenta.com.

The Corporate Governance Overview Statement (“Statement”) provides an overview of the Company’s corporate governance practices, focusing on the Board’s activities and time allocation throughout the year.

The Board recognises the importance of the application of the MCCG, effective stewardship and strong corporate values contributes to the success of the Company. Therefore, the Board continues to uphold the principles of good governance that are demonstrably embedded throughout the organisation.

The Company is led by an effective Board, collectively responsible for its long-term success, ensuring its efficient operation, and remaining committed to maintaining strong momentum in pursuit of excellence in governance.

The preparation of this Statement was guided by the following three (3) key principles:-

A Board Leadership and Effectiveness

B Effective Audit and Risk Management

C Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

A Board Leadership and Effectiveness

B Effective Audit and Risk Management

C Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

BOARD RESPONSIBILITIES

GOVERNANCE FRAMEWORK

The Board is committed to fulfilling its responsibilities and obligations to its shareholders and various stakeholders.

In carrying out its duties, the Board adheres to the Board Charter and the Discretionary Authority Limits 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, available on the Company’s website at www.umedgenta.com ensures effective leadership through oversight of management and monitoring of activities, performance, internal controls, risk management, policies, governance and the group’s viability.

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

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

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

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

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

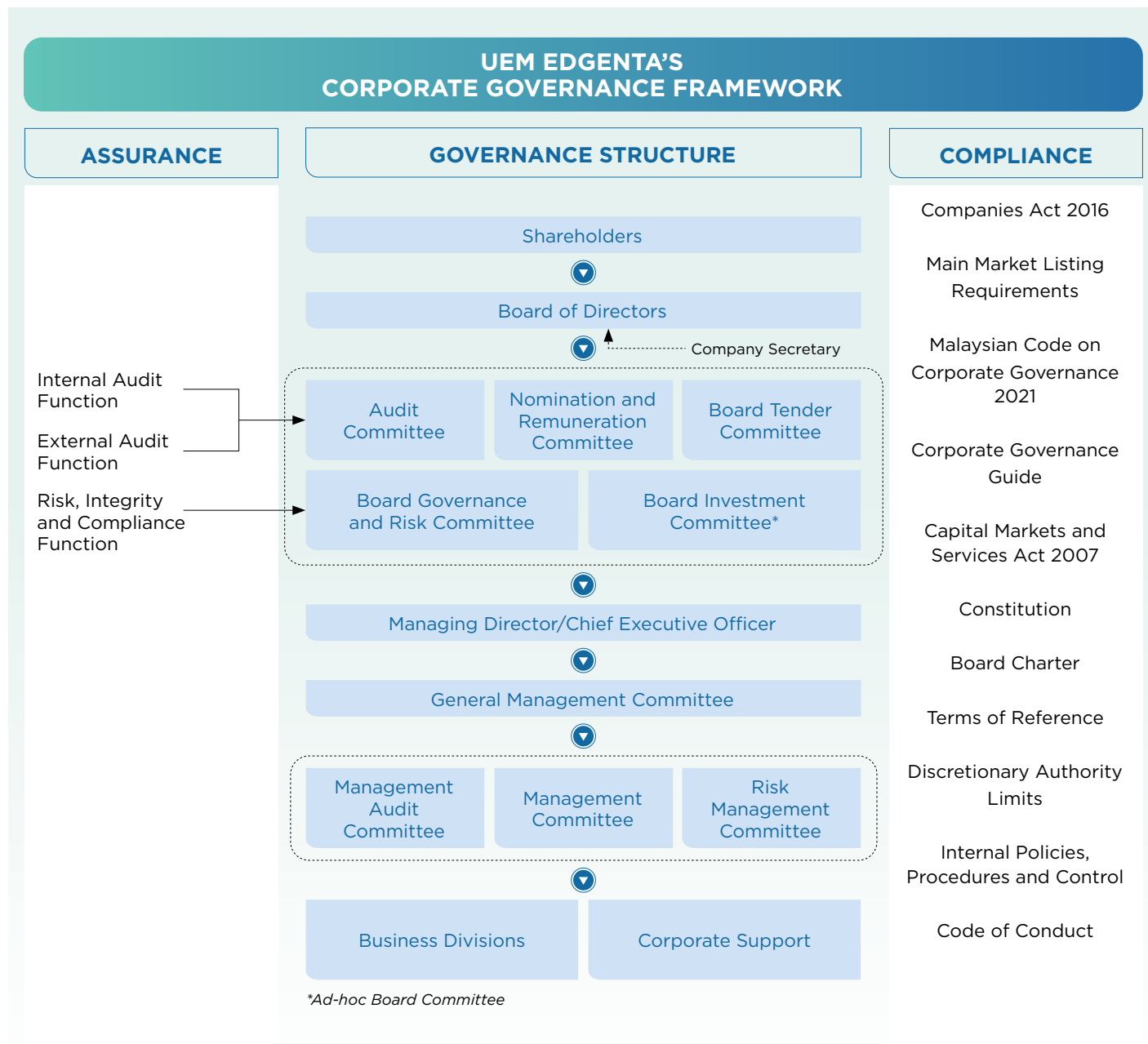
Developing and implementing an investor relations programme or Corporate Disclosure Policy for the Group.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

To ensure consistency in decision-making authority and to inform all staff of the Company's governance practices and processes, the Board had formalised the Corporate Governance Framework. This framework incorporates the key elements of group-wide framework on Corporate Governance to guide the governance practices and decision-making authority across the Company and its subsidiaries.

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

UEM EDGENTA'S CORPORATE GOVERNANCE FRAMEWORK

LEADERSHIPS AND CULTURE

CODE OF CONDUCT

ETHICS • INTEGRITY • ACCOUNTABILITY

At the Workplace

- Work Culture
- Conflict of Interest

Regulations

- Anti-Competition
- Data Privacy & Protection
- Intellectual Property & Confidential Information
- Anti-Money Laundering & Terrorism Financing

Working with External Stakeholders

- Anti-Bribery & Anti-Corruption
- Gifts & Business Entertainment
- Dealings with Government & Local Authorities
- Working with Suppliers & Business Partners

CORE VALUES



ALIGNMENT OF STRATEGY AND PRIORITIES ACROSS THE GROUP

GENERAL MANAGEMENT COMMITTEE

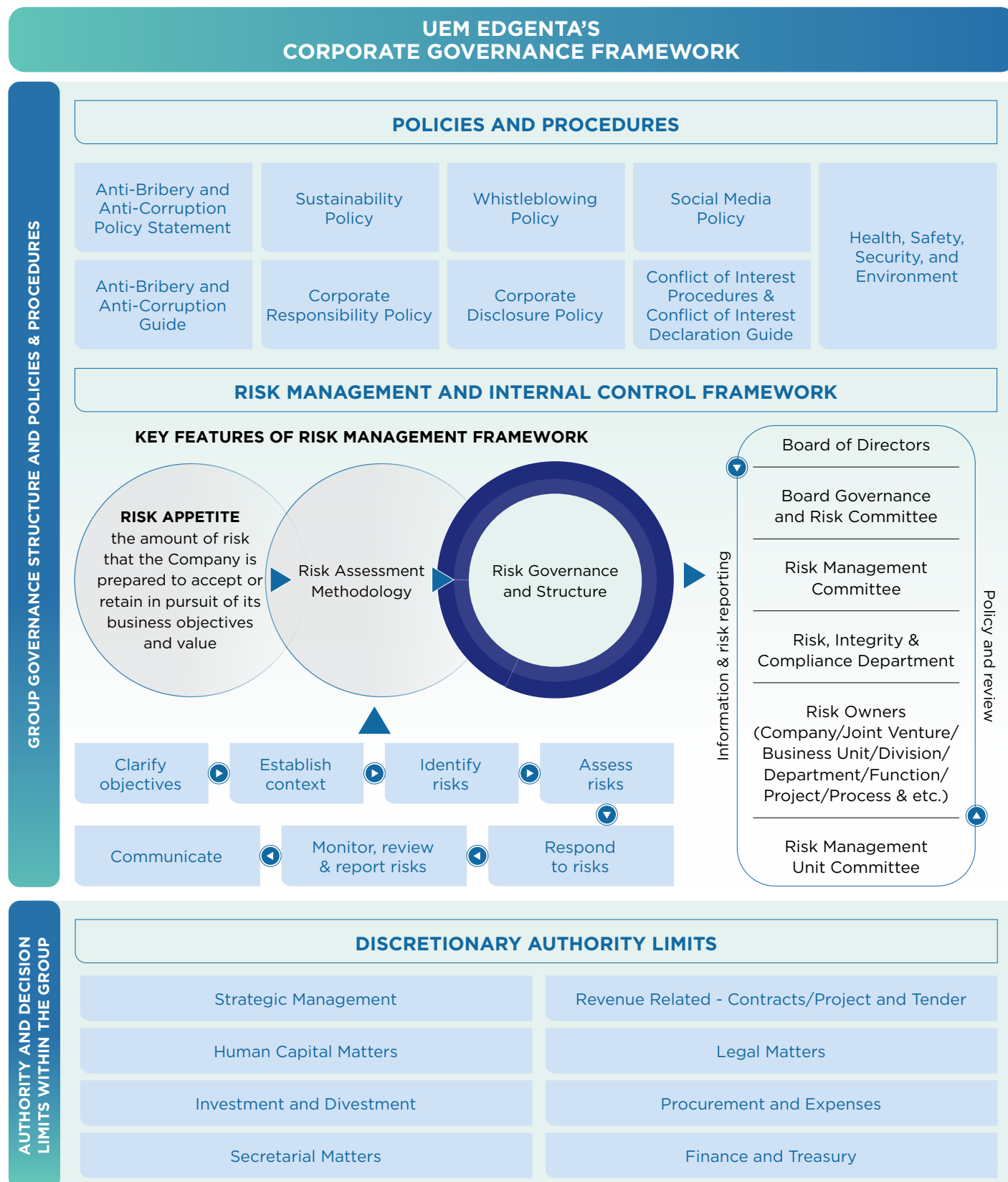
Members

- Chaired by Managing Director/Chief Executive Officer (MD/CEO)
- Comprised of senior management team members from respective divisions

Key Roles

- 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

CORPORATE GOVERNANCE OVERVIEW STATEMENT



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

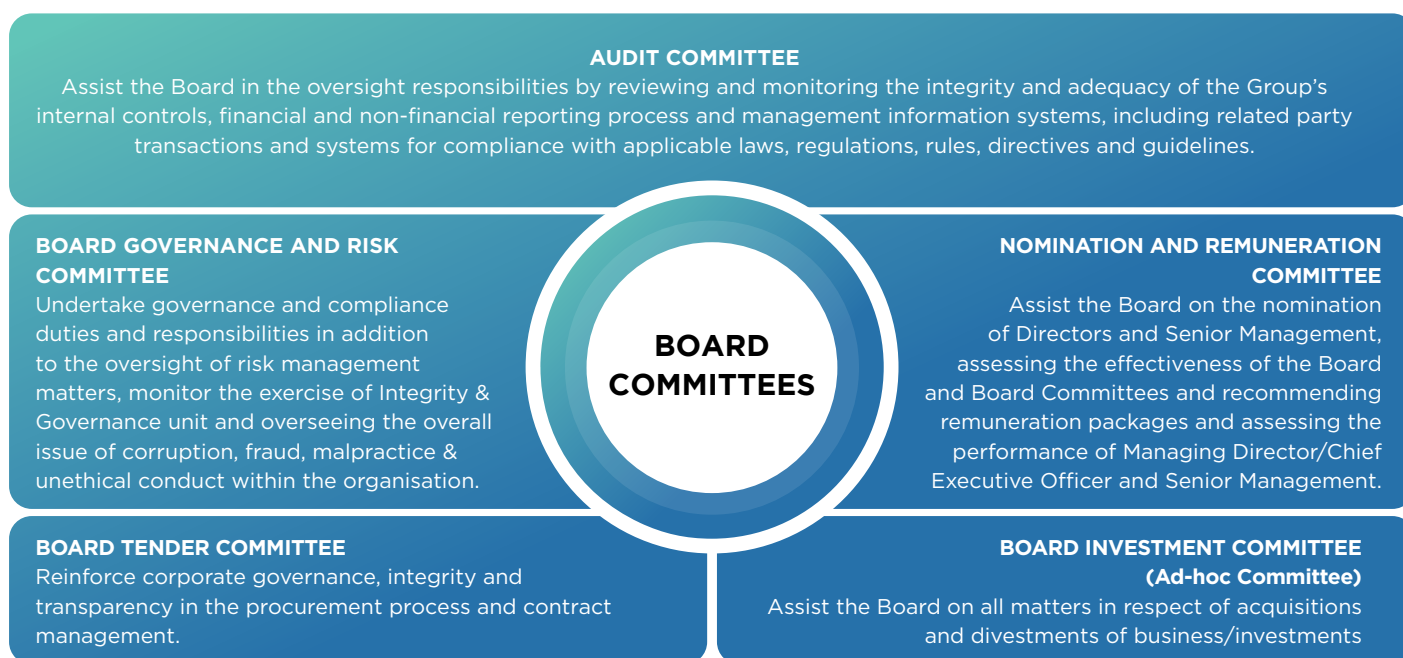
CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is led by Tan Sri Azmil Khalid, an Independent Non-Executive Chairman responsible for instilling good corporate governance practices, leadership and effectiveness of the Board.

To ensure check and balance, the positions of Chairman and Managing Director/Chief Executive Officer are held by different individuals.

To maintain impartiality and avoid impairing objectivity, the Chairman is not a member of the Audit Committee or the Nomination and Remuneration Committee, nor has he participated in any committee meetings by invitation.

In ensuring that the Board discharged its responsibilities effectively and thoroughly, the Board is supported by five (5) Board Committees. These committees operate within clearly defined terms of references, which are available on our website at www.uemedgenta.com/about-us/corporate-governance. Each committee chair reports to the Board on the committee's activities following each committee meeting. However, the ultimate responsibility for making final decisions on all matters rest with the Board.



The Board is supported by Ms. Chiew Siew Yuen, a qualified company secretary under the Companies Act 2016. Ms. Chiew advises the Board on all governance matters and ensures adherence to Board procedures. This includes ensuring the distribution of complete and accurate meeting materials within a reasonable period prior to meetings, as well as circulating minutes of meetings in a timely manner.

Additionally, the Company Secretary ensures effective communication flows between the Board and its Committees, as well as between Senior Management and the Non-Executive Directors.

In promoting good business conduct, the Board has established a Code of Conduct and Ethics for Directors, employees and business partners. The Company maintains a zero tolerance policy against abuse of power, corruption, insider trading and money laundering. In line with this, the Company has implemented an Anti-Bribery and Anti-Corruption Policy, as well as a Whistleblowing Policy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD FOCUS AREAS

The Board's responsibilities include ensuring the Company's appropriate management and achievement of its strategic objectives. To fulfil these responsibilities for the financial year end, the Board followed an annual meeting program planned in advance during the fourth quarter of 2022. The annual Board Meeting calendar was communicated to the Directors before the start of the new financial year. Special meetings were convened as needed.

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

Strategic Plans and Direction

Reviewed and approved:-

- The Annual Operating Plan, Corporate Scorecard and Managing Director/Chief Executive Officer Scorecard.
- Proposed Acquisition of Kaizen Group in United Arab Emirates.
- The repositioning for Energy and Sustainability Solution Services.
- Reviewed and approved Strategic Vendor Management Framework and Policy.
- The incorporation of subsidiaries.
- The liquidation of dormant subsidiaries.

Overseeing the Conduct of Business

- Reviewed and approved related party transactions that were within their authority.
- Considered and approved the increase in subsidiary's share capital.

Health, Safety, Security and Environment

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

Risk Management

- Reviewed whistleblowing statuses on a quarterly basis.
- Reviewed the risk exposures in relation to material litigations.
- Reviewed the recommendation from BGRC and approved the following:-
 - Risk Management Status Report on a quarterly basis.
 - Strategic Roadmap for Risk, Integrity and Compliance Department.
 - Integrity & Compliance Reports.
 - Integrity & Compliance Plan.

Financial Matters

- 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 and recommended the re-appointment of External Auditors and their audit fees.
- Reviewed and approved the adoption of accounting policy, reclassification and revaluation of investment for subsidiary.
- Considered and approved the payment of Interim Dividend.

Succession Planning for Senior Management

- Reviewed and approved:-
 - The Individual Development Plan for Senior Management.
 - The confirmation/renewal of Senior Management of Grade UT2 and above.
 - Job evaluation of C-Suite positions.
- Discussed on the current status of the Succession Plan for Senior Management and reviewed the progress made so far and identified areas that require further attention.

Environmental, Social & Governance

- Reviewed and deliberated on the reports on the progress of the action plans for Environmental, Social & Governance on a quarterly basis.
- Reviewed and approved the Net Zero Targets to reduce operational GHG emissions by 26% in the medium term by year 2030 and to achieve Net Zero Emissions by year 2050.
- Reviewed and approved the Enhanced Sustainability Policy.

Governance/Compliance

- Reviewed and approved the appointment of Directors for the Board and Board Committees of UEM Edgenta Berhad.
- Reviewed and adopted:-
 - Updates to the Terms of Reference for the Nomination and Remuneration Committee.
 - Updates to the Board Charter.
 - Conflict of Interest Policy.

Human Resources

- Reviewed and approved the following:-
 - Proposed Sales Incentive Scheme.
 - Proposed Incentive Plan Design.
 - Proposed Political Involvement Policy.
 - Proposed Revision to Travel Related Benefits.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MEETING ATTENDANCE FOR FINANCIAL YEAR 2023

MEMBERS	BOARD	AC	NRC
TAN SRI DR. AZMIL KHALID Independent Non-Executive Chairman	8/9	-	-
SYAHRUNIZAM SAMSUDIN Managing Director/Chief Executive Officer	9/9	-	-
DATO' MOHD IZANI GHANI# Non-Independent Non-Executive Director	9/9	-	7/7 M
DATO' GEORGE STEWART LABROOY Independent Non-Executive Director	9/9	-	7/7 M
ROWINA GHAZALI SETH Independent Non-Executive Director	9/9	-	7/7 C
JENIFER THIEN BIT LEONG Independent Non-Executive Director	9/9	4/4 M	-
MOHD ASRUL AB RAHIM# Non-Independent Non-Executive Director	9/9	6/6 M	-
NURUL IMAN MOHD ZAMAN Non-Independent Non-Executive Director (Appointed on 1 July 2023)	4/4	-	-
DATO' DR. OMAR ABD HAMID Independent Non-Executive Director (Appointed on 1 August 2023)	4/4	2/2 M	-
SIMON KUA CHOO KAI#^ Independent Non-Executive Director (Appointed on 8 November 2023)	1/1	1/1 C	-
DATO' NOORAZMAN ABD AZIZ Non-Independent Non-Executive Director (Retired on 15 June 2023)	5/5	-	-
SHIRLEY GOH#^ Independent Non-Executive Director (Resigned on 31 August 2023)	6/6	5/5 C	-

Member of Malaysian Institute of Accountants

^ Member of The Malaysian Institute of Certified Public Accountants

LEGEND:



C Chairperson of Board Committee

M Member of Board Committee



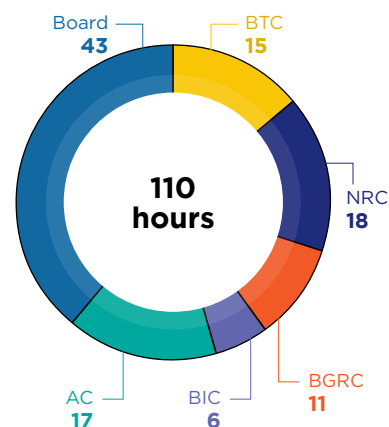
Board

Audit Committee

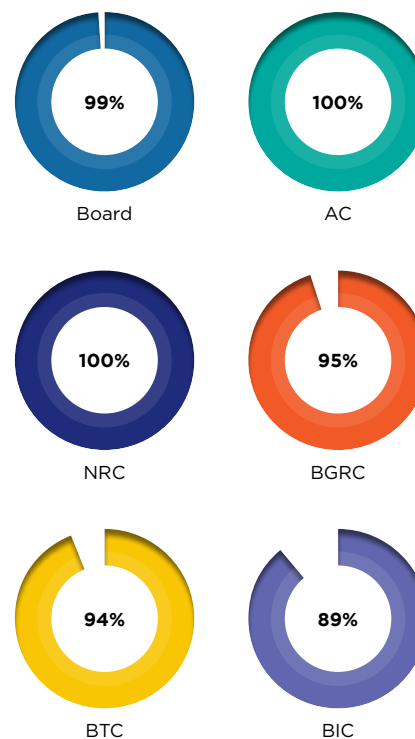
CORPORATE GOVERNANCE OVERVIEW STATEMENT

BGRC	BTC	BIC
-	-	0/1 M
-	-	-
-	-	2/2 C
5/5 C	4/4 M	0/0 M
5/5 M	-	-
4/5 M	11/11 C	-
-	9/11 M	2/2 M
2/2 M	-	-
-	7/7 M	-
-	-	1/1 M
3/3 M	-	1/1 C
-	-	2/2 M

TOTAL MEETING HOURS



AVERAGE MEETING ATTENDANCE



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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Nomination and Remuneration Committee (“NRC”)

The NRC comprises three (3) members, all of whom are exclusively Non-Executive Directors, with a majority being Independent Directors. Pn. Rowina Ghazali Seth, an Independent Non-Executive Director, chairs the NRC.

The main responsibilities of the NRC are to assist the Board in the nomination of Directors and Senior Management, assess the effectiveness of the Board and Board Committees, recommend remuneration packages and assess the performance of Managing Director/Chief Executive Officer and Senior Management.

A total of seven (7) meetings were held during the financial year. Among the key activities undertaken by the NRC during the financial year under review were as follows:-

Board Composition and Succession Planning

- Reviewed the board size and structure, tenure of each Director, the mix of Directors in terms of gender diversity, skills and expertise of each Director to ensure high standard of Board performance and succession for both Executive and Non-Executive Directors in the event of any deficiency.
- Reviewed the composition of the Board and Board Committees of UEM Edgenta Berhad.
- Reviewed the Board Composition for the subsidiaries/ associate companies of UEM Edgenta Berhad.
- Recommended the re-election/re-appointment of Directors under the retirement by rotation provisions of the Constitution of the Company and the Companies Act, 2016.

Recruitment and Appointment of Directors

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

Remuneration of Directors

- 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.

Board Effectiveness Evaluation

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

Recruitment/Appointment and Succession Planning of Senior Management

- Reviewed the character, experience, integrity, competence and time commitment to effectively discharge the roles of Managing Director/Chief Executive Officer and Chief Financial Officer.
- Reviewed and recommended:-
 - The job evaluation of C-Suite positions.
 - The proposed renewal/appointment of fixed-term employment contract of Senior Management of Grade UT2 and above.
 - The proposed Individual Development Plan for Senior Management.

Remuneration for UEM Edgenta Group

- Reviewed and recommended:-
 - The 2022 Corporate Scorecard Achievement and 2022 Managing Director/Chief Executive Officer's Scorecard Achievement.
 - The Proposed 2023 Corporate Scorecard and Managing Director/Chief Executive Officer's Scorecard.
 - The 2022 Bonus Pool and 2023 increment.
 - The 2022 Performance Bonus of the Managing Director/ Chief Executive Officer and Senior Management.
 - Proposed Sales Incentive Scheme.
 - Proposed Incentive Plan Design.

Governance/Policy

- Approved the MCCG proposed action plan.
- Reviewed and recommended:-
 - The adoption of the Political Involvement Policy.
 - The update of the Terms of Reference of the NRC.
 - The update of the Board Charter.
 - The revision of travel related benefits.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Nomination and Appointment of Directors

The Board has established adequate and effective selection procedures for the search, recruitment and appointment of new Directors and members for Board Committees. A Fit and Proper Policy was adopted to ensure formal, rigorous and transparent process for the appointment, as well as for re-election of directors. This policy guides the NRC and Board in their review and assessment of potential candidates to be appointed onto the board, as well as Directors seeking for re-election.

For the year under review, three (3) new appointments were made, namely, Pn. Nurul Iman Mohd Zaman, Dato' Dr. Omar Abd Hamid and Mr. Simon Kua Choo Kai.

In sourcing for new Board members, candidates are identified through recommendations from existing board members and major shareholder, desktop searches and independent executive searches.

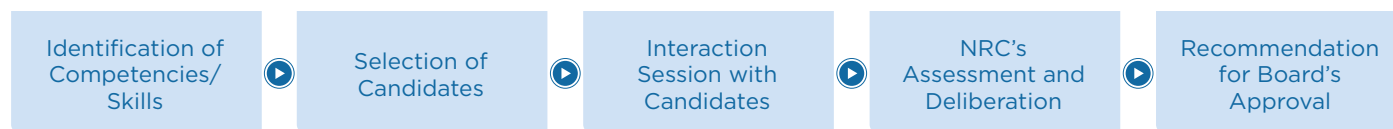
In assessing and recommending candidates to the Board for Directorship and/or appointment to Board Committees, the NRC considers various factors including competencies, time commitment, contribution and performance, skills, knowledge, expertise and experience, professionalism, background, character and integrity and leadership qualities.

In addition to being guided by the MCGG and ensuring compliance with the Main Market Listing Requirements, the size and composition of the Board are also taken into consideration during the evaluation for the new appointments to ensure that the Board as a whole can perform optimally.

After due assessment and shortlisting, with the consent from identified candidate(s), a reputable third-party agency conducts a thorough background screening process to verify their credibility.

For the position of Independent Non-Executive Directors, the NRC also evaluates the candidates' ability to discharge the responsibilities and functions as expected from an Independent Non-Executive Director.

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



Once appointed, new board members would undergo a Board Induction Programme where they would be briefed in detailed on the following, to ensure that the new Directors are onboarded promptly:-

Governance Structure and Governance of the Company	Financial highlights of the Company
Group Strategy	Human Resources matters of the Group
Businesses of the Group	Environmental, Social & Governance
Internal Audit Function	Risk, Integrity & Compliance
Operational Excellence & HSSE	Legal Updates of the Company

All new Directors of the Company are also required to attend at least one (1) external briefing on Section 17A, Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009") as part of Directors' training and development.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors' Continuing Education Programmes

Recognising that continuous education is vital for gaining 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 Effectiveness Assessment. In addition to individual Director's recommendations on appropriate trainings that will enhance their effectiveness, the Board is 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 MACC Act 2009 came into effect, the NRC has recommended that all Directors of the Company attend at least one (1) external briefing on Section 17A, MACC Act 2009 as part of Directors' training and development. Therefore, the Company Secretary constantly monitors to ensure the recommendation of NRC is met when new directors are appointed to the Board.

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

As at 31 December 2023, all AC members have attended at least one (1) training course related to relevant developments in accounting and auditing standard, practices and rules.

In addition to formal training programmes, the Board was 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 Management's strategy to focus on Environmental, Social and Governance ("ESG"), the Management organised a talk on Net Zero Target by Earth Finance. At the 2023 Pre-Board Convergence held on 16 October 2023, Boston Consulting Group (BCG) was invited to conduct Strategic Repositioning Workshop.

The Board training hours for the financial year 2023 were as follows:-



CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD COMPOSITION

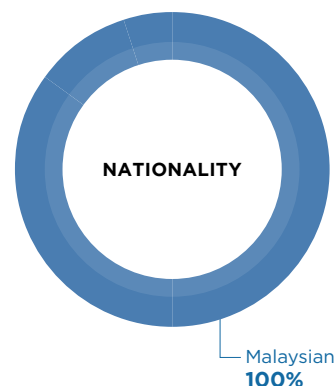
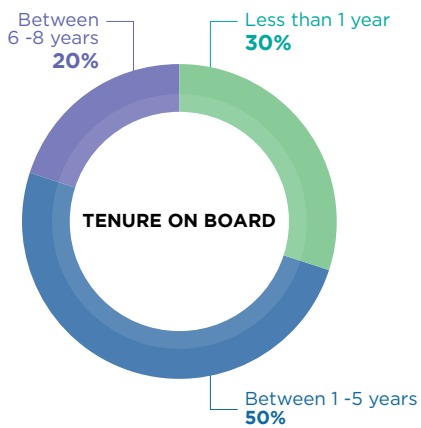
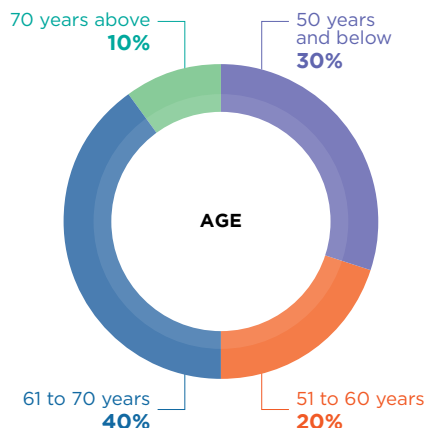
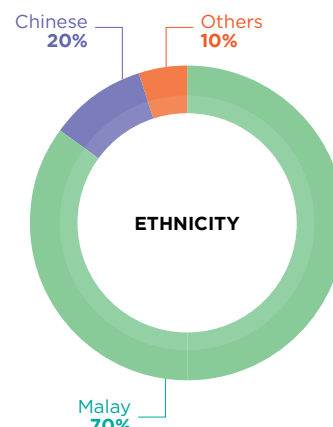
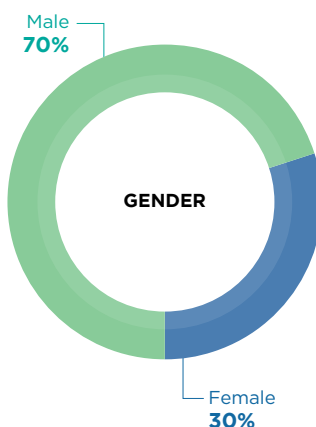
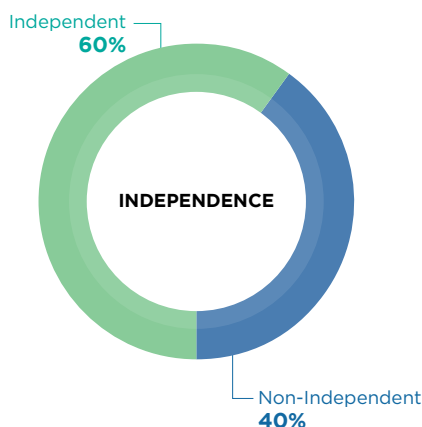
ENSURING THE RIGHT COMPOSITION

The Board believes that a diverse and inclusive Board will leverage the differences of its members to perform at its optimum level as a whole. Therefore, the NRC and Board review the composition of the board annually, considering the board size, tenure and expertise of each member, and gender diversity.

As at 31 December 2023, the Board consists of ten (10) members, including an Independent Non-Executive Chairman, one (1) Executive Director, three (3) Non-Independent Non-Executive Directors and five (5) Independent Non-Executive Directors.

In addition to complying with Paragraph 15.02(1) of the Main Market Listing Requirements, the Company has maintained at least 30% women directors on the Board.

BOARD DIVERSITY AS AT 31 DECEMBER 2023



CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD MIX OF SKILLS AND EXPERIENCE

Leadership/Stewardship



Leadership Experience

100%



Strategic Planning

100%



Human Capital Developer

89%

Regulatory Experience and Network



Regulatory Experience

89%



Government Relations

56%



International Experience

67%

General Management



Accounting/
Financial/Banking

78%



Risk/Audit

100%



Tax Planning

11%

Sector/Service Experience



Consultancy
and Project
Management

78%



Asset
Management

56%



Property
Development/
Property
Management

56%



Healthcare

56%



Oil and Gas

22%



Infrastructure

44%

Entrepreneurship



Entrepreneurial Experience

56%



Sales/ Marketing

89%

Others



ICT

44%



Public Relations
and Communication

89%



Merger and
Acquisition

78%



Education

22%



Engineering

44%



Corporate
Finance

67%



Legal

44%



Fast-Moving
Consumer Goods
(FMCG)

22%



ESG/Sustainability

67%

The profile of each Director is set out on pages 187 to 196 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Effectiveness Assessment

The Board, through the NRC, conducts a yearly Board Effectiveness Assessment (“BEA”) of its performance and activities.

As the Company is not a Large Company, the BEA for FY2023 was facilitated by the Company Secretary via an online portal. The BEA is divided into 5 sections which covers key topics and include forward looking elements as follows:-

Board evaluation: Structure, Operations & Interactions, and Roles & Responsibilities	Directors' self and peer evaluation	Assessment of mix of skills and experience	Assessment on Board committees	Independent Director's self-assessment
1. Structure 2. Operations & Interactions - Meetings - Papers - Communications 3. Roles & Responsibilities - General Responsibilities - Strategy Planning - Performance Management - Human Capital - Risk Management & Internal Control - ESG	Contribution to interaction Quality of Input Understanding of Role Chairman's Role	Leadership/Stewardship Regulatory Experience & Network General Management Sector/Service Experience Entrepreneurship Others	AC BGRC NRC BTC BIC	Tan Sri Dr. Azmil Khalid Dato' George Stewart LaBrooy Rowina Ghazali Seth Jenifer Thien Bit Leong Dato' Dr. Omar Abd Hamid

Note: A Director who is appointed with a tenure of less than 2 months is exempted from participating in the BEA 2023.

All responses/feedbacks are handled confidentially to ensure that Directors provide honest feedback. A summary of the key issues raised is then collated and presented in a report to the NRC and the Board.

Based on the results of the BEA, the Board Criteria Matrix was updated. The skills criteria in the matrix are constantly reviewed to ensure it covers the relevant knowledge/skills 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 identify any gaps in Board composition and use these gaps as criteria for selecting of new Board members.

The results of the FY2023 did not indicate any material weaknesses or shortcomings identified that warrant specific action plans. 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 is satisfactory.

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

The Board is also satisfied that each Board member is able to devote sufficient time to the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

REMUNERATION

The Board, through the NRC, is tasked with establishing and periodically reviewing the remuneration policies and procedures to attract and retain Directors and Senior Management.

Remuneration for Directors

The Directors' remuneration is reviewed periodically to ensure it is set at levels that enables UEM Edgenta Group to attract and retain Directors with the relevant experience and expertise needed to manage the Group effectively.

The Company has its own Remuneration Policy for Non-Executive Directors, aimed at strengthening the Company's commitment to attracting and retaining talented and well qualified candidates while being financially cautious. For transparency purposes, the Remuneration Policy is published on the Company's website at www.uemedgenta.com.

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 is as below.

For the financial year 2023, the NRC and Board has benchmarked the current Non-Executive Directors' fees and benefits against the Board and Senior Management Remuneration Practices in Malaysia issued by Bursa Malaysia on 6 December 2022 before recommendation for tabling at the annual general meeting held on 15 June 2023.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 will 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.

Remuneration for Senior Management

The Board established a Senior Management Remuneration Framework on 25 February 2021, benchmarked against market rates. This framework aims to ensure fair remuneration for Senior Management, attracting, retaining, and motivating individuals to serve the Company effectively.

The Management is enhancing the current Senior Management Remuneration Framework, with a focus on a Long-Term Incentive Plan. The revision is ongoing, considering the demands of the role, required competencies, Company performance, and individual employee performance. The Management will decide on publishing the framework on the Company's website upon finalisation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A

Board Leadership
and Effectiveness

B

Effective Audit and
Risk Management

C

Integrity in Corporate Reporting and
Meaningful Relationship with Stakeholders

AUDIT COMMITTEE

As at 31 December 2023, the Audit Committee ("AC") was chaired by Mr. Simon Kua Choo Kai, who assumed the chairmanship upon his appointment to the Board on 8 November 2023, replacing Ms. Shirley Goh who resigned on 31 August 2023.

The AC comprised three (3) Non-Executive Directors, with majority being Independent Directors, assisting the Board in overseeing the Company's financial reporting and fulfilling its fiduciary responsibilities relating to internal controls. This includes risk management, maintenance of financial and accounting records and setting policies as well as financial reporting practices of the Group. The AC 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.

Kindly refer to pages 235 to 237 for the AC's membership and composition and the AC Report for a summary of work carried out during the financial year 2023.

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.

As at 31 December 2023, the AC members have attended training courses related to development in accounting and auditing standards, practices and rules.

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

During the year under review, the AC met up with the External Auditors twice in the absence of the Managing Director/Chief Executive Officer and Management. The External Auditors also attended the 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 of the suitability and independence of the External Auditors.

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

The assessment on the External Auditors for financial year ended 31 December 2023 was facilitated by the Finance team. A set of questionnaires pertaining to the following were sent out to the AC members and Management for their feedback:-

- 1) Calibre of the firm
- 2) Quality of processes/services/performance
- 3) Audit team
- 4) Independence, objectivity and professional skepticism
- 5) Audit planning, execution and conclusion
- 6) Audit fees
- 7) Audit communications

The Board is satisfied with the outcome of the assessment of the External Auditors regarding their suitability and independence. The Board recommends 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 the safeguarding of shareholders' investments, customers' interests and the Company's assets.

The Board discharges its risk governance and oversight functions through the Board Governance & Risk Committee ("BGRC"), which undertakes governance and compliance duties and responsibilities in addition to the oversight of risk management matters. The BGRC reviews the effectiveness of risk management framework to manage the overall risk exposure to the Group. It also monitors the Integrity & Governance unit and oversee issues of corruption, fraud, malpractice & unethical conduct within the organisation.

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

For the year under review, the BGRC, chaired by Dato' George Stewart LaBrooy, comprises a total of four (4) members, with a majority being Independent Non-Executive Directors. The BGRC operates within defined terms of references.

The Statement on Risk Management and Internal Control as set out on pages 238 to 246 of this Annual Report provides an overview of the state of internal controls within the Group.

A

Board Leadership
and Effectiveness

B

Effective Audit and
Risk Management

C

Integrity in Corporate Reporting and
Meaningful Relationship with Stakeholders

COMMUNICATION WITH STAKEHOLDERS

The Group recognises the importance of timely dissemination of quality information to shareholders and other stakeholders. Therefore, the Board is committed to ensure transparency and accountability to its shareholders and other stakeholders by dissemination of information via various platforms/channels as follows:-

- Annual Report.
- Various disclosures and announcements via Bursa LINK 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.
- All announcements made via Bursa LINK will also be posted on the Company's website.

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.

To keep up with the current trend, the Company also has an Instagram account, a social media channel that is regularly updated with the Company's news and events. The message and email functions are also activated on Instagram, for the public's convenience if 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 Company has fully adopted integrated reporting. For year 2023, the Company has issued its Integrated Annual Report based on globally recognised framework.

The summary of engagements with stakeholders are available on pages 53 to 57.

INVESTOR RELATIONS

Investor engagement at UEM Edgenta focuses on building confidence and maintaining strong, transparent relationships with the investing community.

We have a comprehensive Investor Relations programme to enable existing and potential shareholders and investors to understand our activities, strategy, financial performance and sustainability initiatives through timely and accurate dissemination of information to the investing community for informed investment decisions about the Company.

Financial Calendar

Announcement Of Quarterly Results and Briefings

FINANCIAL RESULTS FOR THE 4TH QUARTER ENDED 31 DECEMBER 2023 (FY2023 RESULTS)

Date of Announcement

28 February 2024

Date of Analyst and Media Briefing

29 February 2024

FINANCIAL RESULTS FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023

Date of Announcement

28 November 2023

Date of Analyst Briefing

29 November 2023

FINANCIAL RESULTS FOR THE 2ND QUARTER ENDED 30 JUNE 2023 (1H 2023 RESULTS)

Date of Announcement

28 August 2023

Date of Analyst and Media Briefing

29 August 2023

FINANCIAL RESULTS FOR THE 1ST QUARTER ENDED 31 MARCH 2023

Date of Announcement

30 May 2023

Date of Analyst Briefing

31 May 2023

FINANCIAL RESULTS FOR THE 4TH QUARTER ENDED 31 DECEMBER 2022 (FY2022 RESULTS)

Date of Announcement

28 February 2023

Date of Analyst and Media Briefing

1 March 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

DIVIDEND

FY2023: 2 sen per Ordinary Share



▶ Date of Announcement



▶ Date of Payment

FY2022: 4 sen per Ordinary Share



▶ Date of Announcement



▶ Date of Payment

INTEGRATED ANNUAL REPORT AND ANNUAL GENERAL MEETING



▶ Notice of 60th Annual General Meeting

▶ Issuance of Annual Report for the financial year ended 31 December 2022



▶ 60th Annual General Meeting

Investor Relations Events

We engaged with the investment community through the following meetings, webinars and briefings held from January 2023 to March 2024.

No	Events	Date
1	Small group engagement with Great Eastern, Public Mutual and Amanahraya Investment	18 January 2023
2	Engagement with AHAM Asset Management Berhad	2 March 2023
3	Small group site visit to UEM Edgenta Berhad's Command and Contact Centre (analysts and fund managers)	29 March 2023
4	Engagement with Areca Capital	3 April 2023
5	Engagement with Khazanah Nasional Berhad	13 April 2023
6	Engagement with Great Eastern on ESG	27 April 2023
7	Engagement with financial blogger (Sharix)	5 May 2023
8	RHB Retail Webinar	7 June 2023
9	Investors Day	31 July 2023
10	Engagement with Amanahraya Investment	13 September 2023
11	Small group engagement with Tabung Haji, EPF, Phillip Capital and UOB Research	12 October 2023
12	Engagement with AmInvestment	10 November 2023
13	Middle East Business Update Briefing for analyst and fund managers	12 December 2023
14	Engagement with Urusharta Jamaah Sdn Bhd	10 January 2024
15	Small group engagement with Principal and Public Mutual	15 January 2024
16	Rakuten Webinar (live on Facebook and YouTube)	30 January 2024
17	RHB Retail Webinar	7 February 2024
18	Engagement with Khazanah Nasional Berhad	13 March 2024
19	Engagement with Areca Capital	19 March 2024
20	- Engagement with Urusharta Jamaah Sdn Bhd - Small group engagement with Principal and Phillip Capital Management Sdn Bhd	29 March 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MARKET PERFORMANCE AND EXPECTATION

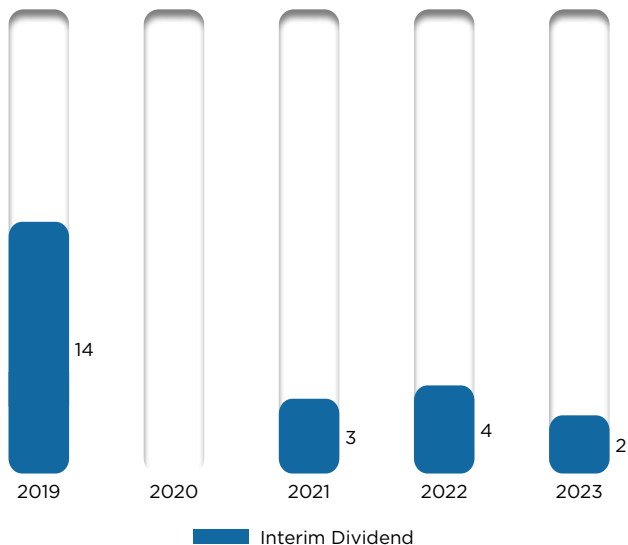
Dividend Policy

We maintain our dividend policy of distributing at least 50% and up to 80% of our PATANCI, subject to the Group's cash flow and future capital expenditure requirements. Our dividend policy instills our commitment to provide healthy returns to our shareholders.

RETURN TO SHAREHOLDERS

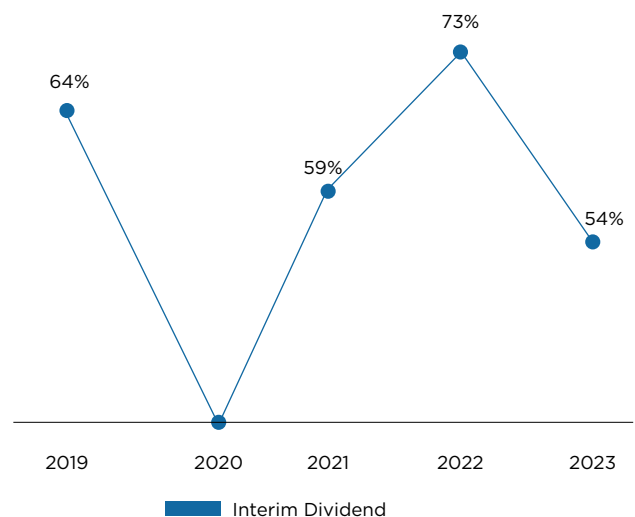
Dividend Declared

For FY2023, we declared a total dividend of 2 sen per share.



Dividend Payout Ratio

Dividend payout for FY2023 amounted to RM16.6 million. Return provided shareholders more than RM924 million over the past 10 years.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

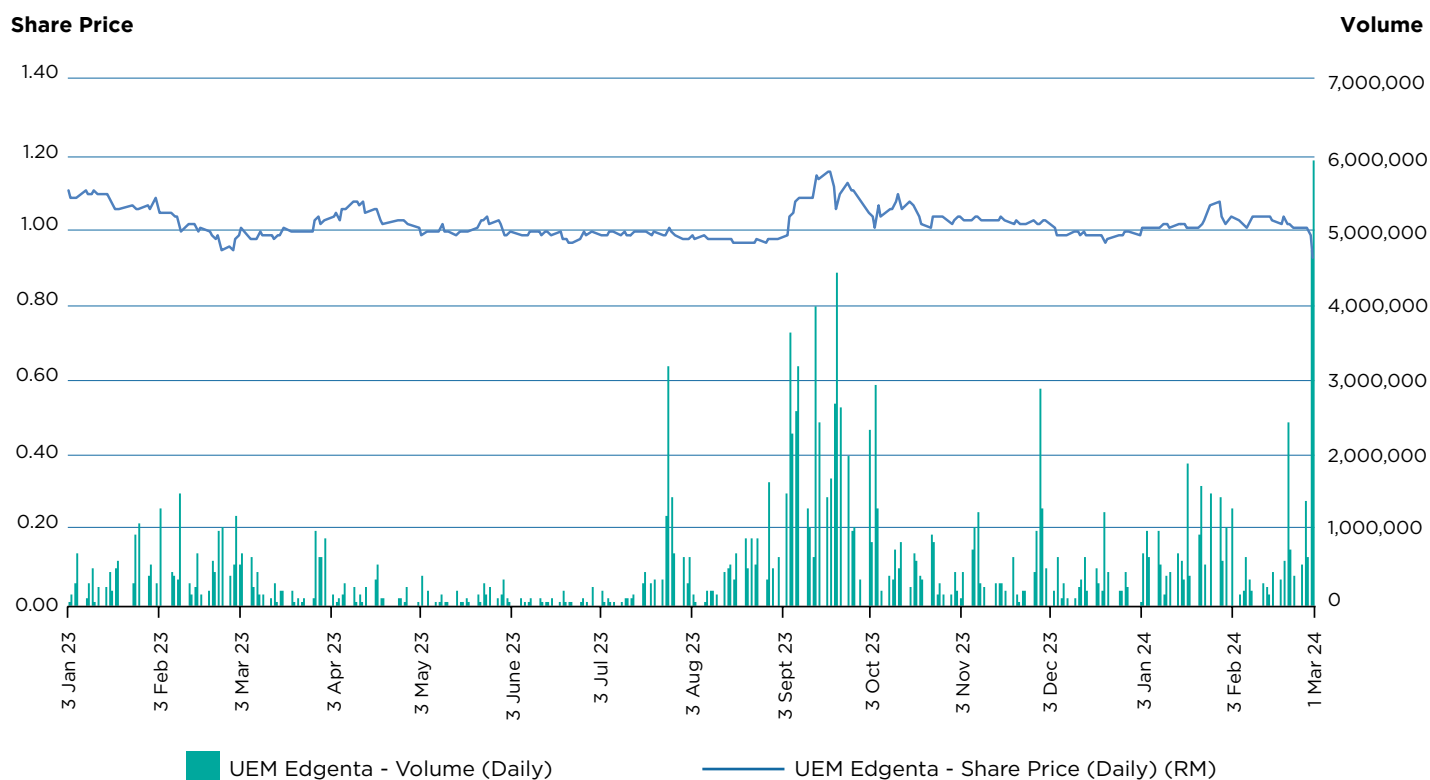
Research Coverage

Research House	Call	Target Price
RHB Research	Sell	RM0.84
UOB Kay Hian	Hold	RM0.95

Note: As at 29 February 2024 (post Full-Year FY2023 results announcement)

SHARE PRICE MOVEMENT AND VOLUME TRADED

Period: 3 January 2023 to 1 March 2024



CORPORATE GOVERNANCE OVERVIEW STATEMENT

CONDUCT OF GENERAL MEETINGS

The Company's 60th Annual General Meeting ("AGM") was held virtually on 15 June 2023 at The Grounds of Menara UEM as the Broadcast Venue.

The Notice of AGM was given to shareholders on 28 April 2023 together with the relevant reports and circular.

Recognising that the AGM is a principal forum for dialogue with shareholders, the notice of AGM was given more than 28 days prior to the AGM to allow shareholders have sufficient time to consider the resolutions that would be discussed and decided at the AGM.

To encourage participation, clear guidance notes on the administrative matters were also provided to shareholders. Shareholders were also invited to send in questions before and during the AGM.

All the Board Members were present at the AGM. 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 Board Committees and the External Auditors, if so required, will respond to questions from shareholders at the AGM. The questions submitted during the AGM that were not answered due to time constraint were later addressed to shareholders via email.

Meanwhile, questions submitted prior to the AGM were addressed during the AGM. The questions were also published on the Company's website together with its answers.

Boardroom Share Registrars Sdn Bhd was the Poll Administrator and Sky Corporate Services Sdn Bhd was the Scrutineers for the AGM. The Chairman declared that all resolutions were carried and the poll results were also announced via Bursa LINK on the same day.

On 27 July 2023, the summary of the AGM proceeding was uploaded on the website within 30 business days after the completion of the AGM.

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 26 March 2024.

AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee (“AC”) Report, which provides insights into how the AC discharged its functions and duties for the financial year ended 31 December 2023.

The AC assists the Board in overseeing the Company’s financial reporting and fulfilling its fiduciary responsibilities related to internal controls. This includes overseeing the proper maintenance of financial and accounting records, setting policies and financial reporting practices for the Group. The AC 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 2023 are available in pages 218 & 219 of the Corporate Governance Overview Statement.

SUMMARY OF ACTIVITIES OF THE AC

During the year, the Chairperson 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 2023:-

A. FINANCIAL STATEMENTS AND CORPORATE GOVERNANCE

1. Reviewed the quarterly and annual financial statements of the Company and of the Group; and recommended them for Board’s approval, focusing particularly on:-
 - a) appropriateness and relevance of accounting policies and practices adopted and their application in compliance with current accounting standards;
 - b) any significant non-recurrent or unusual transactions made or events occurred during the year;
 - c) any significant changes to the basis of preparation of the financial statements or new accounting standards adopted during the year which impacted the result or financial position of the Group;
 - d) the going concern assumption used in the preparation of the financial statements;
- e) 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
- f) compliance with financial reporting standards and other regulatory requirements.
2. Reviewed and recommended the adoption of accounting policy on revaluation of investment properties, to the Board for its approval.
3. Reviewed non-recurrent and recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations in the ordinary course of business of the Company and its subsidiaries 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.
4. Reviewed the Circular to Shareholders in respect of the proposed shareholders’ mandate for recurrent related party transactions and proposed new mandate for additional recurrent related party transactions of a revenue or trading nature.
5. Reviewed and recommended the Corporate Governance Overview Statement, Corporate Governance Report, AC Report and Statement on Risk Management and Internal Control, to the Board for its approval.
6. Reviewed and recommended a comprehensive Conflict of Interest (“COI”) Policy, which encompasses the process of COI declaration, responsibilities of various parties, management of COI to resolve, eliminate, or mitigate such conflicts, to the Board for its adoption.

AUDIT COMMITTEE REPORT

B. INTERNAL AUDIT

1. 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.
2. 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.
3. Reviewed the status of implementation, effectiveness, and adequacy of Management’s corrective actions through follow-up audit reports to ensure all key risks and control issues were addressed adequately and in a timely manner.
4. Reviewed and approved the Internal Audit Plan, including changes for adequacy and appropriateness of coverages, as well as the risk-based planning methodology, high-level review scope and its manpower requirement for the proposed audit activities.
5. Assessed and approved the performance rating of IAD and the IAD Scorecard.
6. Assessed and recommended the appointment of new Head of Internal Audit for the Board’s approval.
7. Reviewed and approved the new organisational structure for IAD.
8. Suggested additional improvement opportunities in the areas of internal control, systems and operational efficiency.

C. EXTERNAL AUDIT

1. Reviewed with the External Auditors:-
 - a) The audit plan, audit methodology and scope of work, especially on areas identified for audit focus for the year;
 - b) Their comments and issues arising from their annual audit, their audit report and management letter of comments on the group internal control;
 - c) The key audit matters highlighted for inclusion in the audit report and the audit process in addressing them; and
 - d) The Group’s financial reporting process including consolidation.
2. Assessed the objectivity, suitability and independence of the External Auditors in carrying out their audit during the year.
3. Discussed with the External Auditors on 20 November 2023 and 21 February 2024 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.
4. Evaluated the performance of the External Auditors and recommended their re-appointment to the Board of Directors based on their satisfactory performance via feedback received from the assessment questionnaires and the 2022 Annual Transparency Report.
5. Reviewed and recommended the audit fees for the Board’s approval.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The Group has established its own IAD functions 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 Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia in 2021.

The AC reviews and approves the IAD's manpower requirements to ensure the function is adequately resourced with competent and proficient internal auditors. During the year, the Head of Risk, Integrity, and Compliance took on the additional role of Acting Head of Internal Audit as an interim measure. The new Head of Internal Audit officially joined the Group in September 2023.

The total cost incurred for the internal audit function for financial year ended 31 December 2023 is approximately RM1,420,000, 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 2023 which was approved by the AC semi-annually on 20 February 2023 and 20 May 2023, had considered the Group's identified risks and focused on auditable areas where the risks would have the most impact on the business objectives of the Group. Among the focus areas are order-book risks, revenue concentration risks, business strategy execution risks, digital governance risks, project execution risks, overseas business expansion risks, and ESG risks.

The scope of the planned audit assignments for the financial year 2023 covered the following:-

1. Operational audits in Healthcare Support Commercial (Malaysia), Infrastructure Services and Property & Facility Solutions;
2. Governance audit for overseas business expansion;
3. Oracle Fusion Cloud post implementation review; and
4. Quarterly review on Related Party Transactions/Recurrent Related Party Transactions.

During the year, AC had reviewed and deliberated on a total of eight (8) 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 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In accordance with the practices set out in the revised Malaysian Code on Corporate Governance issued in April 2021, a listed company should establish an effective risk management and internal control framework and the Board of Directors (“Board”) should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

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

RESPONSIBILITY AND ACCOUNTABILITY

Responsibility of the Board

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.

Board and Board Committees

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 five (5) established Committees, namely the Audit Committee (“AC”), Board Governance and Risk Committee (“BGRC”), Nomination and Remuneration Committee (“NRC”), 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.

General Management Committee

The General Management Committee (“GMC”) is chaired by the Managing Director/Chief Executive Officer and comprises the Chief Financial Officer, Chief Strategy Officer, Chief People Officer, Chief Digital Officer and management team members from the respective business divisions and corporate support services.

The key roles of the GMC are 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management Committee

The Risk Management Committee (“RMC”) is responsible to implement the policies and procedures established by the Board and Board Governance and Risk Committee (“BGRC”) in ensuring a sound and robust Risk Management Framework (“RMF”) to achieve the Group’s strategic objectives, safeguard shareholders’ investments and its assets.

The RMC is chaired by the Group’s Managing Director/Chief Executive Officer and its members include the Group’s Executive Leadership Team, comprising Heads of Business Units and co-opted members from the management team of the Group.

The RMC undertakes the following responsibilities:

Review and recommend risk management policies and procedures for the approval or acknowledgement of the BGRC and Board and Managing Director/Chief Executive Officer respectively;

Review and deliberate on identified risks, controls and risk mitigating strategies to ensure that these are adequately managed;

Act as Primary Champion of risk management at strategic and operational levels;

Review the Group’s resilience in event of a crisis or disaster and ensure adequate insurance coverage against key risks and perils;

Review the ongoing adequacy and effectiveness of the risk management process;

Oversee the establishment and effectiveness of the Group’s practices in integrity and compliance management programmes to drive and embed a culture of ethical behaviour and integrity; and

Ensure that the BGRC and Board receive adequate and appropriate information for review and decision-making purposes.

The RMC is assisted by the Risk, Integrity & Compliance Department (“RICD”), which is primarily responsible for the implementation of the risk management, business resilience and compliance integrity processes and practices within the Group. A Charter, which defines RICD’s responsibilities, scope and authority, has been established and endorsed by the Board.

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.

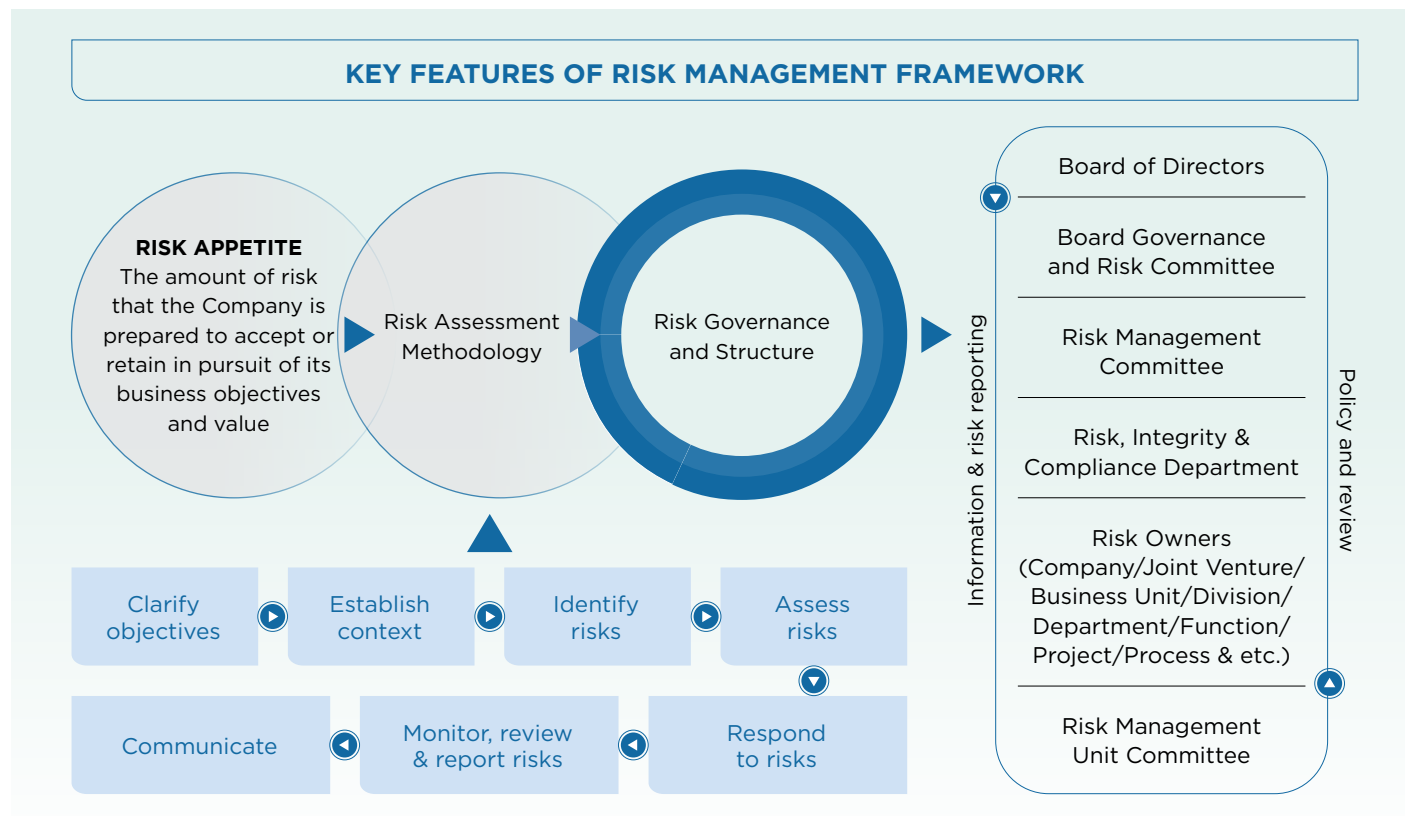
Risk Management Framework

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



As part of continuous improvement efforts, the RMF will be expanded to incorporate the ESG Risk Management Framework and key elements of ESG-related risks.

Risk Management Approach

The Group's risk management approach adopts 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).

The risk management approach comprises sequential steps of activities that are interrelated and iterative as follows:

- a. Set / clarify business objectives
Set and understand the objectives for the Group and/or its business.
- b. Establish the context
Define the context and boundaries within which the Group and/or the business operates.
- c. Risk Identification
Identify risks together with their respective causes and consequences which could affect / impact the achievement of the Group and/or business objectives.
- d. 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

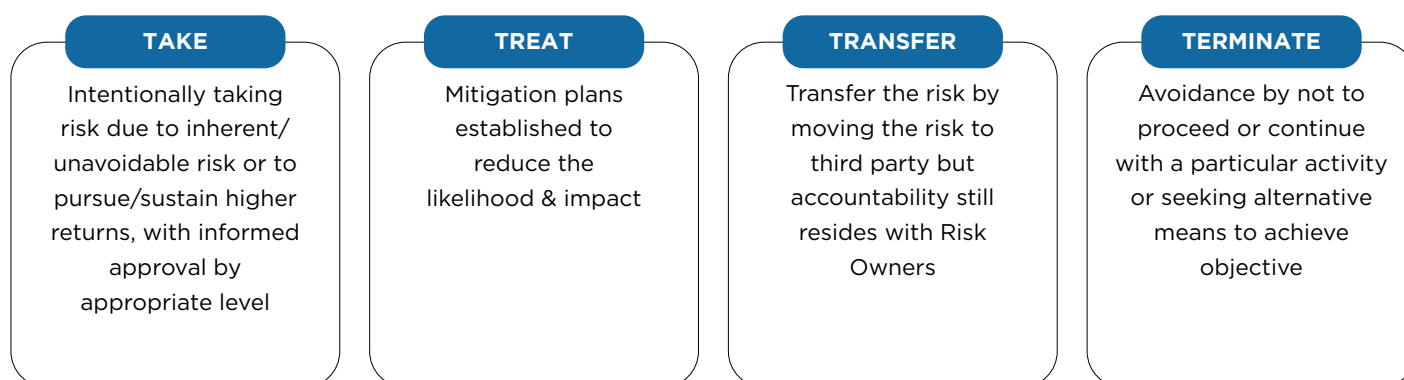
The Group adopts the following risk rating matrix to articulate the relationship between risk impact and likelihood:

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

e. 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.



f. Monitor, review and report risks

Risk events and trends to be continually reviewed, assessed and monitored. Similarly, risk responses and mitigation plans are monitored continuously to ensure their relevance and effectiveness and are operating as designed and expected.

g. Communication

Communication is required for an effective risk management programme. The evolving business conditions continuously alters the risk profile of the Group and/or business, hence, frequent and explicit engagement and discussions about risk is vital to maintain continuous awareness and effective management of key risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Summary of Risk Management Activities

Risk management activities undertaken for the financial year at the Group and subsidiaries to instil a proactive risk management culture and ownership are as follows:

Periodic risk awareness briefings and risk management workshops are conducted as part of continuous efforts to inculcate a proactive risk-aware culture within the Group.

Risk Management Status Reports are produced quarterly at the minimum and are presented to the RMC, BGRC and Board for deliberation and approval.

Quarterly review and monitoring implementation of risk action plans by RICD to ensure their appropriateness and effectiveness.

Identification and reporting of emerging, key business risks and mitigation plans to the RMC, BGRC and Board for deliberation and approval.

Provides risk management consultation and advisory services to projects, investment and potential business leads.

The Group, via its subsidiaries, have in place several Internationally Accredited Management Systems (for e.g., ISO 9001:2015 – Quality Management System, ISO 45001:2018 – Occupational Quality Health & Safety Management System, ISO 14001:2015 – Environmental Management System, ISO 13485 – Medical Devices Quality Management System and ISO 39001:2012 – Road Traffic Safety Management System) to standardise its management and operational processes and to further improve its efficiency. These certifications reflect the Group's commitment to ensuring quality deliverables to customers, safeguard safety and health of employees and safeguard the environment.

The Group has also established a HSSE Management Systems, comprising HSSE Rules, standard operating procedures and processes, to inculcate a strong HSSE culture, behaviour 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.

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 with the established internal policies and procedures, International Management System Standards, contracts and relevant legal and other 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 / Business within the Group, as well as holders of mission-critical position.

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

INTERNAL CONTROLS

The key elements of the internal control system established by the Board that provides effective governance and oversight of internal control include:

Policies and Procedures

Written policies are established to guide how a department or an individual within the Group works or behaves and provides guidance to employees as to what their obligations are. Some policies are supported by procedures which describe the steps the employees shall take to produce an output or to complete a process. The policies and procedures also form part of the various management systems which are reviewed and updated periodically as part of continual improvement to ensure that they remain relevant and reflective of the Group's operating and business environment.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Operating Plans and Strategies

The Group undertakes a comprehensive annual budgeting and forecasting exercise during the development of business plans for each operating divisions are aligned with the 5-year Group Operating Plan, including the short-term and long-term strategic plans.

Each Business Division is responsible to carry out a detailed analysis on both current and prior years' performances and identify the strategic priorities for consideration and commitment in the Group Annual Operating Plan ("AOP"), 5-year Group Operating Plan and Strategic Plan. These form the basis for the development of Key Performance Indicators ("KPIs") to be included in the Group's Corporate Scorecard and Managing Director/Chief Executive Officer's Scorecard which are deliberated and reviewed by the Board for approval.

The approved AOP, 5-year Group Operating Plan and Strategic Plans are cascaded to the senior management team in each Business Division for planning, monitoring and execution.

The Group monitors the business performance of respective Business Divisions through its KPIs and measures them against the approved Group AOP, 5-year Group Operating Plan and Strategic Plan on a regular basis via its General Management Committee meetings and other ad hoc meetings to be carried out by the senior management as and when necessary. Reports and analysis on variances against the Group AOP are prepared and monitored, taking into consideration current and future macro/microeconomic situations and business landscapes. A report on the year-to-date quarterly Group results and performance is submitted and presented to 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 parallel with the implementation of Oracle ERP, GPCM functions as a centralised and coordinated procurement function to control and manage procurement activities within each of the Group's key business division, encompassing eight (8) key areas, namely, Procurement Strategy & Performance, Category Management, Vendor Management, Sourcing, Purchasing Admin, Contract Management, Master Data Management, and Inventory Management.

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

UEM Edgenta always maintains comprehensive insurance coverage such as general, motor, employee, cyber, asset, project and others to mitigate potential losses arising from unforeseen incident.

Regular reviews of insurance coverage are conducted to align with the dynamic business environment and changing operational profiles, ensuring that the level of coverage remains sufficient and responsive to evolving risk factors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Integrity & Compliance

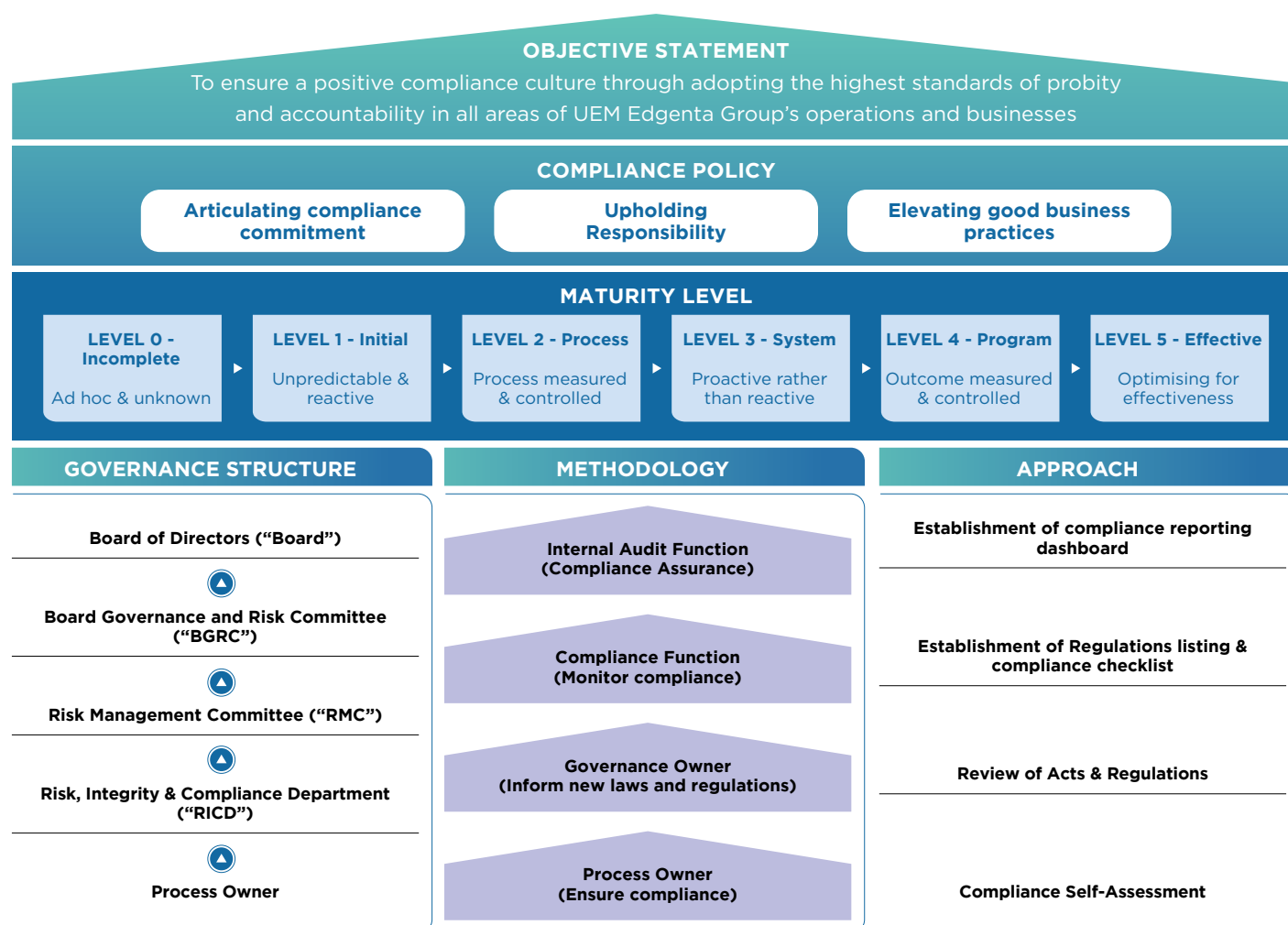
Integrity

UEM Edgenta is committed to support the national anti-corruption efforts by adopting zero-tolerance approach against all forms of corruption and embedding the integrity within our F.I.R.S.T core values. Our initiatives in preventing bribery and corruption are in line with the requirements of subsection 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 by adopting the T.R.U.S.T principle. The details disclosure on our Corporate Integrity and Ethical Business Conduct can be found on pages 247 - 251 of this Integrated Annual Report

Compliance

UEM Edgenta's compliance management involves a comprehensive approach to maintaining an effective compliance policy and program consistent with the applicable laws and regulations to safeguard the reputation and integrity of UEM Edgenta.

UEM Edgenta's Compliance Unit adopts the following Compliance Framework in undertaking its compliance commitment:



The Compliance Framework sets out the approach for UEM Edgenta in managing regulatory compliance obligations and mitigating compliance risk, in order to achieve its compliance objective.

The Compliance Unit is spearheading the compliance management process ensuring the effectiveness of the compliance process and establishing appropriate compliance monitoring to address and report on any compliance issues. The outcome of the monitoring activities is reported to the RMC, BGRC and Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Business Continuity Management

UEM Edgenta maintains an unwavering commitment to fortifying organisational resilience through the implementation of a robust Business Continuity Management (“BCM”) program. This strategic initiative aligns with the organisation’s ongoing efforts to ensure the sustainability of operations and the seamless delivery of essential services, even in the event of crises or disasters. Key components of this commitment include the development and implementation of comprehensive plans such as Business Continuity Plan (“BCP”), Crisis Management Plan (“CMP”), Disaster Recovery Plan (“DRP”), Crisis Communication Plans (“CCP”), Emergency Response Plan (“ERP”), Pandemic Plan (“PP”), Cyber Incident Response Plan (“CIRP”) and other measures aimed at supporting the continuous functioning of business operation.

As part of the ongoing enhancement of the BCM program, UEM Edgenta has initiated the ISO 22301:2019 BCMS Certification exercise, reinforcing its dedication to ensuring business continuity and resilience.

To further solidify this initiative, UEM Edgenta has been selected under the 12th Malaysia Plan (Rancangan Malaysia Ke-12) by Cybersecurity Malaysia under the Ministry of Communication & Digital to obtain the Business Continuity Management System (“BCMS”) certification.

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 standard operating procedures and guidelines are established within UEM Edgenta and its subsidiaries. This is to ensure the selection of suitable candidates who meet the job requirements and core competencies for the role in UEM Edgenta. Potential candidates will go through a structured recruitment process which includes interviews by the hiring manager and relevant stakeholders; and for certain roles, additional assessments would be applicable. A thorough and complete pre-employment background screening which includes medical screening, checks on past employment records, education and qualification records, credit records, criminal records, directorship and reference check, would be performed before the job offers are issued. This is a control measure to minimise the risk to the Company.

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

Management Information System (“MIS”)

UEM Edgenta places a paramount emphasis on prioritising cyber security to safeguard its digital infrastructure and incorporates effective governance measures. This commitment is reflected in the implementation of robust access controls and the execution of security audits which form integral components of the governance framework. By adopting this proactive approach, the Group aims to not only meet industry best practices but also fortify its defence against evolving cyber threats.

The Group employs a discerning strategy that strikes a delicate balance between harnessing the advantages of cloud technology and ensuring the utmost confidentiality and integrity of its data assets. This entails a continuous cycle of assessments and updates, where the Group meticulously evaluates the evolving landscape of cyber risks and adjusts its security measures accordingly. The proactive stance towards cloud technology use underscores the Group’s commitment to staying ahead of potential vulnerabilities while leveraging the efficiencies and flexibility offered by cloud-based solutions.

In essence, the Group’s comprehensive approach to cyber security underscores its dedication to not only meeting compliance standards but also staying at the forefront of technological advancements, thereby fostering a resilient and secure digital environment.

Disaster Recovery Planning

The Business Continuity Management (“BCM”) process within the Group extends to encompass Disaster Recovery Planning (“DRP”), aimed at ensuring the utmost security for data, systems, and applications stored in the cloud.

UEM Edgenta places emphasis on the swift and efficient retrieval of company data, a pivotal aspect of its strategy for maintaining seamless business continuity. The emphasis on quick access to data is instrumental in minimising downtime

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

during unforeseen events or disasters, thereby preserving overall productivity levels. Through this comprehensive approach to BCM, the Group not only safeguards its digital assets but also fortifies its resilience against potential disruptions, demonstrating a commitment to maintaining operational continuity and safeguarding business interests.

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 the 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.

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 2023, 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 26 March 2024.

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 are dedicated to enhancing the integrity & ethical culture throughout the organisation. As we actively establish strong foundations across all business sectors and remain resolute in pursuing growth through geographical expansion, new products and services, cost optimisation, and tech-enabled solutions, upholding these values and conducting ourselves with integrity, ethics, and accountability are essential components that we must embody at both professional and personal level. As a publicly listed company, we are steadfast in ensuring that all our business endeavors and proceedings strictly adhere to good corporate governance practices.

Our Core Values

The FIRST core values inherent in our organisational DNA, guiding both businesses and operations, are deeply rooted in unwavering integrity and exceptional performance. Aligned with the integrity embedded in the core values, the Senior Management and all employees of UEM Edgenta collectively embody the cultivation of integrity as the foundational principle in all our dealings.



Our Framework, Policies & Procedures

The Board is dedicated to upholding the commitment towards Anti-Bribery & Anti-Corruption (“ABAC”) measures that support national anti-corruption efforts and adopt a zero-tolerance approach against all forms of corruption. As a benchmark for our ABAC, we adhere to the following legal and regulatory requirements that relate to the ABAC:



Our ABAC program was developed in accordance with the T.R.U.S.T principles outlined in the Guidelines on Adequate Procedures. This aligns with the requirements of subsection 17A (5) of the Malaysian Anti-Corruption Commission Act 2009, serving as a defense mechanism against corporate liability.

CORPORATE INTEGRITY AND ETHICAL BUSINESS CONDUCT

As we are committed to upholding the integrity and compliance value in carrying out our business operations we have obtained the international accreditation of MS ISO 37001:2016 Anti-Bribery Management System (“ABMS”) as a testament to our zero tolerance against corruption.

In line with the regulatory requirements and our commitment, we have adopted best practices and have the following framework, policy & procedures in place to curb bribery and corruption:



- Code of Conduct for Directors and Employees**
 UEM Edgenta’s Code of Conduct for Directors and Employees articulates our commitment to instilling trust in our business ecosystem. It delineates standards for ethical behavior in our business activities, aligned with the ethics, integrity, and trust principles.
- Code of Conduct for Business Partners (“COCBP”)**
 UEM Edgenta’s Code of Conduct for Business Partners sets the requirement for our suppliers, contractors, consultants, agents, and/or other business partners to embrace the spirit of our commitment to integrity and our sustainable business relationship is based on key principles of integrity, honesty, accountability and compliance with applicable laws and regulations. All our Business Partners are to adhere to the Code when conducting business with UEM Edgenta.
- Compliance Framework**
 The compliance framework sets out our approach to managing regulatory compliance obligations and mitigating compliance risks or issues, to achieve UEM Edgenta Group’s compliance objective. The Framework further describes the governance, roles and responsibilities, policy, and methodology for the compliance management system at UEM Edgenta Group.
- Conflict of Interest (“COI”) Policy**
 This Policy is intended to describe our policy in dealing with conflict of interest situations among the Directors and employees and to ensure that actual, potential, or perceived conflicts of interest are identified and managed effectively to protect the interest of UEM Edgenta and to promote honest and ethical conduct.

CORPORATE INTEGRITY AND ETHICAL BUSINESS CONDUCT

- **Conflict of Interest (“COI”) Declaration Procedure**

This procedure serves as a guide for declaring actual, potential, or perceived conflicts of interest identified and disclosed in accordance with the Conflict of Interest (“COI”) policy and outlines the subsequent actions to be taken in managing conflicts of interest among employees.

- **Anti-Bribery & Anti-Corruption (“ABAC”) Policy Statement**

At UEM Edgenta, we strive to uphold our core values and to present ourselves with integrity, ethics, and accountability which our employees must harness at both professional and personal levels. All UEM Edgenta stakeholders including directors, officers, controllers, and employees shall conduct our business dealings, relationships, and operations with a zero-tolerance approach towards bribery and corruption in compliance with statutory laws and regulatory requirements within jurisdictions in which UEM Edgenta operates.

- **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 behavior in the conduct of all our business dealings and relationships. This document provides an essential guide to curb bribery and corruption and describes standards of ethical behavior in the conduct of all our business dealings and relationships, we and/or any third party acting on our behalf, must not act corruptly in our business dealings.

- **No Gift Policy**

We at UEM Edgenta uphold the ‘No Gift Policy’ as an integral component of our commitment to maintaining the highest standards of integrity and ethical conduct. This policy is designed to prevent both actual and perceived conflicts of interest, aligning seamlessly with UEM Edgenta’s comprehensive Code of Conduct. By strictly prohibiting the acceptance of gifts, we ensure that our employees, stakeholders, and partners adhere to principles that promote fairness, transparency, and unbiased decision-making. This policy serves as a safeguard against undue influence and reinforces our dedication to fostering a corporate culture rooted in trust, accountability, and ethical business practices.

- **ABMS Manual**

This Manual sets out requirements in relation to MS ISO 37001:2016 Anti-Bribery Management System and guides a management system designed to help UEM Edgenta prevent, detect, respond to, and address bribery and corruption.

- **Whistleblowing Policy**

The policy encourages the reporting of wrongdoings in good faith, with the assurance that personnel or any parties making such reports shall be treated fairly, their identity remains confidential, and are protected from retaliation.

- **Whistleblowing Procedure**

UEM Edgenta’s Whistleblowing Procedure provides an avenue for our employees, stakeholders, and members of the public to report any actual or suspected malpractice, misconduct, or violation of the Group’s policies and procedures through dedicated and confidential channels which is the “Speak-up Channel”.

- **Investigation Procedure**

The investigation procedure is established to ensure a consistent process in assessing and investigating any allegation or violations of the UEM Edgenta Code of Conduct, policies and procedures, and applicable rules and regulations. This procedure ensures that investigation outcomes are recorded uniformly and in a timely manner and that any necessary corrective action and/or external reporting is executed appropriately.

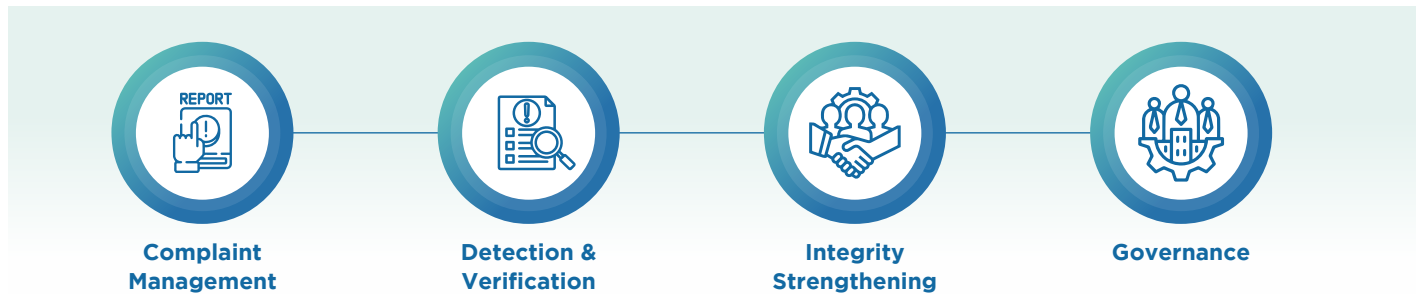
- **Authorities’ Raid/Visit Procedures**

This procedure delineates the critical and practical aspects to be considered to provide an effective response when confronted with an authority raid. It encompasses detailed guidelines and actions necessary for handling the situation, ensuring a comprehensive and well-coordinated approach to address the demands and challenges posed during such encounters. The objective is to facilitate a swift, organised, and compliant response that aligns with legal requirements and safeguards the interests of UEM Edgenta.

CORPORATE INTEGRITY AND ETHICAL BUSINESS CONDUCT

Our Core Functions

Our initiative to combat bribery and corruption within UEM Edgenta encompasses the following core functions aimed at fostering better governance and a culture of integrity, namely:



- **Complaint Management**

Encompassing the establishment of a “Speak Up” channel in managing complaints related to corruption, abuse of power, malpractice, and breaches of the organisation’s code of conduct and ethics. Any internal or external parties can report on illicit activities using the following designated channels:

SPEAK UP!

WAYS TO REPORT

- Email your concern to **whistleblowing@edgenta.com**
- Write to UEM Edgenta Berhad’s Chairman or the Chairman of the Board Governance & Risk Committee using the prescribed Whistleblowing Lodgment Form
- Call **+6019 209 9030 Monday to Friday** (Malaysian office hours) **8.30 am to 5.30 pm**

Whistleblowing

The Integrity & Compliance Unit (“I&C”) is entrusted to supervise, monitor, and hold the responsibility for ensuring the effectiveness of the Speak Up channel and appropriate action are taken in response to each reported instance where all disclosures will be verified and evaluated by the Whistleblowing Committee. The Chairman of the Whistleblowing Committee ensures the efficiency and integrity of the investigation process to guarantee a thorough and timely resolution for every reported case, contributing to the overall integrity and ethical standards of the UEM Edgenta.

CORPORATE INTEGRITY AND ETHICAL BUSINESS CONDUCT

• Detection and Verification

The Detection and Verification function within the Integrity & Compliance Unit (“I&C”), as mandated by the Malaysian Anti-Corruption Commission (“MACC”), involves a systematic process to identify and authenticate reports or information related to potential criminal misconduct, ethical breaches, violations of conduct, and adherence to organisational policies and regulations. This crucial function is designed to ensure the accuracy and validity of each reported case, aligning with the highest standards of integrity and governance.

By adhering to the guidelines set forth by the MACC, I&C plays a pivotal role in upholding transparency, accountability, and ethical standards within the organisation. The I&C meticulously investigates and verifies the received complaints, ensuring a thorough and impartial assessment of the allegations. For that reason, we have:

- Established a dedicated team to investigate grievances related to the complaint channeled to the Speak Up channel.
- Subscribe to investigation intelligence tools and seek assistance to enhance the efficiency and effectiveness of our investigation processes, facilitating thorough analyses, data collation, and informed decision-making.
- Establishment of the e-declaration portal with the purpose to streamlining the declaration process, enhancing transparency, and ensuring compliance with regulations, ultimately contributing to an effective and technologically advanced approach to managing declarations related to Conflict of Interest, Political involvement, Bankruptcy declaration, and Corruption Free Pledge.

• Integrity Strengthening

In line with our commitment to institutionalise the culture of integrity and supports the principles of training and communication as stipulated in the Adequate Procedures Guidelines under subsection (5) of Section 17A of the Malaysian Anti-Corruption Commission Act 2009, UEM Edgenta has continuously disseminated information regarding anti-bribery and anti-corruption through coordination, execution, provision of awareness programs, training, seminars, periodical communication materials. These efforts aim to enhance the practice of core values, ethics, and integrity among employees of UEM Edgenta.

Additionally, we have:

- Conducted periodic engagement with employees through Meet and Greet activities to instill and cultivate the adoption of Integrity & Compliance into the daily operation of Edgenta Stars.
- Conducted integrity awareness session for business partners during Vendor Day in collaboration with Group Procurement and Contract Management
- Conduct integrity awareness and training programs to enhance the understanding and commitment of employees, fostering a culture of ethical behavior, and promoting compliance with standards.
- Established collaboration with external stakeholders, NGOs, and relevant authorities such as Rasuah Busters, Bahagian Pendidikan Masyarakat (“PENMAS”) of MACC, Royal Malaysia Police (“PDRM”), and Transparency International (“TI”) Malaysia.
- Shared Integrity messages through poster communications to Edgenta Stars via Edgenta Connect message.

• Governance

In accordance with the Malaysian Anti-Corruption Commission (“MACC”) mandate, we ensure that our governance function encompasses the establishment and fortification of robust governance practices. This involves the implementation of effective governance mechanisms to uphold integrity, prevent corruption, and ensure compliance with ethical standards. Through systematic governance oversight, UEM Edgenta instill a culture of transparency, accountability, and adherence to the highest standards of integrity where we have established comprehensive policies, procedures, and rigorous monitoring mechanisms. As such we have:

- Continuously reviewed and revised relevant Policies and Procedures to ensure alignment with relevant laws, regulations, and standards.
- Certified by MS ISO 37001:2016 Anti-Bribery Management System signifies our commitment to preventing bribery and promoting ethical business conduct.
- Enhancing our Corruption Risk Management and refining the corruption risk assessment process involves the systematic identification, analysis, and mitigation of potential corruption risks within our organisation.

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES

During the financial year ended 31 December 2023, the total audit and non-audit fees paid or payable incurred for services rendered to the Group and the Company by the external auditors or a firm affiliated to the external auditors are as follows:

	Company RM'000	Group RM'000
Statutory audit services	234	1,617
Non-audit services	60	153
Total	294	1,770

The Group and 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
- Review of purchase price allocation in relation to the acquisition of a subsidiary

2. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

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 26 April 2017, the Company has completed the issuance of RM250.0 million in nominal value of IMTNs with a tenure of 5 years.

On 26 April 2022, the Company redeemed its outstanding IMTNs amounting to RM250.0 million in nominal value upon its maturity. On the same date, the Company has reissued the IMTNs with the same nominal value with a tenor of four years. The IMTNs will mature on 24 April 2026.

The proceeds raised from the IMTNs have been utilised by the Company for its Shariah-compliant general corporate purposes.

3. REVALUATION POLICY ON LANDED PROPERTIES

During the financial year ended 31 December 2023, the Group has adopted MFRS 140: Investment Properties and MFRS 13: Fair Value Measurement (for non-financial instruments) due to the transfer of land held for development to investment properties in 2022.

Accordingly, the Group has adopted revaluation policy on the land classified under investment properties. Please refer to the accounting policy and revaluation of the investment properties in Note 2.4(k) and Note 14 in the Audited Financial Statements which are set out in the pages 268 to 393 of this Annual Report.

4. 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.

5. 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 2024.

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DIRECTORS' RESPONSIBILITY STATEMENT

FOR THE AUDITED FINANCIAL STATEMENTS

The directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards ("MFRS"), the International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The directors are responsible to ensure that the financial statements 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 2023, the Group and the Company have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the applicable MFRS, IFRS and the requirements of the Companies Act 2016 in Malaysia.

The directors are satisfied that they have met their obligations to present a balanced and fair assessment of the Group's and of the Company's position and prospects in the Directors' Report on pages 255 to 260 and the Audited Financial Statements from pages 268 to 393 of this Annual Report.

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 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company is 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 47 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit after tax and zakat	30,094	23,820
Attributable to:		
Owners of the parent	31,112	23,820
Non-controlling interests	(1,018)	-
	30,094	23,820

There were no material transfers to or from reserves or provisions during the financial year.

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 as disclosed in the financial statements.

DIVIDENDS

The amounts of dividends paid by the Company since 31 December 2022 were as follows:

	RM'000
In respect of the financial year ended 31 December 2022 as reported in Directors' report of that year:	
Single tier interim dividend of 4.00 sen on 831,624,030 ordinary shares declared on 28 February 2023 and paid on 18 May 2023	33,265

On 28 February 2024, the Board of Directors has declared a single tier interim dividend of 2.00 sen per ordinary share on 831,624,030 ordinary shares, amounting to RM16,632,481 to be paid on 17 May 2024. The entitlement date is 25 April 2024. 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 2024.

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	
Syahrulizam bin Samsudin*	
Dato' Mohd Izani bin Ghani	
Dato' George Stewart LaBrooy	
Rowina Ghazali Seth	
Jenifer Thien Bit Leong	
Mohd Asrul bin Ab Rahim	
Nurul Iman binti Mohd Zaman	(Appointed on 1 July 2023)
Dato' Dr. Omar bin Abd Hamid	(Appointed on 1 August 2023)
Kua Choo Kai	(Appointed on 8 November 2023)
Dato' Noorazman bin Abd Aziz	(Retired on 15 June 2023)
Shirley Goh	(Resigned on 31 August 2023)

* 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 the director listed above) are:

Ahmad Zakri bin Ismail
 Aliza binti Sulaiman
 Andrew Raj A/L Varatharaju
 Angel Yogesh Vora
 Anil Abraham
 Azam bin Mohamed
 Chen Yen-Yu
 Choo Boon Kwee Colin
 Chua Pei Sum
 Chua Yong Howe
 Effreeza binti Mohamad
 Grace Nesam Poore A/P J. Kannuthurai
 Haziah binti Hamzah
 Ir. Vekneswaran A/L T. Arasappan
 Izdiyar binti Ibrahim
 Jesudason Selvaraj
 Josephine Wong Foong Yin
 Kenneth Anak Tuba
 Leong Kar Yung
 Lim Su San
 Lim Wah Seng
 Lim Wei Hsien Kenny
 Liu Hsiao Fan
 Mazli bin Mohamed Ayob
 Mohamad Zamani bin Razali
 Nur Aisyah binti Osman
 Nuraida binti Ismail

DIRECTORS' REPORT

DIRECTORS (CONTD.)

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

Raihana binti Ahmad	
Rais bin Imran	
Rakesh Devasish Jena	
(Alternate to Chua Pei Sum)	
Razman bin Ismail	
Roli Shukla	
Shariman Yusuf bin Mohamed Zain	
Soo Kian Sin	
Tan Cheh Tian	
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	
Tan Sri Datuk Chen Lok Loi	
Tan Wan San	
(Alternate to Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong)	
Tang Chee Wai	
Tengku Norlinda binti Tengku Hamzah	
Vincent Michael Gin	
Alexander Voytov	(Appointed on 6 February 2024)
Azmy bin Mahbot	(Appointed on 15 March 2024)
Erika Mushtarina bin Mat Ariffin	(Appointed on 13 January 2023 and resigned on 15 March 2024)
Fadi Marwan Alnwilati Almasri	(Appointed on 6 February 2024)
Joseph Hakme	(Appointed on 27 April 2023)
Mazlan bin Yusoff	(Appointed on 29 August 2023)
Mohamed Paiz bin Mohd @ Mohamed Liza	(Appointed on 30 January 2024)
Serge Cherfan	(Appointed on 27 April 2023)
Shaiful Zahrin bin Subhan	(Appointed on 27 January 2023)
Tenzin Doma Yungdung Norbu	(Appointed on 10 October 2023)
Wong Hon U	(Appointed on 13 April 2023 and resigned on 31 October 2023)
Dr. Nik Fawaz bin Nik Abdul Aziz	(Resigned on 4 April 2023)
Enita Azlina binti Osman	(Resigned on 13 January 2023)
Kang Kee Yen	(Resigned on 31 January 2024)
Mohamad Muhazni bin Mukhtar	(Resigned on 30 August 2023)

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' BENEFITS (CONTD.)

The directors' benefits are as follows:

	Group RM'000	Company RM'000
Executive:		
Salaries and other emoluments	1,122	-
Bonus	680	-
Contributions to defined contribution plans	265	-
Allowances	50	-
Benefits-in-kind	26	-
	2,143	-
Non-Executive:		
Fees	1,052	1,052
Allowance	50	50
	1,102	1,102
Total	3,245	1,102

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 RM116,510.

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 ("UEM Group") and Khazanah Nasional Berhad, both incorporated in Malaysia, as its immediate and ultimate holding companies respectively.

DIRECTORS' REPORT

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 EVENTS

Significant events are disclosed in Note 44 to the financial statements.

SUBSEQUENT EVENT

Subsequent event is disclosed in Note 45 to the financial statements.

AUDITORS

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

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	1,016	234
Other member firms of Ernst & Young Global	333	-
Other auditors	268	-
	1,617	234

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 2023.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 March 2024.

Tan Sri Dr. Azmil Khalili bin Dato' Khalid

Syahrulizam 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 Syahrnizam 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 268 to 393 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 2023 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 22 March 2024.

Tan Sri Dr. Azmil Khalili bin Dato' Khalid

Syahrnizam bin Samsudin

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Syahrnizam bin Samsudin, being the Director primarily responsible for the financial management of UEM Edgenta Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 268 to 393 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
Syahrnizam bin Samsudin
at Kuala Lumpur in the Federal Territory
on 22 March 2024.

Syahrnizam bin Samsudin

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 2023 of the Group and of the Company, and the 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 material accounting policy information, as set out on pages 268 to 393.

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 2023, 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 17 – Intangible assets, Note 2.4 (c)(i) and (f) – Summary of material accounting policy information: 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 2023, the carrying amount of goodwill amounted to RM587.6 million, representing 52% and 20% 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;
- 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.

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

(b) Impairment assessment of investment in subsidiaries

(Refer to Note 18 – Investment in subsidiaries, Note 2.4 (f) – Summary of material accounting policy information: 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 2023, the carrying amount of the investment in subsidiaries of the Company amounted to RM1.7 billion, representing 98% and 88% of the Company's total non-current assets and total assets respectively.

At the reporting date, the Company reviewed its investment in subsidiaries for indications of impairment and where such indications exist, the Company performed an impairment assessment to determine the recoverable amounts of such investments. The Company estimated the recoverable amount of the respective CGUs based on the estimated VIU.

We identified the impairment review as an area of focus as the amounts involved are significant and 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. 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, focusing on forecasted revenue, profit margins and long-term growth rate, taking into consideration the current and expected future economic conditions of the respective subsidiaries;
- 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 subsidiaries; and
- We performed sensitivity analysis on key assumptions that will significantly affect the recoverable amounts of the investment in the subsidiaries.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF UEM EDGENTA BERHAD
(INCORPORATED IN MALAYSIA)

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

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 and annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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, 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.

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.

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:

- 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.
- 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, actions taken to eliminate threats or safeguard applied.

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF UEM EDGENTA BERHAD
(INCORPORATED IN MALAYSIA)

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 47 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

22 March 2024

Ismed Darwis Bin Bahatiar

No. 02921/04/2024 J

Chartered Accountant

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	3	2,881,040	2,523,629	62,496	81,934
Cost of sales	4	(2,540,725)	(2,192,154)	-	-
Gross profit		340,315	331,475	62,496	81,934
Other income	5	33,880	49,966	15,465	35,044
Administrative expenses		(242,137)	(228,715)	(28,985)	(39,714)
Selling and marketing expenses		(2,152)	(1,388)	-	-
Other expenses		(51,323)	(50,327)	(10,448)	(18,540)
Operating profit		78,583	101,011	38,528	58,724
Finance costs	6	(23,496)	(20,769)	(14,222)	(13,560)
Share of profit of associates		8,566	13,537	-	-
Share of profit/(loss) of a joint venture		1	(6)	-	-
Profit before tax and zakat	7	63,654	93,773	24,306	45,164
Zakat		(1,160)	(773)	-	-
Income tax expense	10	(32,400)	(47,349)	(486)	(6,955)
Profit after tax and zakat		30,094	45,651	23,820	38,209
Profit/(loss) attributable to:					
Owners of the parent		31,112	45,879	23,820	38,209
Non-controlling interests		(1,018)	(228)	-	-
		30,094	45,651	23,820	38,209
Earnings per share attributable to owners of the parent (sen)	11	3.7	5.5		

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit after tax and zakat		30,094	45,651	23,820	38,209
Other comprehensive income					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations		40,340	23,182	-	-
		40,340	23,182	-	-
<i>Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods:</i>					
Remeasurement (loss)/gain on:					
Retirement benefit scheme	32	-	821	-	-
Defined benefit pension scheme	33	(18)	121	-	-
		(18)	942	-	-
Other comprehensive income for the year		40,322	24,124	-	-
Total comprehensive income for the year		70,416	69,775	23,820	38,209
Total comprehensive income/(loss) attributable to:					
Owners of the parent		71,341	70,003	23,820	38,209
Non-controlling interests		(925)	(228)	-	-
		70,416	69,775	23,820	38,209

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group	
		2023 RM'000	2022 RM'000
Assets			
Non-current assets			
Property, plant and equipment	13	151,848	146,355
Investment properties	14	14,325	13,800
Right-of-use assets	15	35,606	44,246
Land held for property development	16	-	-
Intangible assets	17	710,410	700,893
Investment in associates	19	71,832	72,346
Investment in a joint venture	20	117	116
Other investments	21	232	232
Trade and other receivables	22	92,536	107,366
Contract related assets	23	32,136	73,656
Deferred tax assets	24	23,110	12,513
		1,132,152	1,171,523
Current assets			
Inventories	25	16,754	17,178
Trade and other receivables	22	621,300	491,670
Contract related assets	23	441,896	359,404
Tax recoverable		38,341	32,184
Short term investments	26	26,616	97,178
Cash, bank balances and deposits	27	615,816	609,486
		1,760,723	1,607,100
Assets of disposal group classified as held for sale	28	61,445	90,048
Total assets		2,954,320	2,868,671

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group	
		2023 RM'000	2022 RM'000
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	29	268,074	268,074
Capital reserve	30	313,856	313,856
Other reserves	31	63,607	23,066
Retained earnings		973,723	975,894
		1,619,260	1,580,890
Non-controlling interests		5,008	3,141
Total equity		1,624,268	1,584,031
Non-current liabilities			
Retirement benefit obligations	32	893	1,046
Defined benefit pension plans	33	3,226	709
Provisions	34	4,132	4,280
Borrowings	35	314,344	331,639
Lease liabilities	15	19,540	28,210
Trade and other payables	36	6,548	10,776
Deferred tax liabilities	24	41,043	47,128
		389,726	423,788
Current liabilities			
Retirement benefit obligations	32	268	1,036
Provisions	34	-	1,620
Borrowings	35	175,519	127,111
Lease liabilities	15	13,483	12,744
Trade and other payables	36	689,107	665,385
Contract liabilities	23	31,916	30,777
Income tax payable		29,006	19,008
		939,299	857,681
Liabilities of disposal group classified as held for sale	28	1,027	3,171
Total liabilities		1,330,052	1,284,640
Total equity and liabilities		2,954,320	2,868,671

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Company	
		2023 RM'000	2022 RM'000
Assets			
Non-current assets			
Property, plant and equipment	13	8,853	8,640
Right-of-use assets	15	21,594	32,195
Intangible assets	17	-	-
Investment in subsidiaries	18	1,674,021	1,673,261
Other investments	21	232	232
Other receivables	22	2,285	-
		1,706,985	1,714,328
Current assets			
Other receivables	22	193,986	115,076
Cash, bank balances and deposits	27	3,246	62,289
		197,232	177,365
Total assets		1,904,217	1,891,693
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	29	268,074	268,074
Capital reserve	30	788,375	788,375
Other merger reserve	30	482,035	482,035
Accumulated losses		(19,386)	(9,941)
		1,519,098	1,528,543
Non-current liabilities			
Borrowings	35	250,000	250,000
Lease liabilities	15	10,632	20,901
		260,632	270,901
Current liabilities			
Borrowings	35	85,000	52,000
Lease liabilities	15	9,582	9,700
Income tax payable		4,375	4,144
Other payables	36	25,530	26,405
		124,487	92,249
Total liabilities		385,119	363,150
Total equity and liabilities		1,904,217	1,891,693

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 2023

Group	Attributable to owners of the parent					Non-controlling interests RM'000	Total equity RM'000
	Non-distributable			Retained earnings RM'000	Total RM'000		
	Share capital (Note 29) RM'000	Capital reserve (Note 30) RM'000	Other reserves (Note 31) RM'000				
At 1 January 2023	268,074	313,856	23,066	975,894	1,580,890	3,141	1,584,031
Profit/(loss) for the year	-	-	-	31,112	31,112	(1,018)	30,094
Other comprehensive income/(loss)	-	-	40,247	(18)	40,229	93	40,322
Total comprehensive income/(loss)	-	-	40,247	31,094	71,341	(925)	70,416
Acquisition of a subsidiary	-	-	294	-	294	6,392	6,686
Transactions with owners							
Dividends paid to shareholders of the Company (Note 12)	-	-	-	(33,265)	(33,265)	-	(33,265)
Capital repayment to a non-controlling shareholder of a subsidiary	-	-	-	-	-	(3,600)	(3,600)
At 31 December 2023	268,074	313,856	63,607	973,723	1,619,260	5,008	1,624,268
At 1 January 2022	268,074	313,856	(116)	954,022	1,535,836	3,519	1,539,355
Profit/(loss) for the year	-	-	-	45,879	45,879	(228)	45,651
Other comprehensive income	-	-	23,182	942	24,124	-	24,124
Total comprehensive income/(loss)	-	-	23,182	46,821	70,003	(228)	69,775
Transactions with owners							
Dividends paid to:							
- Shareholders of the Company (Note 12)	-	-	-	(24,949)	(24,949)	-	(24,949)
- Non-controlling shareholders of subsidiaries	-	-	-	-	-	(150)	(150)
	-	-	-	(24,949)	(24,949)	(150)	(25,099)
At 31 December 2022	268,074	313,856	23,066	975,894	1,580,890	3,141	1,584,031

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 2023

Company	Share capital (Note 29) RM'000	Capital reserve (Note 30) RM'000	Other merger reserve (Note 31) RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 January 2023	268,074	788,375	482,035	(9,941)	1,528,543
Total comprehensive income	-	-	-	23,820	23,820
Transaction with owners					
Dividends (Note 12)	-	-	-	(33,265)	(33,265)
At 31 December 2023	268,074	788,375	482,035	(19,386)	1,519,098
At 1 January 2022	268,074	788,375	482,035	(23,201)	1,515,283
Total comprehensive income	-	-	-	38,209	38,209
Transaction with owners					
Dividends (Note 12)	-	-	-	(24,949)	(24,949)
At 31 December 2022	268,074	788,375	482,035	(9,941)	1,528,543

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities				
Cash receipts from customers	2,958,456	2,689,352	14,350	77,297
Cash payments to suppliers	(1,464,545)	(1,178,018)	-	-
Cash payments to employees and for expenses	(1,484,117)	(1,362,648)	(25,827)	(69,304)
Cash generated from/(used in) operations	9,794	148,686	(11,477)	7,993
Interest paid	(22,158)	(19,221)	(14,386)	(13,853)
Net taxes and zakat paid	(45,385)	(25,147)	(255)	-
Net cash flows (used in)/generated from operating activities	(57,749)	104,318	(26,118)	(5,860)
Cash flows from investing activities				
Proceeds from disposal of an associate	-	38,174	-	-
Net cash inflows from the acquisition of a subsidiary	394	-	-	-
Acquisition of shares in a joint venture	-	(122)	-	-
Proceeds from disposal of property, plant and equipment	87	50	-	-
Subscription of additional shares in subsidiary companies	-	-	(760)	(713)
Placement of short term investments	-	(67,938)	-	-
Proceeds from withdrawal of short term investments	71,930	-	-	-
Interest received	7,328	3,923	880	96
Dividends received from associates	9,080	4,800	-	-
Dividends received from subsidiaries	-	-	36,506	53,258
Purchase of property, plant and equipment	(41,279)	(21,814)	(602)	(623)
Purchase of intangible assets (Note (b))	(4,886)	(2,310)	-	(926)
Advances to subsidiaries	-	-	(57,579)	(1,378)
Net cash flows generated from/(used in) investing activities	42,654	(45,237)	(21,555)	49,714

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from financing activities				
Issuance of shares to non-controlling interest	466	-	-	-
Drawdown of borrowings	125,863	428,437	35,000	275,000
Repayment of borrowings	(96,463)	(408,614)	(2,000)	(275,000)
Repayment of lease liabilities	(11,639)	(7,251)	(11,043)	(7,073)
Dividends paid	(33,265)	(24,949)	(33,265)	(24,949)
Capital repayment to a non-controlling shareholder of a subsidiary	(3,600)	-	-	-
Dividends paid to non-controlling shareholders of subsidiaries	-	(150)	-	-
Net withdrawal/(placement) of pledged fixed deposits	2,484	(7,512)	-	-
Net cash flows used in financing activities	(16,154)	(20,039)	(11,308)	(32,022)
Net (decrease)/increase in cash and cash equivalents	(31,249)	39,042	(58,981)	11,832
Net foreign exchange difference	15,273	(489)	(62)	-
Cash and cash equivalents at beginning of year	593,313	554,760	62,289	50,457
Cash and cash equivalents at end of year (Note a)	577,337	593,313	3,246	62,289
(a) Cash and cash equivalents comprise:				
Cash in hand and at banks	421,716	478,242	1,746	53,289
Fixed deposits with licensed banks	194,100	131,244	1,500	9,000
Cash, bank balances and deposit (Note 27)	615,816	609,486	3,246	62,289
Add: Cash and bank of disposal group (Note 28)	12,046	35,840	-	-
Less: Fixed deposits on lien	(4,763)	(4,219)	-	-
Less: Fixed deposits pledged	(20,686)	(22,160)	-	-
Less: Cash and fixed deposit restricted in usage	(25,076)	(25,634)	-	-
	577,337	593,313	3,246	62,289

- (b) In the previous financial year, included in the purchase of intangible assets of the Group and the Company amounted to RM0.9 million relates to amounts paid for intangible assets that had been capitalised in prior years.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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 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 activity 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 47.

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 22 March 2024.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

2.2 Changes in accounting policies

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

On 1 January 2023, the Group and the Company adopted the following amendments to MFRS mandatory for financial period beginning on or after 1 January 2023:

	Effective for annual period beginning on or after
Amendments to MFRS 101: Presentation of Financial Statements and MFRS Practice Statement 2 (Disclosure of Accounting Policies)	1 January 2023
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application MFRS 17 and MFRS 9 - Comparative Information	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 112: International Tax Reform - Pillar Two Model Rules	1 January 2023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.2 Changes in accounting policies (contd.)

Amendments to MFRS 101: Presentation of Financial Statements and MFRS Practice Statement 2 (Disclosure of Accounting Policies)

The amendments to MFRS 101 and MFRS Practice Statement 2 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

On 2 June 2023, the Malaysian Accounting Standards Board has also issued the Amendments to MFRS 112 Income Taxes International Tax Reform - Pillar Two Model Rules. This pronouncement is effective from annual period beginning on or after 1 January 2023. On 29 December 2023, Pillar Two legislation has been enacted in Malaysia, which will come into effect on 1 January 2025.

The amendments had no impact on the Group's consolidated financial statements as the Group is not in scope of Pillar Two model rules as its revenue is less than EUR750 million/year.

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company.

2.3 Standards issued but not yet effective

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

	Effective for annual periods beginning on or after
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 16: Lease liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 107 and MFRS 7: Disclosures of Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Board of Directors expect that the adoption of the above amendments to MFRSs will not have a material impact on the financial statements in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of material 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. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement(s) with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting right

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred 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.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of material accounting policies (contd.)

(b) Investment in associates and joint venture

The Group holds interest in associates and joint venture as disclosed in Note 19 and Note 20, respectively.

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.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The financial statements of the associates and joint venture are prepared for the same reporting period as the Group. The accounting policies of the associates and joint venture are aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of profit or loss of the investees after the date of acquisition.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

(c) Intangible assets

(i) Goodwill

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

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(q).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of material accounting policies (contd.)

(c) Intangible assets (contd.)

(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.

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.

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 4.75 to 15 years (2022: 10 to 15 years) and 3 to 10 years (2022: 5 to 10 years) respectively. Amortisation is charged on a straight line basis and the expense is recognised in profit or loss.

Software

Software that do not form an integral part of the related hardware have been reclassified as intangible assets. Software is considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products between 3 and 10 years. 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.

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

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of material accounting policies (contd.)

(d) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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.

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% - 7.5%
Plant and equipment	5% - 50%
Furniture and fittings	10% - 20%
Motor vehicles	20%
Computers	20% - 33%
Machinery	10% - 20%
Office equipment	10% - 20%

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.

(e) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of material accounting policies (contd.)

(f) Impairment of non-financial assets

The Group and the Company assess 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 and the Company make an estimate of the asset's recoverable amount.

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

(g) 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.

(h) Financial instruments

(i) Financial assets

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.

For purposes of subsequent measurement, the Group and the Company have classified its financial assets into two categories:

Financial assets at amortised cost (debt instruments)

The Group's and the Company's financial assets at amortised cost includes trade and other receivables, and cash, bank balances and deposits.

Financial assets at fair value through profit or loss ("FVTPL")

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of material accounting policies (contd.)

(h) Financial instruments (contd.)

(i) Financial assets (contd.)

Impairment

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss.

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. In measuring ECLs, the Group and the Company take into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forward-looking factors specific to the debtors.

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

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables.

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 and the Company's financial liabilities include trade and other payables, borrowings and lease liabilities.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group and the Company. After initial recognition, trade payables, other payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of material accounting policies (contd.)

(i) Cash, bank balances and deposits

Cash, bank balances and deposits in the statements of financial position comprise cash at banks and on hand and short-term liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash, bank balances and deposits, as defined above.

(j) Leases

The Group and the Company assess 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.

As a lessee

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

i. Right-of-use assets

The Group and the Company recognise 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.

Right-of-use assets are depreciated on a straight-line basis over the estimated useful lives of the assets, as follows:

Leasehold land	15 to 94 years
Office premises	2 to 10 years
Motor vehicles	2 to 3 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of material accounting policies (contd.)

(j) Leases (contd.)

As a lessee (contd.)

i. Right-of-use assets (contd.)

If ownership of the leased asset transfers to the Group and the Company 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(f).

ii. Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and the payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate.

In calculating the present value of lease payments, the Group and the Company use 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.

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.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of material accounting policies (contd.)

(k) Investment properties

Investment properties comprise properties which are held either to earn rental income or capital appreciation or both.

Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer having appropriate recognised professional qualification and relevant experience.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(m) Taxes

(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 and the Company operate and generates taxable income.

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of material accounting policies (contd.)

(m) Taxes (contd.)

(ii) Deferred tax (contd.)

The Group has adopted International Tax Reform - Pillar Two Model rules upon its release on 2 June 2023. The amendments provide a temporary mandatory relief from deferred tax accounting for the top-up tax which is effective immediately and new disclosures of Pillar Two top-up taxes. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. The application of the pronouncement is further discussed in Note 2.2.

(iii) Sales and service tax

Indirect taxes include Sales Tax, Service Tax and Goods and Services Tax (also known as Value Added Tax).

The amount of indirect taxes payable to taxation authority is included as part of payables in the statements of financial position.

Indirect taxes incurred on the purchase of assets or services which cannot be recovered from the respective tax authorities are recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The difference between output and input Goods and Services Tax, being the amount payable to or receivable from the respective taxation authorities at the reporting date, is included in other payables or other receivables respectively in the statements of financial position.

(n) Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with.

Government grant related to income

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are deducted from related expenses.

(o) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of material accounting policies (contd.)

(p) 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 and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF").

(iv) Defined benefit plan

The Group's subsidiaries operate defined benefit pension schemes for its eligible employees. The benefit is unfunded. A liability or asset is recognised when there is a shortfall or surplus in a defined benefit pension scheme, being the difference between the fair value of the scheme assets and liabilities as determined by an independent actuary. Actuarial gains and losses are recognised in full in other comprehensive income at the time of valuation.

Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods.

The cost of providing benefits under this plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine the current service cost) and to the current and prior periods (to determine the present value of the defined benefit obligation) and is based on actuarial advice. The current service cost is charged to profit or loss. Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if benefits have vested.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of material accounting policies (contd.)

(p) Employee benefits (contd.)

(iv) Defined benefit plan (contd.)

A charge representing the unwinding of the discount on the plan liabilities during the year is included in profit or loss as administrative expenses. A credit representing the expected return of the plan assets during the year is also included within administrative expenses. This credit is based on the market value of the plan assets and expected rates of return at the beginning of the year.

(v) 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.

(q) Foreign currencies

The Group's consolidated financial statements are presented in Malaysian Ringgit ("MYR"), which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

In the consolidated financial statements, currency translation differences arising from intercompany borrowing in foreign currencies and other currency instruments designated and qualifying as net investment in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve. The repayment of borrowings which forming part of the Group's net investment in foreign operation by a subsidiary is considers as a partial disposal and it related foreign currency exchange differences are reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of material accounting policies (contd.)

(q) Foreign currencies (contd.)

(i) Transactions and balances (contd.)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into MYR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(r) Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of material accounting policies (contd.)

(s) 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 and the Company consider 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 and the Company expect to be entitled in exchange for those goods or services. The Group and the Company have 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of material accounting policies (contd.)

(s) Income recognition (contd.)

Revenue from contracts with customers (contd.)

(ii) Healthcare support (contd.)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of material accounting policies (contd.)

(s) Income recognition (contd.)

Revenue from contracts with customers (contd.)

(iv) Property and facility solutions (contd.)

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.

Other income recognition

(i) Dividend income

Dividend income is recognised when the Group's and the Company'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.

(t) Contract balances

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

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of material accounting policies (contd.)

(t) Contract balances (contd.)

Contract fulfillment assets (contd.)

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.

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.

(u) 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 43, including the factors used to identify the reportable segments and the measurement basis of segment information.

(v) Fair value measurement

The Group and the Company measure financial instruments such as short-term investments, and non-financial assets such as investment properties, at fair value at each balance sheet date.

The Group and the Company use 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.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group and the Company determine 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

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.

(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 value-in-use of the CGU to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to determine suitable discount and growth rates in order to calculate the present value of those cash flows. The carrying amounts of goodwill at 31 December 2023 was RM587.6 million (2022: RM561.0 million). Further details are disclosed in Note 17(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 VIU of the investment in subsidiaries. Estimating a VIU 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 2023 was RM1,674.0 million (2022: RM1,673.3 million). Further details are disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTD.)

2.5 Significant accounting judgements and estimates (contd.)

(b) Key sources of estimation uncertainty (contd.)

(iv) Allowance 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 22 and Note 23 respectively.

(v) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(vi) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The deferred tax assets amounting to RM23.1 million (2022: RM12.5 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 RM52.4 million (2022: RM53.4 million). Further details are disclosed in Note 24.

(vii) Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent professional valuers to perform value on its investment properties as at 31 December 2023. The valuation methodology commonly used is the comparison method which is based on comparable historical transactions adjusted for specific market factors such as location, size, condition, accessibility and design of the respective properties.

The details of the investment properties are disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Revenue from contracts with customers (a)</u>				
Asset consultancy	89,438	99,520	-	-
Healthcare support	1,527,879	1,487,871	-	-
Infrastructure services	998,249	768,997	-	-
Property and facility solutions	227,388	163,766	-	-
Others	38,086	3,475	-	-
Management fees	-	-	-	22,748
	2,881,040	2,523,629	-	22,748
<u>Revenue from other sources</u>				
Dividend income from subsidiaries	-	-	62,496	59,186
Total revenue	2,881,040	2,523,629	62,496	81,934
(a) Revenue from contracts with customers are recognised:				
- At a point in time	48,112	50,070	-	-
- Over time	2,832,928	2,473,559	-	22,748
	2,881,040	2,523,629	-	22,748
(b) Geographical markets				
Malaysia	1,786,030	1,567,649	62,496	81,934
United Arab Emirates	112,789	75,057	-	-
Saudi Arabia	31,768	-	-	-
Indonesia	1,194	12,092	-	-
Singapore	428,488	401,867	-	-
Taiwan	520,771	466,964	-	-
	2,881,040	2,523,629	62,496	81,934

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2023 due within one year is RM1.7 billion (2022: RM1.7 billion) and due more than one year is RM4.8 billion (2022: RM4.6 billion). These relate to performance obligations from long term service contracts that is to be satisfied within 1 to 22 years (2022: within 1 to 23 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

4. COST OF SALES

	Group	
	2023 RM'000	2022 RM'000
Asset consultancy	68,239	77,454
Healthcare support	1,367,760	1,328,670
Infrastructure services	867,015	646,997
Property and facility solutions	206,423	138,811
Property development:		
- completed properties held for sale	2,923	2,413
- other costs	224	*(2,710)
Others	28,141	519
	2,540,725	2,192,154

* Included in other costs relates to reversal of cost which was accrued in prior years.

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 RM220.5 million and RM2.9 million (2022: RM197.0 million and RM2.4 million) respectively.

5. OTHER INCOME

Included in other income are:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Dividend income from short term investments	47	733	-	-
Interest income from:				
- fixed deposits	7,134	3,232	598	77
- advances to subsidiaries	-	-	3,335	5,414
License and commission fees from an associate	-	1,197	-	-
Reversal of allowance for ECL on trade and other receivables (Note 22)	2,487	3,812	945	16,507
Fair value adjustment on investment properties (Note 14)	525	13,323	-	-
Fair value gain on short term investment	1,306	174	-	-
Bad debt recovered	8	771	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

5. OTHER INCOME (CONTD.)

Included in other income are: (contd.)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net foreign exchange gain:				
- realised	348	-	345	30
- unrealised	151	914	371	1,314
Gain on derecognition of lease	108	495	65	-
Accretion of interest on				
- concession receivables	15,423	17,459	-	-
- loans and receivables	4,696	2,658	-	-
Rental income	134	147	9,800	9,821

6. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense on:				
- bank borrowings	21,708	18,176	13,407	12,615
- lease liabilities (Note 15)	1,092	1,204	803	901
Amortisation of capitalised borrowing cost	91	135	-	31
Commitment fees	203	457	-	-
Bank charges	402	797	12	13
	23,496	20,769	14,222	13,560

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

7. PROFIT BEFORE TAX AND ZAKAT

The following amounts have been charged/(credited) in arriving at profit before tax and zakat:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Employee benefits expense (Note 8)	1,172,349	1,086,589	98	13,954
Non-executive directors' remuneration excluding benefits-in-kind (Note 9)	1,102	1,197	1,102	1,197
Auditors' remuneration:				
Statutory audit:				
- Ernst & Young PLT	1,016	964	234	212
- other member firms of Ernst & Young Global	333	444	-	-
- other auditors	268	66	-	-
Other assurance services	15	15	15	15
Other services	138	420	45	350
Amortisation of intangible assets (Note 17)	27,908	25,693	-	1,215
Depreciation of right-of-use assets (Note 15)	14,982	13,626	9,617	10,855
Depreciation of property, plant and equipment (Note 13)	44,222	44,241	389	1,284
Net loss on disposal of plant and equipment	742	340	-	-
Property, plant and equipment written off (Note 13)	-	1,365	-	-
Allowance for ECL on trade and other receivables (Note 22)	1,599	5,375	-	-
Bad debts written off	801	1,025	-	-
Impairment loss on investment in a subsidiary (Note 18(b))	-	-	-	4,516
Inventories written off (Note 25)	-	12,762	-	-
Net foreign exchange loss:				
- realised	-	820	-	-
Reversal of provision for Long-Term Incentive Plan (Note 34)	(1,620)	-	-	-
Loss on disposal of an associate (Note 19)	-	251	-	-
Tax penalty	-	1,530	-	1,530

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Wages and salaries	883,161	805,536	52	8,613
Contributions to statutory Employees Provident Fund ("EPF")	80,223	77,974	2	1,270
Social security contributions	3,250	2,961	-	89
Retirement benefit obligations (Note 32)	(600)	411	-	-
Decrease in liability for defined benefit pension plan (Note 33)	(10)	(124)	-	-
Employees' service entitlements (Note 34(a))	171	653	-	-
Staff rationalisation cost	1,596	12,672	-	-
Other benefits	204,558	186,506	44	3,982
Total employee benefits recognised in profit or loss (Note 7)	1,172,349	1,086,589	98	13,954

Included in employee benefits expense of the Group and the Company are executive directors' remuneration, excluding benefits-in-kind, amounting to RM2.1 million (2022: RM1.5 million) and nil (2022: RM0.6 million), respectively as further disclosed in Note 9.

9. DIRECTORS' REMUNERATION

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	1,122	1,020	-	255
Bonus	680	255	-	255
Contributions to defined contribution plans	265	191	-	71
Allowances	50	50	-	13
Benefits-in-kind	26	28	-	7
	2,143	1,544	-	601
Non-Executive:				
Fees	1,052	1,144	1,052	1,144
Allowances	50	53	50	53
	1,102	1,197	1,102	1,197
Total	3,245	2,741	1,102	1,798
Total excluding benefits-in-kind	3,219	2,713	1,102	1,791

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

9. DIRECTORS' REMUNERATION (CONTD.)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 8)	2,117	1,516	-	594
Total non-executive directors' remuneration excluding benefits-in-kind (Note 7)	1,102	1,197	1,102	1,197
Total directors' remuneration excluding benefits-in-kind (Note 39(b))	3,219	2,713	1,102	1,791

The remuneration of the executive directors are paid for by a subsidiary of the Company during the financial year.

The number of directors of the Company whose total remunerations during the year fell within the following bands is analysed below:

	No. of Directors	
	2023	2022
Executive directors:		
RM550,001 - RM600,000	-	1
Non-executive directors:		
Below RM50,000	1	2
RM50,001 - RM100,000	2	1
RM100,001 - RM150,000	3	4
RM150,001 - RM200,000	2	2
RM200,001 - RM250,000	-	-
RM250,001 - RM300,000	1	1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

10. INCOME TAX EXPENSE

Major components of income tax expense

Major components of income tax expense for the years ended 31 December 2023 and 2022 are:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current income tax:				
- Malaysian income tax	21,336	18,097	136	25
- Foreign tax	28,205	22,310	-	-
- Capital gain tax [#]	-	3,612	-	-
	49,541	44,019	136	25
(Over)/underprovision of income tax in prior years:				
- Malaysian income tax [*]	(79)	7,345	350	6,930
- Foreign tax	403	1,257	-	-
	324	8,602	350	6,930
	49,865	52,621	486	6,955
Deferred tax (Note 24):				
- Relating to origination and reversal of temporary differences	(16,386)	(6,370)	-	-
- (Over)/underprovision in prior years	(1,079)	1,098	-	-
	(17,465)	(5,272)	-	-
Income tax recognised in profit or loss	32,400	47,349	486	6,955

[#] Relates to capital gain tax paid to tax authority upon disposal of an associate in the previous financial year in India as disclosed in Note 19.

^{*} Included in the underprovision of Malaysian income tax in the previous financial year was an amount of RM5.3 million recorded resulted from out-of-court settlement with Director General of Inland Revenue Board ("DGIR").

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 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

FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 and 2022 are as follows:

Group	2023 RM'000	2022 RM'000
Profit before tax and zakat	63,654	93,773
Less: Zakat	(1,160)	(773)
	62,494	93,000
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	14,999	22,320
Tax effect on share of profit of associates	(2,056)	(3,249)
Tax effect on share of profit of a joint venture	(1)	(1)
Income not subject to tax	(914)	(526)
Foreign income not subject to tax	(2,863)	(4,347)
Non-deductible expenses	26,722	23,297
Different tax rates in other countries	(1,780)	(1,816)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(6,067)	(6,643)
Deferred tax assets not recognised during the year	5,115	5,002
Capital gain tax	-	3,612
(Over)/underprovision of deferred tax in prior years	(1,079)	1,098
Underprovision of income tax expense in prior years	324	8,602
Income tax expense recognised in statement of comprehensive income	32,400	47,349

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

Company	2023 RM'000	2022 RM'000
Profit before tax and zakat	24,306	45,164
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	5,833	10,839
Non-deductible expenses	9,234	12,800
Foreign income not subject to tax	(1,674)	(770)
Income not subject to tax	(13,567)	(18,384)
Utilisation of previously unrecognised tax losses and other deductible temporary differences	310	(4,460)
Underprovision of income tax expense in prior years	350	6,930
Income tax expense recognised in statement of comprehensive income	486	6,955

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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	
	2023 RM'000	2022 RM'000
Profit attributable to owners of the parent	31,112	45,879
	Number of shares '000	Number of shares '000
Weighted average number of ordinary shares in issue	831,624	831,624
	Sen	Sen
Basic earnings per share	3.7	5.5

There are no potential ordinary shares outstanding as at 31 December 2023. As such, the diluted earnings per share of the Group is equivalent to the basic earnings per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

12. DIVIDENDS

	Company			
	Amount		Net Dividends per Ordinary Share	
	2023 RM'000	2022 RM'000	2023 Sen	2022 Sen
Recognised during the financial year:				
Single tier interim dividend for the financial year ended 2022:				
4.00 sen on 831,624,030 ordinary shares declared on 28 February 2023 and paid on 18 May 2023	33,265	-	4.00	-
Single tier interim dividend for the financial year ended 2021:				
3.00 sen on 831,624,030 ordinary shares declared on 24 February 2022 and paid on 19 May 2022	-	24,949	-	3.00

On 28 February 2024, the Board of Directors has declared a single tier interim dividend of 2.00 sen per ordinary share on 831,624,030 ordinary shares, amounting to RM16,632,481 to be paid on 17 May 2024. The entitlement date is 25 April 2024. 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 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

13. PROPERTY, PLANT AND EQUIPMENT

Group 2023	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
Cost					
At 1 January 2023	1,160	12,149	509,819	-	523,128
Additions	-	-	36,599	11,640	48,239
Acquisition of a subsidiary (Note 44(a))	-	-	1,191	-	1,191
Disposals	-	-	(6,628)	-	(6,628)
Written off	-	-	(11,009)	-	(11,009)
Exchange differences	-	-	2,258	-	2,258
At 31 December 2023	1,160	12,149	532,230	11,640	557,179
Accumulated depreciation and impairment loss					
At 1 January 2023	-	2,158	374,615	-	376,773
Charge for the year (Note 7)	-	216	44,006	-	44,222
Disposals	-	-	(5,799)	-	(5,799)
Written off	-	-	(11,009)	-	(11,009)
Exchange differences	-	-	1,144	-	1,144
At 31 December 2023	-	2,374	402,957	-	405,331
Net carrying amount					
At 31 December 2023	1,160	9,775	129,273	11,640	151,848

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group 2022	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
Cost					
At 1 January 2022	1,160	12,149	516,830	856	530,995
Additions	-	-	25,465	-	25,465
Disposals	-	-	(4,111)	-	(4,111)
Written off	-	-	(28,965)	(151)	(29,116)
Reclassification	-	-	705	(705)	-
Reclassification to asset held for sale	-	-	(834)	-	(834)
Exchange differences	-	-	729	-	729
At 31 December 2022	1,160	12,149	509,819	-	523,128
Accumulated depreciation and impairment loss					
At 1 January 2022	-	1,935	362,558	-	364,493
Charge for the year (Note 7)	-	223	44,018	-	44,241
Disposals	-	-	(3,721)	-	(3,721)
Written off	-	-	(27,751)	-	(27,751)
Reclassification to asset held for sale	-	-	(826)	-	(826)
Exchange differences	-	-	337	-	337
At 31 December 2022	-	2,158	374,615	-	376,773
Net carrying amount					
At 31 December 2022	1,160	9,991	135,204	-	146,355

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Company 2023	Buildings RM'000	Equipment, furniture, fittings, office equipment, motor vehicles and computers RM'000	Total RM'000
Cost			
At 1 January 2023	9,759	4,134	13,893
Additions	-	602	602
At 31 December 2023	9,759	4,736	14,495
Accumulated depreciation and impairment loss			
At 1 January 2023	1,636	3,617	5,253
Charge for the year (Note 7)	-	389	389
At 31 December 2023	1,636	4,006	5,642
Net carrying amount	8,123	730	8,853

Company 2022	Buildings RM'000	Equipment, furniture, fittings, office equipment, motor vehicles and computers RM'000	Total RM'000
Cost			
At 1 January 2022	9,759	19,650	29,409
Additions	-	623	623
Transfer to a subsidiary	-	(16,139)	(16,139)
At 31 December 2022	9,759	4,134	13,893
Accumulated depreciation and impairment loss			
At 1 January 2022	1,441	16,296	17,737
Charge for the year (Note 7)	195	1,089	1,284
Transfer to a subsidiary	-	(13,768)	(13,768)
At 31 December 2022	1,636	3,617	5,253
Net carrying amount	8,123	517	8,640

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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 35(a)) are as follows:

	Group	
	2023 RM'000	2022 RM'000
Plant and equipment	83,849	92,829

- (b) During the year, the Group and the Company acquired property, plant and equipment by way of:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash payment	41,279	21,814	602	623
Other payables	6,960	3,651	21	-
	48,239	25,465	623	623

- (c) In the previous financial year, plant and equipment with net carrying amount of RM8,000 has been reclassified to asset held for sale as disclosed in Note 28.

14. INVESTMENT PROPERTIES

	Group	
	2023 RM'000	2022 RM'000
At 1 January	13,800	-
Transfer from land held for property development (Note 16)	-	477
Fair value adjustment (Note 5)	525	13,323
At 31 December	14,325	13,800

The Group's investment properties consist of two pieces of land in Sabah, which is held under lease term.

As at 31 December 2023 and 2022, the fair values of the properties are based on valuations performed by Raine & Horne International, an accredited independent valuer. Raine & Horne International is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

For the financial year ended 31 December 2023, the expenses incurred in relation to the investment properties was RM3,000 (2022: RM15,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14. INVESTMENT PROPERTIES (CONTD.)

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Description of valuation techniques

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle where a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

Investment properties valued using the comparison method with significant adjustments made for differences such as location, size, condition, accessibility and design ("adjustment factors") are categorised as Level 3 in the fair value hierarchy. The significant unobservable inputs for this category of investment properties, which are the adjustment factors, range generally between -25% and 20% (2022: -20% and 15%) of the property's comparable.

Sensitivity analysis

An increase in the price per square feet of comparable properties in the surrounding vicinity will result in an increase of fair value of the investment properties.

Fair value measurement hierarchy for investment properties

Group	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Land	31 December 2023	-	-	14,325
Land	31 December 2022	-	-	13,800

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14. INVESTMENT PROPERTIES (CONTD.)

Fair value measurement hierarchy for investment properties (contd.)

The following table show a reconciliation of Level 3 fair value:

	Group	
	2023 RM'000	2022 RM'000
Land		
As at 1 January	13,800	-
Transfer from land held for development	-	477
Fair value adjustment	525	13,323
As at 31 December	14,325	13,800

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group and the Company have 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 and the Company have 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 and the Company's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Group and the Company also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group and the Company apply 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:

Group	Leasehold land RM'000	Office premises RM'000	Motor vehicles RM'000	Total RM'000
As at 1 January 2023	4,600	39,532	114	44,246
Additions	-	7,191	75	7,266
Acquisition of a subsidiary (Note 44(a))	-	305	-	305
Depreciation (Note 7)	(116)	(14,770)	(96)	(14,982)
Derecognition	-	(1,674)	-	(1,674)
Foreign exchange differences	-	445	-	445
As at 31 December 2023	4,484	31,029	93	35,606

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTD.)

Group	Leasehold land RM'000	Office premises RM'000	Motor vehicles RM'000	Total RM'000
As at 1 January 2022	4,698	32,491	92	37,281
Additions	-	20,920	156	21,076
Depreciation (Note 7)	(98)	(13,394)	(134)	(13,626)
Derecognition	-	(559)	-	(559)
Foreign exchange differences	-	74	-	74
As at 31 December 2022	4,600	39,532	114	44,246

Company	Leasehold land RM'000	Office premises RM'000	Total RM'000
As at 1 January 2023	2,929	29,266	32,195
Depreciation (Note 7)	(34)	(9,583)	(9,617)
Derecognition	-	(984)	(984)
As at 31 December 2023	2,895	18,699	21,594
As at 31 December 2022	2,963	28,443	31,406
Additions	-	11,644	11,644
Depreciation (Note 7)	(34)	(10,821)	(10,855)
As at 31 December 2022	2,929	29,266	32,195

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTD.)

As at 31 December 2023, leasehold land with an aggregate carrying value of RM1.8 million (2022: RM2.0 million) are pledged as securities for banking facilities (Note 35(a)).

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
As at 1 January	40,954	33,619	30,601	29,395
Additions	7,233	21,667	-	11,644
Acquisition of a subsidiary (Note 44(a))	330	-	-	-
Accretion of interest (Note 6)	1,092	1,204	803	901
Amounts billed	(15,160)	(14,438)	(10,141)	(11,339)
Derecognition	(1,782)	(1,054)	(1,049)	-
Foreign exchange differences	356	(44)	-	-
As at 31 December	33,023	40,954	20,214	30,601
Disclosed as:				
- Current	13,483	12,744	9,582	9,700
- Non-current	19,540	28,210	10,632	20,901
	33,023	40,954	20,214	30,601

The Group and the Company had total cash outflows for leases (including short-term leases and low-value assets) of RM15.6 million (2022: RM10.3 million) and RM11.5 million (2022: RM7.9 million) respectively.

Included in profit or loss of the Group and the Company:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Expense relating to leases of short-term leases	3,600	2,799	488	753
Expense relating to leases of low-value assets	371	247	9	28
	3,971	3,046	497	781

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

16. LAND HELD FOR PROPERTY DEVELOPMENT

	Group		
	Land RM'000	Development expenditure RM'000	Total RM'000
As at 31 December 2023			
At cost			
At 1 January 2023/ 31 December 2023	-	6,674	6,674
Accumulated impairment loss			
At 1 January 2023/ 31 December 2023	-	6,674	6,674
Carrying amount at 31 December 2023	-	-	-
As at 31 December 2022			
At cost			
At 1 January 2022	830	6,674	7,504
Transfer to investment properties (Note 14)	(830)	-	(830)
At 31 December 2022	-	6,674	6,674
Accumulated impairment loss			
At 1 January 2022	353	6,674	7,027
Transfer to investment properties (Note 14)	(353)	-	(353)
At 31 December 2022	-	6,674	6,674
Carrying amount at 31 December 2022	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

17. INTANGIBLE ASSETS

Group	Goodwill RM'000 (Note a)	Customer contracts RM'000 (Note b)	Customer relationships RM'000 (Note b)	Software and other development cost RM'000 (Note c)	Total RM'000
Cost					
At 1 January 2022	539,694	33,996	176,313	98,629	848,632
Additions	-	-	-	1,384	1,384
Written off	-	-	-	(307)	(307)
Exchange difference	21,290	-	10,349	190	31,829
At 31 December 2022	560,984	33,996	186,662	99,896	881,538
Additions	-	-	-	4,886	4,886
Acquisition of a subsidiary (Note 44(a))	3,550	1,279	524	12	5,365
Exchange difference	23,056	53	11,248	204	34,561
At 31 December 2023	587,590	35,328	198,434	104,998	926,350
Accumulated amortisation and impairment loss					
At 1 January 2022	-	12,610	91,712	45,106	149,428
Amortisation during the year (Note 7)	-	2,193	17,492	6,008	25,693
Written off	-	-	-	(307)	(307)
Exchange difference	-	-	5,638	193	5,831
At 31 December 2022	-	14,803	114,842	51,000	180,645
Amortisation during the year (Note 7)	-	2,329	18,804	6,775	27,908
Exchange difference	-	-	7,204	183	7,387
At 31 December 2023	-	17,132	140,850	57,958	215,940
Net carrying amount					
At 31 December 2023	587,590	18,196	57,584	47,040	710,410
At 31 December 2022	560,984	19,193	71,820	48,896	700,893

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

17. INTANGIBLE ASSETS (CONTD.)

Company	Software RM'000 (Note c)
Cost	
At 1 January 2022	46,017
Transfer to a subsidiary	(46,017)
At 31 December 2022	-
Accumulated amortisation	
At 1 January 2022	10,124
Amortisation for the year (Note 7)	1,215
Transfer to a subsidiary	(11,339)
At 31 December 2022	-
Net carrying amount	
At 31 December 2022	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

17. INTANGIBLE ASSETS (CONTD.)

(a) Goodwill

Impairment testing of goodwill

Goodwill is allocated and monitored by management across the following cash generating units ("CGU"):

	2023 RM'000	2022 RM'000
Asset consultancy:		
Opus Group Berhad and its subsidiaries ("Opus Group")	38,636	38,636
Healthcare support:		
Edgenta Mediserve Sdn. Bhd. ("EMS")	26,982	26,982
Edgenta UEMS Group:		
- Malaysia	72,802	68,518
- Singapore	307,423	289,338
- Taiwan	12,259	11,538
Property and Facility Solutions:		
Edgenta GreenTech Sdn. Bhd. and its subsidiaries ("EGT Group")	49,600	49,600
Infrastructure services:		
Edgenta PROPEL Berhad	76,372	76,372
Others:		
MEEM for Facilities Management Company	3,516*	-
	587,590	560,984

Goodwill is tested for impairment on an annual basis by comparing the carrying amount of the CGU with their respective recoverable amounts, which is based on value-in-use. The value-in-use is determined by discounting future cash flows over a period of five to eleven 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.

* Difference of goodwill above with goodwill recognised upon completion of transaction disclosed in Note 44 is due to the impact of translation to RM.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

17. INTANGIBLE ASSETS (CONTD.)

(a) Goodwill (contd.)

Key assumptions used in value-in-use calculation

The discount rates applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flows beyond the projection period are as follows:

	Projection period Years	Pre-tax discount rate		Terminal growth rate	
		2023 %	2022 %	2023 %	2022 %
Asset consultancy:					
Opus Group	5	13.8	15.0	1.0	1.0
Healthcare support:					
EMS	11	13.2	9.5	*	*
Edgenta UEMS Group:					
- Malaysia	5	10.6	11.3	1.0	1.0
- Singapore	5	10.0	10.2	1.0	1.0
- Taiwan	5	12.2	13.2	1.0	1.0
Property and Facility					
Solutions:					
EGT Group	5	9.0	8.4	1.0	1.0
Infrastructure services:					
Edgenta PROPEL Berhad	5	10.0	9.0	1.0	1.0
Others:					
MEEM for Facilities Management Company	5	7.7	-	1.0	-

* For EMS, the value-in-use is determined by discounting cash flows for a period of 11 years (2022: 12 years) with no terminal value.

The calculation of the value-in-use for the CGUs are most sensitive to the following assumptions:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins and average growth rate achieved in the years before the budgeted year, adjusted for market and economic conditions and internal resource efficiency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

17. INTANGIBLE ASSETS (CONTD.)

(a) Goodwill (contd.)

The calculation of the value-in-use for the CGUs are most sensitive to the following assumptions: (contd.)

(ii) Pre-tax discount rate

The discount rates reflect the current market assessment of the risks specific to each CGU. This reflected the management's best estimate of return on capital employed required in the Group.

(iii) Terminal growth rate

Terminal growth rates used to extrapolate cash flows beyond the budget period is based on published industry research for each business.

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 carrying amounts.

(b) Customer contracts and relationships

Customer contracts and relationships arose from the acquisition of MEEM, EGT Group and Edgenta UEMS Group are amortised over the range of 3 to 15 years (2022: 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 (2022: 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

FOR THE YEAR ENDED 31 DECEMBER 2023

18. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost (Note (a)):		
- Malaysian subsidiaries	1,872,019	1,871,259
- Foreign subsidiaries	217,302	217,302
	2,089,321	2,088,561
Less: Accumulated impairment (Note (b))	(415,300)	(415,300)
	1,674,021	1,673,261

(a) Cost of investment in subsidiary companies

	Note	Company	
		2023 RM'000	2022 RM'000
At 1 January		2,088,561	1,956,923
Incorporation of Edgenta Academy Sdn. Bhd.	(i)	10	-
Acquisition of additional share capital in subsidiaries	(ii)	750	100
Capitalisation of amounts due from Edgenta (Singapore) Pte. Ltd. ("ESG")	(iii)	-	130,925
Incorporation of Edgenta Arabia Limited ("EAL")	(iv)	-	613
At 31 December		2,089,321	2,088,561

(i) Incorporation of Edgenta Academy Sdn. Bhd. ("EASB")

On 12 September 2023, EASB was incorporated as a wholly-owned subsidiary of the Company.

(ii) Acquisition of additional share capital in subsidiaries

On 19 April 2023, Edgenta Healthcare Management Sdn. Bhd., increased its ordinary shares to 750,000 by issuing new ordinary shares of RM1.00 each. The Company subscribed to the new shares which was settled by cash.

In previous financial year, Edgenta FIRST Sdn. Bhd., increased its ordinary shares to 100,000 by issuing new ordinary shares of RM1.00 each. The Company subscribed to the new shares which was settled by cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

18. INVESTMENT IN SUBSIDIARIES (CONTD.)

(a) Cost of investment in subsidiary companies (contd.)

(iii) Capitalisation of amounts due from ESG

In the previous financial year, a wholly-owned subsidiary of the Company, ESG increased its share capital from SGD1 to SGD40.8 million (approximately RM131.0 million). The Company subscribed to the new shares which was settled via capitalisation of debts due to the Company amounting to RM131.0 million.

This capitalisation of amounts due from ESG has no cash flows impact to the Company.

(iv) Incorporation of EAL

In the previous financial year, EAL was incorporated in the Kingdom of Saudi Arabia as a wholly-owned subsidiary of the Company.

(b) Impairment of investment in subsidiaries

The movement in accumulated impairment loss as follows:

	Company	
	2023 RM'000	2022 RM'000
At 1 January	415,300	410,784
Impairment loss on investment in a subsidiary company	-	4,516
At 31 December	415,300	415,300

In the previous financial year, an impairment loss of RM4.5 million was recognised against the carrying amount of its investment in Edgenta Environmental & Material Testing Sdn. Bhd. ("EEMT") of RM25.9 million to its recoverable amounts. Based on management's assessment, the recoverable amount of its investment in EEMT was RM21.4 million which was estimated based on the net tangible asset of EEMT.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

18. INVESTMENT IN SUBSIDIARIES (CONTD.)

Summarised financial information

Summarised financial information of Rimbunan Melati Sdn. Bhd. ("Rimbunan Melati") and MEEM for Facilities Management Company ("MEEM"), 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		MEEM*		Total	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current assets	-	-	1,763	-	1,763	-
Current assets	3,764	11,857	17,469	-	21,233	11,857
Total assets	3,764	11,857	19,231	-	22,995	11,857
Non-current liabilities	-	-	2,360	-	2,360	-
Current liabilities	242	26	3,107	-	3,349	26
Total liabilities	242	26	5,466	-	5,708	26
Net assets	3,522	11,831	13,765	-	17,287	11,831
Equity attributable to owners of the Company	1,937	6,507	8,259	-	10,196	6,507
Non-controlling interests	1,585	5,324	5,506	-	7,091	5,324

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

18. INVESTMENT IN SUBSIDIARIES (CONTD.)

Summarised financial information (contd.)

(ii) Summarised statements of comprehensive income

	Rimbunan Melati		MEEM*		Total	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	-	-	31,767	-	31,767	-
(Loss)/profit for the year, representing total comprehensive (loss)/income for the year	(308)	152	(1,369)	-	(1,677)	152
Attributable to:						
- owners of the Company	(169)	84	(821)	-	(991)	84
- non-controlling interests	(139)	68	(548)	-	(686)	68
	(308)	152	(1,369)	-	(1,677)	152

(iii) Summarised statements of cash flows

	Rimbunan Melati		MEEM*		Total	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net cash used in operating activities	(128)	(77)	(5,924)	-	(6,052)	(77)
Net cash generated from investing activities	71	144	445	-	516	144
Net cash (used in)/generated from financing activities	(8,000)	-	13,036	-	5,036	-
Net (decrease)/increase in cash and cash equivalents	(8,057)	67	7,557	-	(500)	67
Net foreign exchange differences	-	-	494	-	494	-
Cash and cash equivalents at beginning of the year	11,806	11,739	-	-	11,806	11,739
Cash and cash equivalents at end of the year	3,749	11,806	8,051	-	11,800	11,806

* No comparative disclosure for MEEM as the acquisition was completed in the financial year 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

19. INVESTMENT IN ASSOCIATES

	Group 2023 RM'000	2022 RM'000
Unquoted shares, at cost		
In Malaysia	5,730	5,730
Share of post-acquisition reserves	5,730	5,730
Less: Dividend received	75,182	71,416
	(9,080)	(4,800)
	71,832	72,346

In the previous financial year, the Company announced that its wholly-owned subsidiary, Edgenta Facilities Sdn. Bhd. ("EFSB"), entered into a Share Purchase Agreement with Apollo Sindoori Holdings Limited ("ASHL") for the disposal of EFSB's entire 47,113 equity shares in Faber Sindoori Management Services Pte. Ltd. ("FSPL"), which represented 51% of the paid-up share capital of FSPL for a sale consideration of INR700 million (equivalent to approximately RM39.1 million based on exchange rate on completion date).

	2022 RM'000
Cash consideration	*39,062
Less: Net carrying amount of FSPL upon disposal	(39,313)
Loss on disposal of FSPL	(251)

* Difference of cash consideration above with actual cash receipt disclosed in the Statement of Cash Flows is due to realised foreign exchange losses.

Further details of the associates are disclosed in Note 47.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

19. INVESTMENT IN ASSOCIATES (CONTD.)

Summarised financial information of 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

	Biomedix		One Medicare		Sedafiat	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current assets	1,058	1,321	7,516	10,301	18,619	20,431
Current assets	76,780	78,718	135,743	139,696	112,174	106,664
Total assets	77,838	80,039	143,259	149,997	130,793	127,095
Non-current liabilities	4,586	9,034	2,984	14,012	3,778	467
Current liabilities	6,364	5,905	105,164	101,564	59,502	58,656
Total liabilities	10,950	14,939	108,148	115,576	63,280	59,123
Net assets	66,888	65,100	35,111	34,421	67,513	67,972

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

19. INVESTMENT IN ASSOCIATES (CONTD.)

(ii) Summarised statements of comprehensive income

	Biomedix		One Medicare		Sedafiat	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	61,397	56,841	218,988	209,260	252,305	251,987
Profit before tax	19,009	21,069	1,825	2,133	7,341	15,295
Profit for the year, representing total comprehensive income	15,288	15,507	1,390	1,457	4,541	10,498
Dividend received from the associates during the year	6,680	1,600	400	-	2,000	3,200

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates

	Biomedix		One Medicare		Sedafiat	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net assets at 1 January	65,100	53,593	34,421	36,464	67,972	65,474
Profit for the year	15,288	15,507	1,390	1,457	4,541	10,498
Dividend from associate	(13,500)	(4,000)	(700)	(3,500)	(5,000)	(8,000)
Net assets at 31 December	66,888	65,100	35,111	34,421	67,513	67,972
Interest in associates	40%	40%	40%	40%	40%	40%
Carrying value of Group's interest in material associate	26,755	26,040	14,044	13,768	27,005	27,189

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

20. INVESTMENT IN A JOINT VENTURE

	Group	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost		
In Malaysia	122	122
Share of post-acquisition reserves	(5)	(6)
	117	116

In the previous financial year, Opus Consultants (Sarawak) Sdn. Bhd. ("OCS"), an indirect wholly-owned subsidiary of the Company via Opus International (M) Berhad ("OIMB") has issued 175,000 new ordinary shares. Pursuant to the Shareholders' Agreement between OIMB and PPES Consults Sdn. Bhd. ("PPES"), 47,500 and 127,500 new ordinary shares were allotted to OIMB and PPES, respectively.

As a result, OIMB's equity interest in OCS was diluted to 49% and OCS became a joint-venture ("JV") company to OIMB.

Summarised financial information of OCS has not been disclosed as they are immaterial.

21. OTHER INVESTMENTS

	Group and Company	
	2023 RM'000	2022 RM'000
Equity instruments (unquoted shares in Malaysia)	1,200	1,200
Fair value adjustments	(1,200)	(1,200)
Unquoted shares, net	-	-
Club memberships	232	232
	232	232

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

22. TRADE AND OTHER RECEIVABLES

	Group	
	2023 RM'000	2022 RM'000
Current		
Trade receivables (Note a)		
Third parties	476,704	370,047
Related companies	54,790	46,291
Associates	8,741	11,995
	540,235	428,333
Less: Allowance for expected credit losses ("ECL"):		
Third parties	(38,082)	(34,829)
Related companies	(6,314)	(6,351)
	(44,396)	(41,180)
Retention receivables:		
Third parties	15,292	4,624
Related companies	5,199	7,495
	20,491	12,119
Trade receivables, net	516,330	399,272
Concession receivable (Note c)	22,600	22,600
Other receivables (Note b)		
Amounts due from related parties:		
Associates	2,158	7,221
Joint venture	11	11
Related companies	994	630
	3,163	7,862
Deposits	36,708	29,022
Sundry receivables	25,537	13,844
	65,408	50,728
Less: Allowance for ECL:		
Sundry receivables	(2,860)	(2,977)
Other receivables, net	62,548	47,751
Other current assets		
Prepayments	19,822	22,047
Total	621,300	491,670

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

22. TRADE AND OTHER RECEIVABLES (CONTD.)

	Group	
	2023 RM'000	2022 RM'000
Non-current		
Trade receivables (Note a)		
Third parties	-	686
Retention receivables:		
Third parties	455	424
Related companies	-	6,946
Trade receivables, net	455	8,056
Concession receivable (Note c)	89,796	99,310
Other receivables (Note b)		
Deposits	2,285	-
Total	92,536	107,366

	Company	
	2023 RM'000	2022 RM'000
Current		
Other receivables (Note b)		
Amounts due from subsidiaries	171,088	118,876
Amount due from related parties	469	443
Dividend receivable	31,975	6,000
Deposits	719	1,987
Sundry receivables	1,527	507
	205,778	127,813
Less: Allowance for ECL:		
Sundry receivables	(216)	(216)
Subsidiaries	(11,576)	(12,521)
	(11,792)	(12,737)
	193,986	115,076
Non-current		
Deposits	2,285	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

22. TRADE AND OTHER RECEIVABLES (CONTD.)

Movements in allowance for ECL:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	44,157	43,447	12,737	29,244
Acquisition of a subsidiary	3,970	-	-	-
Charge for the year (Note 7)	1,599	5,375	-	-
Reversal of allowance (Note 5)	(2,487)	(3,812)	(945)	(16,507)
Written off	(139)	-	-	-
Reclassification to asset held for sale	-	(862)	-	-
Exchange differences	156	9	-	-
At 31 December	47,256	44,157	11,792	12,737

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2022: 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	
	2023 RM'000	2022 RM'000
Neither past due nor impaired	237,258	191,153
1 to 30 days past due from the credit terms but not impaired	99,624	101,349
31 to 60 days past due from the credit terms but not impaired	34,871	35,424
61 to 90 days past due from the credit terms but not impaired	13,170	23,988
91 to 120 days past due from the credit terms but not impaired	9,510	10,341
More than 121 days past due from the credit terms but not impaired	122,352	45,073
	279,527	216,175
Impaired	44,396	41,180
	561,181	448,508

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

22. 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 11% (2022: 8%) of the Group's trade receivables arose from current receivable balances with related companies, while approximately 18% (2022: 19%) of the Group's trade receivables arose from current receivable balances with Ministry of Health ("MOH").

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due from the credit terms but not impaired

The Group has trade receivables amounting to RM279.5 million (2022: RM216.2 million) that are past due from the credit terms at the reporting date but not impaired.

The Group's objectives, policies and processes of credit risk are as disclosed in Note 41(a).

(b) Other receivables

Amounts due from subsidiaries and related parties

As at 31 December 2023, amounts due from subsidiaries are non-trade related, repayable on demand and bears interest ranging between 3.83% to 4.08% per annum (2022: 3.76% to 3.83% per annum).

Amounts due from related parties are non-trade related, non-interest bearing and repayable on demand.

All related companies balances are repayable on demand, unsecured and are to be settled in cash.

Further details on related party transactions are disclosed in Note 39.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

22. TRADE AND OTHER RECEIVABLES (CONTD.)

(b) Other receivables (contd.)

Other receivables that are impaired

At the reporting date, the Group and the Company have provided an allowance of RM2.8 million (2022: RM3.0 million) and RM11.8 million (2022: RM12.7 million) respectively.

(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 35(a).

23. CONTRACT RELATED ASSETS AND LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
Contract assets (a)		
Non-current	32,136	73,109
Current	441,306	357,174
	473,442	430,283
Contract liabilities (a)		
Current	(31,916)	(30,777)
Contract fulfillment asset (b)		
Non-current	-	547
Current	590	2,230
	590	2,777

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

23. CONTRACT RELATED ASSETS AND LIABILITIES (CONTD.)

(a) Contract assets and liabilities (contd.)

The increase in contract asset as at financial year ended 31 December 2023 was mainly due to the infrastructure services works performed towards the year-end.

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.

Set out below is the amount of revenue recognised from:

	Group	
	2023 RM'000	2022 RM'000
Amounts included in contract liabilities at the beginning of the year	19,396	14,235

(b) Contract fulfillment asset

	Group	
	2023 RM'000	2022 RM'000
As at 1 January	2,777	4,711
Utilised during the year	(2,187)	(1,934)
As at 31 December	590	2,777

These costs relate to direct cost incurred to generate or enhance resources used in satisfying the contracts with customers and amortised on a straight-line basis over the period of the respective contracts. The amortisation period for these costs are between 4 to 5 years (2022: between 4 to 5 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

24. DEFERRED TAX

	Group	
	2023 RM'000	2022 RM'000
At 1 January	34,615	39,251
Recognised in statement of comprehensive income (Note 10)	(17,465)	(5,272)
Exchange differences	783	636
At 31 December	17,933	34,615
Presented after appropriate offsetting as follows:		
Deferred tax assets	(23,110)	(12,513)
Deferred tax liabilities	41,043	47,128
	17,933	34,615

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 2023	(10,889)	(25,249)	(36,138)
Recognised in profit or loss	(1,215)	(13,130)	(14,345)
Exchange differences	36	-	36
	(12,068)	(38,379)	(50,447)
Less: Set off with deferred tax liabilities	1,571	25,766	27,337
At 31 December 2023	(10,497)	(12,613)	(23,110)
At 1 January 2022	(9,119)	(8,830)	(17,949)
Recognised in profit or loss	(1,733)	(16,419)	(18,152)
Exchange differences	(37)	-	(37)
	(10,889)	(25,249)	(36,138)
Less: Set off with deferred tax liabilities	4,419	19,206	23,625
At 31 December 2022	(6,470)	(6,043)	(12,513)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

24. 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 2023	24,468	17,027	29,258	70,753
Recognised in profit or loss	(738)	(3,535)	1,153	(3,120)
Exchange differences	59	688	-	747
	23,789	14,180	30,411	68,380
Less: Set off with deferred tax assets	(18,339)	-	(8,998)	(27,337)
At 31 December 2023	5,450	14,180	21,413	41,043
At 1 January 2022	5,615	22,256	29,329	57,200
Recognised in profit or loss	18,761	(5,810)	(71)	12,880
Exchange differences	92	581	-	673
	24,468	17,027	29,258	70,753
Less: Set off with deferred tax assets	(19,602)	-	(4,023)	(23,625)
At 31 December 2022	4,866	17,027	25,235	47,128

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

FOR THE YEAR ENDED 31 DECEMBER 2023

24. DEFERRED TAX (CONTD.)

Deferred tax assets have not been recognised in respect of the following items:

Malaysian Companies

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unutilised tax losses	169,930	167,576	23,715	23,715
Unabsorbed capital allowances	17,669	22,433	13,769	13,769
Others	30,904	32,457	11,583	10,289
	218,503	222,466	49,067	47,773
Deferred tax benefit at 24%, if recognised	52,441	53,392	11,776	11,465

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 unabsorbed 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 Act, 1967 and guidelines issued by the tax authority.

Effective from Year of Assessment 2019, unused tax losses are allowed to be carried forward for a maximum period of ten years. The details of the expiry of the Group's and the Company's unutilised tax losses are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
- Expires in 2028	36,253	39,968	-	-
- Expires in 2029	36,511	36,835	23,715	23,715
- Expires in 2030	18,848	27,069	-	-
- Expires in 2031	40,203	45,395	-	-
- Expires in 2032	22,650	18,309	-	-
- Expires in 2033	15,465	-	-	-
	169,930	167,576	23,715	23,715

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

25. INVENTORIES

	Group	
	2023 RM'000	2022 RM'000
Consumables	16,754	17,178

The amounts of inventories recognised as expenses in cost of sales of the Group is disclosed in Note 4.

In the previous financial year, inventories amounted to RM12.8 million was written off. These inventories were related to the COVID-19 business under the healthcare support segment, were purchased in the same year that they were written off.

26. SHORT TERM INVESTMENTS

	Group	
	2023 RM'000	2022 RM'000
Financial asset at fair value through profit or loss:		
- unquoted unit trusts (money market funds)	26,616	97,178

Unquoted unit trusts (money market funds) represent investment funds invested with licensed fund managers in the funds approved by the Securities Commission Malaysia. The portfolio of investments authorised by the Board of Directors comprises only deposits in both Islamic and conventional instruments with financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

27. CASH, BANK BALANCES AND DEPOSITS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash in hand and at banks	421,716	478,242	1,746	53,289
Deposits with licensed banks	194,100	131,244	1,500	9,000
	615,816	609,486	3,246	62,289

- (a) Included in cash at bank of the Group are amounts of RM0.12 million (2022: RM0.12 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 RM3.4 million (2022: RM3.2 million) are on lien for bank guarantee facilities granted to certain subsidiaries. As at 31 December 2023, the subsidiaries have utilised guarantee facilities amounting to RM1.5 million (2022: RM1.5 million).
- (c) Deposits with licensed banks amounting to RM0.5 million (2022: RM2.0 million) are pledged to secure certain facilities granted to the Group.
- (d) Deposits with licensed banks of the Group amounting to RM20.0 million (2022: RM22.9 million) are pledged as securities for bank borrowing granted to a foreign subsidiary.
- (e) Cash and fixed deposits of RM24.7 million (2022: RM21.9 million) from a foreign subsidiary are pledged as collateral for performance of service under integrated facility management contract, and are therefore restricted from use in other operation.
- (f) Cash and bank balances amounting to RM0.6 million (2022: RM0.7 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.
- (g) The maturities of deposits are between 1 to 365 days (2022: 1 to 365 days).

Other information on financial risks of cash, bank balances and deposits are disclosed in Note 41.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

28. NET ASSETS CLASSIFIED AS HELD FOR SALE

In the previous financial year, the Board of Directors approved the plan to dispose Faber Union Sdn. Bhd. ("FUSB"), an indirect wholly-owned subsidiary of the Company via Faber Development Holdings Sdn. Bhd. ("FDH").

Summarised statement of financial position

The major classes of assets and liabilities of FUSB classified as held for sale are as follows:

	2023 RM'000	2022 RM'000
Assets		
Plant and equipment	-	8
Trade and other receivables	-	1,823
Inventories	46,570	49,493
Tax recoverable	2,829	2,884
Cash and short term deposit	12,046	35,840
Assets held for sale	61,445	90,048
Liabilities		
Accruals, representing liability directly associated with assets held for sale	(1,027)	(3,171)
Net assets of disposal group	60,418	86,877

The assets are measured at the lower of their carrying amount and fair value less costs to sell.

As at the date of these financial statements, the disposal is pending completion as the Group is still negotiating terms and conditions of the sale.

FUSB has not been disclosed as discontinued operation as the Group considers its operation to be immaterial.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

29. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2023 '000	2022 '000	2023 RM'000	2022 RM'000
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.

30. CAPITAL AND OTHER MERGER RESERVE

The acquisitions of Opus Group Berhad and Edgenta PROPEL Berhad in prior years, which was accounted for using the pooling of interest method, gave rise to the following:

(a) Capital reserve

This reserve represents the excess of issue price of the Company's shares over the par value in accordance with Section 60(4)(a) of the Companies Act, 1965. This reserve had been partially set off against the merger deficit reserve in prior years for the purpose of presentation in the financial statements of the Group.

(b) Other merger reserve

This reserve represents the excess of fair value of the Company's shares at the acquisition date over the issue price. This reserve had been fully set off against the merger deficit reserve for the purpose of presentation in the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

31. OTHER RESERVES

Group	Statutory reserve RM'000 (Note a)	Foreign currency translation reserve RM'000 (Note b)	Other reserve RM'000 (Note c)	Total RM'000
At 1 January 2022	-	(9,279)	9,163	(116)
Foreign currency translation	-	23,182	-	23,182
At 31 December 2022	-	13,903	9,163	23,066
Foreign currency translation	-	40,247	-	40,247
Acquisition of a subsidiary	294	-	-	294
At 31 December 2023	294	54,150	9,163	63,607

(a) Statutory reserve

This reserve is maintained by the subsidiaries in Kingdom of Saudi Arabia. In accordance with the Regulation for Companies in the Kingdom of Saudi Arabia, companies are required to transfer 10% of the net income for the year to a statutory reserve until it equals to 50% of its share capital. The reserve is not available for distribution to the shareholders of the companies.

(b) 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.

(c) Other reserve

Other reserve arose from the redemption of redeemable preference shares in prior years by a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

32. RETIREMENT BENEFIT OBLIGATIONS

Retirement benefit obligations recognised by the Group is analysed into:

	Group	
	2023 RM'000	2022 RM'000
Current	268	1,036
Non-current	893	1,046
	1,161	2,082

The Group operates an unfunded, defined benefit Retirement 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 (2022: 60), on medical incapacity or on death. The present value of defined benefit obligation was based on the actuarial valuation report by independent actuaries dated 9 January 2023.

The details of the net employee benefits liability are as follows:

	Group	
	2023 RM'000	2022 RM'000
Present value of the defined benefit obligations ("PVDBO")		
At 1 January	2,082	2,690
Defined retirement benefit obligations (Note 8)	(600)	411
Actuarial gain	-	(821)
Contributions paid	(321)	(198)
At 31 December	1,161	2,082

	Group	
	2023 RM'000	2022 RM'000
Analysis of funded and unfunded PVDBO		
Analysed as:		
Current	268	1,036
Non-current:		
Later than 1 year but not later than 2 years	229	268
Later than 2 years	664	778
	893	1,046
PVDBO from plans that are wholly unfunded	1,161	2,082

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

32. RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

The details of net employee benefits expense recognised in income statement are as follows:

	Group	
	2023 RM'000	2022 RM'000
Current service costs	22	21
(Gain)/loss on settlement	(715)	209
Interest cost	93	181
Net employee benefits expense (Note 8)	(600)	411

Total amount recognised in statement of comprehensive income

	Group	
	2023 RM'000	2022 RM'000
Cumulative amount of actuarial loss recognised in statement of comprehensive income:		
At 1 January	142	963
Actuarial gain recognised in other comprehensive income	-	(821)
At 31 December	142	142
Historical experience adjustments:		
PVDBO	1,161	2,082
Experience adjustment (value)	-	(821)
Experience adjustment (% of PVDBO)	0%	-39%

Principal actuarial assumptions used:

	2023 %	2022 %
Discount rate	4.50	4.50
Expected rate of salary increases	4.00	4.00

Assumptions regarding future mortality are based on published statistics and mortality tables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

32. RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

A one percentage point change in the below key assumptions would have the following effects to the retirement benefit obligations:

Sensitivity Level	Increase in one percentage		Decrease in one percentage	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Assumptions				
Discount rate	24	42	(25)	(44)
Salary increment rate	(171)	(171)	128	132

The average duration of the retirement benefit obligation at the end of the reporting period is 2 years (2022: 2 years).

33. DEFINED BENEFIT PENSION PLANS

	Funded RM'000	Unfunded RM'000	Total RM'000
As at 31 December 2023			
Non-current	735	2,491	3,226
As at 31 December 2022			
Non-current	709	-	709

As at 31 December 2023, defined benefit pension plans of the Group are operated by three subsidiaries of the Group, Edgenta UEMS Ltd. ("UEMS Taiwan"), Edgenta Arabia Limited ("EAL") and MEEM for Facilities Management Company ("MEEM").

(a) Funded defined benefit plan

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

33. DEFINED BENEFIT PENSION PLANS (CONTD.)

(a) Funded defined benefit plan (contd.)

Amount recognised in the statement of comprehensive income:

	Group	
	2023 RM'000	2022 RM'000
Interest cost on benefit obligation	17	10
Employer's contribution	(27)	(131)
Interest income	-	(3)
Total included in employee benefits expense (Note 8)	(10)	(124)
Net actuarial loss/(gain) recognised for the year	18	(121)
	8	(245)

Amount recognised in statement of financial position:

	Group	
	2023 RM'000	2022 RM'000
Present value of defined benefit obligation	1,308	1,238
Fair value of plan assets	(573)	(529)
Defined benefit obligation	735	709

Changes in present value of defined benefit obligation:

	Group	
	2023 RM'000	2022 RM'000
At 1 January	1,238	1,675
Interest cost	17	10
Benefit paid	(27)	(281)
Actuarial loss/(gain)	24	(102)
Exchange differences	56	(64)
At 31 December	1,308	1,238

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

33. DEFINED BENEFIT PENSION PLANS (CONTD.)

(a) Funded defined benefit plan (contd.)

Changes in fair value of plan assets:

	Group	
	2023 RM'000	2022 RM'000
At 1 January	(529)	(672)
Employer's contribution	(38)	(131)
Benefit paid	27	281
Actuarial gain	(6)	(19)
Interest income	(7)	(3)
Exchange differences	(20)	15
At 31 December	(573)	(529)

The principal assumptions used in determining defined benefit obligation of the Group are shown below:

	Group	
	2023	2022
Discount rate	1.27%	1.33%
Salary escalation	3.00%	3.00%

Actual return on plan assets:

	Group	
	2023 RM'000	2022 RM'000
Actual return of plan assets, representing actuarial gain recognised in the other comprehensive income	(6)	(19)

A quantitative sensitivity analysis for significant assumptions as at 31 December 2023 and 2022 are as shown below:

Sensitivity level	Increase in one percentage		Decrease in one percentage	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Assumptions				
Discount rate	(116)	(121)	122	129
Salary increase	120	126	(114)	(119)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

33. DEFINED BENEFIT PENSION PLANS (CONTD.)

(a) Funded defined benefit plan (contd.)

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 9 years (2022: 10 years).

(b) Unfunded defined benefit plans

EAL and MEEM operate unfunded retirement plans covering all their regular employees to comply with the requirement of the Saudi Arabian Labour Law. Benefits under the plan are based on the length of service and estimated base pay at the time of resignation, retirement, death and termination of the employees' service for reasons other than misconduct, negligence or incompetence. The pension assets and liabilities are valued on annual basis by independent actuary, taking into account gains and losses.

	Group	
	2023 RM'000	2022 RM'000
At 1 January	-	-
Acquisition of a subsidiary (Note 44(a))	1,901	-
Charge for the year	520	-
Payments for the year	(51)	-
Exchange differences	121	-
At 31 December	2,491	-

The details of net employee benefits expense recognised in income statement are as follows:

	Group	
	2023 RM'000	2022 RM'000
Current service costs	520	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

33. DEFINED BENEFIT PENSION PLANS (CONTD.)

(b) Unfunded defined benefit plans (contd.)

The principal assumptions used in determining defined benefit obligation of the Group are shown below:

	Group	
	2023 %	2022 %
Discount rate	4.55 - 4.75	-
Salary increment rate	4.75 - 5.00	-

A quantitative sensitivity analysis for significant assumptions as at 31 December 2023 and 2022 are as shown below:

Sensitivity level	Increase in one percentage		Decrease in one percentage	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Assumptions				
Discount rate	(153)	-	172	-
Salary increase	182	-	(165)	-

The average duration of the defined benefit obligation at the end of the reporting period is between 6.24 to 10.52 years.

34. PROVISIONS

	Group	
	2023 RM'000	2022 RM'000
Non-current:		
Provision for employee service entitlements (Note a)	4,132	4,280
Current:		
Provision for long term incentive plan (Note b)	-	1,620
Total	4,132	5,900

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

34. PROVISIONS (CONTD.)

(a) Provision for employee service entitlements

	Group	
	2023 RM'000	2022 RM'000
At 1 January	4,280	3,441
Charged to the statement of comprehensive income (Note 8)	171	653
Exchange differences	(319)	186
At 31 December	4,132	4,280

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")

	Group	
	2023 RM'000	2022 RM'000
At 1 January	1,620	1,620
Reversal of provision (Note 7)	(1,620)	-
At 31 December	-	1,620

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.

During the financial year, the provision has been reversed as its realisation no longer probable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

35. BORROWINGS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current borrowings				
Secured:				
Term loans (Note a)	37,716	25,379	-	-
Revolving credit (Note c)	52,803	49,732	-	-
	90,519	75,111	-	-
Unsecured:				
Islamic Medium Term Notes (Note b)	-	-	-	-
Revolving credit (Note c)	85,000	52,000	85,000	52,000
Total short term borrowings	175,519	127,111	85,000	52,000
Non-current borrowings				
Secured:				
Term loans (Note a)	64,344	81,639	-	-
Unsecured:				
Islamic Medium Term Notes (Note b)	250,000	250,000	250,000	250,000
Total long term borrowings	314,344	331,639	250,000	250,000
Total borrowings				
Secured:				
Term loans (Note a)	102,060	107,018	-	-
Revolving credit (Note c)	52,803	49,732	-	-
	154,863	156,750	-	-
Unsecured:				
Islamic Medium Term Notes (Note b)	250,000	250,000	250,000	250,000
Revolving credit (Note c)	85,000	52,000	85,000	52,000
Total borrowings	489,863	458,750	335,000	302,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

35. BORROWINGS (CONTD.)

The maturity profile of the loans and borrowings are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Within one year	175,519	127,111	85,000	52,000
More than 1 year and less than 2 years	51,997	26,563	-	-
More than 2 years and less than 5 years	262,347	305,076	250,000	250,000
	314,344	331,639	250,000	250,000
	489,863	458,750	335,000	302,000

(a) Term loans

Secure term loans bear interests which range from 4.30% to 5.22% per annum (2022: 3.66% to 3.99% 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 a 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

FOR THE YEAR ENDED 31 DECEMBER 2023

35. 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 million in nominal value and a sub-limit of RM300 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.

ICPs

Upon reaching its maturity in 2021, the Company redeemed its outstanding ICPs and did not make any reissuance.

IMTNs

The Company redeemed its outstanding IMTNs amounting to RM250.0 million in nominal value upon its maturity on 26 April 2022. On the same date, the Company reissued the IMTNs with the same nominal value with a tenor of four years. The IMTNs will mature on 24 April 2026.

The effective profit rates for IMTNs at the reporting date is 4.25% (2022: 4.25%).

(c) Revolving credit

Unsecured revolving credit of the Group and the Company bears interest of 4.06% (2022: 3.45%).

Secured revolving credit of the Group bears interest rate at the range between 1.74% and 4.45% (2022: 1.74%). The facility is secured by corporate guarantee from fellow subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

35. BORROWINGS (CONTD.)

Reconciliation of liabilities arising from financing activities

Group	2023 RM'000	2022 RM'000	Cash flows		Non-cash changes
			Principal movement RM'000	*Interest paid RM'000	Interest cost and others RM'000
Term loan	102,060	107,018	(4,958)	(5,251)	5,251
IMTNs	250,000	250,000	-	(10,548)	10,548
Revolving credit	137,803	101,732	34,358	(4,964)	6,677
Lease liabilities	33,023	40,954	(11,639)	(1,395)	5,103
	522,886	499,704	17,761	(22,158)	27,579

Company	2023 RM'000	2022 RM'000	Cash flows		Non-cash changes
			Principal movement RM'000	*Interest paid RM'000	Interest cost and others RM'000
IMTNs	250,000	250,000	-	(10,548)	10,548
Revolving credit	85,000	52,000	33,000	(2,880)	2,880
Lease liabilities	20,214	30,601	(11,043)	(958)	1,614
	355,214	332,601	21,957	(14,386)	15,042

* Interest paid for the Group's and the Company's borrowings and lease liabilities are disclosed as cash flows from operating activities in the statements of cash flows of the Group and the Company, respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

36. TRADE AND OTHER PAYABLES

	Group	
	2023 RM'000	2022 RM'000
Current		
Trade payables (Note a)		
Third parties	126,273	142,507
Accrued costs	166,939	145,623
Retention payables (Note b):		
Services:		
- Infrastructure	36,862	39,852
- Property facility solution	3,559	2,701
- Healthcare support	-	2,455
Due to related companies (Note d)	9,118	8,936
	342,751	342,074
Other payables		
Employee costs payable	151,964	136,712
Accruals	99,925	95,689
Refundable deposits	263	2,239
Sundry payables	80,015	71,125
Due to holding company (Note c)	13,829	17,130
Due to related companies (Note d)	360	416
	346,356	323,311
Total	689,107	665,385
Non-current		
Trade payables (Note a)		
Retention payables (Note b):		
Services:		
- Infrastructure	6,298	10,538
- Property development	250	238
	6,548	10,776

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

36. TRADE AND OTHER PAYABLES (CONTD.)

	Company	
	2023 RM'000	2022 RM'000
Current		
Other payables		
Accruals	15,128	15,596
Sundry payables	1,698	1,310
Due to holding company (Note c)	1,707	1,465
Due to related companies (Note d)	3,121	4,738
Due to subsidiary companies (Note c)	3,876	3,296
Total	25,530	26,405

(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 (2022: 30 to 90 days).

(b) Retention payables

Retention payables are unsecured, interest-free and are expected to be paid within the terms of the relevant contracts.

(c) Amounts due to holding and subsidiary companies

Amounts due to holding and subsidiary companies are non-interest bearing and repayable on demand. The amounts are unsecured and are to be settled in cash.

Further details on related party transactions are disclosed in Note 39.

(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 39.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

37. CAPITAL COMMITMENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Capital expenditure				
Approved and contracted for purchase of:				
- intangible assets	2,155	85	-	-
- property, plant and equipment	14,219	23,408	-	526
Approved but not contracted for purchase of :				
- intangible assets	20,550	19,935	-	5,770
- property, plant and equipment	78,554	72,878	-	1,558

38. PERFORMANCE BONDS AND GUARANTEES

	Group	
	2023 RM'000	2022 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	24,634	19,655
Bank guarantee issued to authorities	3,691	6,067
Bank guarantees and performance bonds issued to others	153,337	143,349
Corporate guarantee for banking facilities utilised by fellow subsidiaries	448,766	422,902
	630,428	591,973
Unsecured:		
Bank guarantees extended to third parties - trade related	25,870	25,320

As at the reporting date, no values are ascribed on these guarantees provided by the Group for the purpose described above as the directors regard the value of the credit enhancement provided by these guarantees as minimal and the probability of default, based on historical track records of the parties receiving the guarantees are not probable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

39. RELATED PARTY DISCLOSURES

(a) Sale and purchase of 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Income received/receivable from				
Management fees from subsidiaries	-	-	-	22,748
Asset consultancy services fees received from:				
- related companies	25,969	25,636	-	-
- associates	40,075	44,547	-	-
Infrastructure maintenance fees received from:				
- related companies	874,455	653,065	-	-
Facilities management fees received from:				
- related companies	99,912	79,895	-	-
License and commission fees received from an associate	-	1,197	-	-
Rental received from:				
- a subsidiary	-	-	9,800	9,821
- an associate	134	147	-	-
Expenses paid/payable to				
Rendering of services by:				
- immediate holding company	(10,000)	(10,000)	-	-
- a subsidiary	-	-	(18,220)	(17,138)
- related companies	(8,128)	(5,389)	-	-
- associates	(17,042)	(11,665)	-	-
Rental paid to:				
- immediate holding company	(1,044)	(1,373)	(1,032)	(1,373)
- related company	(9,142)	(9,219)	(9,142)	(9,219)
- a subsidiary	-	-	(515)	(515)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

39. RELATED PARTY DISCLOSURES (CONTD.)

(a) Sale and purchase of services (contd.)

All other significant intercompany transactions have been disclosed in Note 22 and 36.

Related parties referred to:

- subsidiaries, associates and joint venture of the Company and their subsidiaries;
- Khazanah Nasional Berhad, the ultimate holding Company, its subsidiaries and associates excluding subsidiaries of the Company;
- those companies controlled, jointly controlled and significantly influenced by the Government of Malaysia, other than those mentioned above;
- directors and key management personnel having authority and representation for planning, directing and controlling the activities of the Company and their close family members;
- enterprises owned by directors and key management personnel; and
- enterprises that have a member of key management in common with the Company.

The directors are of the opinion that all the transactions above have been entered into in the normal course of the business and have been established on mutually agreed terms and conditions.

(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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries and other emoluments	15,778	14,258	-	1,779
Contributions to defined contribution plans	1,417	1,419	-	237
	17,195	15,677	-	2,016

Included in total key management personnel compensation are:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors' remuneration excluding benefits-in-kind (Note 9)	3,219	2,713	1,102	1,791

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

40. 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:

Group	FVTPL RM'000	Amortised cost RM'000	Total RM'000
2023			
Assets			
Trade receivables, net (Note 22)	-	516,785	516,785
Concession receivable (Note 22)	-	112,396	112,396
Other receivables, net (Note 22)	-	64,833	64,833
Cash, bank balances and deposits (Note 27)	-	615,816	615,816
Short term investments (Note 26)	26,616	-	26,616
Total financial assets	26,616	1,309,830	1,336,446
Liabilities			
Trade payables (Note 36)		349,299	349,299
Other payables (Note 36)		346,356	346,356
Lease liabilities (Note 15)		33,023	33,023
Borrowings (Note 35)		489,863	489,863
Total financial liabilities		1,218,541	1,218,541

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

40. FINANCIAL INSTRUMENTS (CONTD.)

Classification of financial instruments (contd.)

Group	FVTPL RM'000	Amortised cost RM'000	Total RM'000
2022			
Assets			
Trade receivables, net (Note 22)	-	407,328	407,328
Concession receivable (Note 22)	-	121,910	121,910
Other receivables, net (Note 22)	-	47,751	47,751
Cash, bank balances and deposits (Note 27)	-	609,486	609,486
Short term investments (Note 26)	97,178	-	97,178
Total financial assets	97,178	1,186,475	1,283,653

Liabilities

Trade payables (Note 36)		352,850	352,850
Other payables (Note 36)		323,311	323,311
Lease liabilities (Note 15)		40,954	40,954
Borrowings (Note 35)		458,750	458,750
Total financial liabilities		1,175,865	1,175,865

Company	Amortised cost	
	2023 RM'000	2022 RM'000
Assets		
Other receivables, net (Note 22)	196,271	115,076
Cash, bank balances and deposits (Note 27)	3,246	62,289
Total financial assets	199,517	177,365
Liabilities		
Other payables (Note 36)	25,530	26,405
Lease liabilities (Note 15)	20,214	30,601
Borrowings (Note 35)	335,000	302,000
Total financial liabilities	380,744	359,006

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

41. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(a) Credit risk (contd.)

Trade receivables and contract assets (contd.)

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 measurement of ECL take into accounts reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forward-looking factors specific to the debtors.

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 40. 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:

	2023		2022	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	298,225	58	240,938	59
United Arab Emirates	34,080	7	19,168	5
Singapore	73,303	14	58,902	14
Taiwan	105,525	20	88,320	22
Saudi Arabia	5,652	1	-	-
	516,785	100	407,328	100

At the reporting date, the Group's ten largest customers account for approximately 21% (2022: 37%) of total trade receivables. Majority of these customers are government, quasi-government agency and government linked organisations.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 22.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

41. 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.

Group	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
2023				
Financial liabilities:				
Trade and other payables	689,107	6,548	-	695,655
Lease liabilities	14,515	18,169	2,478	35,162
Loans and borrowings:				
- IMTNs	-	288,341	-	288,341
- Revolving credit	137,803	-	-	137,803
- Term loans	42,210	70,032	-	112,242
Total undiscounted financial liabilities	883,635	383,090	2,478	1,269,203

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

41. 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.).

Group	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
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2022

Financial liabilities:

Trade and other payables	665,385	10,776	-	676,161
Lease liabilities	13,708	29,115	-	42,823
Loans and borrowings:				
- IMTNs	-	296,970	-	296,970
- Revolving credit	101,732	-	-	101,732
- Term loans	27,845	88,325	-	116,170
Total undiscounted financial liabilities	808,670	425,186	-	1,233,856

Company	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
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2023

Financial liabilities:

Other payables	25,530	-	-	25,530
Lease liabilities	10,342	11,142	-	21,484
Loans and borrowings:				
- Revolving credit	85,000	-	-	85,000
- IMTNs	-	288,341	-	288,341
Total undiscounted financial liabilities	120,872	299,483	-	420,355

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

41. 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.).

Company	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
2022				
Financial liabilities:				
Other payables	26,405	-	-	26,405
Lease liabilities	9,700	20,901	-	30,601
Loans and borrowings:				
- Revolving credit	52,000	-	-	52,000
- IMTNs	-	296,970	-	296,970
Total undiscounted financial liabilities	88,105	317,871	-	405,976

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group operates internationally and is exposed to various currencies, mainly Singapore Dollar ("SGD"), Taiwanese Dollar ("TWD"), Indonesian Rupiah ("IDR"), United Arab Emirates Dirham ("AED"), Saudi Arabia Riyal ("SAR") and New Zealand Dollar ("NZD").

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(c) Foreign currency risk (contd.)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in the SGD and TWD exchange rates against the RM, with all other variables held constant.

	Change in SGD rate	Effect on profit before tax RM'000	Effect on equity RM'000
2023	6%	22	35,181
	-6%	(22)	(35,181)
2022	6%	1,579	33,305
	-6%	(1,579)	(33,305)

	Change in TWD rate	Effect on profit before tax RM'000	Effect on equity RM'000
2023	5%	-	6,752
	-5%	-	(6,752)
2022	6%	-	7,230
	-6%	-	(7,230)

The impact of sensitivity analysis of the rest of the foreign currencies is not material to the Group.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(d) Interest rate risk (contd.)

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

Sensitivity analysis for interest rate risk

A sensitivity analysis had been performed to determine the sensitivity of the Group's profit net of tax to a reasonably possible change in the interest rate at the reporting date. This analysis assumes that all other variables, in particular foreign currency rate, remain constant. Based on the analysis, there is no material impact to the Group's profit net of tax.

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

At 31 December 2023	Note	WAEIR %	Within 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000	Total RM'000
Group							
Fixed rate							
Deposits with licensed banks and other financial institutions	27	2.22	194,100	-	-	-	194,100
IMTNs	35	4.25	-	-	(250,000)	-	(250,000)
Lease liabilities	15	2.91	(13,483)	(12,878)	(4,608)	(2,054)	(33,023)
Floating rate							
Revolving credit	35	3.44	(137,803)	-	-	-	(137,803)
Term loans	35	4.92	(37,716)	(51,997)	(12,347)	-	(102,060)
Company							
Fixed rate							
Deposits with licensed banks and other financial institutions	27	2.95	1,500	-	-	-	1,500
IMTNs	35	4.25	-	-	(250,000)	-	(250,000)
Lease liabilities	15	2.61	(9,582)	(9,838)	(794)	-	(20,214)
Floating rate							
Revolving credit	35	4.06	(85,000)	-	-	-	(85,000)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

41. 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: (contd.)

At 31 December 2022	Note	WAEIR %	Within 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000	Total RM'000
Group							
Fixed rate							
Deposits with licensed banks and other financial institutions	27	2.16	131,244	-	-	-	131,244
IMTNs	35	4.25	-	-	(250,000)	-	(250,000)
Lease liabilities	15	2.54	(12,744)	(12,136)	(16,074)	-	(40,954)
Floating rate							
Revolving credit	35	2.61	(101,732)	-	-	-	(101,732)
Term loans	35	4.69	(25,379)	(26,563)	(55,076)	-	(107,018)
Company							
Fixed rate							
Deposits with licensed banks and other financial institutions	27	3.27	9,000	-	-	-	9,000
IMTNs	35	4.25	-	-	(250,000)	-	(250,000)
Lease liabilities	15	4.00	(9,700)	(6,934)	(13,967)	-	(30,601)
Floating rate							
Revolving credit	35	2.45	(52,000)	-	-	-	(52,000)

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 12 months. Interest on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Group and of the Company that are not included in the above tables are not subject to interest rate risks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(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.

(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	22
Cash, bank balances and deposits	27
Borrowings	35
Trade and other payables	36

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 financial assets

	Group	
	2023 RM '000	2022 RM '000
Level 2 - significant observable input		
Assets measured at fair value:		
Short term investments	26,616	97,178

The valuation date of these financial instruments is 31 December 2023 and 2022, respectively. There have been no transfers between levels during the period.

Short term investments are valued based on currently available deposits with similar terms and maturities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

42. 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Term loans	102,060	107,018	-	-
Revolving credit	137,803	101,732	85,000	52,000
IMTNs	250,000	250,000	250,000	250,000
Total debt	489,863	458,750	335,000	302,000
Total assets	2,954,320	2,868,671	1,904,217	1,891,693
Debt to asset ratio	17%	16%	18%	16%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

43. SEGMENT INFORMATION

(a) Business unit segments

For management purposes, the Group is organised into business units based on their products and services, and reflect the Group's offerings across different sectors as follows:

Asset Management

The asset management segment provides integrated facilities management and engineering contracting services for a range of assets and building types specialising in healthcare support and property and facility solutions.

(i) Healthcare support

The healthcare support division delivers optimal solutions in improving the non-clinical support services demanded by healthcare providers and other commercial industries.

Services range from facilities and biomedical engineering maintenance, waste management, linen and laundry, to housekeeping and portering services.

(ii) Property and facility solutions ("PFS")

The PFS division offers integrated facilities management services complimented with technology-driven green building solutions and asset optimisation, with a focus on enhancement and energy solutions.

Infrastructure Solutions

Infrastructure solutions segment provides strategic advisory services, design, development, maintenance and management of major transport projects and infrastructure assets.

(i) Asset consultancy

The asset consultancy division provides advisory and planning, engineering design and consultancy, property and community consultancy, research and development, procurement and construction planning, project and construction management, and asset and facilities management.

(ii) Infrastructure services ("IS")

The IS 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

43. 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 six 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 operations in this area are principally integrated facilities management and asset management consultancy services.
- (iv) Singapore - the operations in this area are principally integrated facilities management.
- (v) Taiwan - the operations in this area are principally integrated facilities management.
- (vi) India - in the previous year, the operations in this area were principally integrated facilities management.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

43. SEGMENT INFORMATION (CONTD.)

At 31 December 2023	Note	Asset Management		Infrastructure Solutions					Group
		Healthcare Support RM'000	Property and Facility Solutions RM'000	Infrastructure Services RM'000	Asset Consultancy RM'000	Others RM'000	Elimination RM'000		
Revenue									
External revenue		1,527,879	227,388	998,249	89,438	38,086	-	2,881,040	
Inter-segment revenue	A	1,332	9,873	-	-	168,978	(180,183)	-	
Total revenue		1,529,211	237,261	998,249	89,438	207,064	(180,183)	2,881,040	
Results									
EBITDA*		92,087	10,341	79,729	3,001	52,493	(79,786)	157,865	
Depreciation and amortisation		(34,688)	(1,006)	(12,658)	(816)	(35,675)	(2,269)	(87,112)	
EBIT**		57,399	9,335	67,071	2,185	16,818	(82,055)	70,753	
Interest income		3,052	737	997	213	3,703	(1,568)	7,134	
Interest expense		(6,141)	(3,714)	(48)	(217)	(14,248)	1,568	(22,800)	
Share of results of associates		8,467	-	-	99	-	-	8,566	
Share of results of a joint venture		-	-	-	1	-	-	1	
Profit before tax and zakat		62,777	6,358	68,020	2,281	6,273	(82,055)	63,654	
Income tax expenses		(10,209)	(192)	(14,025)	(707)	(1,409)	(5,858)	(32,400)	
Zakat		(157)	-	(842)	(25)	(136)	-	(1,160)	
Profit after tax and zakat		52,411	6,166	53,153	1,549	4,728	(87,913)	30,094	
Assets									
Segment assets	B	1,512,521	388,960	610,174	544,396	489,562	(591,293)	2,954,320	
Liabilities									
Segment liabilities	B	591,190	235,803	286,105	42,969	965,928	(791,943)	1,330,052	

* Earnings before interest, taxes, depreciation and amortisation

** Earnings before interest and taxes

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

43. SEGMENT INFORMATION (CONTD.)

At 31 December 2023 (contd.)	Note	Asset Management		Infrastructure Solutions					Elimination RM'000	Group RM'000	
		Healthcare Support RM'000	Property and Facility Solutions RM'000	Infrastructure Services RM'000	Asset Consultancy RM'000		Others RM'000				
Other segment information											
Capital expenditure	C	21,036	270	32,636	384	6,065	-	-	60,391		
Investments in associates		67,804	-	-	4,028	-	-	-	71,832		
Staff rationalisation cost		-	-	-	-	1,596	-	-	1,596		
Accretion of interest on											
- concession receivables		-	(15,423)	-	-	-	-	-	(15,423)		
- loans and receivables		(3,959)	(737)	-	-	-	-	-	(4,696)		
Fair value adjustment on investment properties		-	-	-	-	(525)	-	-	(525)		
Dividend income		-	-	(34)	(13)	-	-	-	(47)		
Depreciation (Note 7)		34,314	992	10,874	816	12,268	(60)		59,204		
Amortisation (Note 7)	D	373	14	1,784	-	23,408	2,329		27,908		
Non-cash expenses/(income) other than impairment, depreciation, and amortisation	E	1,381	(1,674)	712	-	(202)	945		1,162		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

43. SEGMENT INFORMATION (CONTD.)

At 31 December 2022	Note	Asset Management		Infrastructure Solutions					Group
		Healthcare Support	Property and Facility Solutions	Infrastructure Services	Asset Consultancy	Others	Elimination		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue									
External revenue		1,487,871	163,766	768,997	99,520	3,475	-	-	2,523,629
Inter-segment revenue	A	1,106	2,159	2,503	255	156,601	(162,624)	-	-
Total revenue		1,488,977	165,925	771,500	99,775	160,076	(162,624)	-	2,523,629
Results									
EBITDA *		101,004	9,752	63,687	2,112	106,314	(102,918)	-	179,951
Depreciation and amortisation		(33,784)	(1,087)	(11,622)	(978)	(33,946)	(2,143)	-	(83,560)
EBIT**		67,220	8,665	52,065	1,134	72,368	(105,061)	-	96,391
Interest income		911	353	1,051	252	1,566	(901)	-	3,232
Interest expense		(3,304)	(3,371)	(31)	(37)	(13,538)	901	-	(19,380)
Share of results of associates		11,023	2,091	-	422	-	-	-	13,536
Share of results of a joint venture		-	-	-	(6)	-	-	-	(6)
Profit before tax and zakat		75,850	7,738	53,085	1,765	60,396	(105,061)	-	93,773
Income tax expenses		(14,404)	(5,116)	(14,445)	(493)	(9,043)	(3,848)	-	(47,349)
Zakat		(133)	-	(577)	(63)	-	-	-	(773)
Profit after tax and zakat		61,313	2,622	38,063	1,209	51,353	(108,909)	-	45,651
Assets									
Segment assets	B	1,406,795	416,328	532,702	520,451	430,112	(437,717)	-	2,868,671
Liabilities									
Segment liabilities	B	531,112	269,903	237,406	64,431	845,275	(663,487)	-	1,284,640

* Earnings before interest, taxes, depreciation and amortisation

** Earnings before interest and taxes

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

43. SEGMENT INFORMATION (CONTD.)

At 31 December 2022 (contd.)	Asset Management		Infrastructure Solutions					Elimination RM'000	Group RM'000
	Note	Healthcare Support RM'000	Property and Facility Solutions		Infrastructure Services RM'000	Asset Consultancy RM'000	Others RM'000		
			RM'000	RM'000					
Other segment information									
Capital expenditure	C	27,898	671		5,487	260	13,609	-	47,925
Investments in associates		68,419	-		-	3,927	-	-	72,346
Staff rationalisation cost		-	-		12,192	-	480	-	12,672
Accretion of interest on									
- concession receivables		-	(17,459)		-	-	-	-	(17,459)
- loans and receivables		(2,658)	-		-	-	-	-	(2,658)
Fair value adjustment on investment properties		-	-		-	-	(13,323)	-	(13,323)
Dividend income		-	-		(675)	(58)	-	-	(733)
Depreciation (Note 7)		33,500	1,073		9,891	971	12,482	(50)	57,867
Amortisation (Note 7)	D	285	14		1,731	7	21,463	2,193	25,693
Non-cash expenses/ (income) other than impairment, depreciation, and amortisation	E	2,019	(390)		893	2,173	9	-	4,704

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

43. 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:

	2023 RM'000	2022 RM'000
Inter-segment assets	(591,293)	(437,717)

The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2023 RM'000	2022 RM'000
Inter-segment liabilities	(791,943)	(663,487)

C Capital expenditure consist of:

	2023 RM'000	2022 RM'000
Property, plant and equipment	48,239	25,465
Intangible assets - software and other development cost	4,886	1,384
Right-of-use assets	7,266	21,076
	60,391	47,925

D Amortisation consist of:

	2023 RM'000	2022 RM'000
Intangible assets	27,908	25,693

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

43. 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	2023 RM'000	2022 RM'000
Net loss on disposal of plant and equipment	7	742	340
Property, plant and equipment written off	7	-	1,365
Impairment on financial assets:			
- Trade and other receivables	7	1,599	5,375
Reversal of impairment on financial assets:			
- Trade and other receivables	5	(2,487)	(3,812)
Bad debts written off	7	801	1,025
Defined retirement benefit obligations	8	(600)	411
		1,162	4,704

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue	
	2023 RM'000	2022 RM'000
Malaysia	1,786,030	1,567,650
United Arab Emirates	112,789	75,057
Saudi Arabia	31,768	-
Indonesia	1,194	12,092
Singapore	428,488	401,867
Taiwan	520,771	466,963
Consolidated	2,881,040	2,523,629

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

43. 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	
	2023 RM'000	2022 RM'000
Malaysia	537,478	572,106
United Arab Emirates	639	849
Saudi Arabia	7,850	-
Singapore	464,763	472,557
Taiwan	5,776	6,132
Consolidated	1,016,506	1,051,644

Non-current assets information presented above consist of the followings items as presented in the consolidated statement of financial position:

	2023 RM'000	2022 RM'000
Property, plant and equipment	151,848	146,355
Investment properties	14,325	13,800
Right-of-use assets	35,606	44,246
Intangible assets	710,410	700,893
Investment in associates	71,832	72,346
Investment in a joint venture	117	116
Other investments	232	232
Contract assets	32,136	73,109
Contract fulfillment asset	-	547
	1,016,506	1,051,644

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

43. SEGMENT INFORMATION (CONTD.)

Information about major customers

Revenue from two (2022: two) major customers amounted to RM870.8 million and RM466.0 million (2022: RM635.1 million and RM450.2 million) respectively, arising from services rendered in the Infrastructure Services and Healthcare Support segment.

44. SIGNIFICANT EVENTS

- (a) On 29 September 2022, EAL, a wholly-owned subsidiary of the Company, entered into a Share Purchase Agreement and Shareholders Agreement with Mohammed Ibrahim Al-Subeaei and His Sons Investment Company for the proposed investment in MEEM, through a 60% equity interest buy-in by EAL. The transaction was completed on 21 March 2023.

The cash consideration, amounting to SAR 11 million (equivalent to approximately RM 12.9 million), is related to the acquisition of 2,644 ordinary shares. Each share was priced at SAR 4,160, comprising SAR 1,000 of nominal value and a premium of SAR 3,160. The fair value of identifiable assets and liabilities of MEEM at the date of acquisition were as follows:

	Fair value recognised on acquisition RM'000
Plant and equipment	1,191
Intangible assets - computer software	12
Rights-of-use assets	305
Trade and other receivables	5,892
Cash and bank balances	13,327
Trade and other payables	(4,319)
Lease liabilities	(330)
Defined benefit pension plan	(1,901)
Net asset acquired	14,177
Less: Non-controlling interests	(5,670)
Group's share of net assets	8,507
Identifiable intangible assets	
Customer contract	1,279
Customer relationships	524
Deferred tax liabilities	(205)
Less: Non-controlling interests	(722)
Total identified assets	9,383
Purchase consideration	12,933
Goodwill on acquisition	3,550

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

44. SIGNIFICANT EVENTS (CONTD.)

- (a) Arising from the business combination, the Company performed a purchase price allocation exercise resulting in the recognition of intangible assets relating to customer contract and customer relationships of RM1.3 million and RM0.5 million, respectively.

The effect of the acquisition on cash flows was as follows:

	RM'000
Purchase consideration satisfied by cash	12,933
Cash and cash equivalent of the subsidiary acquired	13,327
Net cash inflow on acquisition of the subsidiary at acquisition date	394

The effect of the acquisition on the financial results of the Group from the date of acquisition to 31 December 2023 is as follows:

	RM'000
Revenue	31,767
Profit for the year	180

- (b) On 2 December 2023, Edgenta International Investments L.L.C ("EII"), an indirect wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with NW Kaizen Holding Limited for the proposed acquisition of 60% equity interest in Kaizen Owner Association Management Services L.L.C ("KOA") and Kaizen AMS Property Supervision L.L.C ("KAMS").

As at 31 December 2023, the transaction has no financial impact to the Group and the Company.

45. SUBSEQUENT EVENTS

The transaction as described in Note 44(b) has been completed on 7 February 2024.

46. SIGNIFICANT CONTINGENT LIABILITIES

As at 31 December 2023, there are no significant contingent liabilities since the material litigation cases previously disclosed as contingent liabilities in the previous financial years have been resolved.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

47. 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
			2023 %	2022 %	
Subsidiary of the Company:					
Edgenta FIRST Sdn. Bhd.	Malaysia	100,000	100	100	Provision of management services
Edgenta Arabia Limited (c)	The Kingdom of Saudi Arabia	SAR 500,000	100	100	Investment holding and provision of integrated facilities management services and energy performance management services
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	750,000	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
Edgenta NXT Sdn. Bhd.	Malaysia	500,002	100	100	Provision of digital technology services

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

47. 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
			2023 %	2022 %	
Subsidiary of the Company: (contd.)					
Edgenta Academy Sdn. Bhd.	Malaysia	10,000	100	-	Provision of training and consultancy 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 and delivery of smart building solutions
Edgenta Township Management Services Sdn. Bhd.	Malaysia	2,730,000	100	100	Investment holding and management services of real estate
Edgenta GreenTech Sdn. Bhd.	Malaysia	15,000,000	100	100	Provision of asset development and facility management services

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

47. 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
			2023 %	2022 %	
Subsidiary of the Company: (contd.)					
Opus Energy Sdn. Bhd. (formerly known as Edgenta Energy Projects Sdn. Bhd.)	Malaysia	750,000	100	100	Providing energy performance management services and renewable energy services
Edgenta (Singapore) Pte. Ltd.	Singapore	SGD 40,748,425	100	100	Investment holding
Subsidiary of Edgenta Healthcare Management Sdn. Bhd.:					
Edgenta Mediserve Sdn. Bhd. (d)	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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

47. 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
			2023 %	2022 %	
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. (e)	Malaysia	51,700,000	100	100	Property development
Rimbunan Melati Sdn. Bhd.	Malaysia	6,159,091	55	55	Property development
Faber Grandview Development Malaysia (Sabah) Sdn. Bhd.		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	Rs 3,57,10,770	100	100	Facilities management services

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

47. 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
			2023 %	2022 %	
Subsidiary of Edgenta PROPEL Berhad:					
Edgenta Infrastructure Services Malaysia Sdn. Bhd.		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 (b)	Indonesia	Rp10.0 billion	99.9	99.9	Provision of management consultancy and advisory related to management of roads
Edgenta PROPEL (Sarawak) Sdn. Bhd. (g)	Malaysia	600,001	49	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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

47. 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
			2023 %	2022 %	
Subsidiary of Opus Group Berhad:					
Builders Credit & Leasing Sdn. Bhd.	Malaysia	600,000	100	100	Investment holding
Opus International (NZ) Limited (a)	New Zealand	NZD200	100	100	Investment holding
Opus International (M) Berhad	Malaysia	15,000,000	100	100	Management of the planning, design and construction of infrastructure projects and provision of facilities management services
Subsidiary of Opus International (M) Berhad:					
Opus Management Sdn. Bhd.	Malaysia	1,000,000	100	100	Management of the planning, design and construction of infrastructure projects and provision of facilities management services
Pengurusan Lantas Berhad	Malaysia	5,000,000	100	100	Provision of technical management, support services for the planning, design and construction of projects
Opus International India Private Limited (b)	India	Rs4,60,000	100	100	Provision of asset development and asset management services

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

47. 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
			2023 %	2022 %	
Subsidiary of Opus International (M) Berhad: (contd.)					
Opus Al-Dauliyyah L.L.C. (b)(e)	The Kingdom of Saudi Arabia	SAR 500,000	100	100	Engineering consultancy services
Associate of Opus International (M) Berhad:					
Opus Consultants (M) Sdn. Bhd.	Malaysia	250,531	30	30	Engineering consultancy services
Joint Venture of Opus International (M) Berhad:					
Opus Consultants (Sarawak) Sdn. Bhd.	Malaysia	250,000	49	49	Provision of project management and engineering consultancy services
Subsidiary of Edgenta Township Management Services Sdn. Bhd.:					
UEM Sunrise Edgenta TMS Sdn. Bhd.	Malaysia	3,900,000	70	70	Investment holding and management of real estate
Subsidiary of UEM Sunrise Edgenta TMS Sdn. Bhd.:					
Edgenta TMS Sdn. Bhd.	Malaysia	5,500,000	49	49	In liquidation

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

47. 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
			2023 %	2022 %	
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	In liquidation
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	USD 1,503,200	100	100	Facilities management and building cleaning services

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

47. 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
			2023 %	2022 %	
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	SGD 8,300,000	100	100	Investment holding
Edgenta International Investments L.L.C (“EII”)	United Arab Emirates	AED 300,000	100	-	Investment holding and management of commercial, healthcare and energy enterprises
Subsidiary of UEMS Pte. Ltd.:					
UEMS Solutions Pte. Ltd. (a)	Singapore	SGD 2,000,000	100	100	Property management, facilities engineering, facilities management, energy management, corporate real estate, environmental services, project management and technology optimisation, learning and development, and specialised services

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

47. 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
			2023 %	2022 %	
Subsidiary of UEMS Pte. Ltd. (contd.):					
Edgenta UEMS Sdn. Bhd.	Malaysia	3,000,000	100	100	Provision of maintenance and support services for hospitals, public centres, manufacturing facilities and commercial buildings
Edgenta UEMS Ltd. (a)	Taiwan	TWD 25,000,000	100	100	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	HKD 20,360,000	100	100	Dormant
Subsidiary of Edgenta UEMS Ltd.:					
Edgenta UEMS SC Ltd. (a)	Taiwan	TWD 25,000,000	100	100	Provision of cleaning, portering and consulting services for hospitals, medical care institutes, commercial, high-tech companies, education centre, transportation and shopping mall

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

47. 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
			2023 %	2022 %	
Subsidiary of EAL:					
MEEM for Facilities Management Company (b)	The Kingdom of Saudi Arabia	SAR 16,753,120	60	-	Real estate management, cleaning and maintenance service
Subsidiary of EII:					
Edgenta Technical Service L.L.C	United Arab Emirates	AED 300,000	100	-	Provision of technical services
Edgenta Facilities Management L.L.C	United Arab Emirates	AED 300,000	100	-	Facilities management services

- (a) Audited by member firms of Ernst & Young Global in respective countries
- (b) Audited by firms other than Ernst & Young PLT or any member firms of Ernst & Young Global
- (c) These subsidiaries are audited by firms other than Ernst & Young PLT or any member firms of Ernst & Young Global for financial year ended 31 December 2023. For financial year 2022, these subsidiaries were audited by member firms of Ernst & Young Global in respective countries.
- (d) Edgenta Mediserve Sdn. Bhd. is 43% owned by UEM Edgenta Berhad and 57% owned by Edgenta Healthcare Management Sdn. Bhd.
- (e) Opus Al-Dauliyyah L.L.C. is 95% owned by Opus International (M) Berhad and 5% owned by Opus Management Sdn. Bhd.
- (f) Classified as disposal group held for sale in the previous financial year (Note 28)
- (g) Notwithstanding Edgenta PROPEL Berhad's ("EPB") effective shareholding of less than 50% in Edgenta PROPEL (Sarawak) Sdn. Bhd. ("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 affect its returns as stipulated in the shareholder's agreement. Therefore, EPS is consolidated in the Group's consolidated financial statements.

ANALYSIS OF SHAREHOLDINGS

AS AT 20 MARCH 2024

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	1,110	6.75	34,930	0.01
100 - 1,000	9,180	55.85	3,359,331	0.40
1,001 - 10,000	4,426	26.93	20,056,872	2.41
10,001 - 100,000	1,524	9.27	47,229,172	5.68
100,001 - 41,581,200 (*)	196	1.19	139,157,500	16.73
41,581,201 and above (**)	2	0.01	621,786,225	74.77
Total	16,438	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 20 March 2024

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)	46,818,300	5.63
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	11,843,219	1.42
4	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	10,825,500	1.30
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	9,808,075	1.18
6	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL DALI EQUITY GROWTH FUND	8,060,900	0.97
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	7,500,681	0.90
8	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	6,148,204	0.74
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	4,954,700	0.60
10	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	4,225,083	0.51

ANALYSIS OF SHAREHOLDINGS

AS AT 20 MARCH 2024

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
11	AMANAH RAYA BERHAD KUMPULAN WANG BERSAMA	3,431,800	0.41
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ARIM)	3,073,800	0.37
13	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)	3,000,000	0.36
14	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANDREW LIM ENG GUAN (7000817)	2,800,000	0.34
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUNG KEAT ANN	2,500,000	0.30
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)	2,135,000	0.26
17	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANDREW LIM ENG GUAN	1,730,000	0.21
18	CIMSEC NOMINEES (ASING) SDN BHD CIMB FOR TOSHIHIKO SAITO (PB)	1,600,000	0.19
19	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD (HEDGING)	1,598,200	0.19
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	1,588,700	0.19
21	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD PRINCIPAL ISLAMIC ASSET MANAGEMENT SDN BHD FOR LEMBAGA TABUNG HAJI	1,485,900	0.18
22	NG CHEONG BING	1,477,800	0.18
23	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND J724 FOR SPDR PORTFOLIO EMERGING MARKETS ETF	1,420,900	0.17
24	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	1,362,900	0.16
25	ONG WAN CHIN	1,340,000	0.16
26	SYARIKAT PEMASARAN SEJATI SDN BHD	1,227,951	0.15
27	LIM CHEE MENG	1,215,000	0.14
28	LEE CHUN CHENG	1,177,900	0.14
29	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR LOW CHOO CHEAN	1,000,000	0.12
30	ROAD BUILDER (M) SDN. BHD.	980,925	0.12
TOTAL		721,299,363	86.73

ANALYSIS OF SHAREHOLDINGS

AS AT 20 MARCH 2024

SUBSTANTIAL SHAREHOLDERS

As per the Register of Substantial Shareholders

As at 20 March 2024

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
UEM Group Berhad	574,967,925	69.14	-	-
Khazanah Nasional Berhad [#]	-	-	574,967,925	69.14
Urusharta Jamaah Sdn Bhd	48,313,300	5.63	-	-

Note:

[#] Deemed interested pursuant to Section 8(4) of the Companies Act 2016.

DIRECTORS' INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

As at 20 March 2024

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	-	-	-	-
Syahrulizam Samsudin	-	-	-	-
Dato' Mohd Izani Ghani	-	-	-	-
Dato' George Stewart LaBrooy	-	-	-	-
Rowina Ghazali Seth	-	-	-	-
Jenifer Thien Bit Leong	-	-	-	-
Mohd Asrul Ab Rahim	-	-	-	-
Nurul Iman Mohd Zaman	-	-	-	-
Dato' Dr. Omar Abd Hamid	-	-	-	-
Simon Kua Choo Kai	-	-	-	-

PROPERTIES HELD BY OUR GROUP

Location & Address	Description of Properties	Approx. Land Area	Gross Built-Up Area (Sq. Meters)	Existing Use	Land Tenure (Expire Date)	Building Approx. Age (Years)	Net Book Value as at 31.12.2023 (RM'000)	Last Date of Revaluation or if none: Date of Acquisition
CORPORATE								
UEM EDGENTA BERHAD								
Lot 32, 33 & 33A Prima Villa, No. 2, Jalan 109F, Taman Danau Desa, 58100 Kuala Lumpur	Three units of four-storey link villas	0.24 acres	1,617	Corporate facilities	Leasehold (6.1.2109)	9	7,500	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)	27	827	31.12.2022
Lot No. 37, Jalan Industri 8, Kuala Ketil Industrial Estate Mukim of Tawar, 09300 Kuala Ketil, Kedah	Laundry plant with 2-storey administration block and ancillary facilities	2.24 acres	9,058	Laundry plant	Leasehold (26.3.2056)	20	666	31.12.2022
Lot No. 131 (CL215359890) & Lot No. 132 (CL215359907), SEDCO Industrial Estate, Lok Kawi, Sabah	Single-storey detached factory with mezzanine office	0.51 acres	2,060	Factory and office building	Leasehold (13.12.2042)	18	284	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	12	1,160	31.12.2022

PROPERTIES HELD BY OUR GROUP

Location & Address	Description of Properties	Approx. Land Area	Gross Built-Up Area (Sq. Meters)	Existing Use	Land Tenure (Expire Date)	Building Approx. Age (Years)	Net Book Value as at 31.12.2023 (RM'000)	Last Date of Revaluation or if none: Date of Acquisition
INFRASTRUCTURE SERVICES								
EDGENTA PROPEL BERHAD & EDGENTA INFRASTRUCTURE SERVICES SDN. BHD.								
No. C1-16-08, Block C1, Vista Komanwel, Bukit Jalil, 57700 Kuala Lumpur	Penthouse (duplex)	-	850	Staff accommodation	Freehold	10	301	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	18	2,224	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	13	200	7.12.2015
No.3 & No.5, Jalan P18, Kawasan Perindustrian MIEL, 43650 Bandar Baru Bangi, Selangor	Two adjoining units of one and half storey semi detached factory	0.83 acres	1,303	Laboratory and office building	Leasehold (29.09.2086)	33	2,327	7.12.2015
PROPERTY DEVELOPMENT								
COUNTRY VIEW DEVELOPMENT SDN. BHD.								
CL015027237 and CL015395196, Jalan Tuaran, Likas, 88400 Kota Kinabalu, Sabah	Vacant land for development	7.72 acres	-	Vacant land	Leasehold 999 years (2.12.2920 and 20.8.2925)	-	14,325	31.12.2023

RECURRENT RELATED PARTY TRANSACTIONS

The shareholders of UEM Edgenta Berhad (“UEM Edgenta” or “the Company”), at the 60th Annual General Meeting held on 15 June 2023, had 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 2023 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 2023 to 15 June 2023 RM’000	Value Incurred from 16 June 2023 to 31 December 2023 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.	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.	3,809	5,333	9,142
			UEM Edgenta is a 69.14% subsidiary of UEMG.	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.	374	500	874
			Dato’ Mohd Izani Ghani and Mohd Asrul Ab Rahim are directors of UEM Edgenta and UEMG. Dato’ Mohd Izani Ghani and Mohd Asrul Ab Rahim do not have any equity interest in UEMG.	Rental of office area at Petaling Jaya from UEMG Group.	158	-	158
				Payment of annual nomination fee to UEMG.	4,583	5,417	10,000
				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.	-	-	-

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 2023 to 15 June 2023 RM'000	Value Incurred from 16 June 2023 to 31 December 2023 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.	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.	-	-	-
			UEM Edgenta is a 69.14% subsidiary of UEMG.	Provision of design, consultancy services, maintenance management and technical services to PLUS Malaysia Group; project management fees and development and proposed network maintenance fee from PLUS Malaysia Group.	10,820	15,149	25,969
			PLUS Malaysia is a 51% subsidiary of UEMG.				
			Dato' Mohd Izani Ghani is a director of UEM Edgenta and PLUS Malaysia.	Provision of highway maintenance services to PLUS Malaysia Group.	305,123	565,658	870,781
			Dato' Mohd Izani Ghani does not have any equity interest in PLUS Malaysia.	Provision of maintenance services of the real time monitoring system and soil investigation works for upgrading of existing and new facilities to PLUS Malaysia Group.	-	-	-
3	UEM Edgenta Group	UEM Sunrise Berhad and its subsidiaries ("UEM Sunrise Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG.	Provision of facilities maintenance services to UEM Sunrise Group.	2,868	4,060	6,928
				Provision of services to UEM Sunrise Group as follows:	-	-	-
			UEM Edgenta is a 69.14% subsidiary of UEMG.	(i) pavement, MEE works, utilities relocation and traffic management works;			
			UEM Sunrise is a 69.56% subsidiary of UEMG.	(ii) project management consultancy services for commercial development;			
			Dato' Mohd Izani Ghani is a director of UEM Edgenta and UEM Sunrise.	(iii) proposed soil investigation works, instrumentation, material testing, environmental services and pavement works for projects development;			
			Dato' Mohd Izani Ghani does not have any equity interest in UEM Sunrise.	(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 cooling tower for UEM Sunrise Group.	-	-	-

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 2023 to 15 June 2023 RM'000	Value Incurred from 16 June 2023 to 31 December 2023 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
4	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 for First Impact.	3,341	6,831	10,172
5	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. Khazanah holds 20.10% equity interest in TM.	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.	-	-	-
6	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. Khazanah holds 33.24% equity interest in MAHB.	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 1 January 2023 to 15 June 2023 RM'000	Value Incurred from 16 June 2023 to 31 December 2023 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
7	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. Khazanah holds 22.56% equity interest in TNB.	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.	786	3,304	4,090
8	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 70% subsidiary of Khazanah. Tan Sri Dr. Azmil Khalid and Nurul Iman Mohd Zaman are directors of UEM Edgenta and Cenviro. Tan Sri Dr. Azmil Khalid and Nurul Iman Mohd Zaman do 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.	5	34	39
9	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. ProHAWK 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 asset management services for Women & Children Hospital ("WACH") to ProHAWK.	19,069	21,981	41,050

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 2023 to 15 June 2023 RM'000	Value Incurred from 16 June 2023 to 31 December 2023 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
10	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 to TERAS by Edgenta PROPEL Berhad.	-	-	-
11	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 70% subsidiary of Khazanah.	Provision of waste collection services by Kualiti Alam.	-	-	-
12	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"). Khazanah holds 10.60% equity interest in TdC. Pulau Kapas Ventures Sdn. Bhd. ("PKV"), in which Khazanah holds 19.82% equity interest, holds 25.10% equity interest in TdC.	Provision of fiber optic maintenance on highway by TT dotCom. Provision of integrated facilities maintenance services and energy management services to TT dotCom.	829	2,846	3,675

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 2023 to 15 June 2023 RM'000	Value Incurred from 16 June 2023 to 31 December 2023 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
13	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 25.94% 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.	392	618	1,010
14	UEM Edgenta Group	edotco Group Sdn. Bhd. ("edotco 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. edotco Group is a 63% subsidiary of Axiata Group Berhad, which in turn is a 36.73% associated company of Khazanah. Mount Bintang Ventures Sdn. Bhd., a wholly-owned subsidiary of Khazanah, holds 10.57% equity interest in edotco Group.	Provision of integrated facilities maintenance services and energy management services to edotco Group.	-	-	-

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 2023 to 15 June 2023 RM'000	Value Incurred from 16 June 2023 to 31 December 2023 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
15	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.	-	-	-
16	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. Cenviro is a 70% subsidiary of Khazanah.	Provision of healthcare waste management services by Cenviro Group.	6,349	1,779	8,128

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 2023 to 15 June 2023 RM'000	Value Incurred from 16 June 2023 to 31 December 2023 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
17	Edgenta Facilities Sdn. Bhd. and its subsidiaries ("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 mechanical and electrical ("M&E") maintenance to UEM Builders.	2	(26)	(24)
18	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. Khazanah holds 23.01% equity interest in CIMB.	Provision of facilities maintenance services to CIMB Group.	8,666	11,149	19,815
19	Edgenta PROPEL Berhad and its subsidiaries ("Edgenta PROPEL Group")	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.	-	-	-

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 2023 to 15 June 2023 RM'000	Value Incurred from 16 June 2023 to 31 December 2023 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
20	Edgenta PROPEL Group	Putrajaya Holdings Sdn. Bhd. ("PHSB")	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. Khazanah holds 15.59% equity interest in PHSB.	Provision of bridge maintenance services, pavement, civil, MEE works, utilities relocation works and traffic management services to PHSB.	-	-	-
21	Edgenta PROPEL Group	Cement Industries of Malaysia Berhad ("CIMA")	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. CIMA is a wholly-owned subsidiary of UEMG.	Provision of recycled asphalt pavement ("RAP") premix plant operator by CIMA and purchase of material from CIMA.	-	-	-
22	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. ("Edgenta Singapore"), which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG. IMU has ceased to be a subsidiary of IHH Healthcare and an associated company of Khazanah.	Provision of facilities maintenance services to IMU.	314	-	314

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 2023 to 15 June 2023 RM'000	Value Incurred from 16 June 2023 to 31 December 2023 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
23	UEMS Malaysia	Parkway Pantai Limited and its subsidiaries ("Parkway Pantai Group")	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, which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG. 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 25.94% associated company of Pulau Memutik Ventures Sdn. Bhd., which in turn is a wholly-owned subsidiary of Khazanah.	Provision of facilities maintenance services to Pantai Holdings Group at various Pantai hospitals.	5,509	8,265	13,774
24	UEMS Malaysia	Khazanah	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, which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG.	Provision of cleansing services at KLCC and KL Sentral to Khazanah.	184	279	463

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 2023 to 15 June 2023 RM'000	Value Incurred from 16 June 2023 to 31 December 2023 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
25	UEMS Malaysia	MAHB Group	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, which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG. Khazanah holds 33.24% equity interest in MAHB.	Provision of services to MAHB: (i) COVID-19 screening services; (ii) food and beverage services within the Health Screening Lounge; (iii) telecom services within the Health Screening Lounge; (iv) access to retail services providers; and (v) concierge services for passengers waiting in Health Screening Lounge.	-	-	-
26	UEMS Solutions Pte. Ltd.	IHH Healthcare Group	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEMS Solutions Pte. Ltd. is a wholly-owned subsidiary of UEMS Pte. Ltd., which in turn is a wholly-owned subsidiary of Edgenta Singapore, which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG. IHH Healthcare is a 25.94% associated company of Pulau Memutik Ventures Sdn Bhd, which in turn is a wholly-owned subsidiary of Khazanah.	Provision of housekeeping services at various IHH Healthcare Hospitals to IHH Healthcare Group.	423	594	1,017

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 2023 to 15 June 2023 RM'000	Value Incurred from 16 June 2023 to 31 December 2023 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
27	Edgenta GreenTech Sdn. Bhd. and its subsidiaries ("Edgenta GreenTech Group")	Putrajaya Holdings Sdn. Bhd. ("PHSB")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta GreenTech is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG. Khazanah holds 15.59% equity interest in PHSB.	Provision of integrated facilities maintenance services and energy management services to PHSB.	-	-	-
28	UEM Edgenta Group	Khazanah 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.	Provision of sustainability platform/carbon neutrality platform to Khazanah Group.	-	-	-
29	UEM Edgenta Group	Iskandar Investment 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. Iskandar Investment Berhad is a 60% subsidiary of Khazanah.	Provision of Asseto, an Asset Management System, and Work Order Management platform to Iskandar Investment Berhad.	-	-	-
30	UEM Edgenta Group	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 25.94% associated company of Pulau Memutik Ventures Sdn Bhd, which in turn is a wholly-owned subsidiary of Khazanah.	Provision of Asseto, an Asset Management System, and Work Order Management platform to IHH Healthcare Group.	-	-	-
31	UEM Edgenta Group	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 professional services to install new access management solution in Menara UEM from TERAS to UEM Edgenta Group.	-	-	-

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 2023 to 15 June 2023 RM'000	Value Incurred from 16 June 2023 to 31 December 2023 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
32	Edgenta GreenTech Group	Impeccable Vintage Properties Sdn. Bhd. ("IVP")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta GreenTech is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG. IVP is a wholly-owned subsidiary of Khazanah.	Provision of refurbishment and/or retrofitting work at Subang Airport to IVP.	-	-	-
33	UEM Edgenta Group	Astro Holdings Sdn. Bhd. ("Astro") and its subsidiaries ("Astro 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. Astro is a 29.34% associate company of Pantai Cahaya Bulan Ventures Sdn. Bhd., which in turn is a wholly-owned subsidiary of Khazanah.	Provision of Energy Performance Contract ("EPC") to Astro Group.	-	-	-
34	UEM Edgenta Group	Kolej Yayasan UEM ("KYUEM")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. Yayasan KYUEM is the philanthropic arm of UEMG and had established KYUEM, a residential A-Level private higher education college. Dato' Mohd Izani Ghani is a director of UEM Edgenta and member of Board of Governors of KYUEM.	Provision of EPC to Yayasan KYUEM.	-	-	-

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 2023 to 15 June 2023 RM'000	Value Incurred from 16 June 2023 to 31 December 2023 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
35	UEM Edgenta Group	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 25.94% associated company of Pulau Memutik Ventures Sdn Bhd, which in turn is a wholly-owned subsidiary of Khazanah.	Provision of EPC to IHH Healthcare Group.	-	-	-
36	UEM Edgenta Group	CIMA	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. CIMA is a wholly-owned subsidiary of UEMG. Dato' Mohd Izani Ghani is a director of UEM Edgenta and CIMA. Dato' Mohd Izani Ghani does not have any equity interest in CIMA.	Provision of EPC to CIMA.	-	-	-

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 2023 to 15 June 2023 RM'000	Value Incurred from 16 June 2023 to 31 December 2023 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
37	UEM Edgenta Group	UEM 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. Dato' Mohd Izani Ghani and Mohd Asrul Ab Rahim are directors of UEM Edgenta and UEMG. Dato' Mohd Izani Ghani and Mohd Asrul Ab Rahim do not have any equity interest in UEMG.	Provision of facilities management services to UEMG at Imperia Building. Provision of project management consultancy services to UEMG.	-	1,185	1,185
38	EFSB Group	UEM 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.	Rental of retail area at Imperia Tower from UEMG.	5	7	12
39	UEM Edgenta Group	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 is a director of UEM Edgenta and PLUS Malaysia. Dato' Mohd Izani Ghani does not have any equity interest in PLUS Malaysia.	Provision of design and project management services to PLUS Group.	-	-	-

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 2023 to 15 June 2023 RM'000	Value Incurred from 16 June 2023 to 31 December 2023 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
40	UEM Edgenta Group	Destination Resorts and Hotels Sdn. Bhd. ("DRH") (formerly known as Themed Attractions Resorts & Hotels Sdn. Bhd.)	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. DRH is a wholly-owned subsidiary of Khazanah.	Provision of buildings and facilities audit exercise services at Desaru Adventure Water Park to DRH.	-	-	-
41	UEM Edgenta Group	Avisena Healthcare Sdn. Bhd. ("AHSB") ¹	Dato' Dr. Omar Abd Hamid is a director of UEM Edgenta and AHSB. AHSB is a wholly-owned subsidiary of Avisena Holdings Sdn. Bhd., which in turn is 54.85% held by Oratis Healthcare Sdn. Bhd. Dato' Dr. Omar Abd Hamid holds 85.42% equity interest in Oratis Healthcare Sdn. Bhd.	Provision of energy performance contract to AHSB for project development at Avisena Specialist Hospitals.	-	79	79

¹ The transaction is new and was not included in the shareholders' mandate approved on 15 June 2023, which arose following the appointment of Dato' Dr. Omar Abd Hamid on 1 August 2023.

At the date of his appointment, there is an existing contract with AHSB. The transaction is revenue in nature, therefore it has been regarded and monitored as recurrent related party transaction from 1 August 2023.

SUSTAINABILITY PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2020	2021	2022	2023
Bursa (Anti-corruption)					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Top Management	Percentage	0.00	0.00	0.00	0.00
Senior Management	Percentage	0.00	0.00	0.00	0.00
Middle Management	Percentage	0.00	0.00	0.00	0.00
Junior Management	Percentage	0.00	0.00	0.00	0.00
Non-executive	Percentage	0.00	0.00	0.00	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	0
Disclosure of cost of fines, penalties or settlements in relation to corruption	MYR	0.00	0.00	0.00	0.00
Bursa (Community/Society)					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	-	195,000.00	308,666.35
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	-	12,500	8,805
Bursa (Diversity)					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category					
Age Group by Employee Category					
Top Management Under 30	Percentage	0.00	0.00	0.00	0.00
Top Management Between 30-50	Percentage	60.00	53.00	50.00	61.00
Top Management Above 50	Percentage	40.00	47.00	50.00	39.00
Senior Management Under 30	Percentage	0.00	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	56.00	58.00	61.00	66.00
Senior Management Above 50	Percentage	44.00	42.00	39.00	34.00
Middle Management Under 30	Percentage	1.00	1.00	1.00	2.00
Middle Management Between 30-50	Percentage	72.00	70.00	72.00	75.00
Middle Management Above 50	Percentage	28.00	29.00	28.00	23.00
Junior Management Under 30	Percentage	27.00	20.00	17.00	16.00
Junior Management Between 30-50	Percentage	58.00	63.00	66.00	69.00
Junior Management Above 50	Percentage	15.00	17.00	18.00	16.00
Non-Executive Under 30	Percentage	17.00	16.00	14.00	13.00
Non-Executive Between 30-50	Percentage	60.00	63.00	37.00	39.00
Non-Executive Above 50	Percentage	23.00	21.00	50.00	48.00
Gender Group by Employee Category					
Top Management Male	Percentage	67.00	80.00	72.00	78.00
Top Management Female	Percentage	33.00	20.00	28.00	22.00
Senior Management Male	Percentage	68.00	61.00	60.00	61.00
Senior Management Female	Percentage	32.00	39.00	40.00	39.00
Middle Management Male	Percentage	74.00	72.00	72.00	69.00
Middle Management Female	Percentage	26.00	28.00	28.00	31.00
Junior Management Male	Percentage	62.00	64.00	61.00	60.00
Junior Management Female	Percentage	38.00	36.00	39.00	40.00
Non-Executive Male	Percentage	79.00	78.00	45.00	46.00
Non-Executive Female	Percentage	21.00	22.00	55.00	54.00
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	67.00	60.00	67.00	70.00
Female	Percentage	33.00	40.00	33.00	30.00
Under 30	Percentage	0.00	0.00	0.00	0.00
Between 30-50	Percentage	11.00	20.00	22.00	30.00
Above 50	Percentage	89.00	80.00	78.00	70.00
Bursa (Energy management)					
Bursa C4(a) Total energy consumption	Megawatt	4,296,632.00	4,644,581.00	9,460,849.58	9,783,627.36
Bursa (Health and safety)					
Bursa C5(a) Number of work-related fatalities	Number	0	0	2	2
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.12	0.21	0.18	0.15
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	9,841	3,026	1,738
Percentage of sites with OHSAS 18001 certification	Percentage	-	98.80	100.00	100.00
Number of work-related employee fatalities, over last 3 years	Number	0	0	1	0
Number of work-related contractor fatalities, over last 3 years	Number	0	0	1	2
Bursa (Labour practices and standards)					
Bursa C6(a) Total hours of training by employee category					
Top Management	Hours	-	741	829	690
Senior Management	Hours	-	8,376	8,398	6,406
Middle Management	Hours	-	11,487	13,324	10,603

SUSTAINABILITY PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2020	2021	2022	2023
Junior Management	Hours	-	43,918	56,387	37,589
Non-executive	Hours	-	30,693	39,894	246,658
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	15.00	14.00	16.00	14.00
Bursa C6(c) Total number of employee turnover by employee category					
Top Management	Number	9	5	5	5
Senior Management	Number	32	40	38	37
Middle Management	Number	35	40	75	87
Junior Management	Number	94	115	309	274
Non-executive	Number	171	269	5,837	5,978
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	0
Bursa (Supply chain management)					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.67	99.95	99.40	98.88
Bursa (Data privacy and security)					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	-	-	0
Bursa (Water)					
Bursa C9(a) Total volume of water used	Megalitres	0.350000	0.400000	0.540000	0.510000
Bursa (Waste management)					
Bursa C10(a) Total waste generated	Metric tonnes	-	-	567.45	1,498.97
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	10.60	604.93
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	556.85	894.04
Disclosure of three years of hazardous waste generation (tonnes)	Metric tonnes	-	-	512.41	724.54
Disclosure of three years of non-recycled waste generation (tonnes)	Metric tonnes	-	-	567.45	1,498.34
Disclosure of three years of waste recycled (tonnes)	Metric tonnes	-	-	0.05	0.63
Bursa (Emissions management)					
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	5,589.84	5,279.65	10,356.05	10,031.63
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	3,092.88	2,363.15	7,220.81	6,835.08
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	279.56	292.79	2,285.63	2,877.29

1. The scope of Internal Assurance made on selected indicators is Malaysia Operations only
2. Anti-corruption training is made compulsory for all employees. However, we are not able to disclose the actual number of hours spent on this training as these have been combined with hours spent on other risks & integrity training modules. We will take steps to track this indicator separately in the future.

GRI CONTENT INDEX

UEM Edgenta Berhad has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023, with reference to the GRI Standards.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures	2-1 Organisational details	Overview Of UEM Edgenta, page 4-19
	2-2 Entities included in the organisation's sustainability reporting	Sustainability At UEM Edgenta, page 109
	2-3 Reporting period, frequency and contact point	Basis Of This Report, page 2-3
	2-4 Restatements of information	Climate Change and Energy, page 134-135 Employment Culture, page 161
	2-5 External assurance	Basis Of This Report, page 2-3
	2-6 Activities, value chain and other business relationships	Overview Of UEM Edgenta, page 4-19
	2-7 Employees	Employment Culture, page 155-172
	2-9 Governance structure and composition	Governance, page 184-252
	2-10 Nomination and selection of the highest governance body	Corporate Governance Overview Statement, page 212-234
	2-11 Chair of the highest governance body	Corporate Governance Overview Statement, page 212-234
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance, page 184-252
	2-13 Delegation of responsibility for managing impacts	Governance, page 184-252
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance, page 109-110
	2-15 Conflicts of Interest	Corporate Governance Overview Statement, page 212-234
	2-16 Communication of critical concerns	Corporate Governance Overview Statement, page 212-234
	2-17 Collective knowledge of the highest governance body	Corporate Governance Overview Statement, page 212-234
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement, page 212-234
	2-19 Remuneration policies	Corporate Governance Overview Statement, page 212-234
	2-20 Process to determine remuneration	Corporate Governance Overview Statement, page 212-234
	2-25 Processes to remediate negative impacts	Corporate Governance Overview Statement, page 212-234

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures	2-26	Mechanisms for seeking advice and raising concerns
	2-27	Compliance with laws and regulations
	2-28	Membership associations
	2-30	Collective bargaining agreements
GRI 3: Material Topics 2021	3-1	Process to determine material topics
	3-2	List of material topics
	3-3	Management of material topics
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed
	201-2	Financial implications and other risks and opportunities due to climate change
	201-3	Defined benefit plan obligations and other retirement plans
GRI 202: Market Presence 2016	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage
	202-2	Proportion of senior management hired from the local community
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption
	205-2	Communication and training about anti-corruption policies and procedures
	205-3	Confirmed incidents of corruption and actions taken

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Environmental Management, page 138-143
	301-2 Recycled input materials used	Environmental Management, page 138-143
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Climate Change and Energy, page 130-137
	302-2 Energy consumption outside of the organisation	Climate Change and Energy, page 130-137
	302-3 Energy intensity	Climate Change and Energy, page 130-137
	302-4 Reduction of energy consumption	Climate Change and Energy, page 130-137
GRI 303: Water and Effluents 2018	303-5 Water consumption	Environmental Management, page 138-143
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Change and Energy, page 130-137
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change and Energy, page 130-137
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change and Energy, page 130-137
	305-4 GHG emissions intensity	Climate Change and Energy, page 130-137
	305-5 Reduction of GHG emissions	Climate Change and Energy, page 130-137
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environmental Management, page 138-143
	306-2 Management of significant waste-related impacts	Environmental Management, page 138-143
	306-3 Waste generated	Environmental Management, page 138-143
	306-4 Waste diverted from disposal	Environmental Management, page 138-143
	306-5 Waste directed to disposal	Environmental Management, page 138-143
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employment Culture, page 154-172
	401-3 Parental leave	Employment Culture, page 154-172
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, page 144-153
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, page 144-153
	403-3 Occupational health services	Occupational Health and Safety, page 144-153
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, page 144-153
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, page 144-153
	403-6 Promotion of worker health	Occupational Health and Safety, page 144-153
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, page 144-153
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, page 144-153
	403-9 Work-related injuries	Occupational Health and Safety, page 144-153

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employment Culture, page 154-172
	404-2 Programs for upgrading employee skills and transition assistance programs	Employment Culture, page 154-172
	404-3 Percentage of employees receiving regular performance and career development reviews	Employment Culture, page 154-172
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board Composition, page 223
	405-2 Ratio of basic salary and remuneration of women to men	Employment Culture, page 154-172
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Human Rights Assessment, page 175-177
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Human Rights Assessment, page 175-177
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Local Community, page 178-182

FTSE4GOOD CONTENT INDEX

UEM Edgenta Berhad has reported the information cited in this FTSE4Good content index for the period 1 January 2023 to 31 December 2023, with reference to FTSE4Good Bursa Malaysia (F4GBM) Indicators.

Pollution and Resource			
Indicator Code	Indicator	Indicator Question	Location
EPR02	Waste - policy or commitment statement to:	a) Address the issue	Environment Management, page 138
		b) Reduce or avoid the impact or improve efficiency	Environment Management, page 138
EPR03	Resource use - policy or commitment statement to:	a) Address the issue	Environment Management, page 138
		b) Reduce or avoid the impact or improve efficiency	Environment Management, page 139
EPR12	Independent verification of operational environmental data:	a) Independent verification by third party	Environment Management, page 138
		b) International assurance standard used and level of assurance declared	Environment Management, page 138
EPR24	Disclosure of three years of hazardous waste generation (tonnes)	Current Year	Environment Management, page 140
		T minus 1 Year	Environment Management, page 140
EPR25	Disclosure of three years of non-recycled waste generation (tonnes)	Current Year	Environment Management, page 140
		Current Year non-recycled waste generation	Environment Management, page 140
		T minus 1 Year	Environment Management, page 140
		T minus 1 Year non-recycled waste generation	Environment Management, page 140
EPR26	Disclosure of three years of waste recycled (tonnes)	Current Year	Environment Management, page 140
		Current Year waste recycled	Environment Management, page 140
		T minus 1 Year	Environment Management, page 140
		T minus 1 Year waste recycled	Environment Management, page 140
EPR28	Percentage of sites covered by recognised environmental management systems such as ISO14001 or EMAS	Year	Occupational Health and Safety, Page 145
		Name of the system (ISO14001, EMAS, OR Others)	Occupational Health and Safety, Page 145
EPR13	Disclosure of working with others to reduce pollution, waste or resource use by:	a) Participation in specific local or global Initiatives	Environment Management, page 138-142
		b) Collaboration with other companies such as making use of the same waste streams as inputs (such as industrial ecology)	Environment Management, page 138

FTSE4GOOD CONTENT INDEX

Supply Chain (ENV)			
Indicator Code	Indicator	Indicator Question	Location
ESC04	Supplier/sourcing policy or commitment statement that addresses:	a) Environmental issues	Supply Chain Management, page 125 Environmental Management, page 143
ESC05	Supplier/sourcing policy or commitment statement that addresses:	b) Resource use	Supply Chain Management, page 125
ESC10	Action taken to manage the environmental impact of suppliers through encouraging:	b) Impact reduction	Supply Chain Management, page 125
ESC12	Company involvement in initiatives, or commitment to frameworks, on environmental impacts in supply chain:	a) Participation in workshops or industry or topic-specific initiatives or collaboration efforts	Supply Chain Management, page 125 and 127
Water Security			
EWT24	Water management plan (including water recycling system):	a) Company discloses and details its water management plan at the company level/site specific	Environment Management, page 141
EWT08	Works with others to reduce water use by:	a) Participation in specific local or global Initiatives	Environment Management, page 141
		b) Collaboration with other companies operating at same sites such as making use of water waste streams as inputs (industrial ecology)	Environment Management, page 141
EWT13	Policy or commitment on water use reduction which:	a) Addresses the issue	Environment Management, page 143
Anti-Corruption			
GAC01	Bribery - Policy or commitment statement:	a) Addresses countering bribery	Corporate Integrity and Ethical Business Conduct, page 249
		b) Specifies countering at least 2 different forms of bribery related activities	Corporate Integrity and Ethical Business Conduct, page 249
GAC02	Anti-corruption - Policy or commitment statement:	a) Addresses anti-corruption	Corporate Integrity and Ethical Business Conduct, page 249 Business Ethics, page 112
		b) Specifies countering relevant forms of corruption (e.g. money laundering, obstruction of justice, etc.)	Corporate Governance Overview Statement, page 216
GAC05	Confidential or anonymous whistle-blowing mechanism for staff covers:	a) Elements/types of corruption including bribery	Business Ethics, page 112 Corporate Integrity and Ethical Business Conduct, page 249
GAC07	Communication of anti-corruption policy to all employees covers:	a) Elements/types of corruption including bribery	Business Ethics, page 115 Corporate Integrity and Ethical Business Conduct, page 249
		b) Anti-corruption comprehensively	Business Ethics, page 115 Corporate Integrity and Ethical Business Conduct, page 249

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Anti-Corruption (Cont'd)			
Indicator Code	Indicator	Indicator Question	Location
GAC13	Disclosure of number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies	Current Year	Business Ethics, page 114
		Staff disciplined (Number)	Business Ethics, page 114
GAC08	Training for staff on the anti-corruption policy covers:	a) Elements/types of corruption including bribery	Business Ethics, page 115
GAC09	Corruption risk assessment for company operations covers:	a) Elements/types of corruption including bribery	Corporate Integrity and Ethical Business Conduct, page 251
Corporate Governance			
GCG50	Percentage of women on the Executive committee or equivalent	Percentage of women on the Executive committee or equivalent	Employment Culture, page 164
		Year	Employment Culture, page 164
GCG46	There is a fully non-executive Audit Committee or Audit Board with:	a) At least half independent members	Corporate Governance Overview Statement, page 218
GCG47	There is a fully non-executive Remuneration Committee with:	a) At least half independent members	Corporate Governance Overview Statement, page 218
GCG03	Number of Board Directors	Number	Employment Culture, page 163 Corporate Governance Overview Statement, page 223
GCG04	Number of independent Directors on the board	Number	Corporate Governance Overview Statement, page 223
GCG05	Number of women on the board	Number	Employment Culture, page 163 Corporate Governance Overview Statement, page 223
GCG06	Commitment to gender diversity on the board:	a) Statement of support	Corporate Governance Overview Statement, page 223
GCG11	Disclosure of the attendance rate:	a) For some individual board/committee members, or average attendance rates	Corporate Governance Overview Statement, page 219
		b) Of all individual directors at both board and committee level	Corporate Governance Overview Statement, page 219
GCG14	Disclosure of fixed and variable remuneration for:	a) Senior executives included in the company's remuneration disclosures	Corporate Governance Overview Statement, page 226
		b) Non-executive board members	Corporate Governance Overview Statement, page 226

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Corporate Governance (Cont'd)			
Indicator Code	Indicator	Indicator Question	Location
GCG01	Separate Non-Executive Chair and CEO	a) Separate Non-Executive Chair and CEO, where Chair is not independent OR their independence is not declared	Corporate Information, page 183
		b) Separate Non-Executive Chair and CEO, where Chair is independent	Corporate Information, page 183
GCG02	Disclosure of details about Directors:	a) Expertise	Board Of Directors' Profile, page 187-197
		b) Other Directorships	Board Of Directors' Profile, page 187-197
GCG07	Board addresses:	a) Conflicts of interest	Board Of Directors' Profile, page 186
		b) Related party transactions	Audit Committee Report, page 235
GCG08	Periodic evaluation of board effectiveness:	a) Review (can have no clear timeframe)	Corporate Governance Overview Statement, page 225
		b) Evaluation with a clear timeframe (e.g. annually or other set period)	Corporate Governance Overview Statement, page 220
GCG09	Disclosure of:	a) Board Committee(s)	Corporate Governance Overview Statement, page 218-219
		b) Their Charters, terms of reference or equivalent	Corporate Governance Overview Statement, page 212
GCG10	Disclosure of number of times the board/ each committee have/has met per annum:	a) The Board	Corporate Governance Overview Statement, page 218
		b) Each Committee	Corporate Governance Overview Statement, page 218-219
GCG19	Annual General Meeting: Number of days between the date of notice and date of meeting	AGM Notice Filing Date (DD-MMM-YYYY)	Corporate Governance Overview Statement, page 234
		AGM Date (DD-MMM-YYYY)	Corporate Governance Overview Statement, page 234
GCG21	Shareholders have the right to vote on executive remuneration:	a) Evidence of shareholders voting in the AGM	Corporate Governance Overview Statement, page 234
		b) The right to vote annually is explicitly covered in a company policy	Corporate Governance Overview Statement, page 234
GCG42	Does the company provide for one share one vote for all company meeting resolutions?	a) Yes; the company has one share one vote for all of its outstanding shares	Notes To the Financial Statements, page 341

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Corporate Governance (Cont'd)					
Indicator Code		Indicator		Indicator Question	Location
GCG27		Remuneration for senior executives included in the company's remuneration disclosures:		a) Includes long-term incentives or mechanisms	Corporate Governance Overview Statement, page 227
GCG49		Disclosure and Nature of fees paid to the auditor:		a) Audit and non-audit fees are separately disclosed	Additional Compliance Information, page 252
				b) Amount of audit fees exceeds the amount of non-audit fees in the last fiscal year	Additional Compliance Information, page 252
GCG44		Financial expertise on the audit committee:		a) At least one independent financial expert on the audit committee	Corporate Governance Overview Statement, page 228
				b) A majority of independent financial experts on the audit committee	Board Of Directors, page 186
Risk Management					
GRM01		The Board:		a) Has oversight of risk management	Statement On Risk Management And Internal Control, page 238 Corporate Governance Overview Statement, page 216-217
				b) Reviews the effectiveness of the risk management process	Statement On Risk Management and Internal Control, page 238
GRM02		Senior responsibility for risk:		a) Senior executive responsible for risk reporting to the CEO; or there is a board risk committee	Statement On Risk Management and Internal Control, page 239
				b) The same senior executive is separate from Head of Audit or equivalent; or the board risk committee is separate from audit	Statement On Risk Management and Internal Control, page 246
GRM04		Reporting and Standards - Reference is made to external standards to inform the company's risk management system and reporting transparency:		a) Company uses risk management standards or frameworks such as ISO31000, COSO, IRM, FERMA, BASEL	Statement On Risk Management and Internal Control, page 239
				b) Company reports using standards such as GRI, Integrated Reporting (IIRC), SASB	Basis of this Report, page 3
				c) Company uses GRI	Basis of this Report, page 3
				d) Company uses Integrated Reporting (IIRC)	Basis of this Report, page 3
GRM05		Board specifically oversees:		a) Code of Conduct, Code of Ethics or equivalent	Corporate Governance Overview Statement, page 216-217
				b) ESG risks	Corporate Governance Overview Statement, page 217

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Risk Management (Cont'd)			
Indicator Code	Indicator	Indicator Question	Location
GRM07	The company's Codes/charters/policy documents or equivalent:	a) Describe the company's risk management framework	Statement On Risk Management and Internal Control, page 239
		b) This risk management framework specifically covers ESG risks	Statement On Risk Management and Internal Control, page 239
GRM12	The company:	a) Reviews compliance with its Code of Conduct/Code of Ethics and identifies any non-compliance	Corporate Integrity and Ethical Business Conduct, page 248
Human Rights & Community			
SHR03	Statement of principles or process by which community investments are made:	a) Covering defined focus areas	Local community, page 178
		b) Community investment focus area(s) linked to the company's business strategy	Local community, page 178
SHR05	Commitment to local employment and/or sourcing:	a) Comment on local employment/sourcing	Economic Development, page 121
		b) Clear commitment	Economic Development, page 121
SHR15	Output/outcome of specific results, achievements or benefits of community investments:	a) Details of output/outcome including non-quantified	Local community, page 178-181
		b) Quantification of output/outcome	Local community, page 179-182
SHR16	Mechanisms to facilitate employee engagement and involvement with charitable partners:	a) Evidence of recognising volunteering	Local community, page 178 - 182
SHR25	Human rights impact assessment and mitigation	The company proactively assesses its human rights impacts on an on-going basis, as part of core business processes	Human Rights Assessment, page 175
		Disclosure of actions implemented for avoidance, prevention and mitigation of human rights issues	Human Rights Assessment, page 175
SHR27	Disclosure of incidents of human rights violations	Incidents are disclosed, or the company states no incidents occurred in the reporting period	Human Rights Assessment, page 177
		Incident responses or learnings are disclosed, or the company states no incidents occurred in the reporting period	Human Rights Assessment, page 177
SHR21	Public commitment to respect and support the protection of internationally proclaimed human rights:	The company has made a specific commitment to apply either the UN Guiding Principles on Business and Human Rights or the OECD Guidelines for Multinational Enterprises	Human Rights Assessment, page 175

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Human Rights & Community (Cont'd)			
Indicator Code	Indicator	Indicator Question	Location
SHR22	Identification of salient human rights issues specific to the business:	Salient, industry or business-specific human rights issues are identified	Human Rights Assessment, page 175-176
		Commitment to engage with stakeholders to identify these issues	Human Rights Assessment, page 175-176
SHR24	Embedding human rights commitments into corporate practice:	Human rights expectations are clearly communicated to all stakeholders, including business partners	Human Rights Assessment, page 175
		All staff or specific staff/departments are trained on human rights policy	Human Rights Assessment, page 175
SHR26	Grievance mechanisms in place for individuals and communities impacted by business activities	Formal mechanisms cover human rights explicitly, guarantee confidentiality/anonymity, and are available to internal and external stakeholders	Corporate Integrity and Ethical Business Conduct, page 250
Health & Safety			
SHS38	Number of work-related employee fatalities, over last three years	Coverage	Occupational Health and Safety, page 152
		Current Year	Occupational Health and Safety, page 152
		Current Year Fatalities	Occupational Health and Safety, page 152
		T minus 1 Year	Occupational Health and Safety, page 152
		T-1 Fatalities	Occupational Health and Safety, page 152
		T minus 2 Year	Occupational Health and Safety, page 152
		T -2 Fatalities	Occupational Health and Safety, page 152
SHS39	Policy or commitment statement on reducing health and safety impact through:	a) Commitment to continuous improvement	Occupational Health and Safety, page 144-147
SHS40	Number of work-related contractor fatalities, over last three years	Current Year	Occupational Health and Safety, page 152
		T-0 Contractor Fatalities	Occupational Health and Safety, page 152
		T minus 1 Year	Occupational Health and Safety, page 152
		T-1 Contractor Fatalities	Occupational Health and Safety, page 152
		T minus 2 Year	Occupational Health and Safety, page 152
		T-2 Contractor Fatalities	Occupational Health and Safety, page 152

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Health & Safety (Cont'd)			
Indicator Code	Indicator	Indicator Question	Location
SHS03	Board oversight of health and safety:	a) Evidence of board or board committee oversight of management of health and safety risks	Occupational Health and Safety, page 146
		b) Named position responsible at Board level	Occupational Health and Safety, page 146
SHS11	Programme regarding prevention and control of at least one global health issue which applies to:	a) Employees	Occupational Health and Safety, page 146-150
SHS05	Employee involvement in health and safety improvements, through:	a) Participative initiatives such as employee health and safety committees	Occupational Health and Safety, page 146-150
		b) Management discussions on health and safety with worker representatives or trade unions	Occupational Health and Safety, page 146 and 148
SHS13	Number of staff trained on health and safety standards within the last year	Year	Occupational Health and Safety, page 149-150
		Staff trained on safety	Occupational Health and Safety, page 149-150
SHS15	Lost-time incident rate, over last three years	Coverage	Occupational Health and Safety, page 152
		Definition of lost time	Occupational Health and Safety, page 152
		Current Year	Occupational Health and Safety, page 152
		Current Year Lost Time Incident Rate	Occupational Health and Safety, page 152
		T minus 1 Year	Occupational Health and Safety, page 152
		T-1 Year Lost Time Incident Rate	Occupational Health and Safety, page 152
		T minus 2 Year	Occupational Health and Safety, page 152
		T-2 Lost Time Incident Rate	Occupational Health and Safety, page 152
		Data Type (Employees OR Employees+Contractors)	Occupational Health and Safety, page 152
SHS01	Health and safety policy or commitment statement which:	a) Identifies the issue as relevant and important	Occupational Health and Safety, page 144 and 146-147
		b) Applies to contractors or other external stakeholders	Occupational Health and Safety, page 150
SHS04	Risk Assessment carried out regarding health and safety for:	b) Existing operations or projects	Occupational Health and Safety, page 146
SHS08	Performance monitoring and management of health and safety, demonstrated by:	b) Performance benchmarking against industry standards	Occupational Health and Safety, page 152
SHS10	For health and safety data, there is:	a) Independent Verification by a third party	Occupational Health and Safety, page 145

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Labour Standards			
Indicator Code	Indicator	Indicator Question	Location
SLS01	In relation to the prevention of child labour, company:	a) Addresses the issue/states it complies with local laws in general disclosures	Human Rights Assessment, page 175
SLS02	In relation to the prevention of forced labour, company:	a) Addresses the issue/states it complies with local laws in general disclosures	Human Rights Assessment, page 175
SLS03	In relation to non-discrimination, company:	a) Addresses non-discrimination/ equal opportunity in general disclosures	Employment Culture, page 154
SLS05	Policy or statement supporting the right to freedom of association that:	b) Covers the respect for or support of the right to freedom of association	Human Rights Assessment, page 175
SLS06	Policy or statement supporting the right to collective bargaining that:	b) Covers the respect for or support of the right to collective bargaining	Human Rights Assessment, page 175
SLS10	Company involvement in initiatives or commitment to frameworks on labour standards, including:	b) Membership of, or public commitment to, a recognised international framework	Human Rights Assessment, page 175
SLS12	Company policy on labour standards is:	a) Communicated globally to employees	Human Rights Assessment, page 175
SLS14	Company has taken action to address labour issues, including:	c) Mechanisms to allow employee representatives to engage with company management	Human Rights Assessment, page 175-176
SLS21	In relation to instances of labour standards non-compliance, the company:	a) Discloses the number of incidents but not how they dealt with them, or states there were no incidents	Human Rights Assessment, page 177
		b) Has disclosed specific action taken regarding non-compliance specifying the types of incidents, or states there were no incidents	Human Rights Assessment, page 177
SLS25	Percentage of employees that are contractors or temporary staff	Year	Employment Culture, page 163
		Temp Staff (%)	Employment Culture, page 163
SLS26	Amount of time spent on employee development training to enhance knowledge or individual skills, using:	Total time as a company	Employment Culture, page 157
		Current Year	Employment Culture, page 157
		Type of Training	Employment Culture, page 160
SLS08	Policy or statement supporting the right to a minimum or living wage, which:	b) Commits to exceed minimum wage/meet living wage	Employment Culture, page 162

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Labour Standards (Cont'd)			
Indicator Code	Indicator	Indicator Question	Location
SLS29	Employee personal development training to enhance abilities or individual skills, including:	a) Policy or commitment statement to provide employee personal development training	Employment Culture, page 156
		b) Detailed description of the personal development training that is provided	Employment Culture, page 156
SLS30	The company addresses bullying and/or harassment:	a) Providing a confidential reporting channel or whistleblowing system	Corporate Integrity and Ethical Business Conduct, page 250
SLS33	Percentage of women in the global workforce	Percentage of women in the global workforce	Employment Culture, page 163
		Year	Employment Culture, page 163
Supply Chain (Social)			
SSC17	Capacity building for suppliers, including:	b) Supplier mentoring, secondments, or supporting suppliers through sharing best practice	Supply Chain Management, page 125-126
Climate Change			
ECC01	Climate change impact including CO2/ GHG emissions - Policy or commitment statement to:	a) Address the issue	Climate Change and Energy, page 130
		b) Reduce or avoid the impact or improve efficiency	Climate Change and Energy, page 130-132
ECC03	Demonstrating support for mitigating climate change through:	a) Membership of business associations	Sustainability at UEM Edgenta - Driving Sustainability Through Partnerships, page 107
		b) Company position on public policy and regulation	Our Operating Environment and Market Trends, page 50 Climate Change and Energy, page 130
ECC05	Initiatives in place include measures to address climate change through adaptation:	a) Company mentions addressing adaptation	Our Operating Environment and Market Trends, page 50 Climate Change and Energy, page 130-132, 137
		b) Company explains specific actions taken	Our Operating Environment and Market Trends, page 50 Climate Change and Energy, page 130-132, 137

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Climate Change (Cont'd)			
Indicator Code	Indicator	Indicator Question	Location
ECC14	Three years of total operational GHG emissions data (Scope 1 & 2) is disclosed Three years of total	Coverage (%)	Climate Change and Energy, page 133-135, 137
		Scope 1 data	Climate Change and Energy, page 133-134, 137
		Scope 2 data	Climate Change and Energy, page 135, 137
		Scope 3 data	Climate Change and Energy, page 136
		Latest Year	Climate Change and Energy, page 133-137
		T minus 1 Year	Climate Change and Energy, page 133-137
		T minus 2 Year	Climate Change and Energy, page 133-137
		Consolidation Method	Climate Change and Energy, page 133-137
ECC15	Three years of total energy consumption data is disclosed	Coverage	Climate Change and Energy, page 134-135
		Current Year	Climate Change and Energy, page 134-135
		Current Year Energy Consumption	Climate Change and Energy, page 134-135
		T minus 1 Year	Climate Change and Energy, page 134-135
		T minus 1 Year Energy Consumption	Climate Change and Energy, page 134-135
		T minus 2 Year	Climate Change and Energy, page 134-135
		T minus 2 Energy Consumption	Climate Change and Energy, page 134-135
ECC49	Scope 3 emissions	Current Year	Climate Change and Energy, page 136
		Business travel	Climate Change and Energy, page 136
		Employee commuting	Climate Change and Energy, page 136
		Upstream leased assets	Climate Change and Energy, page 136

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Climate Change (Cont'd)			
Indicator Code	Indicator	Indicator Question	Location
ECC39	Long-term (more than 5 years) GHG emissions reduction targets – this could include scope 1 and/or scope 2 and/or scope 3:	a) Unquantified, process targets	Climate Change and Energy, page 130-131 and 137
		b) Quantified targets	Climate Change and Energy, page 130-131 and 137
		Scope	Climate Change and Energy, page 130-131
		Base year	Climate Change and Energy, page 130-131
		Base year emissions	Climate Change and Energy, page 130-131
		Year in which target was set	Climate Change and Energy, page 130-131
		Target year	Climate Change and Energy, page 130-131, 137
		Percentage reduction targeted (%)	Climate Change and Energy, page 130-131, 137
		Net zero target	Climate Change and Energy, page 130-131, 137
		Scope 3 category covered	Climate Change and Energy, page 130, 137
		Scope	Climate Change and Energy, page 130, 137
		Base year	Climate Change and Energy, page 130-131
		Base year emissions	Climate Change and Energy, page 130-131
		Year in which target was set	Climate Change and Energy, page 130-131
		Target year	Climate Change and Energy, page 130-131
		Percentage reduction targeted (%)	Climate Change and Energy, page 130-131, 137
		Scope	Climate Change and Energy, page 130-131, 137
ECC31	Energy use - Policy or commitment statement to:	a) Address the issue	Climate Change and Energy, page 130-131, 137
		b) Reduce or avoid the impact or improve efficiency	Climate Change and Energy, page 130-131, 137
ECC76	Does the company have a commitment to align disclosures to the to the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD)?	The company commits to or currently aligns its disclosures to the TCFD recommendations	Our Operating Environment and Market Trends, page 50 Employment Culture, page 156

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Climate Change (Cont'd)			
Indicator Code	Indicator	Indicator Question	Location
ECC43	Recognition of climate change:	a) As a relevant risk and/or opportunity to the business	Our Operating Environment and Market Trends, page 50 Climate Change and Energy, page 130
		b) Discloses time horizon (short/medium/long term) of risk and/or opportunity	Climate Change and Energy, page 130-131
ECC44	Impact of climate-related risks and opportunities. The company:	a) Details how they incorporate climate change risks and opportunities in their strategy (mitigation, new products, R&D, etc.)	Our Operating Environment and Market Trends, page 50 Climate Change and Energy, page 130, 132 and 137
ECC73	The company discloses involvement in organisations dedicated specifically to climate-related issues:	a) Its memberships of any organisations dedicated to climate-related issues	Sustainability at UEM Edgenta - Driving Sustainability Through Partnerships, page 107
		b) Its involvement in these organisations	Sustainability at UEM Edgenta - Driving Sustainability Through Partnerships, page 107
ECC77	The company has a decarbonisation strategy to meet its long, medium and short-term GHG reduction targets:	The company identifies the set of actions it intends to take to achieve its GHG reduction targets over the targeted timeframe. These measures clearly refer to the main sources of its GHG emissions, including Scope 3 emissions where applicable.	Climate Change and Energy, page 130-131, 137

STATEMENT OF ASSURANCE

To enhance the credibility of our reporting, selected aspects of this Sustainability Statement have undergone an internal review by the Group's Internal Auditors and received approval from the Board Audit Committee.

The Scope and Subject Matter(s) covered by the internal review are provided below:

Material Matters	Subject Matter	Scope
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category	All of UEM Edgenta's businesses in Malaysia
	Percentage of operations assessed for corruption-related risks	
	Confirmed incidents of corruption and action taken	
Community / Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	
	Total number of beneficiaries of the investment in communities	
Diversity	Percentage of employees by gender and age group, for each employee category	
	Percentage of directors by gender and age group	
Labour practices and standards	Total hours of training by employee category	
	Percentage of employees that are contractors or temporary staff	
	Total number of employee turnover by employee category	
	Number of substantiated complaints concerning human rights violations.	

*Note: In preparing the Subject Matter mentioned above, the performance of the internal audit work is guided by, in all material respects, the International Professional Practices Framework issued by the Institute of Internal Auditors and guided by the following sustainability frameworks and guidance:

- Bursa Malaysia's Sustainability Reporting Guide (3rd edition)
- The Global Reporting Initiative ("GRI") Standards
- UEM Edgenta's relevant policies and procedures

GLOSSARY

Abbreviation	Full Form	Abbreviation	Full Form
ABAC	Anti-Bribery & Anti-Corruption	CAC	COVID-19 Assessment Centre
ABMS	Anti-Bribery Management System	CAN	CEO Action Network
AC	Audit Committee	CAPAs	Corrective and Preventive Actions
ACMV	Air-Conditioning and Mechanical Ventilation	CG Report	Corporate Governance Report
AGM	Annual General Meeting	CHRA	Chemical Health Risk Assessment
AI	Artificial Intelligence	CIDB	Construction Industry Development Board
AOP	Annual Operating Plan	CIMA	Cement Industries Malaysia Berhad
AQIF	Associate Qualification in Islamic Finance	CLS	Cleansing Services
BCM	Business Continuity Management	CMMS	Computerised Maintenance Management System
BEA	Board Effectiveness Assessment	CnC	Command & Contact Centre
BEM	Board of Engineers Malaysia	COC	Code of Conduct
BEMS	Biomedical Engineering Maintenance Services	COCBP	Code of Conduct for Business Partners
BGRC	Board Governance and Risk Committee	CSR	Corporate Social Responsibility
BIC	Board Investment Committee	CSS	Customer Satisfaction Survey
BOD	Board of Directors	CTOS	Credit Tip Off System
BPLOD	Business Partner's Letter of Declaration	DAL	Discretionary Authority Limits
BTC	Board Tender Committee	DASS	Depression Anxiety Stress Scale
BIC	Board Investment Committee	Disrupt-X	Disrupt-X DMCC
BVDP	Bumiputera Vendor Development Programme	DEI	Diversity, Equity and Inclusion
Byte Blanket	Byte Blanket FZE	DOE	Department of Environment
BCA	Building Condition Assessment	EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation

GLOSSARY

Abbreviation	Full Form	Abbreviation	Full Form
HSS	Hospital Support Services	KSA	Kingdom of Saudi Arabia
HSSE	Health, Safety, Security & Environment	LEED	Leadership in Energy and Environmental Design
HWMS	Healthcare Waste Management Services	LLS	Linen and Laundry Services
IAD	Internal Audit Department	LOTG	LEARN-on-the-GO
IET	The Institution of Engineering and Technology	LSE	London School of Economics & Political Science
IBFIM	Islamic Banking & Finance Institute Malaysia	MAC	Management Audit Committee
ICP	Islamic Commercial Papers	MACC	Malaysian Anti-Corruption Commission
IFM	Integrated Facilities Management	MCCG	Malaysian Code on Corporate Governance 2021
IFRS	International Financial Reporting Standards	MCO	Movement Control Order
IIA	Institute of Internal Auditors	MD/CEO	Managing Director/Chief Executive Officer
IIRC	International Integrated Reporting Council	MFRS	Malaysia Financial Reporting Standards
IMTN	Islamic Medium Term Notes	MIA	Malaysian Institute of Accountants
IoT	Internet of Things	MICPA	Malaysian Institute of Certified Public Accountants
IPPF	International Professional Practice Framework	MIS	Management Information System
ITIL	Information Technology Infrastructure Library	MOSTFac	Mobile On-Site Testing Facility
JHA	Job Hazard Analysis	MoBE	Memorandum of Business Exploration
JKR	Public Works Department	MoH	Ministry of Health
Khazanah	Khazanah Nasional Berhad	MoU	Memorandum of Understanding
KPI	Key Performance Indicators	HMS	HSSE Management System
KSI	KSI Strategic Institute for Asia Pacific	MSD	Muscular Skeletal Disorder
KLIA	Kuala Lumpur International Airport		

GLOSSARY

Abbreviation	Full Form	Abbreviation	Full Form
MSOSH	Malaysian Society for Occupational Safety & Health	UAE	United Arab Emirates
SME	Small and Medium-Sized Enterprises	UELC	UEM Edgenta Learning Centre
SOPs	Standard Operating Procedure	UEM Edgenta	UEM Edgenta Berhad
SP	Sustainability Programme	UEM Group	UEM Group Berhad
SSS	Site Safety Supervisor	UNSDGs	United Nations' Sustainable Development Goals
SUKE	Sungai Besi – Ulu Kelang Expressway	USGBC	US Green Building Council
The Code	Malaysian Code on Corporate Governance 2021	WACH	Women & Children Hospital
TnG	Touch 'n Go Sdn. Bhd.	WAEIR	Weighted Average Effective Interest Rates
TMA	Truck Mounted Attenuator	WBP&P	Whistleblowing Policy and Procedure
TNB	Tenaga Nasional Berhad	WoW	Edgenta Workplace Wellness
TOR	Terms of Reference	WFH	Work from Home
TCFD	Task Force on Climate-Related Financial Disclosures	Y-o-Y	Year-on-Year

NOTICE OF THE 61ST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 61st Annual General Meeting (“61st 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://conveneagm.my/edgenta-agm2024
Day and Date	: Tuesday, 4 June 2024
Time	: 3.00 p.m.
Broadcast Venue	: Ilmu Ground, 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 61 st AGM electronically by email to ir@edgenta.com no later than Sunday, 2 June 2024 at 3.00 p.m. or through real time submission of typed texts via ConveneAGM meeting platform at https://conveneagm.my/edgenta-agm2024 during the live streaming.

AGENDA

ORDINARY BUSINESS

- To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Directors' and Auditors' reports thereon.
- To re-elect the following Directors who are retiring in accordance with Article 91 of the Company's Constitution and being eligible, have offered themselves for re-election:-
 - En. Syahrulizam Samsudin
 - Pn. Rowina Ghazali Seth
- 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:-
 - Pn. Nurul Iman Mohd Zaman
 - Dato' Dr. Omar Abd Hamid
 - Mr. Simon Kua Choo Kai
- To approve the Directors' fees and the payment thereof to the Directors for the period from the 61st AGM until the next Annual General Meeting (“AGM”) of the Company, to be payable on a quarterly basis.

Ordinary Resolution 1
Ordinary Resolution 2

Ordinary Resolution 3
Ordinary Resolution 4
Ordinary Resolution 5

Ordinary Resolution 6

NOTICE OF THE 61ST 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 61st AGM until the next AGM of the Company:-

Ordinary Resolution 7

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.

Ordinary Resolution 8

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without modifications:-

7. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

Ordinary Resolution 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 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 30 April 2024 **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,

NOTICE OF THE 61ST ANNUAL GENERAL MEETING

AND FURTHER THAT the Directors of the Company and/or any of them be and are/is (as the case may be) hereby authorised to complete and do all such acts and things (including executing all such documents under the common seal in accordance with the provisions of the Constitution of the Company, as may be required) as they may consider expedient or necessary to give full effect to the Proposed Renewal of Shareholders' Mandate."

8. **Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature** **Ordinary Resolution 10**

"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 30 April 2024 **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
30 April 2024

NOTICE OF THE 61ST ANNUAL GENERAL MEETING

NOTES:

1. The 61st AGM would be held entirely via Remote Participation and Electronic Voting (“RPEV”) facilities through ConveneAGM meeting platform at <https://conveneagm.my/edgenta-agm2024>. Kindly refer to the Administrative Notes for the 61st AGM in order to register, participate and vote remotely via the RPEV facilities.
2. The venue of the 61st 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 61st AGM.
3. A member of the Company entitled to attend and vote at the meeting, is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“Omnibus Account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds in the Company. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act 1991.
6. 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.
7. The instrument appointing a proxy must be deposited/ submitted via the following ways not less than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof:-
 - (i) By hardcopy form
The Proxy Form must be deposited at KPMG Management & Risk Consulting Sdn Bhd at Concourse, KPMG Tower, No. 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
 - (ii) By electronic form
The Proxy Form can be electronically submitted through the ConveneAGM Meeting Platform at <https://conveneagm.my/edgenta-agm2024>. Please refer to the Administrative Notes for the procedures on electronic lodgement of proxy form.
8. For the purpose of determining a member who shall be entitled to attend this 61st 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 28 May 2024. Only a depositor whose name appears on the ROD as at 28 May 2024 shall be entitled to attend this 61st AGM or appoint a proxy(ies) to attend, participate, speak and vote on his behalf.

NOTICE OF THE 61ST ANNUAL GENERAL MEETING

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 to 5: 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 ("INED") seeking re-election.

Based on the results of the Board Effectiveness Assessment conducted for the financial year ended 31 December 2023, 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 61st AGM are provided in the Board of Directors' section on pages 186 to 196 of the Company's Annual Report 2023.

(iii) Ordinary Resolution 6: 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

NOTICE OF THE 61ST ANNUAL GENERAL MEETING

10. Explanatory Notes on Special Businesses:-

(i) Ordinary Resolution 9: Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 9, if passed, will allow UEM Edgenta Group to enter into recurrent related party transactions which are of a revenue or trading nature and necessary for UEM Edgenta Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

In addition, it will eliminate the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. The shareholders' mandate is subject to renewal on an annual basis.

The details on the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature are set out in Part A of Appendix I of the Circular to Shareholders dated 30 April 2024.

(ii) Ordinary Resolution 10: Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

Ordinary Resolution 10 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 30 April 2024.

STATEMENT ACCOMPANYING NOTICE OF 61ST 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 61st AGM

The details of the Directors who are standing for re-election at the 61st AGM are provided in the Board of Directors' section on pages 186 to 196 of the Company's Annual Report 2023. None of the Directors have any interest in the securities of the Company and its subsidiaries.

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FORM OF PROXY

UEM EDGENTA BERHAD

(Company No. 196301000166 (5067-M))

Incorporated in Malaysia



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 (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 61st Annual General Meeting of the Company to be held entirely through live streaming at <https://conveneagm.my/edgenta-agm2024> from the Broadcast venue at **Ilmu Ground, Level 12, Menara UEM, Tower 1, Avenue 7, The Horizon, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur** on **Tuesday, 4 June 2024 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 En. Syahrulizam Samsudin who is retiring in accordance with Article 91 of the Company's Constitution	1		
To re-elect Pn. Rowina Ghazali Seth who is retiring in accordance with Article 91 of the Company's Constitution	2		
To re-elect Pn. Nurul Iman Mohd Zaman who is retiring in accordance with Article 90 of the Company's Constitution	3		
To re-elect Dato' Dr. Omar Abd Hamid who is retiring in accordance with Article 90 of the Company's Constitution	4		
To re-elect Mr. Simon Kua Choo Kai who is retiring in accordance with Article 90 of the Company's Constitution	5		
To approve the payment of Directors' fees for the period from the 61 st Annual General Meeting until the next Annual General Meeting of the Company, to be payable on a quarterly basis	6		
To approve the payment of Directors' benefits to the Non-Executive Chairman and Non-Executive Directors for the period from the 61 st Annual General Meeting until the next Annual General Meeting of the Company	7		
To re-appoint Messrs Ernst & Young PLT as Auditors and to authorise the Board of Directors to fix their remuneration	8		
To approve the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	9		
To approve the Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature	10		

Signature of Shareholder(s)/Common Seal _____

Date:

Contact No.:

NOTES:

1. The 61st Annual General Meeting ("AGM") would be held entirely via Remote Participation and Electronic Voting ("RPEV") facilities through ConveneAGM meeting platform at <https://conveneagm.my/edgenta-agm2024>. Kindly refer to the Administrative Notes for the 61st AGM in order to register, participate and vote remotely via the RPEV facilities.
2. The venue of the 61st 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 61st AGM.
3. A member of the Company entitled to attend and vote at the meeting, is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds in the Company. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act 1991.
6. 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.
7. The instrument appointing a proxy must be deposited/submitted via the following ways not less than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof:-
 - (i) [By hardcopy form](#)

The Proxy Form must be deposited at KPMG Management & Risk Consulting Sdn Bhd at Concourse, KPMG Tower, No. 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
 - (ii) [By electronic form](#)

The Proxy Form can be electronically submitted through the ConveneAGM Meeting Platform at <https://conveneagm.my/edgenta-agm2024>. Please refer to the Administrative Notes for the procedures on electronic lodgement of proxy form.
8. For the purpose of determining a member who shall be entitled to attend this 61st 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 28 May 2024. Only a depositor whose name appears on the ROD as at 28 May 2024 shall be entitled to attend this 61st 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), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 April 2024.

Fold Here

STAMP

The Poll Administrator of UEM Edgenta Berhad
KPMG Management & Risk Consulting Sdn Bhd
Concourse, KPMG Tower
No. 8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Fold Here

GROUP DIRECTORY

CORPORATE OFFICE

UEM Edgenta Berhad
196301000166 (5067-M)
Level 17, Menara UEM, Tower 1, Avenue 7, The Horizon, Bangsar South City
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
Tel: +603 2725 6688 Fax: +603 2725 6888
uemedgenta.com

HEALTHCARE SUPPORT

ASSET MANAGEMENT

CONCESSION

Edgenta Healthcare Management Sdn. Bhd.
199501035976 (365178-M)

Edgenta Mediserve Sdn. Bhd.
198301014425 (109818-H)

Level 3, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 6688
Fax : +603 2725 7158

Edgenta Healthtronics Sdn. Bhd.
199601042834 (415187-M)

Level 2, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 6688
Fax : +603 2725 6888

COMMERCIAL

Edgenta UEMS Sdn. Bhd.
198001004679 (58464-M)

Level 3, Menara UEM
Tower 1, Avenue 7
The Horizon
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 8200
Fax : +603 2725 6888
edgentauems.com.my

UEMS Solutions Pte. Ltd.
UEMS Services Pte. Ltd.

60 Macpherson Road
#03-08
The Siemens Centre
Singapore 348615
Tel : +65 6818 3600
Fax : +65 6818 3601
uemsgroup.com/sg

Edgenta UEMS SC Ltd.

5F-7-9, No. 2 Fuxing N. Rd.
Zhongshan Dist.
Taipei City 10492
Taiwan (R.O.C.)
Tel : +886 (02) 2776 6188
Fax : +886 (02) 2776 6186
edgentauems.com.tw

PROPERTY & FACILITY SOLUTIONS

Edgenta Facilities Sdn. Bhd.
198301012526 (107920-D)

Edgenta Facilities Management Sdn. Bhd.
198301008524 (103775-H)

Edgenta Energy Services Sdn. Bhd.
201501029633 (1154954-U)

Edgenta GreenTech Sdn. Bhd.
200301032366 (634787-U)

Level 10, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
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Fax : +603 2725 6888

Operon Middle East Limited

Office 103, 107 & 108, Building No. 25
Dubai HealthCare City
P.O. Box 111154
Dubai, U.A.E.
Tel : +971 4 363 5494
Fax: +971 4 363 5495
www.operon.ae/

INFRASTRUCTURE SERVICES

INFRASTRUCTURE SOLUTIONS

Edgenta PROPEL Berhad
198801004310 (171667-P)

Edgenta Infrastructure Services Sdn. Bhd.
200501000568 (677613-A)

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

Edgenta Environmental & Material Testing Sdn. Bhd.
198801006043 (173400-U)

No. 3 & 5, Jalan P/8
Kawasan Perindustrian MIEL,
Seksyen 13
43650 Bandar Baru Bangi
Selangor Darul Ehsan
Tel : +603 8925 9370
Fax : +603 8925 9373

ASSET CONSULTANCY

Opus Group Berhad
199401005489 (291168-K)

Opus International (M) Berhad
198601004999 (154159-T)

Opus Energy Sdn. Bhd.
(formerly known as
Edgenta Energy Projects Sdn. Bhd.)
201601035054 (1205995-W)

Opus Consultants (M) Sdn. Bhd.
199601033249 (405601-M)

Level 6, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 6688
Fax : +603 2711 8016

TECHNOLOGY INNOVATION

OTHERS

Edgenta Arabia Limited

Office No. 401, 4th Floor
Futuro Tower, 7731 King Saud Rd
Al Murabba, Riyadh 12624
Kingdom of Saudi Arabia
Tel : +966 11 512 7776
Fax : +966 11 512 7775
edgentasaudi.com

MEEM for Facilities Management Company

Block 5, Joud Center,
King Abdulaziz District
4314 Salah Aldeen Alayoubi Road
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Riyadh 11311
Kingdom of Saudi Arabia
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Fax : +966 11 276 7205
www.meem-fm.com/

Kaizen Owner Association Management Services L.L.C
Kaizen A M S Property Supervision L.L.C

Office 706, Building 12
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Tel : +971 4 453 4917
www.kaizenams.com

Edgenta NXT Sdn. Bhd.
201101016290 (944424-V)

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The Horizon, Bangsar South City
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59200 Kuala Lumpur
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UEM EDGENTA BERHAD

196301000166 (5067-M)

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