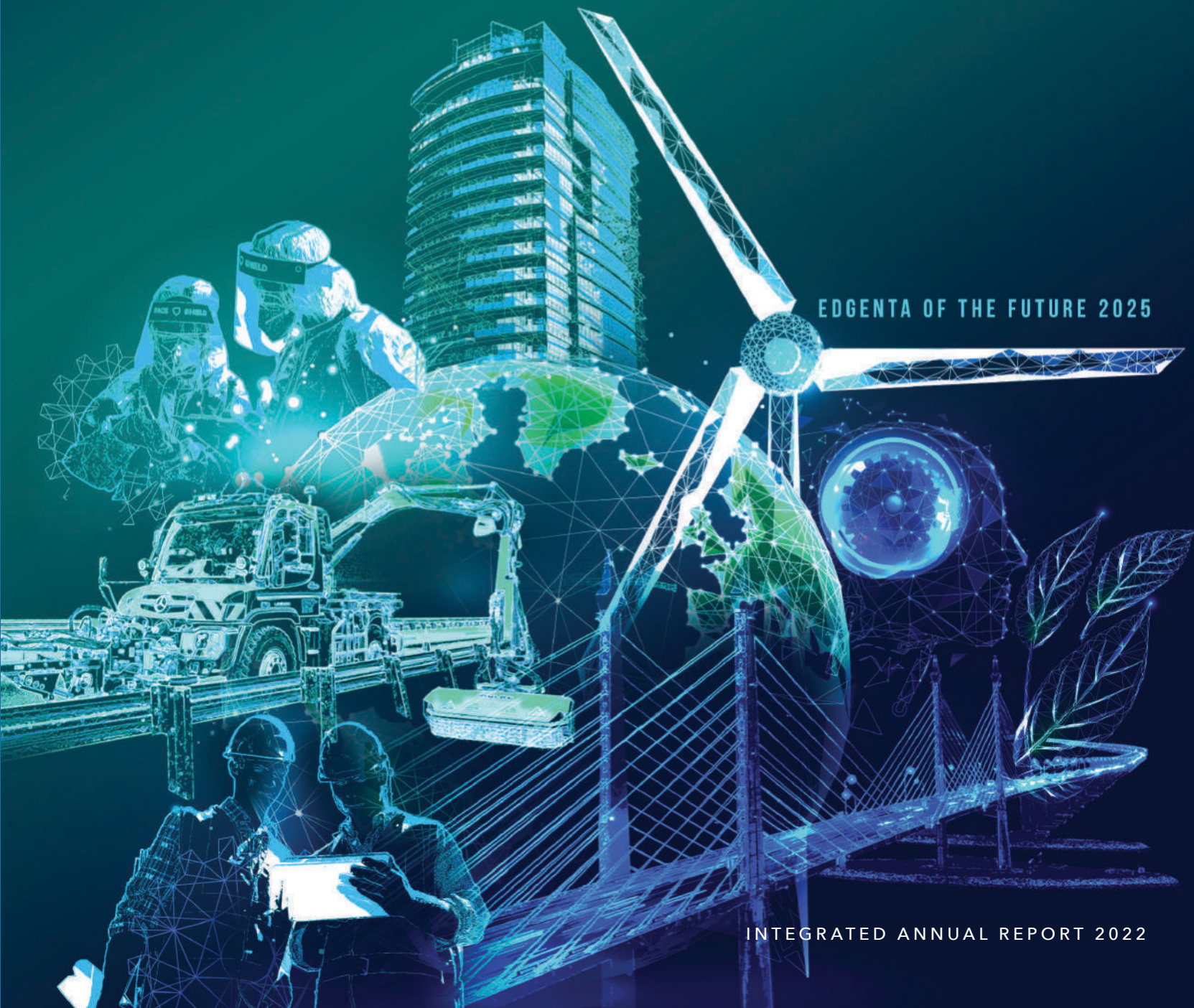
UEM EDGENTA

A member of **UEM Group**

DRIVING TECHNOLOGY, ADVANCING SUSTAINABILITY

CREATING A BETTER TOMORROW



INTEGRATED ANNUAL REPORT 2022

UEM EDGENTA IS PLEASED TO PRESENT OUR 2022 INTEGRATED ANNUAL REPORT, THE PRINCIPAL COMMUNICATION TO OUR STAKEHOLDERS.





DRIVING TECHNOLOGY, ADVANCING SUSTAINABILITY

The cover of our 2022 Annual Report illustrates our strategic evolution towards becoming a Technology-Enabled Solutions Company, propelling technological innovations and sustainability advancements in our products and services and through market expansion. Guided by our Economic, Environmental, Social and Governance ("EESG") initiatives, we will continue to accelerate digital and technology transformation while prioritising sustainability as a core consideration across our organisation.

As the region's market leader in asset management and infrastructure solutions, we are committed to expanding our operations internationally and enhancing the lives of the communities we operate in. Always upholding our FIRST values (please refer to Page 4 of our report), we strive to deliver and meet the highest standards of quality for all our stakeholders and in every aspect of conducting our business.

ABOUT THIS REPORT

OVERVIEW OF UEM EDGENTA BERHAD

- Overview of UEM Edgenta 4
- Embedding Sustainability into Our Business 6
- 2022 Key Highlights 10
- Awards and Recognitions 13
- Our Presence 14
- Our Corporate Structure 16
- What We Do
  - Healthcare Support 18
  - Property & Facility Solutions 19
  - Infrastructure Services 20
  - Asset Consultancy 21
- What Differentiates Us: Our Strengths 22
- 2022 Key Significant Events 24
- Edgenta Digital Ecosystem Platform 26

KEY MESSAGES

- Chairman's Statement 31
- Managing Director/ Chief Executive Officer's Statement 36
- Chief Financial Officer's Review 42

VALUE CREATION

- Our Approach to Value Creation 50
- Key Capitals 52
- Value Creation Business Model 54
- Stakeholder Engagement 56



INSIDE THIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

- Our Operating Environment and Market Trends 64
- Our Material Matters 70
- Risks and Mitigation 72
- Edgenta of the Future 2025 (EoTF2025) 76
- 5-Year Group Financial Summary 78
- 5-Year Group Financial Highlights 79
- Simplified Statements of Financial Position 80
- Segmental Analysis 81
- Value Added Statement and Value Distribution 82
- Group Quarterly Performance 83
- Financial Calendar 84
- Investor Relations 85
- Business Review
  - Healthcare Support 90
  - Property & Facility Solutions 94
  - Infrastructure Services 96
  - Asset Consultancy 98

SUSTAINABILITY STATEMENT

- Sustainability at UEM Edgenta 102
  - Sustainability Highlights and Achievements 104
  - Message from the Managing Director/ Chief Executive Officer 106
  - About This Report 110
  - Sustainability Governance 110
  - Our Sustainability Roadmap 113
  - Stakeholder Engagement 116
  - Materiality Assessment 116
  - Business Ethics 117
- Sustainable Economic Growth 118
- Minimising Environment Impact 130
- Social Value Creation 148

LEADERSHIP

- Corporate Information 189
- Board of Directors 190
- Board of Director's Profile 192
- Company Secretary's Profile 201
- Executive Leadership 202
- Executive Leadership's Profile 204
- Organisation Structure 210

GOVERNANCE

- Corporate Governance Overview Statement 214
- Audit Committee Report 234
- Statement on Risk Management and Internal Control 237
- Corporate Integrity and Ethical Business Conduct 246
- Additional Compliance Information 248

FINANCIAL STATEMENTS

- Directors' Responsibility Statement 250
- Directors' Report 251
- Statement by Directors 257
- Statutory Declaration 257
- Independent Auditors' Report 258
- Statements of Comprehensive Income 264
- Statements of Financial Position 266
- Statements of Changes in Equity 269
- Statements of Cash Flows 271
- Notes to the Financial Statements 273

SHAREHOLDERS' INFORMATION

- Analysis of Shareholdings 384
- Properties Held by Our Group 387
- Recurrent Related Party Transactions 388
- GRI Content Index 399
- FTSE4Good Content Index 405
- Glossary 427
- Notice of the 60th Annual General Meeting 432
- Statement Accompanying Notice of 60th Annual General Meeting 436

  – Form of Proxy
  – Group Directory

ABOUT THIS REPORT

REPORTING BASED ON ESTABLISHED PRINCIPLES, FRAMEWORKS AND GUIDELINES

At UEM Edgenta, we strive to advance technology-based solutions with an emphasis on sustainability. Through technology, we enable our employees to work more productively, unlock cost savings and establish vital new revenue streams.

Moving forward, we have oriented our expansion to meet global requirements - inventing, adapting and enhancing better asset management and infrastructure solutions for our clients.

While our business methods have been intended to provide long-term profits for our shareholders, our responsibilities encompass a much broader scope.

SCOPE AND BOUNDARIES

This Annual Report 2022 ("report") covers the reporting period from 1 January 2022 to 31 December 2022 ("FY2022"), unless otherwise stated. The information presented relates to the activities of UEM Edgenta Berhad (otherwise referred to as "UEM Edgenta", "the Group" or "the Company"), comprising our subsidiaries, joint operations, joint ventures and associates.

The Sustainability Statement 2022 ("statement") contained within this report is the sixth that we have published on our continuing sustainability reporting journey. The statement communicates our key sustainability initiatives, commitments and performance in relation to sustainability material matters that we have prioritised for the year under review.

The statement covers our operations in Malaysia and other geographical regions 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 is aligned with that of the report.

OUR TARGETED READERS

This report serves as our primary means of providing information about our business and operations to our shareholders and potential investors. It further provides pertinent information on how we add value for other important stakeholders, such as our clients, employees, regulators and the communities we work closely with.

REPORTING GUIDELINES AND FRAMEWORKS

In presenting this report, we are confident that it showcases a fair and balanced representation of our performance during FY2022. Taking guidance from internationally recognised integrated reporting frameworks, as detailed below, this report addresses all our material matters and provides an accurate reflection of our strategic commitments for the short, medium and long-term.

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 ("<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

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

NAVIGATING OUR REPORT

We have aimed to produce a report that is interactive, engaging and easy to understand. To help readers navigate this report, we have adopted the following navigational icons that highlight our reporting of the six capitals of value creation as described in the <IR> Framework, as well as the material matters that impact our value creation process:

CAPITALS

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

MATERIAL MATTERS

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

UN SDGs

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



STAKEHOLDERS

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

RISKS AND MITIGATION

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

FORWARD-LOOKING STATEMENTS

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

FEEDBACK

We look forward to receiving and responding to any feedback pertaining to this report. Feedback or queries may be directed to:

Head, Corporate Communications
Level 16, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 6688
Fax : +603 2711 8057
E-mail : communications@edgenta.com

ONLINE VERSION

This report and additional information on UEM Edgenta can be found on our corporate website: www.uemedgenta.com



OVERVIEW OF UEM EDGENTA BERHAD





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OVERVIEW OF UEM EDGENTA



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

OVERVIEW OF UEM EDGENTA

WHO WE ARE

UEM Edgenta is the **region's leading** Asset Management and Infrastructure Solutions company, with a **clear vision to Optimise Assets and Improve Lives**. We are listed on Bursa Malaysia (KLSE: EDGENTA).

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**.

Our **expertise** covers Healthcare Support and Property & Facility Solutions within our Asset Management segment, and Infrastructure Services and Asset Consultancy within our Infrastructure Solutions segment. We employ state-of-the-art technology to develop pioneering and cutting-edge solutions, while remaining dedicated to promoting ESG principles through our sustainability solutions.

We offer our clients a full suite of services throughout their **asset lifecycle**, which includes consultancy, procurement and construction planning, operations and maintenance, as well as optimisation, rehabilitation and upgrades. We are currently **present** in Malaysia, Singapore, Taiwan, Indonesia, the UAE and KSA.

REVENUE
RM2.5 BILLION*

SHAREHOLDERS' FUNDS
RM1.6 BILLION*

TOTAL ASSETS
RM2.9 BILLION*



6 COUNTRIES
Malaysia, Singapore, Taiwan, Indonesia, the United Arab Emirates and the Kingdom of Saudi Arabia

**As at 31 December 2022 and for the financial year then ended.*



EMBEDDING SUSTAINABILITY INTO OUR BUSINESS

At UEM Edgenta, we view sustainability as an essential component of our operations and a key differentiator of the solutions we provide our customers.

As a global organisation, we have a responsibility to operate in ways that maximise shared value for our nation, communities, people and the planet. In this regard, we define sustainability as managing and operating a responsible business while securing profits and driving long-term value creation, striving to meet the needs of the present without compromising the ability of future generations to meet their own needs.

We are delivering on this imperative by integrating sustainability into our strategies and processes while developing technology-based solutions that drive the Environmental, Social and Governance ("ESG") performance of asset owners, thereby maximising positive impact across our value chain.

In FY2022, we embarked on the next phase of our sustainability journey with the launch of our sustainability roadmap. Covering the period of FY2022 to FY2024, the roadmap defines tangible goals across six pillars of action, with the overarching objectives of shaping our sustainability journey and propelling us to join the ranks of industry leaders in sustainability.

The roadmap was developed through a comprehensive and holistic approach that included the gathering of insights from our stakeholders, enabling us to align our actions with our sustainability goals and objectives.

THE LAUNCH OF OUR SUSTAINABILITY ROADMAP WAS PARTICIPATED IN PHYSICALLY AND VIRTUALLY BY MORE THAN 400 EDGENTA STARS, INCLUDING MEMBERS OF OUR SENIOR MANAGEMENT TEAM



Following the inauguration of our sustainability roadmap, the Strategic Business and Market Development ("SBMD") and the Health, Safety, Security and Environment ("HSSE") unit hosted our first ESG Awareness Month 2022 at the UEM Edgenta Learning Centre ("UELC"). The event was participated in physically and virtually by more than 400 Edgenta Stars, including members of our senior management team, celebrating the unveiling of our sustainability roadmap.

The event kick-started with opening remarks by Rais Imran, our Chief Strategy Officer, stressing on the importance of cultivating ESG awareness and practices within the organisation. This led the way for Syahrunizam Samsudin, our MD/CEO, who delivered a keynote speech on how the group can leverage on being, thinking, and acting sustainably to drive long-term value.

The event was attended by practitioners and industry experts who contributed to a panel discussion on the topic, "Sustainable Value Creation: ESG as value Driver as opposed to Cost Center". This was followed by the official launch of the roadmap by Syahrunizam Samsudin. Sharifah Bakar Ali, Head of SBMD, and Andrew Raj, Head of Operational Excellence & Health, Safety, Security and Environment ("OE & HSSE"), who presented the key components of the Sustainability Roadmap, including the timeline and major milestones to be achieved by 2024.

During the event, key members of our business units also shared inspiring notes on their ongoing ESG initiatives along with their future plans to embed sustainability within their daily operations. This session participated in by Opus Consultants, Infrastructure Services, Healthcare Support and Property & Facility Solutions teams, showcasing a display of various innovative ESG elements being integrated within their respective business activities. In summary, the sharing sessions further solidified our belief and commitment to champion sustainability within our diverse industries.

EMBEDDING SUSTAINABILITY INTO OUR BUSINESS

KEY INITIATIVES IN FY2022

To drive alignment and action towards achieving the goals of our roadmap, sustainability-based Key Performance Indicators ("KPIs") have been included within our corporate scorecard. Detailed action plans have been developed for immediate focus areas identified through our materiality matrix, including Human Rights Assessment, Supply Chain Management, Climate Change and Energy, and Environmental Management. Focus groups, sustainability champions and working group members have been appointed to carry out engagements within these areas and across the roadmap as a whole.

Further to this, five priority initiatives were identified for FY2022, with key actions taken across each detailed below:





SUSTAINABILITY PERFORMANCE IN FY2022

In FY2022, our FTSE4Good rating improved from 2.5 to 3.1. With this improvement, we may potentially now meet the required rating to be included in the index for emerging market companies (subject to us meeting FTSE4Good's other criteria for inclusion).

The improved rating was as a result of enhancements across our sustainability agenda, including to environmental, health and safety as well as governance-related data disclosure and practices. It signifies our deep commitment to leave a positive impact on the environment, provide safe and healthy work environments for our staff and clients - who are beneficiaries of our services - and ensure that we act in the best interests of our stakeholders.

Moving forward, to maintain and improve on our ratings, we will seek to find ways to better manage our climate footprint, enhance our labour standards and practices, and work more collaboratively with our suppliers to ensure that we continue to carry out our business in a responsible manner. We will also continue to work with partners who share our sustainability aspirations.

Other highlights of our sustainability performance during the past year include:

Sustainable Economic Growth

- Achieved 99.4% of procurement from local suppliers (across Peninsular and East Malaysia)
- Collaborated with HSBC Amanah Malaysia Berhad to develop a Syariah-compliant Supplier Financing Programme, with over 380 SMEs invited to join

Minimising Environmental Impact

- Managed 19 Green Building Index ("GBI") and Leadership in Energy and Environmental Design ("LEED")-certified buildings at various certification levels
- Achieved 38,178,319 kWh in energy savings for our clients per year between 2016 and 2022 through our energy performance contracting ("EPC") services
- Conserved 6,000 m^3 of natural water through the natural water harvester exercise
- Collected 6,603 containers through our in-house KLEAN reverse vending machine

Social Value Creation

- Received zero monetary fines or significant non-monetary sanctions for non-compliance with applicable laws and regulations
- Recorded 393,898.5 hours of employee development training, with 99.1% of our employees fulfilling their training requirements

2022 KEY HIGHLIGHTS

BUSINESS HIGHLIGHTS

ORDER BOOK STANDS AT
RM9.6 BILLION
WITH RM1.36 BILLION IN NEW CONTRACT WINS IN FY2022
(2021: RM10.8 billion order book)

RENEWED
SEVEN MAJOR HEALTHCARE CONTRACTS AND EXPANDED
INTO PROVISION OF SERVICES TO HOSPITALITY BUSINESSES IN SINGAPORE

OPERON MIDDLE EAST (OME)
NAMED AS ONE OF THE GULF'S TOP 50 FACILITIES MANAGEMENT ENTITIES OF 2022

INFRASTRUCTURE SERVICES
EXPANDED ITS PRESENCE IN INDONESIA WITH
2 NEW CONTRACT WINS

EDGENTA PARTNERS
WITH SUMITOMO CORPORATION ASIA, SOFTBANK CORPORATION, MEC CLEARWASTE BERHAD, DISRUPT-X AND ITMAX SYSTEM BERHAD

ACQUIRED A
60% EQUITY
STAKE IN MEEM, PROVIDING A STRONG INTEGRATED FACILITIES MANAGEMENT ("IFM") OPERATING BASE IN THE KINGDOM OF SAUDI ARABIA ("KSA")

2022 KEY HIGHLIGHTS

FINANCIAL HIGHLIGHTS

REVENUE
RM2,523.6
MILLION
(2021: RM2,292.4 million)

EBITDA
RM179.9
MILLION
(2021: RM157.1 million)

PBT
RM93.8
MILLION
(2021: RM78.6 million)

PAT
RM45.7
MILLION
(2021: RM43.4 million)

NORMALISED PAT
RM63.1
MILLION
(2021: RM57.3 million)

PATANCI
RM45.9
MILLION
(2021: RM42.0 million)

GROSS GEARING RATIO
0.29x
(2021: 0.29x)

NET CASH POSITION
RM247.9
MILLION
(2021: RM185.2 million)

NET ASSETS PER SHARE
RM1.90
(2021: RM1.85)

SHAREHOLDERS' FUNDS
RM1,580.9
MILLION
(2021: RM1,535.8 million)

TOTAL CASH, BANK BALANCES, DEPOSITS AND SHORT-TERM INVESTMENTS
RM706.7
MILLION
(2021: RM628.7 million)

TOTAL ASSETS
RM2,868.7
MILLION
(2021: RM2,855.1 million)

EARNINGS PER SHARE
5.5
SEN
(2021: 5.1 sen)

DIVIDEND PER SHARE
4.0
SEN
(2021: 3.0 sen)

2022 KEY HIGHLIGHTS

SUSTAINABILITY HIGHLIGHTS

ATTAINED A FTSE4GOOD RATING OF **3.1**
(2021: 2.5)

EXPANDED DATA COLLECTION FOR SCOPE 2 PURCHASED ELECTRICITY TO **62 SITES**
(2021: 25 sites)

CARBON FOOTPRINT 2022: **17,447 TCO_2**

DELIVERED **15 COMMUNITY PROJECTS** AND ENGAGEMENTS

98% OF OUR OPERATING SITES ARE **ISO 14001 CERTIFIED**

27.8% WOMEN IN TOP MANAGEMENT

ACHIEVED AN OVERALL AVERAGE **CSS SCORE OF 88%**
(2021: 87%)

EDGENTA WORKPLACE WELLNESS ("WoW") LAUNCHED BY HSSE AND HR

SOLAR PANELS CONTRIBUTE 4.0% OF TOTAL ELECTRICITY USED IN MENARA UEM

SUSTAINABLE INVESTMENTS: ASSETS WE MANAGE IN OUR VALUE CHAIN

OUR SOLUTIONS ENABLE UP TO **52% REDUCTION** IN ENERGY CONSUMPTION* AND APPROXIMATELY 11% REDUCTION IN WATER CONSUMPTION
*Throughout life of the asset

32 HOSPITALS UNDER THE HEALTHCARE SUPPORT DIVISION AWARDED THE ENERGY MANAGEMENT GOLD STANDARD

TOTAL ENERGY SAVINGS OF **38 MILLION** KWH IN 2022
(2021: 37)

MANAGING **19 GBI AND LEED** CERTIFIED BUILDINGS AT VARIOUS CERTIFICATION LEVELS

3,798 TONNES OF ORGANIC WASTE DIVERTED FROM LANDFILLS IN 2022

AWARDS AND RECOGNITIONS

KSI STRATEGIC INSTITUTE FOR ASIA PACIFIC (KSI)

Winner of the 2022 Malaysia Outstanding ESG Impact Corporate Excellence Awards

FROST & SULLIVAN

Malaysia Facilities Management Company of the Year for the 7th consecutive year

U.S. GREEN BUILDING COUNCIL (USGBC)

Platinum rating in the Leadership in Energy and Environmental Design ("LEED") certification for Hospital Slim River

MINORITY SHAREHOLDERS WATCH GROUP (MSWG)

MSWG-ASEAN Corporate Governance Award 2021: Industry Excellence Award Winner for Corporate Governance Disclosure (Industrial Products and Services)

THE INSTITUTION OF ENGINEERS, MALAYSIA (IEM)

Winner of the Institution of Engineers Malaysia ("IEM") Award 2022 for Contribution to the Engineering Industry in Malaysia (Asset Management – Industries)

ASEAN ENERGY MANAGEMENT SCHEME (AEMAS)

Thirty 3-Star ratings and two 2-Star ratings in the Energy Management Gold Standard ("EMGS") for hospitals under the Healthcare Support division

SINGAPORE BUSINESS REVIEW

Winner of the Malaysia Technology Excellence Award (Digital – Clinic Management)

ORACLE CLOUD

Finalist in the Innovate Award Category, Oracle Cloud HCM (Human Capital Management) HR Heroes Awards

CONSTRUCTION INDUSTRY DEVELOPMENT BOARD (CIDB)

4-star ratings in the Malaysian Carbon Reduction and Environmental Sustainability Tool (myCREST) certification for Hospital Sungai Siput

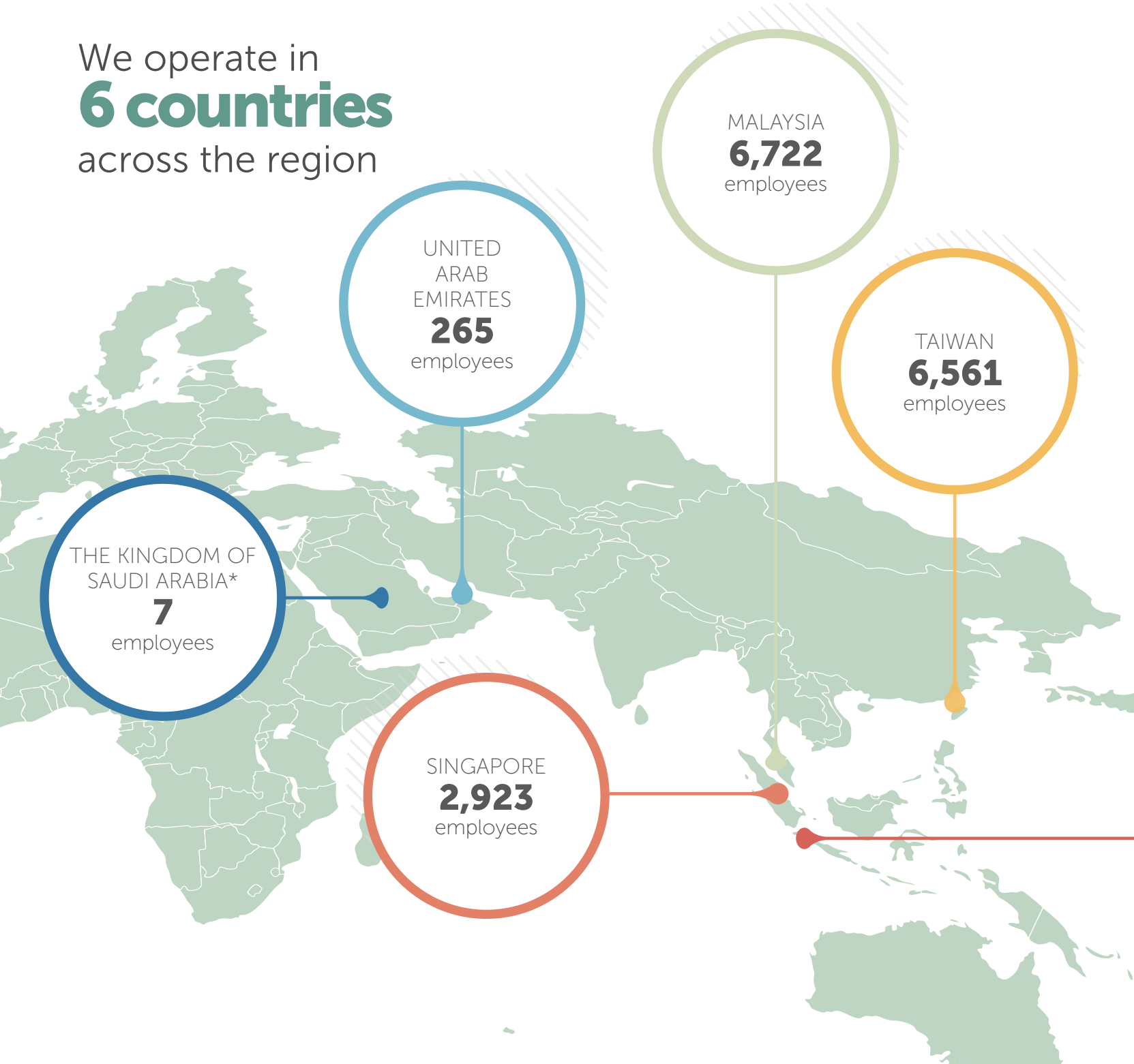
DEPARTMENT OF OCCUPATIONAL, SAFETY AND HEALTH (DOSH), MINISTRY OF HUMAN RESOURCES

"Best Workplace" title in the Category 1 Systematic Occupational Health Enhancement Level Programme (SOHELP DIY)

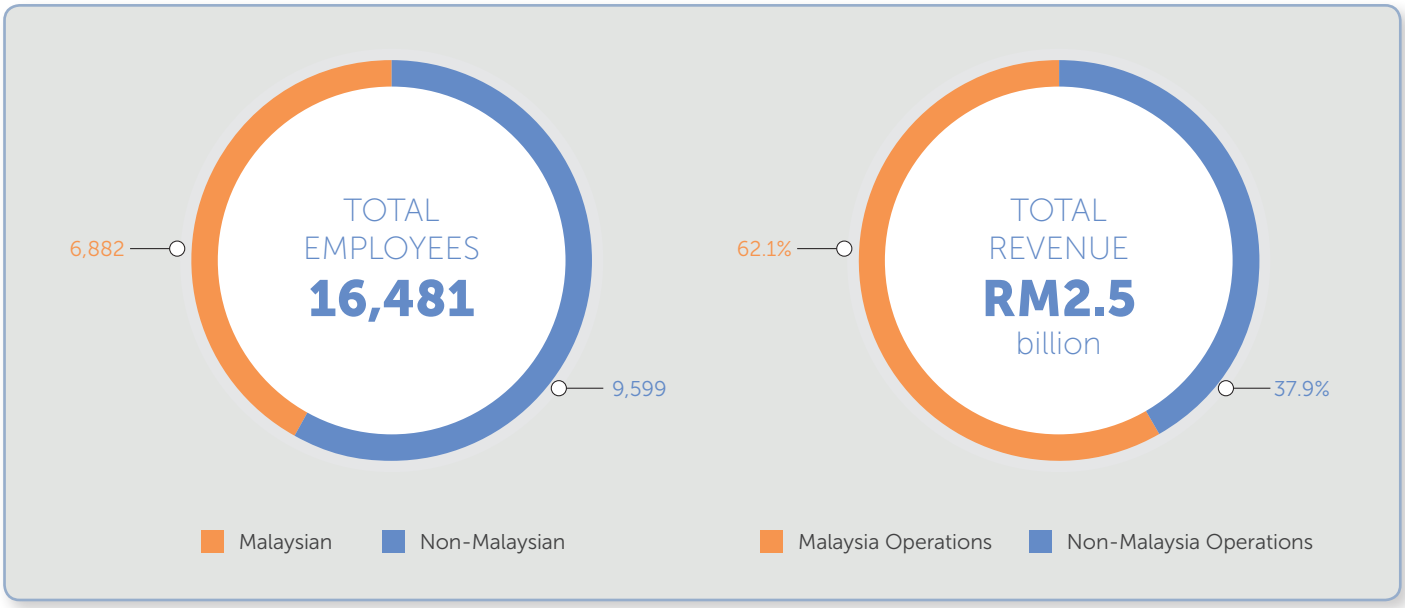
OUR PRESENCE

UEM Edgenta is the region's leading tech-enabled Asset Management and Infrastructure Solutions company. Driven by our tech and sustainability solutions, we have established our expertise in Healthcare Support, Property & Facility Solutions, Infrastructure Services and Asset Consultancy.

We operate in
6 countries
across the region



OUR PRESENCE



MALAYSIA

REVENUE
RM1,567.6
million

UNITED ARAB EMIRATES

REVENUE
RM75.0
million

INDONESIA

REVENUE
RM12.1
million

SINGAPORE

REVENUE
RM401.9
million

TAIWAN

REVENUE
RM467.0
million

THE KINGDOM OF SAUDI ARABIA*

**As of FY2022, establishment in the Kingdom of Saudi Arabia was in the incorporation phase.*

INDONESIA
3
employees

OUR CORPORATE STRUCTURE

As at 31 March 2023

Khazanah Nasional Berhad — 100% — **UEM Group Berhad** — 69.14%

ASSET MANAGEMENT

HEALTHCARE SUPPORT

CONCESSION

- 100% Edgenta Healthcare Management Sdn. Bhd.
  - 100%* Edgenta Mediserve Sdn. Bhd.
    - 100% Edgenta Healthtronics Sdn. Bhd.
    - 100% Edgenta Mediserve (Sabah) Sdn. Bhd.
      - 40% Sedafiat Sdn. Bhd.
    - 100% Edgenta Mediserve (Sarawak) Sdn. Bhd.
      - 40% One Medicare Sdn. Bhd.
      - 40% Biomedix Solutions Sdn. Bhd.
    - 100% Cermin Cahaya Sdn. Bhd.

COMMERCIAL

- 100% Edgenta (Singapore) Pte. Ltd.
  - 100% UEMS Pte. Ltd. (Singapore)
    - 100% UEMS Solutions Pte. Ltd. (Singapore)
    - 100% Edgenta UEMS Ltd. (Taiwan)
      - 100% Edgenta UEMS SC Ltd. (Taiwan)
    - 100% Edgenta UEMS Sdn. Bhd.
    - Other Subsidiary

PROPERTY & FACILITY SOLUTIONS

- 100% Edgenta Facilities Sdn. Bhd.
  - 100% Edgenta Facilities Management Sdn. Bhd.
  - Other Subsidiary
- 100% Edgenta GreenTech Sdn. Bhd.
  - Other Subsidiaries
- 100% Edgenta Township Management Services Sdn. Bhd.
  - Other Subsidiaries
- 100% Edgenta Energy Projects Sdn. Bhd.
- 70% Edgenta Energy Services Sdn. Bhd.

*Direct and indirect interest.

OUR CORPORATE STRUCTURE

UEM Edgenta Berhad

UEM EDGENTA
A member of **UEM Group**

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

TECHNOLOGY INNOVATION

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

OTHERS

- **100%** Edgenta Arabia Limited (Kingdom of Saudi Arabia)
  - **60%** MEEM for Facilities Management Company (Kingdom of Saudi Arabia)

WHAT WE DO

HEALTHCARE SUPPORT



The Healthcare Support division focuses on hospital support services for 250 healthcare institutions in Malaysia, Singapore and Taiwan.

We incorporate ESG considerations into our business practices to ensure sustainability and promote social responsibility. As the leading company in the implementation of sustainability programmes, our achievements include effective conservation measures through energy performance contracting, retrofitting projects, solar photovoltaic installation and adoption of energy management standards; enhanced indoor air quality systems; and the setting up of impactful waste management programmes to enable significant reductions in waste.

Our innovative solutioning mindset and continuous efforts in adopting new technologies that leverage on robotics, Internet of Things ("IoT") and data analytics provide real-time, reliable and precise information. This is crucial for our service execution efficiency and effectiveness as we strive to ensure enhanced patient outcomes, competitiveness and market leadership.

HEALTHCARE SUPPORT

- Preserve the lifespan of more than **54,000 BEMS** assets worth over RM1.7 billion
- Care for more than **RM900 million** worth of FEMS assets
- Process over **19,500 tonnes** of soiled linen annually
- Incinerate **8,200 metric tonnes** of clinical waste annually
- Maintain over **1.7 million sqm²** of cleanable area daily
- Over **1,000 units** of cleaning machineries

This data is for Edgenta Healthcare Management Sdn. Bhd. only.

WHAT WE DO

PROPERTY & FACILITY SOLUTIONS

PROPERTY & FACILITY SOLUTIONS

Empowered by cutting-edge technologies and data-driven insights, our Property & Facility Solutions division delivers performance-based programmes that optimise asset quality and improve the lives of occupants.

Our portfolio spans a wide range of commercial and industrial properties across Malaysia and the UAE. Within each facility, we aim to provide building owners with a holistic view of their assets, processes and people, facilitating decision-making that enhances liveability and asset performance while driving cost and process efficiencies. This is aided by the Edgenta SmartConnect platform, which integrates big data analytics and IoT technologies for improved asset governance. Meanwhile, we are progressing on the commercialisation of Asseto, a scalable and interoperable platform that will enable us to meet the demands of smart cities around the world.

With building owners increasingly attuned to the importance of climate action, our EPC and green building certification solutions enable effective transitions to greener and more energy-efficient operations, thereby further enhancing our proposition in the industry.

- Facility management services at more than **500** buildings and facilities
- Energy Efficiency Solutions implemented in **19 GBI** and **LEED CERTIFIED** buildings across Malaysia
- Reduction of **10% to 52%** of annual electrical energy savings for the systems and assets we replace and optimise
- Energy savings per year of more than **38 million kWh,** equivalent to **RM16.2 million** in cost savings

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



WHAT WE DO

INFRASTRUCTURE SERVICES

INFRASTRUCTURE SERVICES



With a portfolio spanning 4,000 km of highways and state roads and over 30 years of industry experience, our Infrastructure Services division is the nation's foremost name in infrastructure maintenance.

Utilising sophisticated technologies and process improvement concepts, our aim is to maintain the quality and enhance the performance of our clients' assets over time. This has enabled us to expand beyond our core of highway maintenance to provide services for rail, airports, ports, oil and gas, plantation roads and other commercial and industrial sectors.

Our commitment to excellence is upheld by our team of experienced professionals, enabling us to play a key role in continued infrastructural and economic development, both in Malaysia and Indonesia.

- Manage infrastructure assets worth **>RM10 billion**
- Maintain around **4,000 km** of expressways and state roads in Malaysia and Indonesia
- Road Asset Management System has enabled **1,500 km** of expressway and state road assets to be brought online
- Engaged in **expressways, state roads, airports, plantations and rail**

WHAT WE DO

ASSET CONSULTANCY

Our Asset Consultancy division is represented by Opus Consultants, a leading engineering, project and asset management consultancy with more than 30 years of experience in delivering large-scale infrastructure projects.

Through end-to-end collaboration with our clients, we deliver industry-leading standards across project management, asset management, engineering and technical consultancy services, striving to exceed stringent time, quality and budgetary requirements. As a result, we have developed a strong portfolio of infrastructure projects that span transportation, buildings and integrated developments.

Driven by our experienced and passionate team, our next frontier lies in driving the development of infrastructure in East Malaysia, to which end we have executed a shareholding agreement for a joint venture with PPES Consults Sdn. Bhd., a wholly-owned subsidiary of Sarawak Economic Development Corporation ("SEDC").

ASSET CONSULTANCY

- Represented by OPUS CONSULTANTS AN EDGENTA COMPANY
- **2 Sectors**
  - Highways and Bridges
  - Rail
- Engaged in infrastructure projects valued at more than **RM110 billion**, which include ongoing construction projects
- A team of **400 professionals**, comprising engineers and project managers, located throughout Malaysia



WHAT DIFFERENTIATES US: OUR STRENGTHS

DIVERSIFICATION THROUGH GEOGRAPHIES AND PORTFOLIO

With a presence in six markets and across various sectors, we are able to capture high margin growth opportunities in emerging and fast growing markets while maintaining agile operations. Specifically, through our presence in the KSA, the UAE and Indonesia, we are well positioned to participate in tenders for Smart City projects and projects linked to the Saudi Vision 2030 and Nusantara infrastructure blueprints.

TECHNOLOGY DIFFERENTIATION

In a rapidly digitalising world, our technology-based solutions such as Asseto and *UE*Track™ provide our clients with a holistic view of their assets, enabling them to drive innovation and maximise efficiencies. By integrating technology in this way, we are moving up the asset management value chain towards becoming a Smart City enabler and a Technology-Enabled Solutions Company by 2025.

TRUST-BASED PARTNERSHIPS

Over the years, we have nurtured strong partnerships with private and public institutions across our markets of operation, providing us a sturdy base upon which to drive our expansion. Now, in line with our focus on technology, we are rapidly formalising strategic partnerships with a range of global innovation frontrunners, providing us with an ecosystem of integrated solutions that enable effective and efficient asset lifecycle management for our clients.

FINANCIAL STRENGTH

Our strong balance sheet and resurgent earnings provide us the ability to weather short-term volatility and deploy for growth opportunities, both organically and inorganically. This is supported by a Group-wide focus on optimising costs and harnessing group synergies, bolstering our resilience in a time of significant macroeconomic headwinds. Further to this, we are committed to our dividend policy of 50-80% of PATANCI with the aim of maximising shareholder value.

STOCK EXCHANGE LISTING

BURSA MALAYSIA

Main market of Bursa Malaysia

OPERATIONAL EXCELLENCE

Through the integration of digital technology and automation within our processes, we are equipped to deliver solutions more efficiently while maintaining our high standards of quality. At the same time, we seek to continuously strengthen our supplier base by providing access to upskilling initiatives and technology-based support.

FUTURE-READY WORKFORCE

Through initiatives such as the Edgenta Innovation Programme and our "Low Code No Code" platform, our employees are encouraged to go beyond their day-to-day job scopes and drive innovation that delivers bottom-line results. By providing such avenues for growth, alongside a wide range of training programmes and holistic care for their health and wellbeing, we are nurturing a future-ready workforce that is prepared for the challenges and opportunities of the global market.

SUSTAINABILITY

With the launch of our sustainability roadmap, we have set specific focus areas and targets that will guide our journey, empowering our teams to embed sustainability within our operations and enhance the value we create for communities, national economies and the environment. In addition, we provide sustainability-related solutions that align with our clients' sustainability agendas. Our solutions help our clients reduce their environmental impact, promote responsible business practices and contribute to a more sustainable future. Moving forward, we are set to launch our net zero targets in 2023.



MARC

AA-
STABLE
MARC

CREDIT RATINGS

2022 KEY SIGNIFICANT EVENTS

We made progress on several key fronts in 2022 – from establishing new partnerships and making headway on our global expansion plan to diversifying into new sectors – in line with our drive to become a Technology-Enabled Solutions Company. Our ongoing sustainability journey was also boosted with the launch of our two-year sustainability roadmap, paving the way for us to deliver greater impact across the ESG spectrum in the future.

GROWING OUR INTERNATIONAL BUSINESS PRESENCE



- Acquired a 60% stake in MEEM, an established facility management company in the KSA, facilitating our entry into this high growth market



- Established a partnership with Byte Blanket and Disrupt-X to spearhead end-to-end, IoT-based IFM and Smart City solutions in the Middle East



- Formed a strategic collaboration with Sumitomo Corporation Asia and Softbank Corporation to offer their portfolio of technology and sustainability-based solutions to our customers

- Inked a deal with ITMAX System Berhad to set up Smart City solutions in the UAE and offer smart facilities monitoring and management programmes in Malaysia

- Secured the contract to manage assets and users for Towers 1, 2 and 3 of the Petronas Twin Towers under Asseto

DEEPENING OUR COMMITMENT TO SUSTAINABILITY



- Spent RM195,000 and contributed 790 volunteering hours to community projects, benefitting 12,500 underprivileged communities across Malaysia

- Assisted 19 buildings in attaining GBI and LEED certification for resource-efficiency and environmental friendliness



- Launched our two-year sustainability roadmap, outlining detailed initiatives across six key pillars of action

2022 KEY SIGNIFICANT EVENTS

CONTRIBUTING TO NATION BUILDING EFFORTS



▶ Mobilised 15 Field Hybrid ICUs to reduce the burden on public healthcare facilities and assist the nation's COVID-19 recovery efforts



▶ Won the Institution of Engineers Malaysia (IEM) Award 2022 (awarded to Opus Consultants) for their contributions to the engineering industry in Malaysia



▶ Collaborated with HSBC Amanah Malaysia Berhad ("HSBC Amanah") to develop a Syariah-compliant Supplier Financing Programme that provides Malaysian SMEs with affordable, collateral-free funding



▶ Received the 2022 Malaysia Outstanding ESG Impact Corporate Excellence Award from KSI Strategic Institute for Asia Pacific



▶ Expanded our presence in East Malaysia by setting up a regional office in Sarawak for our Asset Consultancy division

EDGENTA DIGITAL ECOSYSTEM PLATFORM

Edgenta NXT

Transforming today. Advancing tomorrow.



BRIDGING THE GAP BETWEEN PRESENT AND FUTURE SERVICE DELIVERY

The asset and facilities management industry is evolving fast, moving away from the traditional 'maintain-repair-restore' model towards an emphasis on asset quality preservation and continuous operational optimisation of buildings, townships and even cities. This paradigm shift opens the door for innovative technology-based solutions, which we are delivering through Edgenta NXT.

Edgenta NXT is our in-house digital venture, established in July 2021 to commercialise technologies and technology-based intellectual properties to expedite Edgenta-wide digital transformation and facilitate rapid international expansion. We have developed three proprietary technology products - Asseto, Asseto for Health and QuickMed - each of which digitalise manual processes and facilitate data-driven insights to improve efficiency, enable better decision making and deliver bottom line results. We are continuously adding to these offerings through integration with ecosystem partners and reputable technology innovators globally.

By driving our differentiation, deepening our solutions base and enabling cost optimisation, Edgenta NXT is not only growing a new revenue stream for the Edgenta Group but is also the key catalyst behind our Edgenta of The Future 2025 (EoTF2025) goals, empowering us on our journey to become a Technology-Enabled Solutions Company.

INNOVATION IN HEALTHCARE

In the wake of COVID-19, QuickMed was introduced as a timely solution to address the unprecedented challenges faced by the healthcare sector. As the pandemic situation evolved, the team behind QuickMed recognised the need to adapt and leveraged their learnings to develop Asseto for Health, an extension of our core product, Asseto.

QUICKMED

Incorporates clinic management, a COVID-19 screening booking platform and the Home Quarantine Management System ("HQMS"), enabling effective management of COVID-19 testing, quarantine and tracking at the national level



asseto

Asseto is a powerful digital ecosystem designed to boost efficiency, intelligence and sustainability for businesses, governments and asset owners. Focusing on interoperability, Asseto seamlessly integrates key technologies such as automation, sensors, robots, and data aggregation to facilitate data-driven decisions that benefit all users.

At the heart of Asseto's value proposition is an integrated ecosystem that optimises energy consumption, waste management and user experience through AI and IoT capabilities. This approach encourages the development of smarter, greener assets and aids in selecting the "right" assets for greater sustainability.

Asseto also prioritises predictive maintenance, enabling proactive asset management for increased efficiency, reduced operational costs and extended asset lifespan. Furthermore, the platform streamlines communication and collaboration, enhances decision-making processes and improves user experience.

By fostering a cohesive and interoperable ecosystem, Asseto delivers exceptional value, promoting unbiased data-driven decision-making and a more sustainable future.

SCALABLE
→ Competitive pricing through a pay-as-you-grow model

CONFIGURABLE
→ Drag-and-drop capabilities with minimal customisations required

INTEROPERABLE
→ Easily integrates with third-party applications for extended value

GROWING ECOSYSTEM
→ Continuously expanding capabilities through strategic partnerships with technology leaders including Alibaba, ITMAX, Disrupt-X, Softbank and Sumitomo

In 2022, Asseto was selected by KLCC Urusharta to manage its assets, contractors and users across Towers 1, 2 and 3 of the Petronas Twin Towers. In addition, we have integrated Asseto into our processes at 11 different sites under our Property & Facility Solutions division.

Digital Tracker: **88,000** unique international passengers managed while in quarantine

COVID-19 swabbing: **1,000** online bookings across **four** clinics

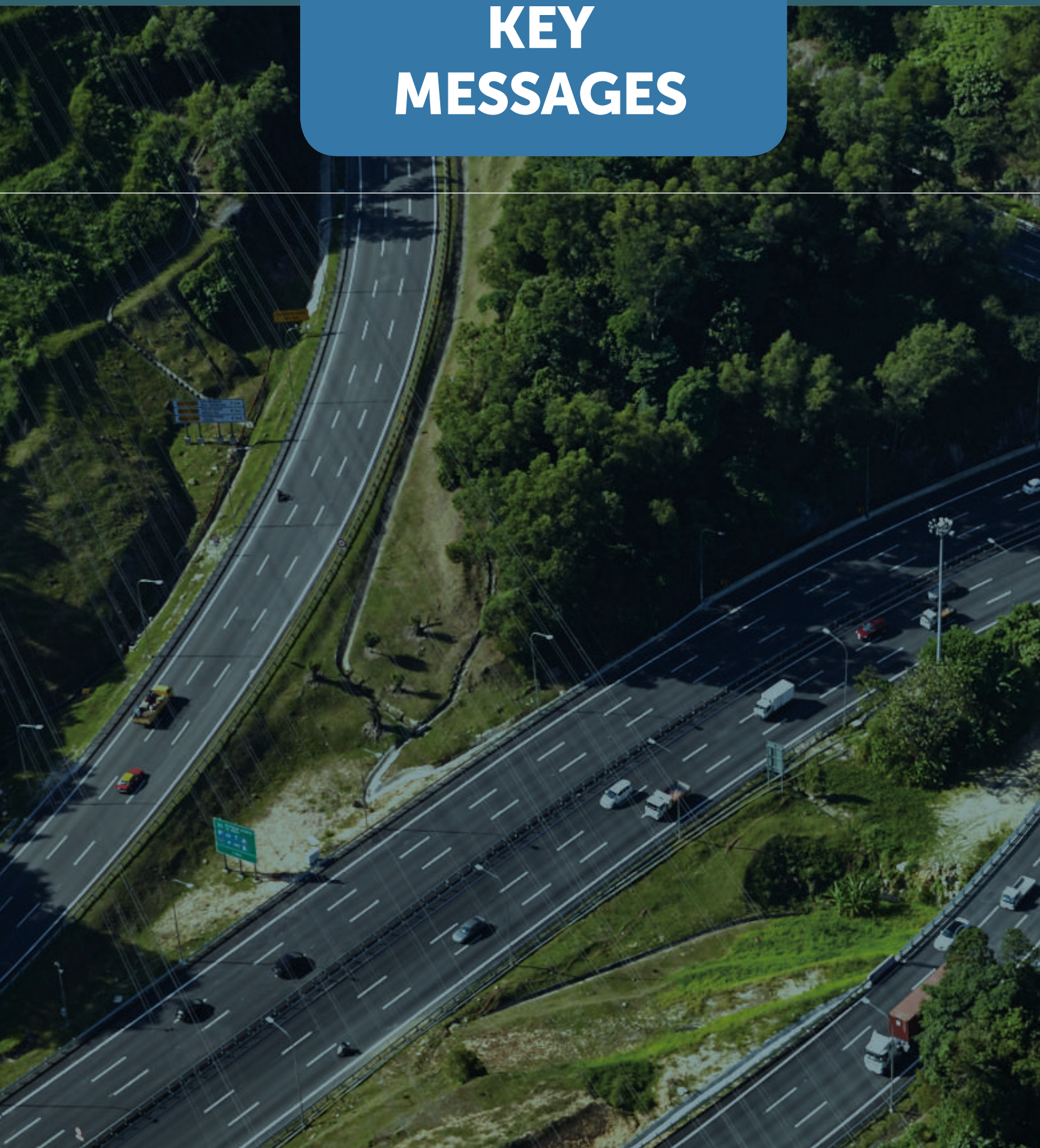
COVID-19 Assessment Centre: **7,000** patients across **six** sites

ASSETO FOR HEALTH

An evolution of our tech-based healthcare support, Asseto for Health combines key components of QuickMed's clinical capabilities with non-clinical capabilities under a usage-based, interoperable platform that meets the day-to-day needs of hospitals and other healthcare providers. Currently Asseto for Health is in the pilot phase, with the aim of launching a Minimum Viable Product in 2023.



KEY MESSAGES





- Chairman's Statement 31
- Managing Director/Chief Executive Officer's Statement 36
- Chief Financial Officer's Review 42



TAN SRI DR. AZMIL KHALID
Independent Non-Executive Chairman

CHAIRMAN'S STATEMENT

Dear valued stakeholders,

2022 was a seminal year for the Group. Driven to evolve by changing realities, we are now truly global both in presence and mindset, with an appetite to solidify our position as a technology-driven innovator across sectors and geographies. However, our drive to capture new opportunities has not swayed our attention from what matters most – delivering sustainable value for our people, our communities and our nation.

The notable progress that we have made across these dimensions is a testament to how fully the Edgenta Way of doing business has become embedded across our people and processes. It indicates, crucially, that we have secured the buy-in of our teams towards embracing transformation that delivers results for our bottom line and our sustainability agenda alike, in line with the theme of this year's report – Driving Technology, Advancing Sustainability.

It is this holistic approach – and its varied and encouraging outcomes - that I shall aim to articulate in this statement.

DELIVERING ON OUR STRATEGIC IMPERATIVES

Creating sustainable value begins with being a sustainable business and in this respect we have taken great strides during the past year.

By leveraging strategic partnerships and continuously investing in our digital capabilities through Edgenta NXT, our dedicated digital venture, we've made significant progress in the commercialisation of Asseto and our other digital solutions. Meanwhile, we have also gained traction in providing technology-driven green building solutions and integrated healthcare and facility solutions to our clients. These positive developments have served to further drive our differentiation in the increasingly competitive landscape for asset and facilities management.

As a result, we delivered a commendable 10.1% increase in both revenue and Normalised PAT during the year under review. This was achieved amidst a challenging, high cost operating environment and is a testament to the effectiveness of our operational efficiency and cost optimisation efforts. During 2022, we also secured RM1.36 billion in new wins – a 30% year-on-year increase - with 62% of these contracts being awarded for projects outside our home base of Malaysia.

As a result of our strong performance, we issued an increased dividend of 4 sen per share for the financial year ended 31 December 2022, consistent with our policy of providing optimum shareholder returns.

Just as important as our results, however, has been our attendant shift in mindset – from being a mere protector to an enhancer of asset value, integrating technologies into traditional setups in order to enhance the lives of people who use the facility and empower asset owners to track and improve their sustainability performance. By positioning ourselves as a technology and sustainability-centric company, we are moving up the value chain and strengthening our proposition in the global market.

CHAIRMAN'S STATEMENT

It has been equally encouraging to see the progress we have made in international expansion and diversification. During 2022, we officially entered the market of the KSA with the establishment of Edgenta Arabia Limited ("EAL") and the impending purchase of a 60% stake in MEEM, one of the country's leading facilities management companies. As a result, we are now in a strong position to bid for the sizeable Integrated Facilities Management ("IFM") contracts that will become available under the government's Saudi Vision 2030 masterplan.

At the same time, we have also deepened our penetration of the industrial and hospitality sectors while picking up key contracts for infrastructure services and asset consultancy in East Malaysia and Indonesia, thereby making strong headway on our Pan Malaysia strategy and building our regional presence. These wins are a testament to the dedication of our team, who are invested in our Edgenta of The Future 2025 ("EoTF2025") strategy and making it a success.

Due to the proactive steps we have taken in the past year, we are now a more diverse organisation than before, both in terms of geography and sectoral presence. This means that we can access growth markets and quality earnings opportunities across Asia with agility, leveraging technology and sustainability-driven solutions to deliver added value to asset owners and enhance value creation for all stakeholders.

DEEPENING OUR ESG COMMITMENT

At UEM Edgenta, sustainability is a key driver of our value creation aspirations. By embedding sustainable practices into our operations and offering products and solutions that improve our customers' sustainability performance, we aim to drive positive impact across our value chain and be recognised as an industry leader in ESG.

In June 2022, we launched our two-year sustainability roadmap (FY2022 – FY2024), outlining a focused, Group-wide sustainability pathway as well as a clear framework on governance, performance management and reporting that is in line with industry and global standards. Guided by our roadmap, we then commenced our inaugural emissions inventory exercise in August 2022 with the collection of emissions data from across the Group, while introducing capacity building programmes to empower our Board, management personnel and data owners in understanding our environmental footprint and how we can structure emissions reduction goals. Complementing these actions, we have also taken a more active role in climate action at the national level, becoming a member of Climate Governance Malaysia and shaping collective action through the CEO Action Network ("CAN").

While we develop our long-term action plan, our waste management, material utilisation and water consumption efforts continue apace. Leveraging on our partnership with PLUS Malaysia, a recycling campaign was initiated across three Rest and Service Areas ("RSA") along the North-South Highway, together with the rollout of the KLEAN machine, an AI-driven reverse vending machine. Conscious of the importance of effective stewardship in an increasingly water-stressed world, we are also looking to scale up our existing rainwater harvesting facilities beyond the eight sites they are currently situated at.

Beyond our own operations, we strive to deliver greater impact by embedding sustainability within our services and solutions. In 2022 alone, we delivered in this area by assisting eight hospital clients to receive the Green Building Index ("GBI") certification and commencing the tracking of waste in client premises for enhanced waste management. We are also working with Alibaba to integrate their sustainability platform within Asseto so that our customers can measure, analyse and manage their carbon emissions. In a world where sustainability performance is growing in importance, these solutions make a tangible difference for asset owners and are helping to drive our differentiation as a service provider.



CHAIRMAN'S STATEMENT

AS A **TECH AND SUSTAINABILITY-CENTRIC** SOLUTION PROVIDER, WE ARE **FUTURE-ORIENTED** AND WELL POSITIONED TO CONTINUE ON OUR GROWTH PATH. MOREOVER, BY EMBEDDING TECHNOLOGY WITHIN OUR OWN OPERATIONS, WE ARE EQUIPPED WITH THE TOOLS TO BE MORE SUSTAINABLE AND TO DRIVE **SHARED VALUE FOR OUR PEOPLE, COMMUNITIES AND PLANET**.



As a consequence of our focused efforts in sustainability, our FTSE4Good rating improved significantly – from 2.5 to 3.1 – during the past year. This places us above the emerging markets threshold for possible inclusion in the index and indicates that we are tracking well against global ESG standards. Meanwhile, we were honoured at the 2022 Malaysia Outstanding ESG Impact Corporate Awards by the KSI Strategic Institute for Asia Pacific, a testament to our strong performance across the ESG spectrum.

Our varied initiatives and their impacts are detailed in our expanded and enhanced Sustainability Statement, which provides insight into the role that sustainability will continue to play in building the Edgenta of The Future.

STANDING ASTRIDE OUR PEOPLE AND COMMUNITIES

Environmental action forms one focus area of our ESG framework, which also enshrines Education and Community Enrichment and Well-Being as pillars of our approach to creating long-term value.

In 2022, our community-based activities spanned 15 livelihood projects and stakeholder engagement activities, impacting more than 12,500 underserved communities nationwide and assisted by 790 volunteering hours contributed by our Edgenta Stars. These activities included support provided to underprivileged communities for festive celebrations, the donation of critical healthcare equipment, the refurbishment of school premises, the provision of school supplies to low-income families and disaster relief to mitigate against the impact of ever more frequent floods across Malaysia.

Looking forward, we will continue to attune ourselves to the evolving needs of communities in our vicinity, with the aim of delivering programmes that drive sustainable socio-economic development and further our impact as nation builders.

IN JUNE 2022, WE LAUNCHED OUR **TWO-YEAR SUSTAINABILITY ROADMAP** (FY2022 - FY2024), **OUTLINING A FOCUSED, GROUP-WIDE SUSTAINABILITY PATHWAY** AS WELL AS A CLEAR FRAMEWORK ON GOVERNANCE, PERFORMANCE MANAGEMENT AND REPORTING THAT IS IN LINE WITH INDUSTRY AND GLOBAL STANDARDS.

CHAIRMAN'S STATEMENT

NURTURING A PRODUCTIVE AND FULFILLED WORKFORCE

Advancing the nation also means advancing our people and providing them with employment that furthers their skills, rewards their performance and looks after their wellbeing. To this end, 2022 saw the launch of our Edgenta Workplace Wellness ("WoW") programme, providing comprehensive and personalised help to our Edgenta Stars in managing their work-life balance, health and other issues that may impact their work and personal lives. The programme reflects our commitment to supporting our employees in a more holistic and meaningful way, towards nurturing their capabilities and enhancing our proposition as a leading employer.

Supporting this, 32 wellness programmes were crafted for our workforce over the past year, providing support to our Edgenta Stars in enhancing their physical, emotional and financial wellbeing. We also organised a nationwide HR Roadshow in Malaysia to engage employees, address any concerns and enquiries, as well as educate them on our human resource tools, platforms, framework, policies and services. Further to this, we took the opportunity to educate Edgenta Stars on Human Rights through an initiative that was participated in by 1,083 employees.

With the pandemic having changed employee expectations, I am pleased to share that we have since formalised flexible work arrangements that enable our Edgenta Stars to achieve a more personalised balance between work and home-based duties. The arrangement is applicable to specific job functions where flexible work is feasible.

Meanwhile, from home to the world, our Global Talent Mobility Programme has been launched, providing our employees with the opportunity to take up placements of up to two years in our companies around the world. The programme seeks to improve employee engagement, motivation and retention while driving the cross-fertilisation of skills, knowledge and technologies across our increasingly global footprint.

Furthermore, and in cognisance of our growing responsibility as a globally diversified organisation, I am proud to note that we are elevating our commitment to Diversity, Equity and Inclusion ("DEI") through our active participation in CAN, utilising the network as a platform for collaborative discussion with other industry players on the development of a standard model for DEI policies, interventions and implementation across the country in 2023. The learnings from these engagements shall serve as a guide to our management-level teams in creating diverse and inclusive work environments where all our Edgenta Stars will feel equally supported by their peers and superiors, free of discrimination and any other unfair practices.



SAFEGUARDING AND FUTURE-PROOFING OUR BUSINESS

Today, we are a more global and diversified organisation than we have ever been. This means greater opportunity for growth, but it also heightens our responsibilities to safeguard value for our business and our stakeholders.

In today's rapidly changing digital landscape, we face the formidable challenge of increasingly sophisticated cyber-attacks. Therefore, as we transition to become a leading Technology-Enabled Solutions Company, our focus on fortifying cybersecurity defences is paramount. On this note, we are proactively deploying advanced technologies, such as EndPoint Detection & Response ("EDR") and Network Detection & Response ("NDR"), to bolster our capabilities in detecting and mitigating threats across our local and regional networks.

At the same time, the global scope of our operations necessitates that we remain vigilant in the face of heightened competition. Consequently, cost management has emerged as a strategic imperative for our organisation. Over the past year, we have executed comprehensive cost optimisation initiatives, emphasising the implementation of digitalisation and automation to maximise cost-efficiencies throughout our processes. A prime example of this innovative approach is the deployment of our "Low Code No Code" platform, an accessible solution that empowers our employees to become "citizen developers", enabling the transformation of manual processes into more cost-effective digital workflows.

CHAIRMAN'S STATEMENT



Through the adoption of such cutting-edge strategies to achieve our cost optimisation objectives, we will not only enhance productivity but also promote data-driven decision-making and elevate the customer experience. In doing so, we are poised to future-proof our Group in multiple critical dimensions, ensuring long-term resilience and success.

Ultimately, however, our ability to deliver long-term value is predicated on responsible and foresighted governance that considers all aspects of value creation. On this note, our Fit and Proper Policy outlines clear standards and procedures in relation to the appointment and re-election of Directors of the Group and our subsidiaries. Meanwhile, the Board has approved our revised Terms of Reference for the Board Governance and Risk Committee and a revised Board Charter, with both incorporating updates on sustainability aspects from the Malaysian Code on Corporate Governance.

In striving to ensure effective stewardship of the Group in the next phase of its value creation journey, we were pleased to welcome En. Mohd Asrul Ab Rahim as a Non-Independent Non-Executive Director on 21 January 2022. I would also like to take this opportunity to thank our outgoing directors, Ms Wong Shu Hsien and Mr Robert Tan, for their sterling contributions to the Group's success over the years.

SHARPENING OUR FOCUS ON FUTURE GROWTH

While our commendable performance in 2022 provides optimism, it should not distract us from the global macroeconomic challenges that remain. With geopolitical instability, inflation and supply chain disruptions persisting, the world's developed economies remain on a sluggish growth path, with Malaysia's economy forecasted to deliver moderate growth of between 4% to 5% in 2023.

To remain resilient amidst these headwinds, it is essential that we continue to focus on driving cost-efficiencies at all levels of our business. To facilitate this, we will continue to accelerate our ongoing digitalisation and automation efforts while implementing other measures to streamline our operations and business structure, including the disposal of underperforming assets where feasible. At the same time, bolstered by our strong cash position, we intend to explore further strategic partnerships in order to expand our addressable market while enhancing our margins by forging entry into high growth markets with high levels of tech readiness.

As we face up to the challenges and opportunities that lie ahead, we are emboldened by the foresighted moves we have made to make technology and sustainability central components of our solutions. As a result, we are now ahead of the curve and positioned to deliver greater impact for our business as well as our people, communities and planet.

This is a time for execution and in this respect, we can continue to count on the experience and know-how of our senior management and the over 16,000 Edgenta Stars who make up our workforce. Guided by the consistent and principled leadership of our Board, they will continue to be our rock of resilience and our driver of advancement as we breach brave new ground on our journey.

Lastly, I would like to thank you – our shareholders and stakeholders – for your continued support and faith. Together, we will surmount the challenges of today and bridge the gap to a brighter, smarter and more sustainable future for UEM Edgenta.

TAN SRI DR. AZMIL KHALID
Independent Non-Executive Chairman

MD/CEO'S STATEMENT



Dear Stakeholders,

I am pleased to announce that 2022 had been a positive year for UEM Edgenta. Despite the challenging external environment, we have achieved a remarkable growth momentum, surpassing even pre-COVID levels in terms of revenue growth. Our strong bottom line is a testament to the business and financial resilience of our company, reaffirming the success of our strategic vision. Throughout the year, we remained steadfast in executing our Edgenta of the Future 2025 ("EoTF25") strategy, which focuses on driving technology and advancing sustainability in all aspects of our business. This has allowed us to strengthen our international presence and enhance our capabilities to provide technology-enabled solutions that meet the evolving needs of our customers and stakeholders.



SYAHRUNIZAM SAMSUDIN
Managing Director/
Chief Executive Officer

MD/CEO'S STATEMENT

OUR PIVOT TO BECOME A GLOBAL ORGANISATION IS BEARING FRUIT, AS INDICATED BY THE FACT THAT 62% OF OUR NEW WINS IN 2022 WERE FROM OUR INTERNATIONAL BUSINESS

REFLECTING ON THE YEAR

The year under review brought about new uncertainties, with external headwinds such as energy security, global inflation, and supply chain disruptions posing challenges for global economies. However, the reopening of borders and the lifting of movement control orders allowed us to expand our international business presence and deepen our foothold in the market.

In Malaysia, the reopening of the economy led to an increase in work orders secured by our Infrastructure Services division, resulting in a surge of infrastructure and construction projects. Digital and technology also continued to drive the business landscape, building on the pandemic's momentum, which shifted how people worked and lived.

At UEM Edgenta, we adapted to these challenges and made the most of the opportunities. As an early adopter of technology in the asset and facilities management industry, we capitalised on its potential to deliver value and improve lives. Our advanced, technology-driven solutions enabled us to secure RM1.36 billion in new contracts, with half being technology-enabled, sustainable solutions that extract value from our customers' assets powered by data-driven insights. We also formed strategic partnerships with global technology leaders, enhancing our solutions and propositions in our markets.

Our pivot to become a global organisation is bearing fruit, as indicated by the fact that 62% of our new wins in 2022 were from our international business. This shift unlocks new growth avenues and mitigates the threat of localised economic shocks, allowing us to allocate our resources towards high-quality earnings opportunities and operate with greater agility than ever before.

We also recorded a 30% growth in new wins from the previous year, driven by growth in infrastructure and international business. This growth is a testament to the quality of our service delivery and the strength of our in-house tech capabilities, which have been instrumental in our success. These factors have allowed us to maintain our strong market position in our current operating markets, while also capturing market share in high-growth markets.



EoTF25: OUR STRATEGIC PROGRESS

UEM Edgenta's EoTF25 Strategy has been instrumental in driving our strong performance in 2022, and we made significant progress in executing the strategy throughout the year. Our transformational plan is centred on leveraging technology to propel our growth, with three key pillars at the core of our strategy. We are on track to achieving the goals set out in these pillars, which drive our transformational journey.

MD/CEO'S STATEMENT



OUR 2025 GOAL IS TO **REACH 12%** REVENUE GROWTH PER ANNUM OVER FIVE YEARS, AND WE HAVE ALREADY **ACHIEVED A 12%** COMPOUND ANNUAL GROWTH RATE ("CAGR") SINCE 2020

Pillar 1 EXPAND FOOTPRINT AND DEEPEN SOLUTIONS

Our 2025 goal is to reach 12% revenue growth per annum over five years, and we have already achieved a 12% compound annual growth rate ("CAGR") since 2020. A key area of progress has been the development of new products, including our innovative Integrated Healthcare Support. We have already rolled out 15 Integrated Hybrid Intensive Care Units ("ICU") and implemented a Replacement-Through-Maintenance ("RTM") programme for 62 units of Biomedical Engineering Maintenance Services ("BEMS") assets between 2020 and 2022. These solutions are helping us to stay at the forefront of the industry, and we're always looking for new ways to innovate.

In terms of international expansion, we entered the Kingdom of Saudi Arabia ("KSA") in 2022, which became our sixth overseas market for business operations. Our acquisition of a 60% stake in MEEM through the partnership with MASIC, a reputable Saudi-based investment company, strengthened this establishment and opened up opportunities to tender for mega infrastructure and healthcare projects under the government's ambitious Saudi Vision 2030 strategy. Our healthcare support services and facility management contracts in Singapore, Taiwan, and the United Arab Emirates ("UAE") continue to experience success, evidenced by an impressive 90% renewal rate during 2022, which is a testament to the quality of our work and the strong relationships we have built with local clients.

We are also expanding into new sectors that offer higher margins and more promising growth opportunities, such as manufacturing, education and hospitality industries across Singapore and Taiwan. We are leveraging our technology and sustainability solutions in asset and facilities management to expand our addressable market.

MD/CEO'S STATEMENT

Pillar 2 EXTRACT VALUE FROM CORE BUSINESSES

We have made strong progress towards achieving our EoTF2025 goal of delivering cost savings of RM100 million over five years. In just two years, we achieved RM51.9 million in cost savings through a variety of initiatives, including bulk purchasing to reduce input unit costs, implementing LEAN programmes to identify operational efficiency opportunities, and driving ongoing digitalisation and mechanisation efforts.

We also implemented a Supplier Financing Programme and conducted data analysis under the Strategic Vendor Programme to drive rate reductions while creating a fit-for-purpose organisation by optimising work processes and right-sizing manpower to reduce costs and deliver effective solutions.

A key factor in our success is the smart and effective use of technology. By leveraging data analytics and machine learning capabilities, we have been able to extract valuable insights that have enabled us to develop more cost-effective resource utilisation strategies and implement predictive maintenance schedules across our assets, among other areas of impact.

In addition to these efforts, we have also been monetising mature and non-core businesses to streamline our portfolio and prioritise our resources towards growth markets. As an example, we have divested Fabor Sindoori Management Services Private Limited to Apollo Sindoori Hotels. This allows us to reinvest the proceeds and allocate more resources towards expediting our international expansion strategy and propelling our investments in technology and innovation.

Pillar 3 ENHANCE PRODUCT AND TECHNOLOGY PROPOSITION

Our goal is to differentiate ourselves through technology-based solutions, and we have achieved over RM1 billion in tech-enabled wins since 2020. This year, we made significant progress on commercialising our Asseto platform, the digital asset management solution developed by our technology innovation arm, Edgenta NXT. Asseto was chosen by KLCC Urusharta to consolidate and aggregate data from various sources, enabling better asset and user management across Towers 1, 2 and 3 of the Petronas Twin Towers.

We have also seen a strong interest in digital asset management in the healthcare industry, resulting in the development of Asseto for Health. This solution is specifically designed for hospitals, allowing healthcare providers to gain better insights, improve asset quality and comply with increasingly complex healthcare regulations.

Furthermore, we focused on building a tech ecosystem of Smart City solutions. Our partnerships with companies like Alibaba, ITMAX, Disrupt-X, Softbank and Sumitomo have enabled our customers to adopt advanced technologies for carbon emissions accounting, facial recognition-based access and security, smart traffic management and IoT into their building and operational management systems. As the Smart Facility Management industry matures, these new technologies help us shift our focus from managing individual assets to driving value, connectivity and efficiency across entire townships and eventually cities, leading our evolution towards becoming a holistic Smart City enabler.

Our efforts to enhance our product and technology offerings have allowed us to differentiate ourselves in the market and win significant contracts while providing innovative and efficient solutions to our clients.

INNOVATING FOR A SUSTAINABLE FUTURE

We view sustainability as a core element in the value we provide to our clients. We understand that by offering environmentally-friendly solutions, we can optimise our clients' assets and stand out in our competitive asset management and infrastructure services markets.

To further our commitment to sustainability, we began construction of a Recycled Asphalt Premix Plant in 2022. This plant is designed to produce recycled asphalt pavement and is expected to reduce up to 800 tonnes in CO_2 emissions annually. We aim to launch this solution commercially in the second half of 2023. This is just one example of how we are integrating business and sustainability to create synergies.

Furthermore, we launched a Green Building certification program to help our clients adapt to sustainability-related demands from authorities and society. This program assists building owners in achieving certifications such as Green Building Index ("GBI"), Leadership in Energy and Environmental Design ("LEED"), or Malaysian Carbon Reduction and Environmental Sustainability Tool ("My CREST"). With our assistance, eight hospitals received GBI certification in 2022 alone.

Our own actions towards sustainability also match our commitments to our clients. With this in mind, we launched a sustainability roadmap spanning from FY2022 to FY2024. It outlines crucial actions across the ESG spectrum and measurable goals embedded within our corporate scorecard. This provides momentum for our leaders at all levels to adopt sustainable thinking and processes in our everyday operations. We started digitising our backend systems for sustainability data collection as well as delivering capacity-building programs for our teams to establish our net zero targets by 2023.

MD/CEO'S STATEMENT



As a testament to our sustainability endeavours, we improved our FTSE4Good rating from 2.5 in 2021 to 3.1 in 2022, indicating that our corporate sustainability practices are comparable to global companies. In addition, we are proud to announce that we have been recognised by the KSI Strategic Institute and the All-Party Parliamentary Group on SDGs ("APPG-SDG") at the 2022 Malaysia Outstanding ESG Impact Corporate Awards. This award recognises Malaysian organisations that demonstrate exemplary ESG practices in their business model and respective industries.

NEW FRONTIERS IN FACILITIES MANAGEMENT

The Facilities Management industry is undergoing unprecedented change with increasing client standards and demand with technological advancements and sustainability considerations driving disruption and transformation. At UEM Edgenta, we have embraced this change by integrating digital and tech-enabled solutions and sustainability programs across all our core businesses.

Our tech subsidiary, Edgenta NXT, offers a suite of technology-enabled solutions across the healthcare, infrastructure, facility management, and asset management consultancy sectors through its end-to-end digital transformation capabilities. With growing expertise in technology-based solutions, we provide hospital support services in 250 healthcare institutions across Malaysia, Singapore, and Taiwan. Additionally, our Property & Facility Solutions business arm manages over 500 building assets in Malaysia and the Middle East.

Through the Asseto platform, our digital transformation capabilities enable real-time, Internet of Things ("IoT") data analytics, predictive maintenance, and early detection of anomalies to manage our clients' assets more effectively. By harnessing the power of technology, we strive to deliver services that positively impact our everyday lives, from ensuring the cleanliness and safety of highways to maintaining top-notch healthcare delivery services.

Our goal is to continue scaling up our technology to surpass high delivery standards and benefit society well into the future. We are committed to resilient growth through tech-enabled solutions and sustainability programs across our business operations, and we will continue to work towards digital transformation through Edgenta NXT, offering end-to-end services and technology solutions.

LOOKING FORWARD

The market landscape in the upcoming year is expected to remain challenging, marked by geopolitical instability, high raw material and labour costs, and global inflation. Despite the moderate growth of major developed economies, we remain cautiously optimistic about our future. Our proactive technology-based innovations, combined with our expanding global presence, position us well to weather any headwinds that may come our way. We have diversified our business across geographies, industries, and technologies, enabling us to quickly capitalise on opportunities in growth markets while mitigating against any country-level economic shocks.

Our long-term success depends on our ability to adapt to a constantly evolving asset and facility management industry. Today's asset owners demand more than just basic asset restoration, repair, and maintenance. They seek solutions that improve asset longevity, create new revenue streams, enhance user experience through technology and digitalisation, and help them reduce emissions and improve their overall ESG performance. Our technology-driven solutions provide us with a competitive edge, allowing us to offer holistic asset lifecycle management solutions that enable our customers to achieve their sustainability goals. This approach positions us higher up the value chain and enables us to tap into opportunities as a Smart City enabler, integrating intelligent and sustainable solutions.

As we embark on another year of uncertainty, I am confident in UEM Edgenta's ability to adapt and emerge stronger than ever. We have demonstrated time and again our ability to seize opportunities and build our resiliency. Our diverse stakeholders have played a crucial role in navigating this dynamic environment and encouraging our teams to approach challenges from different perspectives.

Therefore, I want to express my sincere gratitude to our stakeholders, including our loyal customers, dedicated management team, committed employees, suppliers, shareholders, and the wider community for their unwavering trust and support. With their continued backing, we are well on our way to achieving our vision of becoming a Technology-Enabled Solutions Company that drives innovation and advances sustainability.

SYAHRUNIZAM SAMSUDIN
Managing Director/Chief Executive Officer

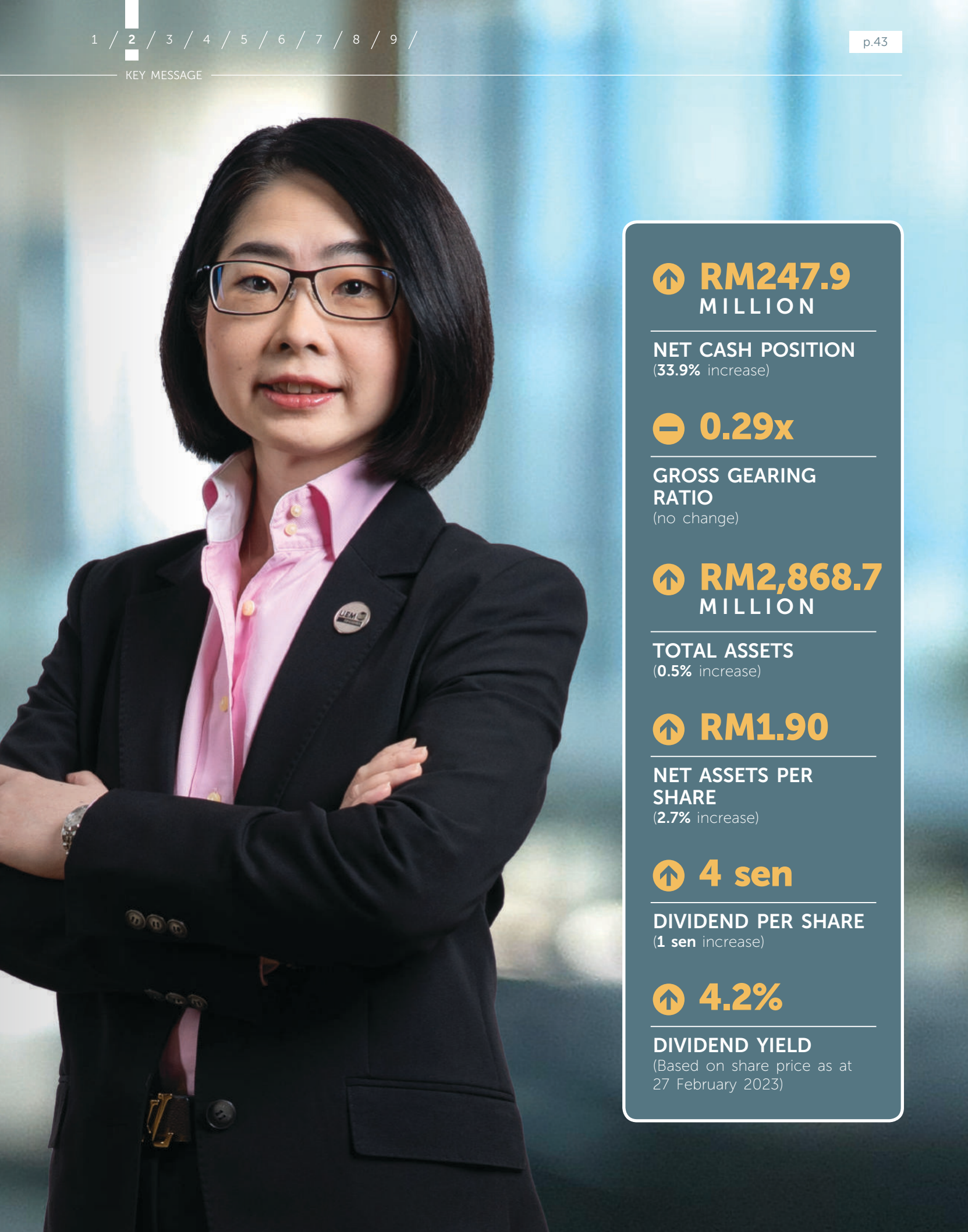
CHIEF FINANCIAL OFFICER'S REVIEW

Dear valued stakeholders,

In the face of a challenging global operating environment, I am thrilled to announce that 2022 marks a milestone year for our organisation. Our Group has achieved an outstanding financial performance, recording our highest revenue in the past five years. This remarkable accomplishment is a testament to our unwavering focus on delivering value to our stakeholders and our commitment to innovation and resilience. Moreover, this achievement has put us firmly on track towards realising our EoTF2025 plan, which aims to transform our business, streamline our operations, and strengthen our position as a leader in our industry. With a strengthened balance sheet, we are well-positioned to continue this momentum and create long-term, sustainable value for all our stakeholders.



HILLARY CHUA PEI SUM
Chief Financial Officer



RM247.9 MILLION

NET CASH POSITION
(**33.9%** increase)

0.29x

GROSS GEARING RATIO
(no change)

RM2,868.7 MILLION

TOTAL ASSETS
(**0.5%** increase)

RM1.90

NET ASSETS PER SHARE
(**2.7%** increase)

4 sen

DIVIDEND PER SHARE
(**1 sen** increase)

4.2%

DIVIDEND YIELD
(Based on share price as at 27 February 2023)

CHIEF FINANCIAL OFFICER'S REVIEW

The COVID-19 pandemic has been a game-changer for businesses worldwide, including ours. Despite the challenging global operating environment, we have demonstrated resilience and adapted our strategies to cater to our customers' evolving needs. We have implemented a revenue diversification strategy that is gradually taking shape, and we have successfully expanded our global presence, including in the Kingdom of Saudi Arabia ("KSA"). Our new contract wins amounting to RM1.36 billion in 2022 saw a notable 62% coming from international business.

However, even with the strong revenue growth, we are facing numerous headwinds which are placing pressure on our bottom-line. These challenges include cost escalation and margin compression, which are attributed to global supply chain disruptions, inflationary pressures and minimum wage legislation. In addition, we are also investing in exploring new markets and developing technology enabler products, which is impacting our business. Though these initiatives are in their gestation period and yet to contribute positively to our bottom line, we are confident that they will in time.

Given the current business challenges, we have initiated a range of strategic cost-saving and operational efficiency measures to proactively mitigate the effects of the rising costs and fierce competition.

GROUP FINANCIAL PERFORMANCE

During the year in review, the Group achieved a noteworthy increase in revenue of RM231.2 million (10.1% Y-o-Y), from RM2,292.4 million to RM2,523.6 million, with all business divisions except Property & Facility Solutions recording revenue growth. This positive trend is attributed to the resumption of business-as-usual in the post pandemic era, particularly with the significant increase in infrastructure service works for expressways under PLUS Malaysia Berhad and the securing of key contracts in healthcare support services, especially in Singapore and Taiwan, being two of the most notable value drivers of our revenue growth.

As previously noted, our bottom-line was impacted by the general cost escalation resulting from external economic factors and our preliminary expenses related to exploring new technology and markets. As a result, our net profit growth did not keep pace with the increase in revenue. Despite these challenges, we were able to secure an increase in PAT of RM2.3 million (5.3% Y-o-Y) through our effective cost management and operational efficiency improvements to mitigate the impact of cost escalation and protect our profit margin.

OPERATIONAL RESILIENCE AND MITIGATING BUSINESS CHALLENGES

Across our operations, we were impacted by escalating labour, energy and material costs driven by existing supply chain imbalances and geopolitical instability. To mitigate against these pressures, we sought to drive savings through stringent cost management and control, operational efficiency initiatives and the optimisation of our practices. Amongst the various actions taken, we undertook a staff rationalisation exercise to reduce costs related to our workforce, continued to strategically optimise our procurement cost and streamlined our supply chain processes. In addition, we also leveraged our LEAN programme to identify operational efficiency opportunities across our processes. Our ongoing digitalisation and mechanisation initiatives have enabled us to unlock digital processes that will generate long-term cost savings and quality improvements.

In delivering improved cost management, our procurement practices will continue to play a key role. In collaboration with HSBC Amanah Malaysia Berhad, we launched the Supplier Financing Programme ("SFP"), whereby our suppliers can access financing without collateral, leveraging on our strong financing position. The SFP complements the Government of Malaysia's Bumiputera Vendor Development Programme to nurture SME suppliers to grow into larger companies and obtain hassle-free access to affordable financing, and ensure the suppliers have sufficient cash flow to carry out their obligations and deliver goods and services on time.

The programme allows us to help our suppliers to reshape their business towards a sustainable future, which indirectly has contributed as our social responsibility under our ESG initiatives. This initiative benefits us by ensuring our suppliers have ample cash flow and lower financing costs to carry out their obligations, thereby building better supplier relationship and strengthening our position when undertaking price negotiations.

In parallel to the SFP, we also initiated our Strategic Vendor Management Programme. Through this programme, we are able to foster close working relationships with our vendors through capacity building, which in turn will help us to achieve better pricing, improved delivery schedules and higher quality products or services. The programme also allows us to gain a better understanding of our vendors' business strategies and priorities, which enables us to align our requirements with their capabilities, especially in areas of ESG which benefit both parties in the long run.

Overall, the Strategic Vendor Management Programme is a crucial component of our procurement strategy, allowing us to build strong partnerships with our vendors, improve our procurement cost, and deliver value to our customers.

CHIEF FINANCIAL OFFICER'S REVIEW

Supported by these wide-ranging initiatives, I'm pleased to report that we have achieved RM51.9 million in Group-wide cost savings in just two years, placing us on track to achieve our EoTF2025 goal of RM100 million in cost savings over 5 years ahead of time.

STREAMLINING OUR PORTFOLIO FOR FUTURE GROWTH

Over the past few years, the asset and facilities management industry has become increasingly competitive, with players engaging in price wars to stay afloat amidst the global cost escalation. This heightened competition has adversely affected our margins and profitability across all business segments.

To position ourselves for future growth, we have directed concerted investment towards integrating cutting-edge technologies within our offerings, leveraging strategic partnerships with innovative companies including Alibaba, ITMAX, Disrupt-X, Softbank and Sumitomo to offer our clients access to technologies that drive enhanced cost-efficiencies and sustainability, amongst other benefits. Our technology-driven solutions also act as a key differentiator and competitive advantage from other active players in the IFM market.

We have also expanded our presence in adjacent sectors that offer higher margins and growth opportunities with our entry into IFM services for the hospitality and manufacturing sectors in Singapore and Taiwan. Additionally, we established a subsidiary company, Edgenta Arabia Limited ("EAL"), and acquired a 60% equity stake in MEEM, a prominent facilities management company in the KSA. This places us in a strong position to tender for mega projects under the Saudi Vision 2030 plan, which has an investment value of USD1 trillion.

As part of our portfolio restructuring efforts, we also divested our India-based associate, Faber Sindoori Management Private Limited, allowing us to streamline our portfolio and allocate resources towards our growth markets, ensuring optimal capital reallocation and recycling. By focusing on high-growth and high-margin markets and reallocating capital from underperforming assets, we are confident that we will continue to drive sustainable growth and create long-term value for our stakeholders.

While our investment has impacted our bottom line during FY2022, it positions us to move up the asset and facilities management value chain, ensuring access to lucrative growth opportunities in international and high-growth markets.

FINANCIAL PERFORMANCE BY SEGMENT

Healthcare Support

The largest contributor to the Group's revenue, the division recorded a 3.8% Y-o-Y increase from a substantial revenue base of more than RM1.4 billion per year, contributing to a RM53.9 million increase in revenue for FY2022. The increase was driven by the mobilisation of new contracts secured in Singapore and Taiwan, and the appreciation of the Singapore Dollar (SGD) against the Malaysian Ringgit (MYR). However, the implementation of the minimum wage in Malaysia and inflationary pressure led to cost escalation, which caused a RM4.7 million (-5.0% Y-oY) decrease in Normalised PBT.

Property & Facility Solutions

The division experienced a decline in revenue of RM5.0 million (-2.9% Y-o-Y) due to the completion of key projects in Malaysia and the UAE, as well as the delayed handover of some new contracts. The impact was further hampered by the margin compression due to global supply chain disruptions and inflation across all costs including manpower, sub-contractors and operating costs, resulting in a decrease of RM13.3 million (-63.3% Y-o-Y) in PBT.

Infrastructure Services

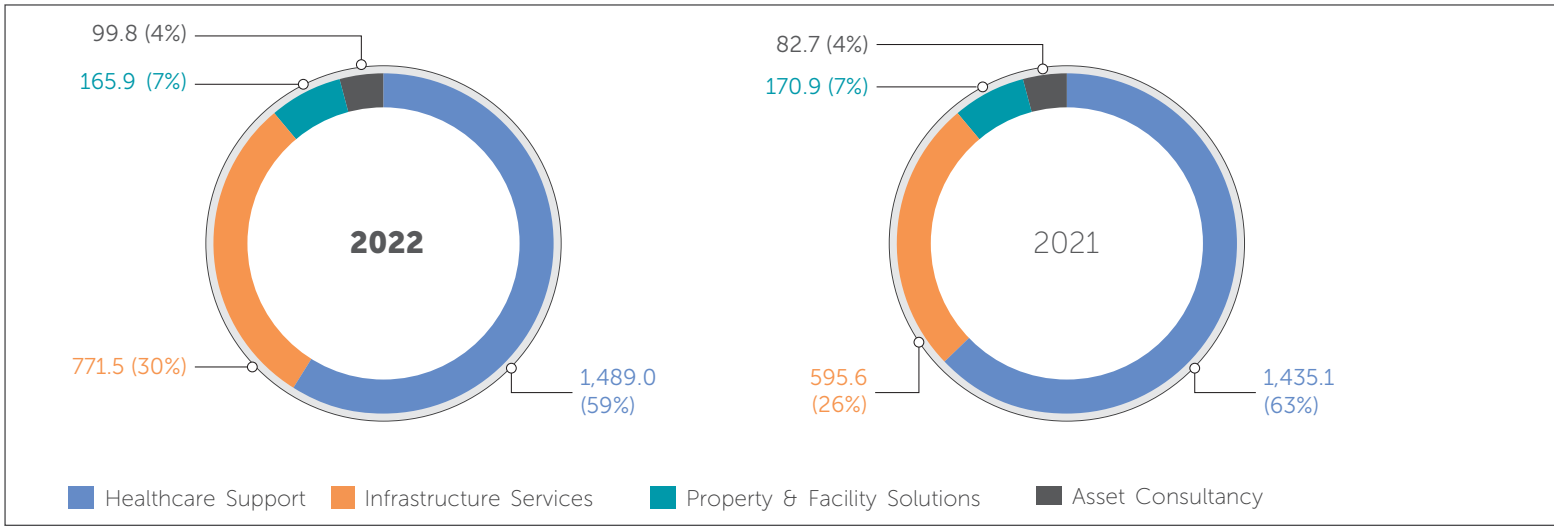
The division performed strongly, benefiting from increased pavement works on expressways from core clients, PLUS Malaysia Berhad and Jabatan Kerja Raya, as well as new wins in East Malaysia and Indonesia. This contributed to commendable increases of RM175.9 million (29.5% Y-o-Y) in revenue and RM24.3 million (59.3% Y-o-Y) in Normalised PBT. The division's strong performance was further supported by operating efficiency initiatives, including staff rationalisation exercises conducted over the past two years, which helped to streamline costs and refresh the division's talent pool.

Asset Consultancy

The division saw a RM17.1 million (20.7% Y-o-Y) increase in revenue due to higher staff utilisation rate and the resumption of major infrastructure projects. Amid the significant impact of COVID-19 pandemic to the division, we took steps to optimise costs by implementing staff rationalisation and stringent cost management measures in recent years. The efforts, coupled with the resumption of projects, led to positive outcomes in FY2022. The division successfully achieved a turnaround in the current financial year, generating a profit of RM1.8 million compared to a loss before tax of RM17.2 million in FY2021. This represents a significant improvement of RM19.0 million (110.5% Y-o-Y).

CHIEF FINANCIAL OFFICER'S REVIEW

REVENUE (RM million)



SUMMARY OF STATEMENTS OF FINANCIAL POSITION

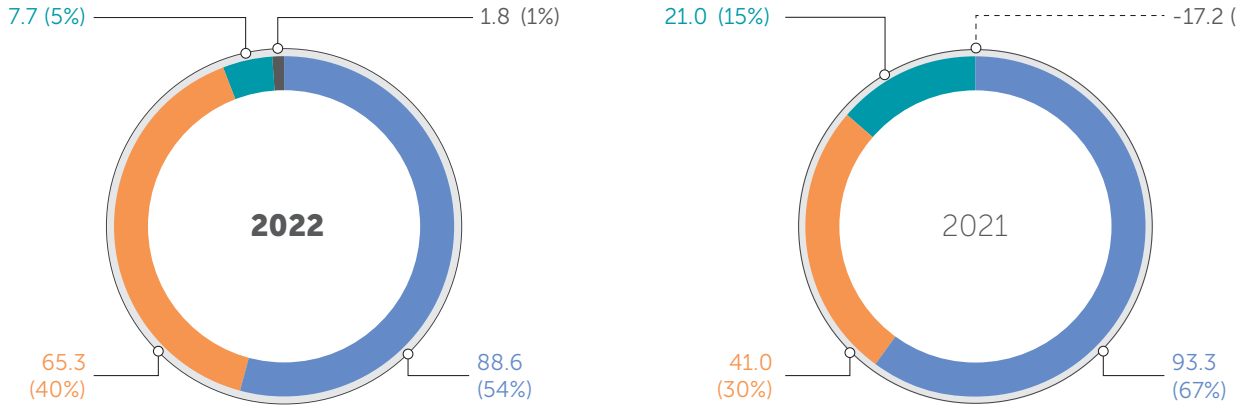
	2022	2021	Variance	
	RM million	RM million	RM million	%
Total Assets	**2,868.7**	2,855.1	13.6	0.5%
Property, plant and equipment	**146.4**	166.5	-20.1	-12.1%
Investment properties	**13.8**	–	13.8	100.0%
Right-of-use assets	**44.2**	37.3	6.9	18.5%
Intangible assets	**700.9**	699.2	1.7	0.2%
Investment in associates	**72.3**	102.9	-30.6	-29.7%
Inventories	**17.2**	66.8	-49.6	-74.3%
Trade and other receivables	**599.0**	700.4	-101.4	-14.5%
Contract-related assets	**433.1**	389.3	43.8	11.3%
Short-term investments	**97.2**	28.3	68.9	243.5%
Cash, bank balances and deposits	**609.5**	600.4	9.1	1.5%
Assets of disposal group classified as held for sale	**90.0**	–	90.0	100.0%
Total Liabilities	**1,284.6**	1,315.7	-31.1	-2.4%
Borrowings	**458.8**	443.5	15.3	3.4%
Trade and other payables	**676.2**	738.5	-62.3	-8.4%
Lease liabilities	**41.0**	33.6	7.4	22.0%
Contract liabilities	**30.8**	30.3	0.5	1.7%
Liabilities of disposal group classified as held for sale	**3.2**	–	3.2	100.0%
Total Equity	**1,584.0**	1,539.4	44.6	2.9%
Shareholders' funds	**1,580.9**	1,535.8	45.1	2.9%
Non-controlling interests	**3.1**	3.5	-0.4	-11.4%
Net assets per share	**1.90**	1.85	0.05	2.7%
Gross gearing ratio	**0.29**	0.29	–	–
Net cash position	**247.9**	185.2	62.7	33.9%

FINANCIAL POSITION

Overall, our financial restructuring efforts have enabled us to strengthen our financial position and better navigate the challenges of the economic situation. In FY2022, we implemented various initiatives to improve our financial position, including strengthening our collections process and optimising our payment terms with suppliers through the SFP programme.

CHIEF FINANCIAL OFFICER'S REVIEW

NORMALISED PBT* (RM million)



** Normalised PBT excluding:*
FY2022: Staff rationalisation costs (RM12.2 million) and inventories written-off (RM12.8 million)
FY2021: Staff rationalisation costs (RM12.6 million)

Through these initiatives, we were able to increase our net operating cash flow from RM44.6 million in FY2021 to RM104.3 million in FY2022. This resulted in a healthy net cash position of RM247.9 million (FY2021: RM185.2 million) and cash and bank balances (including fixed deposits and cash placed in money market funds) of RM706.7 million (FY2021: RM628.7 million).

Our financial performance and cash flow management strategy have resulted in a stronger balance sheet and enhanced liquidity. At the end of the year, the Group's total assets increased to RM2.87 billion from RM2.86 billion in FY2021, while net assets per share also rose to RM1.90 per share (FY2021: RM1.85 per share). Our working capital remained strong, and we maintained a low gearing ratio of 0.29x (FY2021: 0.29x), which demonstrates our ability to manage our debt effectively. With a solid financial foundation, we are well-positioned to scale our operations and pursue inorganic growth opportunities when they arise, allowing us to continue creating long-term value for our stakeholders.

In addition, our strong performance during the year gave us the opportunity to issue a single-tier interim dividend of 4 sen per share for the financial year ended 31 December 2022, an increase from the 3 sen per share dividend issued in FY2021. Our increased dividend payment is a testament to our commitment to delivering value to our shareholders while pursuing new growth opportunities in new markets and technology-driven solutions. This is in line with our dividend policy of 50%-80% of PATANCI, which is geared towards delivering sustainable long-term shareholders return.

OUTLOOK

Whilst the Group delivered a good financial performance in the year under review, we remain cautious about our near-term prospects due to the persisting fragility of the global economy and the inflationary pressures that continue to dampen sentiment within the business community. Having said this, we are now more resilient than before, both from a financial and operational standpoint. This is because of the challenges of the past few years, which spurred us to reposition our portfolio and accelerate changes to our business and operating structure.

Looking ahead, our top priority will be safeguarding and protecting our core and concession businesses while further pursuing our diversification strategy to access high growth markets and high margin sectors. We will continue to focus on delivering world-class services and maintaining our position as the champion in our industry, driven by stringent cost management and improved operational efficiencies.

Over the past two years, we have focused towards international opportunities and have tapped into new areas of growth by adopting technology and incorporating sustainable asset management solutions. As a result of these efforts, we can now look forward to a wider range of revenue-generating opportunities across our expanded geographical footprint, especially in KSA and across the island of Borneo. We will continue to implement our pan-Borneo strategy within our Infrastructure Services business segment, ensuring that we maximise our potential in this region.

To support our growth and expansion, we will strive to ensure sufficient capital allocation of growth CAPEX for the development of technology-based solutions. Bolstered by our healthy cash position, we are also in an ideal position to invest in further strategic partnerships and inorganic growth opportunities, thereby driving our differentiation in ever more competitive markets.

With new market expansion, digitalisation and digital technology as our core drivers, we are confident that we can navigate challenges in our operating environment while growing our bottom line, positioning ourselves to achieve our EoTF2025 goals and complete our transformation to become a globally-recognised Technology-Enabled Solutions Company by 2025. Our ultimate goal is to drive sustainable growth and create long-term value for our shareholders.

Hillary Chua Pei Sum
Chief Financial Officer

VALUE CREATION





- Our Approach to Value Creation 50
- Key Capitals 52
- Value Creation Business Model 54
- Stakeholder Engagement 56

OUR APPROACH TO VALUE CREATION

Our integrated approach to value creation enables us to be responsive to prevailing trends and risks across our business divisions and markets of operation, empowering the formulation of strategies that maximise shared, sustainable value for our business and our stakeholders, in line with our sustainability agenda.

ASSESS

ASSESS OUR OPERATING CONTEXT

See page 64

We undertake detailed analysis of industry-level and global trends – such as the geopolitical and macroeconomic environment – to gain a clear picture of our operating context.

UNDERTAKE STAKEHOLDER ENGAGEMENTS

See page 56

By nurturing trust-based relationships with our stakeholders and regularly engaging them on relevant issues, we develop a deep understanding of what value means to them.

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

ANALYSE RISKS AND OPPORTUNITIES

See page 72

Guided by our Risk Management framework, we identify key risks relevant to our business as well as their likelihood and potential impact. This process also facilitates the identification of opportunities that we can capitalise on.

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

IDENTIFY

IDENTIFY AND PRIORITISE MATERIAL MATTERS

See page 70

Aided by our ongoing analysis, we identify matters that are most material to our ability to create value over the short, medium and long term. These matters are then prioritised by assessing the significance of their impact on our business and their importance to our stakeholders, with the final list of matters forming the basis of our strategic focus.

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

OUR APPROACH TO VALUE CREATION

FORMULATE

FORMULATE BUSINESS STRATEGIES

See page 76

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:

Our EoTF2025 pillars:

- Expand business footprint and deepen solutions base
- Extract value from core businesses
- Enhance product and technology proposition

ALLOCATE OUR RESOURCES

See page 52

We formulate our strategies to maximise the productive use of our resources across the six capitals.

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

INTEGRATE INTO OUR BUSINESS MODEL

See page 54

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



Supported by our Core Values



CREATE VALUE

Our strategies serve our Vision – Optimising Assets to Improve Lives – while delivering positive outcomes:

- FOR SHAREHOLDERS
- FOR CUSTOMERS
- FOR GREATER SOCIAL EQUITY
- FOR COMMUNITIES
- FOR A BETTER ENVIRONMENT

BASE OF MODEL

INTEGRATING SUSTAINABILITY

See page 100

Sustainability is the thread that connects all the elements of our value creation process, informing the assessments of our stakeholders, influencing the risks we face and shaping the way we formulate our strategies. By embedding sustainability at all levels of our business, we are best placed to deliver shared value across our business, national economies, people and the planet.

KEY CAPITALS

Our ability to create value for all stakeholders is premised on the effective use of the resources we possess. These resources can be categorised by the six capitals: Financial, Manufactured, Intellectual, Human, Social and Relationship Resource, and Natural.

FINANCIAL CAPITAL



We possess a healthy pool of funds to support our existing operations and continued expansion. Our prudent approach to cash and liquidity management allows us to weather short-term economic downturns and other setbacks.

Revenue:
RM2,523.6 million
(2021: RM2,292.4 million)

Cash, bank balances, deposits and short-term investments:
RM706.7 million
(2021: RM628.7 million)

Gearing ratio:
0.29x
(2021: 0.29x)

MANUFACTURED CAPITAL



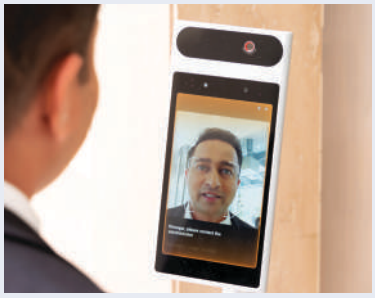
We invest in cutting-edge machinery and equipment to ensure optimum performance and meet the highest industry standards, thereby enhancing the performance of our clients' business assets over time and improving our position in the regional market for infrastructure solutions.

Over 1,000 units
of cleaning machineries under Healthcare Support

Invested more than
RM10 million
in mechanised vehicles to increase efficiency and productivity

6 major
machineries for each Pavement Team
(10 competent in-house Pavement Teams)

INTELLECTUAL CAPITAL



Through our proprietary solutions - Asseto, Asseto for Health and QuickMed - and our growing list of technology partnerships, we provide our clients with data-driven insights that enable improvement in asset performance, customer satisfaction and sustainability. We also leverage digital technology and automation to streamline our processes and optimise our cost base.

Edgenta NXT, our dedicated digital venture, is committed to developing
innovative, interoperable and scalable digital solutions,
taking facilities management to the next level.

Technology solutions:
Asseto, *UE*Track™ and RAMS

Assets under management:
47,039 assets
in 363 buildings across 13 sites nationwide

KEY CAPITALS

HUMAN CAPITAL



Our diverse workforce are central to achieving our goal of becoming a Technology-Enabled Solutions Company by 2025. We support our people by investing in their continuous professional development, looking after their wellbeing and providing them with avenues to drive innovation both internally and for our clients.

A diversified workforce of **over 16,000** across six countries

Investment in Employee Training and Development: **RM5.5 million** (2021: RM4.1 million)

Employee Breakdown by Gender:
Male: **47%**
Female: **53%**

Employee Breakdown by Nationality:
Malaysian: **6,882**
Non-Malaysian: **9,599**

SOCIAL AND RELATIONSHIP RESOURCE CAPITAL



We maintain strong relationships with the government, global business partners and other key stakeholders, empowering us to deliver on our value creation objectives. We are also active in local communities, where our programmes uplift quality of life and livelihoods for the underprivileged, enhancing our reputation as a caring and responsible organisation.

Maintaining the trust of our stakeholders by upholding our commitment to address material matters that impact our business

Supplier Financing Programme which helps vendors and suppliers grow

15 community projects and stakeholder engagement activities

Edgenta Stars contributed **790** volunteering hours

NATURAL CAPITAL



We utilise natural resources, including energy and water, to carry out our business activities and provide for our workforce. With the aim of treading more lightly on our planet, we are enhancing our waste, water and energy practices and are undertaking a Group-wide emissions inventory exercise towards finalising our net zero targets in 2023.

Launched our **two-year sustainability roadmap** with specific targets across six pillars of action

Emissions for Scope 1, Scope 2 and Scope 3 (selected categories): **17,447 TCo_2**

Rolled out the KLEAN machine to **incentivise recycling across our workforce**

Allocated RM15 million for the construction of our Recycled Asphalt Premix Plant

VALUE CREATION BUSINESS MODEL

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

OUR CAPITALS → ENABLE VALUE-ADDING ACTIVITIES THAT CREATE

INPUTS

FINANCIAL CAPITAL

Beginning of FY2022:

- Shareholders' funds: **RM1.54 billion**
- Cash, bank balances, deposits and short-term investments: **RM628.7 million**
- Total assets: **RM2.86 billion**

INTELLECTUAL CAPITAL

- *UE*Track™ 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

MANUFACTURED CAPITAL

- Over **1,000 units** of cleaning machineries
- Number of Incinerators: **one (1) incinerator plant**
- Revolutionised traffic management plans and emergency works with Truck Mounted Attenuator ("TMA")
- **6 major** machineries for each Pavement Team (10 competent in-house Pavement Teams)

HUMAN CAPITAL

- No of employees: **16,481**
- No of nationalities: **24**
- Flexible work arrangement, allowing flexibility in terms of timing and place of work
- Edgenta Care Society

SOCIAL AND RELATIONSHIP RESOURCE CAPITAL

- Regular media interviews by leadership
- Regular engagements with stakeholders
- **790** volunteering hours in various corporate responsibility programmes
- **15** community projects
- Supplier Financing Programme

NATURAL CAPITAL

- Launched a 2-year sustainability roadmap
- Allocated RM15 million for the construction of our Recycled Asphalt Premix Plant
- Installed solar panels on the roof of Menara UEM
- Sustainability solutions offered to clients
- Rainwater collected at **11 sites** along PLUS expressways

Edgenta NXT

HEALTHCARE SUPPORT



PROPERTY & FACILITY SOLUTIONS

MATERIAL MATTERS

M1	Business Ethics	M2	Innovation and Technology-based Operational Excellence		
M3	Economic Development	M4	Supply Chain Management	M5	Climate Change and Energy

VISION

Optimising Assets to Improve Lives.

CORE VALUES

F FUTURE FOCUSED

I IMAGINE NEW WAYS

R RESPECT FOR ALL

S SOLUTIONING MINDSET

T TRUE TO OUR WORD

VALUE FOR OUR STAKEHOLDERS

Tranforming today. Advancing tomorrow.



OUTPUTS

OPERATIONAL

- Preserve the lifespan of more than **54,000** BEMS assets worth over **RM1.7 billion**
- Care for more than **RM900 million** worth of FEMS assets
- Process over **19 tonnes** of soiled linen annually
- Incinerate **8.2 metric tonnes** of clinical waste annually
- Maintain over **1.7 million sqm²** 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
- Approximately **4,000 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
- Electricity consumption reduced by **10% to 52%** through our Energy Efficiency Solutions
- Saved a total of **38 million kWh** per annum in electricity
- Asseto - **47,039 assets** under management in 363 buildings

EXPANDED/WORLD-CLASS SERVICES

- Value-added services which meet international standards and certifications:
  - Renewed 7 major healthcare contracts in Singapore
  - Secured EPC contracts
- Established our Digital Command Centre in Singapore to centralise and integrate digital information
- Launched our hospitality business in Singapore
- Strengthened our presence in the Pan Borneo region and Indonesia

FINANCIAL

- Revenue: **RM2.52 billion**
- **RM9.6 billion** order book
- New contracts secured: **RM1.36 billion**
- Net cash position: **RM247.9 million**
- Total assets: **RM2.87 billion**

OUTCOMES

FOR MALAYSIA

- Enhanced patient care at government and private hospitals
  - **15 units** of Field Hybrid ICU facilities
  - **62 BEMS assets** under the RTM programme
- Safe and well maintained expressways and state roads

FOR SHAREHOLDERS

- Shareholders' funds: **RM1.58 billion**
- 4 sen dividend per share for FY2022, representing a yield of **4.2%** based on share price as at 27 February 2023
- Net assets per share: **RM1.90**

FOR OUR CUSTOMERS

- Incorporation of Health, Safety & 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 EQUITY

- **52.7%** of total workforce are women and **31.7%** of top 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 **12,500** underserved communities nationwide
- Nurturing SME suppliers to grow into larger companies

FOR A BETTER ENVIRONMENT

- **19** buildings received the GBI and LEED accreditations
- **RM16.2 million** total annual energy cost savings for clients through our EPC projects
- Measured and counted up to **17,447 tCO_2** in carbon emissions across Scope 1, Scope 2 and selected Scope 3 categories

M6	Environmental Management	M8	Employment Culture	M10	Human Rights Assessment
M7	Occupational Health and Safety	M9	Customer Satisfaction	M11	Local Community

STAKEHOLDER ENGAGEMENT

We held engagements with our stakeholders regularly – across a variety of purpose-fit platforms – to better understand the impacts of our business. This enables the development of strategies that deliver shared and long-term value creation, safeguarding the interests of the Group.

S1

BOARD OF DIRECTORS AND EMPLOYEES

METHOD OF ENGAGEMENT

Board and Board Committee meetings	Q
Board strategy meetings and retreats	A
Interaction with employees and people's manager during meetings	O
Announcements on corporate developments, campaigns and topical updates	O
Employee focus group discussions, virtual talks and dialogues	M
Employee engagement surveys	A
Employee induction programmes and engagement activities	O

KEY TOPICS AND CONCERNS RAISED

- Protection and preservation of core businesses to remain relevant and self-sustaining
- Focused growth that balances priorities in delivering value
- Regular updates on dynamic changes in our operating markets, as well as our approach to mitigate risks
- Care and support for employees' wellbeing and prompt addressing of concerns
- Employment matters and updates in corporate decisions and information
- Sustainability of the business including ESG risks
- Frequent measurement, monitoring and reporting of enterprise risk

OUR RESPONSE

- Constantly developing creative solutions in order to maintain a balanced approach towards achieving corporate objectives and overcoming business challenges
- Ensuring achievements in the expansion of new business and projects while delivering continued cost optimisation and maintaining manpower sustainability
- Implementing various strategies to stabilise manpower concerns in order to achieve service level deliverables
- Addressing staff concerns through clear and regular communication
- Providing on-the-job and structured trainings to provide employees with skills needed to perform their roles
- Holding management town halls, dialogue sessions and feedback meetings
- Developing a 2-year sustainability roadmap which defined our sustainability action plans based on our material matters
- Formulating intervention plans to mitigate sustainability risks

STAKEHOLDER ENGAGEMENT

Engagement Frequency:

D Daily W Weekly M Monthly Q Quarterly Y Yearly A Annually N As Needed
B Bi-Yearly O Ongoing

S2

CLIENTS AND PARTNERS

METHOD OF ENGAGEMENT

Ad-hoc meetings	M
Client satisfaction surveys and sustainability surveys	B
Industry thought leader programmes as speaker/representative	N
Industry conferences and exhibitions	O N
Printed marketing materials, digital and social media	W N

KEY TOPICS AND CONCERNS RAISED

- Quality of service delivery
- Enhancement of technical knowledge in service delivery and the sharing of best practices across hospitals
- Contingency planning to mitigate business risks impacting service delivery
- Operating in the endemic environment and our approach to its challenges
- Our approach to manpower shortages, maintaining employee wellbeing and maintaining a strong talent pool
- Transformation of products and services through innovation, automation and technological advancements
- Sharing of best practices in managing sustainability, e.g., procurement processes, environmentally friendly products
- Health and safely compliance at work and construction sites
- Enhancement of safety requirements and the fostering of a safety-first culture

OUR RESPONSE

- Maintaining open dialogues with clients and partners to develop shared understanding and establish mutually beneficial solutions in addressing challenges
- Implementing automation and digital solutions to enhance productivity and mitigate against manpower shortages
- Implementing sustainability solutions, e.g., procurement of environmentally friendly cleaning solutions, paper and plastic products
- Implementing various measures to enhance safety, e.g., heightened safety inspections by workplace safety and health leads to reinforce and enhance safety culture across various projects

STAKEHOLDER ENGAGEMENT

S3

SHAREHOLDERS AND INVESTORS

METHOD OF ENGAGEMENT

Annual General Meeting	A
Annual Report	A
Bursa announcements	N
Quarterly results briefings	Q
One-on-one/small group investor engagements	N
Retail investor presentations	N
Site visits	N

KEY TOPICS AND CONCERNS RAISED

- Overall performance of the Group
- Dividend payouts
- The financial and operational performance of the Group in the endemic environment
- Maintaining clear and regular communication of Group prospects and strategies
- Execution of strategies and development of future plans to maximise value creation
- Migration towards better disclosure of ESG risks and impacts, including by addressing the possible introduction of a voluntary carbon market
- Upholding of high occupational health and safety standards
- Upholding of high business ethics standards, including through a rigorous stance on anti-corruption and by practicing transparency with our stakeholders
- Continuous improvement in innovation and technology-based operational excellence to reduce labour risk

OUR RESPONSE

- Maintaining a healthy balance sheet driven by disciplined capital deployment and resilient earnings from our long-term order book
- Maintaining clear and timely communication of our strategies to adapt to changing market conditions, increase competitiveness, improve earnings and pursue value enhancing opportunities
- Maintaining an active investor relations programme alongside activities to engage and update the investment community and retail investors
- Integrating ESG into our operational practices to build a resilient and sustainable business
- Enhancing our media presence

STAKEHOLDER ENGAGEMENT

S4

GOVERNMENT AND REGULATORS, INDUSTRY AND BUSINESS ASSOCIATES

METHOD OF ENGAGEMENT

Active membership in industry associations and government bodies (A)

Printed marketing materials, digital and social media (N)

KEY TOPICS AND CONCERNS RAISED

- Impact of government regulations on our business
- Maintenance of industry best practices
- Adoption of Diversity, Equity and Inclusion ("DEI") practices with facilitation of opportunities for collaboration with various partners on DEI matters
- How the business is responding to sustainability matters

OUR RESPONSE

- Raising concerns on the impact of regulations on our business while discussing solutions with relevant government bodies and regulatory authorities
- Showcasing our automation and digital solutions as part of our initiative to share best practices across the industry
- Establishing partnership platforms and support structures to hire candidates under our DEI employment framework
- Bi-yearly sustainability stakeholder engagement surveys to understand concerns and communicate our sustainability practices and aspirations

S5

SUPPLY CHAIN PARTNERS

METHOD OF ENGAGEMENT

Supplier engagements, i.e., Vendor Development Programme, supplier surveys, webinars and knowledge sharing sessions (N)

KEY TOPICS AND CONCERNS RAISED

- Effective supply chain management practices
- Transparent procurement procedures
- Whether suppliers will be required to meet with sustainability commitments and requirements

OUR RESPONSE

- Engaging suppliers on deliverables and service evaluation while addressing their concerns
- Establishing supplier practices that are aligned with our standards
- Delivering supplier training and capacity building initiatives
- Holding knowledge sharing sessions to increase sustainability awareness

STAKEHOLDER ENGAGEMENT

S6

MEDIA

METHOD OF ENGAGEMENT

Media briefings on financial results	Q
Media engagements and interviews	Q
Media sponsorship	A
Social media platforms (such as Facebook, YouTube, Instagram and LinkedIn)	D
Corporate website	N M
Editorial placements in major media titles	N
Closed-door and light-hearted engagements	Q

KEY TOPICS AND CONCERNS RAISED

- Financial and business performance
- Sustainability matters
- Employee welfare-related issues
- Our products and services

OUR RESPONSE

- Provided financial and business performance reporting and releases
- Issued media briefings and press releases while conducting media interviews
- Continuously engaging with stakeholders (government and public) in ensuring that the safety and health of our employees and those we serve is safeguarded
- Showcasing our sustainability roadmap, report and practices through article releases, social media handles and virtual events
- Releasing formal statements to the media to ensure balanced, accurate and neutral reporting of news

STAKEHOLDER ENGAGEMENT

S7

COMMUNITY

METHOD OF ENGAGEMENT

Partnerships and collaborations with identified stakeholders, non-profit organisations, associations or government	N
Interaction and discussion with government agencies and Non-Governmental Organisations	N
On-ground community programmes, visits and meetings	M
Digital communications (email, virtual calls, corporate website and social media)	M
Print publications (Annual Report and news releases)	M

KEY TOPICS AND CONCERNS RAISED

- Providing underprivileged communities with access to quality and equal education
- Opportunities to uplift quality of life and standard of living
- Alleviating challenges in facing post-natural disasters
- Climate change mitigation and adaptation
- Wildlife and environment preservation

OUR RESPONSE

- Distributing school supplies to more than 1,200 underprivileged students while completing school refurbishment and upgrading projects
- Providing financial and food provisions to B40 communities during festive seasons
- Donating safety equipment, food and hygiene tools to impacted communities during the flood season
- Organising a beach clean-up programme to preserve and conserve the marine ecosystem
- Continuing to partner with Zoo Negara on animal conservation and wellfare programmes

MANAGEMENT DISCUSSION AND ANALYSIS





- Our Operating Environment and Market Trends 64
- Our Material Matters 70
- Risks and Mitigation 72
- Edgenta of the Future 2025 (EoTF2025) 76
- 5-Year Group Financial Summary 78
- 5-Year Group Financial Highlights 79
- Simplified Statements of Financial Position 80
- Segmental Analysis 81
- Value Added Statement and Value Distribution 82
- Group Quarterly Performance 83
- Financial Calendar 84
- Investor Relations 85
- Business Review
  - Healthcare Support 90
  - Property & Facility Solutions 94
  - Infrastructure Services 96
  - Asset Consultancy 98

OUR OPERATING ENVIRONMENT AND MARKET TRENDS

With the reopening of borders and ceasing of movement control orders, 2022 provided us with the opportunity to deepen our foothold across our international business presence. Nevertheless, our ability to execute our strategies was impacted by an uncertain macroeconomic outlook and continued supply chain disruptions which led to escalating costs of raw materials and fuel, causing businesses to rein in spending and adopt a cautious stance.

In Malaysia, the reopening of the economy resulted in a surge of infrastructure and construction projects, equating to an increase in work orders secured by our Infrastructure Services division. This is set to be bolstered by further infrastructure projects under the Public Private Partnership ("PPP") 3.0 model as well as upcoming projects in East Malaysia. Meanwhile, political uncertainty was eased with the formation of the unity government, providing optimism for a more stable and globally competitive national economy.

MALAYSIA

Malaysia is our home country and the hub of all four of our business divisions – Healthcare Support, Property & Facility Solutions, Infrastructure Services and Asset Consultancy.

TRENDS:

- Escalation in operating costs due to manpower sourcing challenges and implementation of new minimum wage
- Infrastructure boom in East Malaysia
- Resumption of traffic volume in the endemic phase
- Increased demand for sustainability solutions in infrastructure and asset management

ACTIONS TAKEN:

- Continued our cost optimisation exercise by implementing automation and mechanisation, streamlining finance and procurement processes and rationalising our business structure
- Enhanced process efficiency by implementing smart building technologies for asset owners
- Delivered sustainable solutions to support our clients' sustainability agenda
- Developed a strong presence in East Malaysia by partnering with the Sarawak Economic Development Council ("SEDC")
- Developed new ESG solutions, including our recycled asphalt premix plant

SINGAPORE

We provide healthcare support solutions to a wide range of public and private hospitals in Singapore, steadily expanding our presence to include IFM, hospitality sector services and digital solutions.

TRENDS:

- Rising operating costs due to inflation and manpower scarcity
- Growth in demand for asset and facility management services across sectors
- Intense business competition
- Stringent demands in service and quality

ACTIONS TAKEN:

- Implemented cost optimisation measures to minimise margin erosion
- Diversified our sources of manpower while increasing our hiring of local talent
- Implemented technology-based solutions - including our *UE*Track™ system and robotics solutions - to drive operational excellence and lower costs
- Entered the hospitality market with the provision of room attendant and laundry attendant services at two hotels
- Launched and commercialised our digital solutions business with the implementation of the *UE*Track™ – Smart Toilet System at a chain of polyclinics

OUR OPERATING ENVIRONMENT AND MARKET TRENDS

TAIWAN

In Taiwan, we deliver hospital support services that include portering, housekeeping and cleaning, with our housekeeping services progressively expanding into other commercial sectors.

TRENDS:

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

ACTIONS TAKEN:

- Diversified our clientele base into the high tech, arts and leisure, transportation and education sectors
- Implemented technology-based solutions – including *UE*Track™

INDONESIA

We established a presence in Indonesia by providing maintenance services for toll roads and have since expanded our presence by becoming involved in highway construction projects.

TRENDS:

- Rising operating costs due to inflation and manpower scarcity
- Intense business competition

ACTIONS TAKEN:

- Adopted strategic pricing while focusing on mid-size projects
- Gained a better understanding of the local supply chain with the aim of tendering more competitively
- Partnered with local entities to improve market access

UNITED ARAB EMIRATES

Through Operon Middle East, we provide end-to-end facility management solutions in Dubai.

TRENDS:

- Increasing adoption of advanced data-driven technologies such as IoT, Artificial Intelligence ("AI") and machine learning
- Rapid emergence of Smart City developments

ACTIONS TAKEN:

- Became a smart city solution implementation partner for the Middle East by collaborating with Al-Futtaim Technologies as the master integrator
- Became an IoT Platform Solution Reseller for the Middle East while securing sole distributorship of the Disrupt-X IoT platform in the UAE
- Established other strategic partnerships to deliver value-added services to our clients, with the overarching aim of reshaping facilities management through interoperable solutions that seamlessly connect all parties

KINGDOM OF SAUDI ARABIA

We are present in KSA through Edgenta Arabia Limited ("EAL"), a wholly-owned operating company in Riyadh under UEM Edgenta Berhad's international business division. Edgenta Arabia aims to deliver value through technology and sustainability-driven solutions, supplemented by traditional IFM services.

TRENDS:

- Saudi Vision 2030 is driving the growth of new sectors, companies and jobs, spearheaded by the Public Investment Fund ("PIF")
- Giga and mega projects worth around USD1.3 trillion provide great opportunities for the integration of IFM and value-added services
- Multiple Public-Private Partnership ("PPP") projects are being launched across the country, with IFM a key part of the solution

ACTIONS TAKEN:

- Partnered with MASIC by taking a 60% stake in MEEM, an established facilities management company, to provide EAL with accelerated participation in the country's facility management industry
- Built relationships and engaged with various stakeholders in KSA, such as the Ministry of Investment, PIF and PPP entities, for potential direct and indirect participation in mega and giga projects
- Formed strategic partnerships to deliver end-to-end, best-in-class IFM services with value-added solutions in sustainability and energy efficiency

OUR OPERATING ENVIRONMENT AND MARKET TRENDS

The post-pandemic environment presents us with a variety of challenges and avenues for growth. With the acceleration of digitalisation and increasing importance placed on sustainability, we have the opportunity to position ourselves as a progressive and future-oriented company. At the same time, we must remain attuned to the evolving expectations of employees and maintain cost excellence to mitigate against global economic headwinds.

These key market trends and our response to them are outlined below.

MACROECONOMIC CHALLENGES

Driven by geopolitical instability and widespread inflation, the growth of the world economy is expected to slow from 3.4% in 2022 to 2.9% in 2023, representing its weakest growth profile since 2001 (with the exception of the global financial crisis and the earliest stages of the pandemic). This economic slowdown is expected to be most pronounced in the world's largest economies – including the USA, the Eurozone and China – with far-reaching consequences for businesses across the globe.

POTENTIAL IMPACTS

Risks:

- Dampening sentiment for investment among business owners and governments
- Continued inflationary pressure, leading to erosion of margins
- Inability to renew existing contracts and secure new projects

Opportunities:

- Utilising our cost advantage and agility to secure new contracts in international markets
- Differentiating ourselves through technology and sustainability-based asset management solutions that drive cost savings and efficiency

HOW WE RESPONDED

- Accelerated our digitalisation, automation and mechanisation efforts to drive cost optimisation
- Commercialised proprietary technology solutions under Edgenta NXT as our unique selling proposition in the asset management market
- Pursued partnerships with global technology leaders to enhance our suite of technology-based solutions
- Entered the high growth market of KSA to access opportunities for mega projects under Saudi Vision 2030
- Diversified into high growth and adjacent markets sectors that offer good earnings quality, such as manufacturing and hospitality
- Secured new infrastructure-based business in East Malaysia and Indonesia

OUTLOOK

We will continue to harness cost efficiency across our business divisions in alignment with our Edgenta of the Future ("EoTF2025") vision while pursuing our diversification strategy to access high growth markets and quality earnings sectors, thereby mitigating against the potential impact of global economic headwinds.

LINK TO

Capitals **Stakeholders** S2 S3 **Material Matters** M3 M2 **Risks** R1 R3

OUR OPERATING ENVIRONMENT AND MARKET TRENDS

TRANSITION TO LOW-CARBON ECONOMY

With the urgency of climate change now firmly embedded in our collective psyche, the sustainability and environmental impact of corporate players has become a key consideration for clients, governments and investors alike. Further to this, companies in Malaysia are expected to adopt net zero targets and contribute to the government's drive to cut carbon intensity against gross domestic product ("GDP") (by 45% by 2023 compared to 2005 levels).

POTENTIAL 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

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

HOW WE RESPONDED

- Launched our two-year sustainability roadmap with tangible targets across six sustainability pillars
- Delivered strong performance across our sustainability material matters, leading to a commendable improvement in our FTSE4Good rating from 2.5 to 3.1
- Took a leading role as a member of Climate Governance Malaysia and the CEO Action Network ("CAN")
- Deepened our action in waste management, material utilisation and water consumption, including by installing a reverse-vending machine and initiating a recycling campaign with our client, PLUS Malaysia Berhad
- Supported our clients' sustainability journeys through EPC services and green building certification solutions, amongst other solutions

OUTLOOK

Bolstered by our sustainability roadmap, we intend to accelerate our climate action journey in the coming years, including via the setting of net zero targets in 2023. This journey will be assisted by continued capacity-building across our workforce and improved data collection methodologies.

LINK TO

Capitals **Stakeholders** S2 S3 S4 S5 S7 **Material Matters** M5 M6 **Risks** R5

OUR OPERATING ENVIRONMENT AND MARKET TRENDS

EVOLVING WORKFORCE CHALLENGES

The pandemic changed the calculus for employees and employers, ushering in a new age where hybrid, work-from-home and remote work arrangements have become the norm rather than the exception, with employees putting a premium on companies that support their holistic wellbeing. Parallel to this, there is a growing need to future-proof employees by providing them with training in digital technology, sustainability and other key areas, which is especially important given our global presence and increasing digital-centricity.

POTENTIAL IMPACTS

Risks:

Failure to meet the shifting expectations of employees could lead to:

- Loss of competitiveness in the talent market
- Reduced ability to retain existing employees
- Reduced ability to execute strategic plans and reach our EoTF2025 goals

Failure to adequately upskill our employees could lead to:

- Reduced ability to meet our targets in technology integration, sustainability and cybersecurity, amongst other areas
- Reduced ability to attract and retain talent

Opportunities:

- Establishing ourselves as a leading employer through purpose-fit engagements and initiatives
- Harnessing a wider talent pool and driving talent attraction and retention by embracing hybrid and flexible work structures

HOW WE RESPONDED

- Formalised flexible work arrangements that enable employees in specific job functions to work from home
- Initiated our Edgenta Workplace Wellness ("WoW") programme to support our employees' physical, emotional and financial wellbeing
- Delivered role-specific and general training through our Career Development Programme, supported by our Learning Management System, Learn on Edge
- Employee Mobility Programme as part of future-proofing employees for our international expansion

OUTLOOK

As the expectations of employees and the demands placed on our workforce continue to evolve at a fast pace, we will strive to improve our approach to employee wellness and career development, including through the impending launch of our Diversity, Equity and Inclusion ("DEI") Policy in 2023.

LINK TO

Capitals **Stakeholders** S1 S3 **Material Matters** M8 **Risks** R4

OUR OPERATING ENVIRONMENT AND MARKET TRENDS

THE DIGITALISATION OF EVERYTHING

From IoT to AI, cloud-based technologies to automation, IR4.0 technologies are now ubiquitous in companies around the world, driving cost and operational efficiencies while opening the door to new business models and sources of revenue. With this rapid shift, our ability to compete and succeed in the global arena will be determined by how effectively we can leverage digital technologies to drive value as well as our ability to mitigate against increasingly complex cybersecurity and data privacy challenges.

POTENTIAL IMPACTS

Risks:

- Inability to compete – on services and pricing – with more effectively digitalised industry players
- Loss of key contracts and inability to acquire new projects due to lack of technology-based solutions
- Reduced ability to attract and retain tech-skilled talent
- Leaks of customer information and intellectual property due to cyber attacks

Opportunities:

- Increasing revenue generation and driving differentiation by adding more technology-based solutions to our suite of offerings
- Unlocking new tech-based business opportunities across different industries and markets
- Streamlining our business processes and driving cost optimisation through digitalisation
- Establishing ourselves as a cyber-ready organisation by adopting leading edge cybersecurity technologies and approaches

HOW WE RESPONDED

- Commercialised our Asseto asset management solution and undertook a pilot phase for our Asseto for Health solution
- Pursued partnerships with technology leaders including ITMAX, Disrupt-X, Alibaba, Sumitomo and Softbank, which will provide our clients with access to technologies for energy savings, facial recognition-based access and security, smart traffic ordering and IoT-enabled buildings
- Continued to digitise our internal processes in order to drive cost efficiencies
- Utilised data analytics and machine learning for resource utilisation, performance benchmarking and predictive maintenance
- Empowered our employees to digitise internal processes through Low Code No Code solutions
- Drove digital innovation amongst our employees through the Edgenta Innovation Programme
- Implemented EndPoint Detection & Response ("EDR") Network Detection & Response ("NDR") and SIEM technologies to bolster our cybersecurity defences

OUTLOOK

We anticipate that demand for digital solutions will drive the asset management industry to an even greater degree in the years ahead. With this in mind, our proactive investment in improving our digital capabilities and solutions positions us ideally to move up the asset management value chain and achieve our vision of becoming a Technology-Enabled Solutions Company by 2025.

LINK TO

Capitals **Stakeholders** S1 S2 S3 **Material Matters** M2 M3 **Risks** R1 R2 R6

OUR MATERIAL MATTERS

Our material matters represent the issues that are most important to our business and stakeholders, guiding us in developing strategies and initiatives that maximise shared value creation.

Reflecting the importance of sustainability to the organisation, our material matters are identified by shortlisting key matters across the ESG spectrum. These matters are prioritised by assessing each matter's significance to our stakeholders and impact on our business, a process which was last carried out in full during FY2022. In January 2023, we leveraged on the assessment carried out in FY2022 and obtained further input from external stakeholders through interviews and online surveys on the existing list of 11 material matters.

The finalised list of material matters, as presented in this section, forms the focus of our reporting, communications and disclosures both within this report and the Sustainability Statement contained within it.

MATERIALITY ASSESSMENT PROCESS

STEP 1 Topic Identification

Material ESG matters are identified based on their relevance to the Group

STEP 2 Stakeholder Engagement

Internal and external stakeholders are engaged to score the material ESG matters based on its importance

STEP 3 Analysis of Importance

Stakeholder responses are collated and analysed

STEP 4 Matrix Generation

Based on the responses, a materiality matrix is generated for effective visualisation of the relative importance of the matters

STEP 5 Validation

The materiality matrix is presented to the Group's ESG Working Group and Board of Directors for validation

MATERIALITY MATRIX

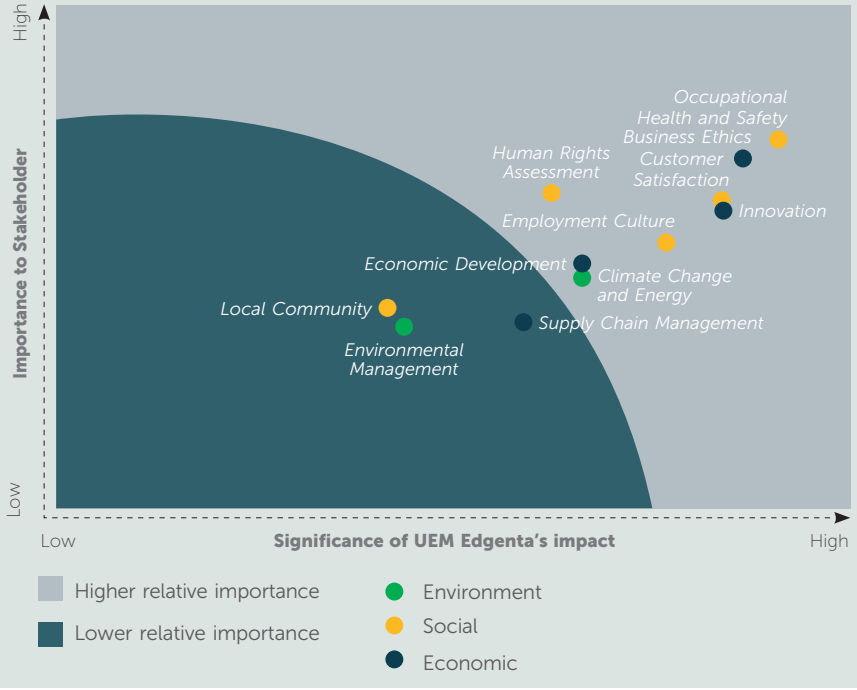
Based on the responses provided, a materiality matrix was generated, showing the average score assigned to each matter by our stakeholders across FY2022. Changes in the relative positions on the material matters allow us to align our material ESG matters/issues with our business strategy for the year 2022.

The matrix indicates the relative importance of each matter to one another, with each matter deemed to be important within the Group's overall strategic and ESG agendas.

Key Takeaways:

While acknowledging the significance of all material matters, the materiality matrix provides a visual representation of the comparative significance of each matter in relation to others.

Compared to last year's matrix, a few material matters were viewed as very important to stakeholders, namely Occupational Health and Safety, Business Ethics, Customer Satisfaction and Innovation.



Note: Innovation = Innovation and Technology-based Operational Excellence

OUR MATERIAL MATTERS

DEFINITION OF MATERIAL MATTERS

SUSTAINABILITY PILLAR	MATERIAL MATTERS	DEFINITION AND DETAILED DESCRIPTION
ECONOMIC	BUSINESS ETHICS	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
	INNOVATION AND TECHNOLOGY-BASED OPERATIONAL EXCELLENCE	Using technology to transform our processes for enhanced efficiency and reduced costs, and to proviude our customers with more effective and technologically-advanced solutions
	ECONOMIC DEVELOPMENT	Generating economic value from our business activities and sharing this value with local communities through remuneration and local hiring while driving continued market expansion
	SUPPLY CHAIN MANAGEMENT	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
ENVIRONMENT	CLIMATE CHANGE AND ENERGY	Taking concerted climate action by reducing our direct and indirect greenhouse gas ("GHG") emissions and reducing energy consumption across our operations
	ENVIRONMENTAL MANAGEMENT	Adopting responsible environmental management strategies across waste management, material use and water consumption
SOCIAL	OCCUPATIONAL HEALTH AND SAFETY	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
	EMPLOYMENT CULTURE	Ensuring a non-discriminatory and merit-based approach to employment while supporting talent growth and carrying out succession planning
	CUSTOMER SATISFACTION	Meeting our customers' quality standards while ensuring their health, safety and data privacy are safeguarded at all times
	HUMAN RIGHTS ASSESSMENT	Actively monitoring and managing human rights matters across our value chain
	LOCAL COMMUNITY	Devising and delivering community engagement initiatives and development programmes that create positive, long-term social impact

RISKS AND MITIGATION

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

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

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

The principal risks described below, whilst not exhaustive or in any order of priority, are those which we believe could have a significant impact on our business.

The Board regularly reviews these risks in the knowledge that currently unknown, non-existent or immaterial risks could turn out to be significant in the future.

Details of our risk management framework and control processes can be found on pages 237 – 245 under the Statement on Risk Management and Internal Control of this Integrated Annual Report.

1 STRATEGIC RISK

Risk Description

Strategic risks are risks related to the fundamental decisions that the Board and the Management take concerning UEM Edgenta's objectives and potential exposure to the changing market environment and industry demands which could affect UEM Edgenta's business strategy and growth. Essentially, strategic risks are the risks of failing to achieve these business objectives.

The risks evolve the market environment, inclusive of industry uncertainties or emerging issues that could impact our strategy, performance (i.e., market share and growth), shareholders' value, or even reputational damage.

Strategic risks are often risks that UEM Edgenta may have to take in order to expand its business and even to continue in the long-term.

Context

- Our presence in the countries where we operate exposes UEM Edgenta to economic, regulatory, political, and social development conditions that could impact our strategy and operations
- The operating landscape continued to be competitive with our customers, comprising existing, new and potential, shifting their focus requirements from traditional services requirements to value-adding services encompassing technology, performance-based model, and sustainability
- The nature of our business (which tends to be deprioritised as a strategic business imperative by clients/potential clients in price-sensitive industries). Service commoditisation leads to competitive pricing
- Margin compression in the market continues to pose challenges to growing our revenue stream and maintaining a healthy order book
- The pandemic and resulting response (i.e., MCOs) were challenging for the Malaysian infrastructure industry due to the deferment of higher-value infrastructure projects, which are now making a comeback following the transition to the endemic phase

Mitigation

- Expansion and broadening of the addressable market to diversify revenue streams through Pan-Malaysia Strategy, regional expansion, and new adjacency sectors
- Developing and deploying technology solutions to set new benchmarks and enhance service delivery in the healthcare and infrastructure sectors
- Productisation and scalability of existing sector technology solutions to current and potential clients
- Continue focus on cost optimisation initiatives, driving organisational efficiency and increasing competitiveness via product and technology proposition
- Cross-selling, expanding client base and new delivery model via performance-based contracting in addition to sustaining existing concession businesses

RISKS AND MITIGATION

2 OPERATIONAL RISK

Risk Description
Operational risk is the risk of loss resulting from inadequate internal controls or failed internal processes, people and systems or from external events which include uncertainties and hazards a Company faces when it attempts to undertake its day-to-day business operational functions within the industry.

Context
Our continuing challenges are:
- Manual and labour-intensive aspects of operations
- Focusing on cost stewardship and improving service efficiency to protect margins and improve cash flow
- Inculcating a safety-first mindset and continuous monitoring of our work environment to ensure compliance with HSSE standards
- Unanticipated circumstances impacting Edgenta's operations due to factors beyond our control such as the COVID-19 pandemic, wages concerns, inflationary pressures, supply chain disruptions, and geopolitical tensions

Mitigation
- Continuous enhancement of operational processes and embedding the use of technology and digitisation to improve overall operational efficiency and productivity
- Manage cost and preserve margins by keeping fundamentals strong
- Implementation of occupational HSSE programmes designed to improve UEM Edgenta's safety culture
- Close monitoring of unanticipated circumstances and their impact, with a continuous review of the Group's strategies to ensure operational sustainability
- Business Continuity Plans are in place for effective response to enable continuous operations and delivery of critical services in the event of any business disruption

3 FINANCIAL RISK

Risk Description
Financial risks are risks that will directly impact the Group's financial performance and cash flow.

Context
Our continuing challenges are:
- Reduced margins and profitability amid higher competition and an increase in operating costs
- Delayed collection from customers for trade and other receivables, which could impede cash management

Foreign exchange risk, i.e., a risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in foreign exchange rates against the Malaysian Ringgit.

Mitigation
- Focus on managing cost and preserving margin through tighter cost controls, leveraging technology and operational excellence to derive work and cost efficiencies
- Leverage on Enterprise Resource Planning ("ERP") to streamline financial information and processes across our companies, improve spending and strategic sourcing analysis, as well as cost control and increase the visibility of spending
- Diligently manage credit risk by undertaking credit evaluations, and monitoring recovery procedures by customers and receivables respectively. We keep the Company's balance sheet healthy with a low gross gearing ratio and strong net cash position
- Maintain a natural hedge by borrowing in the same functional currency as the future revenue stream to be generated from the overseas entities

RISKS AND MITIGATION

4 COMPLIANCE RISK

Risk Description
Compliance risks relate to the potential of a breach of any laws and/or non-adherence with any regulatory requirement.
Non-compliance may impact the Group's business operations, legal and regulatory penalties, financial implications, and reputational damage.

Context
- A sizeable portion of our businesses is in concessions, especially Healthcare Support and Infrastructure Services, and is subject to a broad range of rules and regulations
- Potential exposure to non-compliance and litigation due to the Group's geographical diversity of its business and customers
- Adherence to good corporate governance practices, regulatory and listing requirements in upholding integrity throughout our business undertakings and proceedings
- Any adversity could result in the suspension of a necessary authorisation, license, and/or rights. Lack of regulatory certainty impacts our operations, reputation, and investment decisions

Mitigation
- The Group has put in place service-level agreements and contracts to govern contractual agreements with its customers, contractors, and vendors
- Regular review assessments are undertaken to ensure compliance at all times, with continuous updates on policies and procedures to ensure adequacy, effectiveness, and relevance
- Instil a culture of integrity and compliance within the organisation, with the enforcement of internal processes to operations
- Maintain close collaboration with regulatory bodies on emerging legal and regulatory requirements and industry standards and practices
- Have put in place appropriate Whistleblowing channels as an avenue for employees, stakeholders, and members of the public to report any actual or suspected malpractice, misconduct, or violation of the Group's policies and procedures

5 PEOPLE RISK

Risk Description
Obtaining and fostering an engaged and talented team that has the knowledge, training, skills, and experience to deliver our strategic objectives is vital to our success.
Difficulties in attracting, integrating, and retaining talents and competencies required may impact UEM Edgenta's sustainable growth and performance.

Context
- Our people are one of our greatest assets and key pillars of success for the Group as it underpins our ability to implement the Group's strategies and deliver the required services and deliverables to our customers and stakeholders

Mitigation
- Establish an Employee Value Proposition to offer the best experience for our employees in exchange for productivity and high performance. We don't only hire the right talent, but also retain the best talent by continuously benchmarking against competitive industry practices
- Succession planning framework and plan in place to identify and develop appropriate talents for mission-critical positions
- Continuous training and development programs to be undertaken by Edgenta Academy to upskill and reskill our people, and equip them with new skills and knowledge

RISKS AND MITIGATION

6 CYBERSECURITY RISK

Risk Description
Cybersecurity risks relate to the loss of confidentiality, integrity, or availability of information, data, or information (or control) systems and reflect the potential adverse impacts to Edgenta's operations (i.e., mission, functions, image, or reputation).

Cybersecurity risk is linked to the Group's expansion and growing footprint into the IT environment and digitalisation, increased reliance on the internet as well as increased instances of remote/offsite network access.

Context
- Organisation-wide, we see technology as a key enabler and the biggest game changer which will allow UEM Edgenta to productise existing technology solutions, develop digital healthcare support, optimise resources, reduce costs, increase productivity and improve our offerings for better customer and operational outcomes
- Due to the growing connectivity of our systems, there is an increasing risk of exposure to cyber threats, malicious threats to corporate cloud networks, breaches of information security, compromised data integrity and privacy and prolonged disruption of UEM Edgenta's IT ecosystem

Mitigation
- Continuous monitoring and strengthening of IT security measures via cybersecurity solutions covering the network, application, information, end-user and data security. This includes the enhancement of cloud security, monitoring of critical information, security control (utilising infrastructure security protection solutions via firewall, anti-spam/virus, vulnerability assessment, penetration tests, and etc).
- Regular awareness and constant updates related to cyber threats are provided to all employees to instil the importance of cybersecurity
- Disaster Recovery Plan put in place to ensure continuity of key business operations in the event of information and communications technology failure such as malicious activities, cyber-attacks, malware or major equipment malfunction

7 ESG RISK

Risk Description
Investors today have increasingly shifted their attention towards the ESG factors to assess the sustainability and risk profile of companies. ESG considerations can have a range of impacts on an organisation's financial performance and underlying shareholder value. Researchers found a positive correlation between financial performance and strong corporate ESG policies and practices.

ESG risks are those uncertainties and threats to continual improvement of business strategies and operations to sustain growth, trajectory, and long-term resource availability in our value chain through ESG matters.

UEM Edgenta's non-compliance on ESG-related matters may lead to loss of revenue/market share due to a shift in customer preference, loss of investors' and rating agencies' confidence, financial penalties from enforcement agencies, and negative brand perception and publicity.

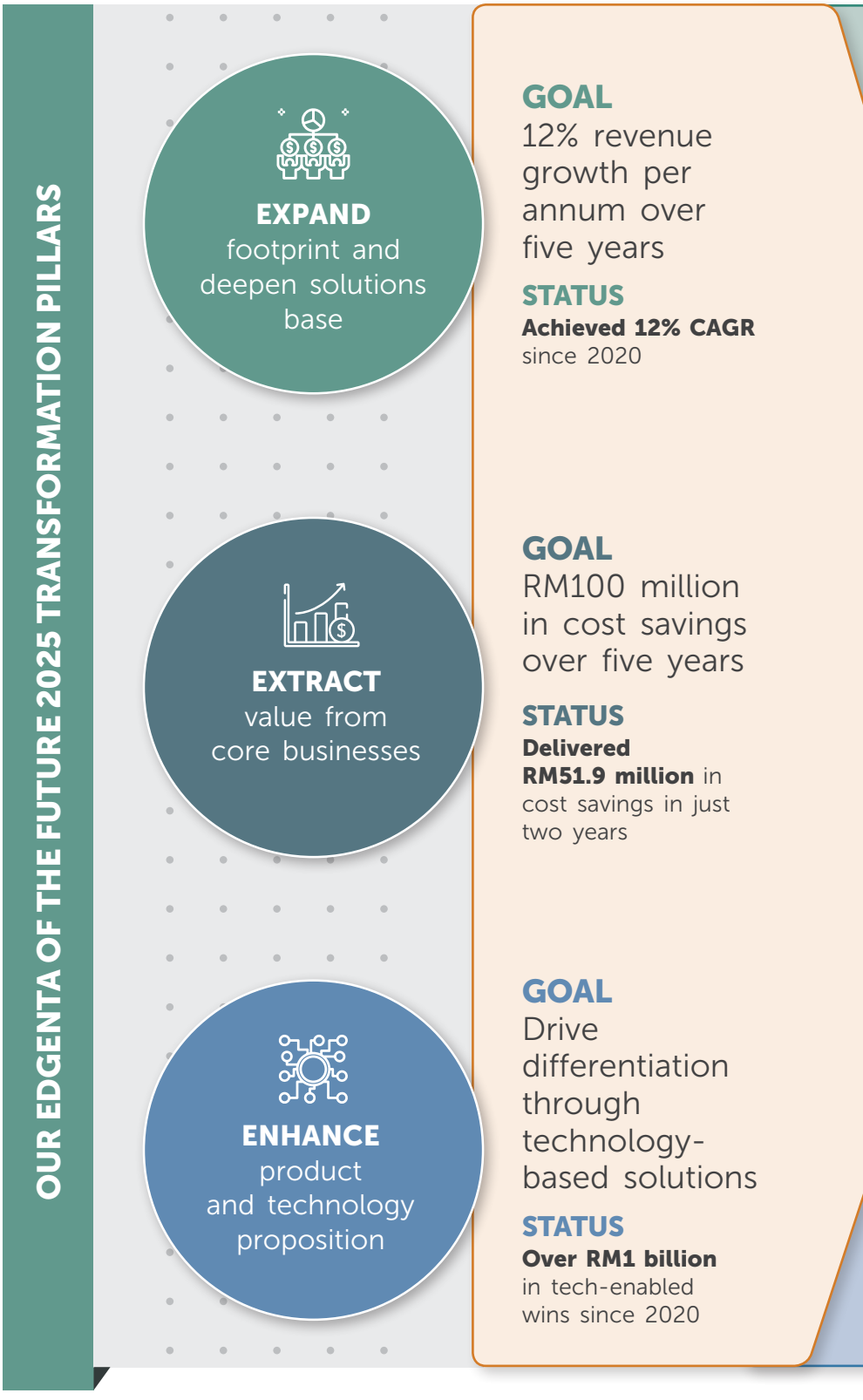
Context
- ESG programmes and disclosure have become increasingly important with stakeholders emphasising on disclosures related to environmental responsibilities, fair wages, health and safety practices, diversity, and corporate governance
- This has resulted in the Group's concern on ESG matters and its continuous upholding and compliance of these ESG values as a good corporate citizen

Mitigation
- The Group has put in place a Sustainability Policy, Sustainability Governance Structure and Sustainability Roadmap to ensure the philosophy of sustainability is embraced and incorporated into Edgenta's operations and activities and the way we deliver our products and services
- Ongoing compliance with existing ESG requirements, with continuous monitoring of and adherence to changes in these ESG requirements and policies
- Periodic review assessments are undertaken to ensure ESG compliance at all times, with continuous updates on policies and procedures to ensure adequacy, effectiveness, and relevance
- Regular engagement with stakeholders across our value chain to understand our material matters, risks, and threats allowing UEM Edgenta to formulate ways and implement initiatives to mitigate these issues
- Continuous communication and awareness by fostering conscientious and responsible ESG behaviour among employees, clients, and vendors at all levels

EDGENTA OF THE FUTURE 2025 (EoTF2025)
(2020-2025)

Our Edgenta of the Future 2025 ("EoTF2025") strategy encapsulates the pillars of our transformation to become a Technology-Enabled Solutions Company by the year 2025. It outlines what we need to achieve to compete effectively in global markets, with a focus on differentiating our solutions, driving cost optimisation and entering new markets and sectors, all while embedding technology and sustainability as core components of our strategic outlook.

Two years into our EoTF2025 journey, we are tracking well against our goals, placing us in an ideal position to secure our long-term value creation potential.



EDGENTA OF THE FUTURE 2025 (EoTF2025) (2020-2025)

NEW PRODUCTS

- **Integrated Healthcare Support:**
  - 15 Hybrid ICUs
  - RTM programme for 62 units of BEMS assets *for the period of 2020 to 2022*
- **Sustainability Solutions:**
  - 19 GBI and LEED-certified buildings across Malaysia
  - Helped clients achieve 38,178,319 kWh in energy savings per year through EPC services
  - Helped 32 hospitals achieve the Energy Management Gold Standard

INTERNATIONAL GROWTH

- KSA: expansion solidified with establishment in the country and acquisition of 60% stake in MEEM
- Indonesia: expanded presence through infrastructure contracts
- Singapore and Taiwan: moving up the value chain to offer IFM services while expanding into the industrial, hospitality and education sectors

Generating savings through procurement:

- Bulk purchasing for reduced input unit costs
- LEAN programme to identify operational efficiency opportunities
- Ongoing digitalisation and mechanisation drive
- Supplier Financing Programme and data analysis under the Strategic Vendor Programme to drive rate reductions

Creating a fit-for-purpose organisation:

- Optimisation of work process to reduce costs and achieve the right-sizing of manpower for the delivery of fit-for-purpose solutions

Monetising mature and non-core businesses:

- Disposed of Fabor Sindoori Management Services Private Limited to streamline our portfolio and prioritise our resources towards growth markets

Commercialisation of digital platforms:

asseto

- Selected by KLCC Urusharta to manage its assets, contractors and users across Towers 1, 2 and 3 of the Petronas Twin Towers
- Integrated processes with Asseto at 11 different sites

Building a tech ecosystem of Smart City solutions:

- ITMAX System Berhad: smart traffic management, smart security and surveillance
- Disrupt-X: end-to-end scalable IoT
- Sumitomo Corporation and Softbank: smart and sustainable city solutions
- Alibaba: solution to measure, analyse and manage carbon emissions

The building of a global IFM franchise through technology and sustainability solutions - as detailed below - is a key component of our EoTF2025 vision.

Productising tech solutions

For more information about our technology solutions, please refer to page 26.

Driving sustainability solutions

For more information about our sustainability solutions, please refer to page 102.

Driving clients' operational efficiency through digitalisation of their processes and systems, implementation of data analytics, and the integration of IoT devices within their operations

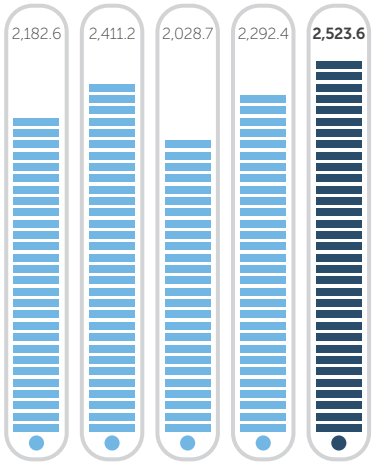
Enhancing our IFM franchise in international markets

5-YEAR GROUP FINANCIAL SUMMARY

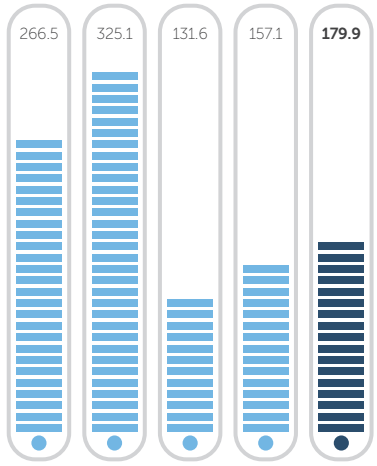
	Financial Year Ended December (RM million)				
	2018	**2019**	**2020**	**2021**	**2022**
KEY INFORMATION OF FINANCIAL RESULTS					
Revenue	2,182.6	2,411.2	2,028.7	2,292.4	**2,523.6**
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	266.5	325.1	131.6	157.1	**179.9**
Profit before tax and zakat	198.5	245.0	46.9	78.6	**93.8**
Profit after tax and zakat	152.4	188.0	14.4	43.4	**45.7**
Profit attributable to owners of the parent ("PATANCI")	148.4	181.8	12.9	42.0	**45.9**
KEY INFORMATION OF FINANCIAL POSITION					
Non-current assets	1,143.3	1,229.9	1,235.5	1,205.9	**1,171.5**
Current assets	1,731.3	1,682.9	1,571.9	1,649.2	**1,607.1**
Assets of disposal group classified as held for sale	3.1	–	–	–	**90.1**
Total assets	**2,877.7**	**2,912.8**	**2,807.4**	**2,855.1**	**2,868.7**
Share capital	268.1	268.1	268.1	268.1	**268.1**
Reserves	312.8	317.2	297.5	313.7	**336.9**
Retained earnings	921.4	986.7	935.1	954.0	**975.9**
Shareholders' funds	1,502.3	1,572.0	1,500.7	1,535.8	**1,580.9**
Non-controlling interests	14.5	12.4	8.6	3.5	**3.1**
Total equity	1,516.8	1,584.4	1,509.3	1,539.3	**1,584.0**
Non-current liabilities	468.2	443.4	398.6	147.9	**423.8**
Current liabilities	892.7	885.0	899.5	1,167.9	**857.7**
Liabilities of disposal group classified as held for sale	–	–	–	–	**3.2**
Total liabilities	1,360.9	1,328.4	1,298.1	1,315.8	**1,284.7**
Total equity and liabilities	**2,877.7**	**2,912.8**	**2,807.4**	**2,855.1**	**2,868.7**
SHARE INFORMATION					
Earnings per share (sen)	17.8	21.9	1.5	5.1	**5.5**
Dividend per share (sen)	14.0	14.0	–	3.0	**4.0**
Net assets per share attributable to owners of the parent (RM)	1.81	1.89	1.80	1.85	**1.90**
Net tangible assets per share (RM)	0.93	1.01	0.94	1.01	**1.06**
FINANCIAL RATIOS					
Current ratio (times)	1.9	1.9	1.7	1.4	**1.9**
Liquidity ratio (times)	0.6	0.6	0.8	0.5	**0.7**
Gearing ratio (times)	0.3	0.3	0.3	0.3	**0.3**
EBITDA as a percentage of revenue (%)	12	13	6	7	**7**
Profit before tax and zakat as a percentage of revenue (%)	9	10	2	3	**4**
Profit before tax and zakat as a percentage of total equity at year end (%)	13	15	3	5	**6**
Profit after tax, zakat and non-controlling interest as a percentage of shareholders' funds at year end (%)	10	12	1	3	**3**

5-YEAR GROUP FINANCIAL HIGHLIGHTS

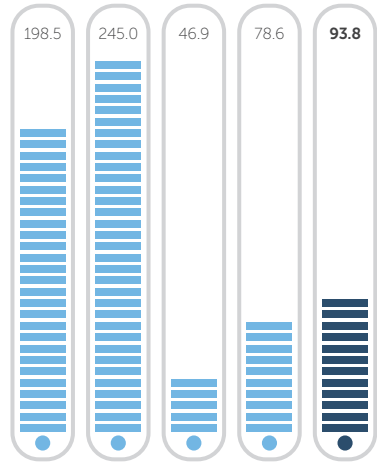
REVENUE
(RM million)



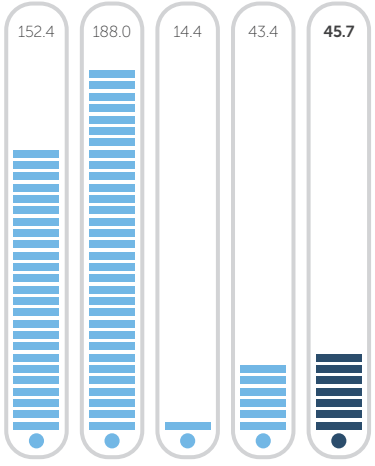
EBITDA
(RM million)



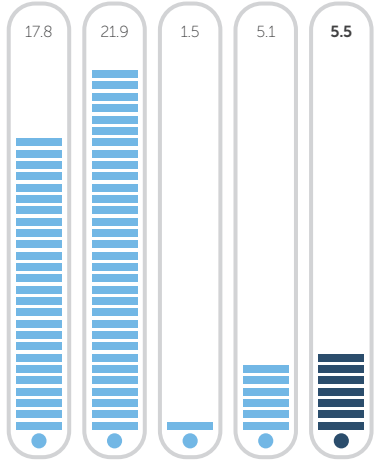
PROFIT BEFORE TAX AND ZAKAT
(RM million)



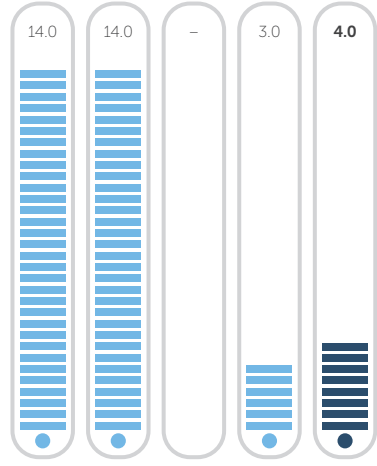
PROFIT AFTER TAX AND ZAKAT
(RM million)



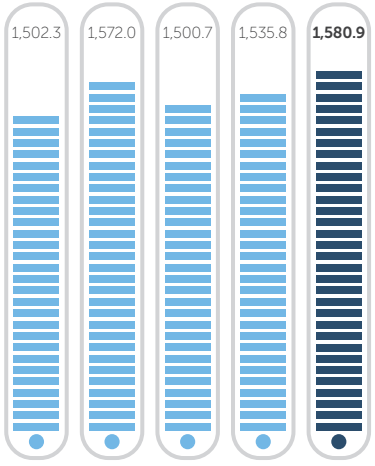
EARNINGS PER SHARE
(Sen)



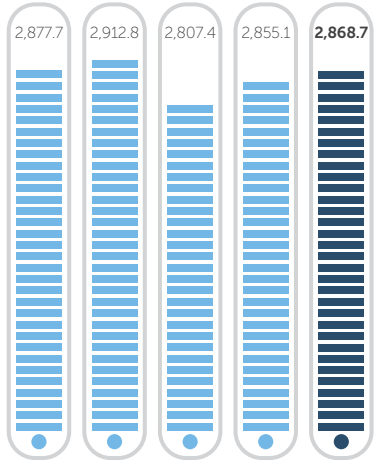
DIVIDEND PER SHARE
(Sen)



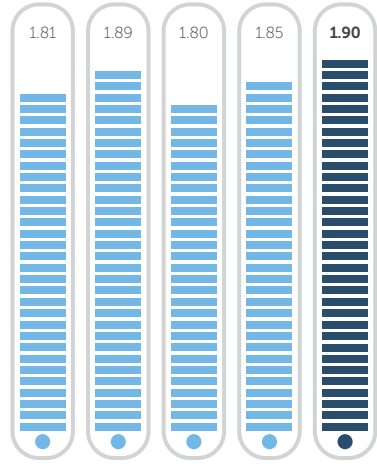
SHAREHOLDERS' FUNDS
(RM million)



TOTAL ASSETS
(RM million)

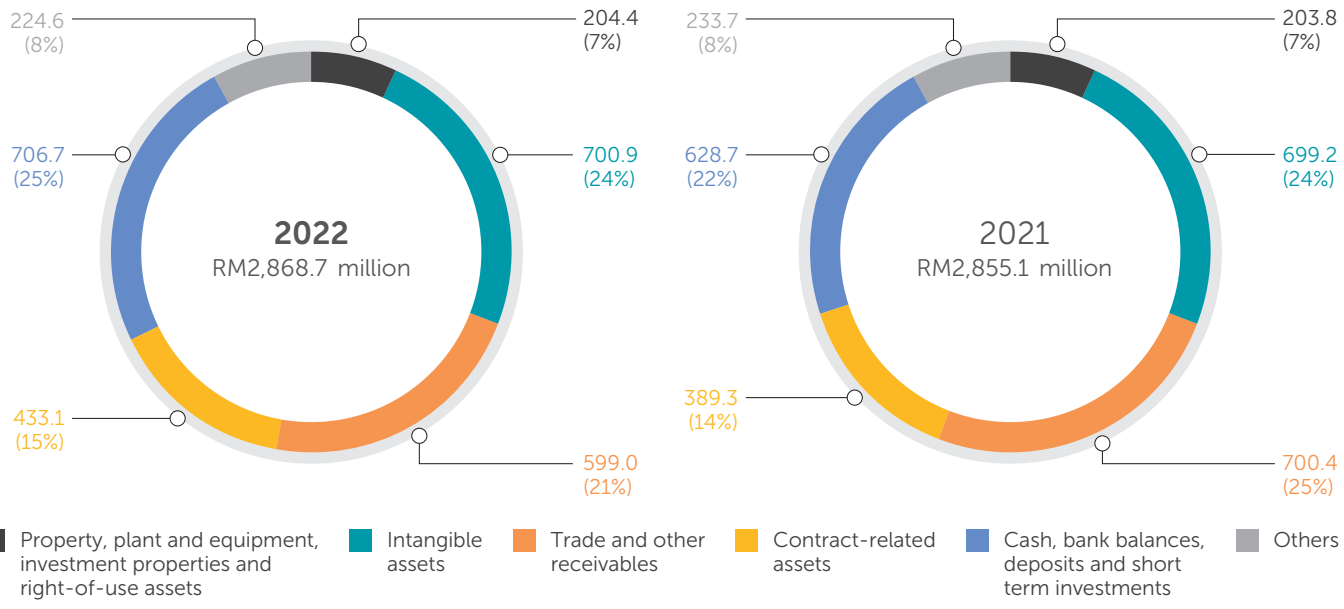


NET ASSETS PER SHARE
(RM)

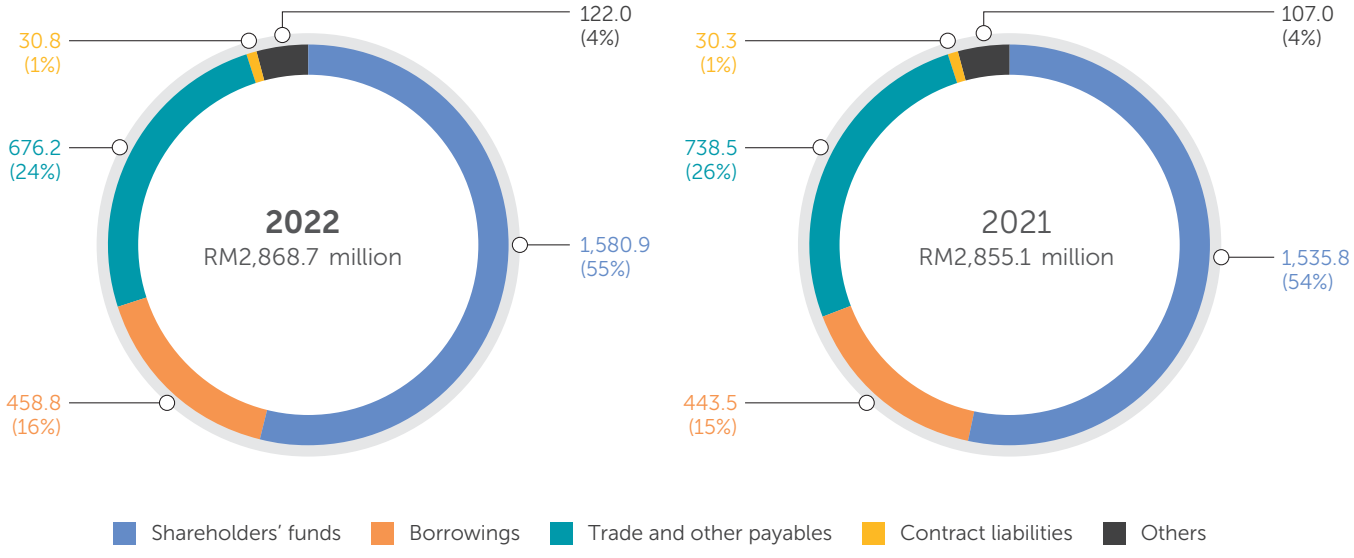


SIMPLIFIED STATEMENTS OF FINANCIAL POSITION

TOTAL ASSETS (RM million)

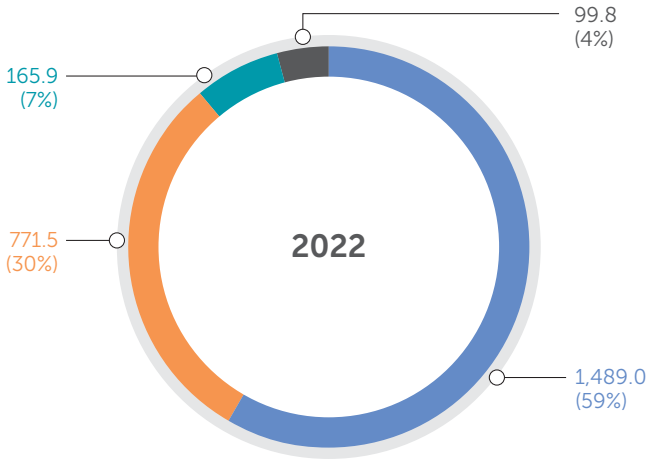


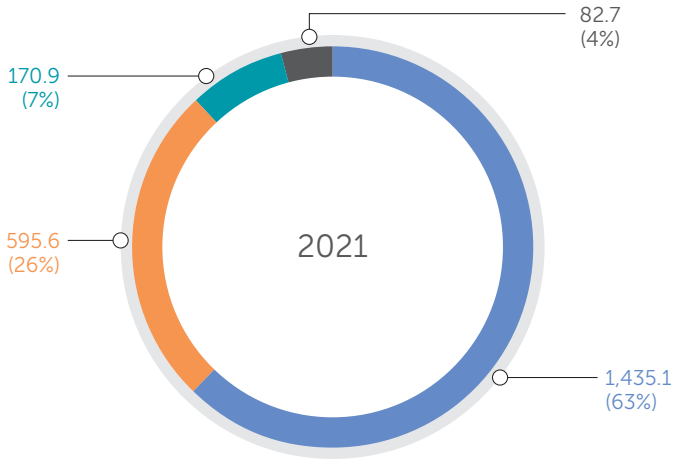
TOTAL EQUITY AND LIABILITIES (RM million)



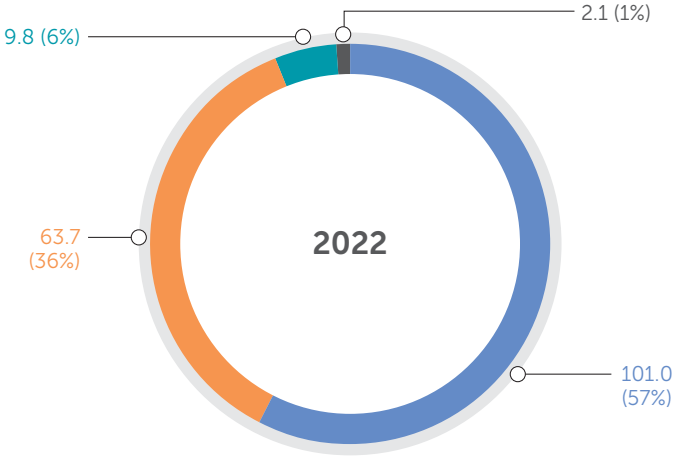
SEGMENTAL ANALYSIS

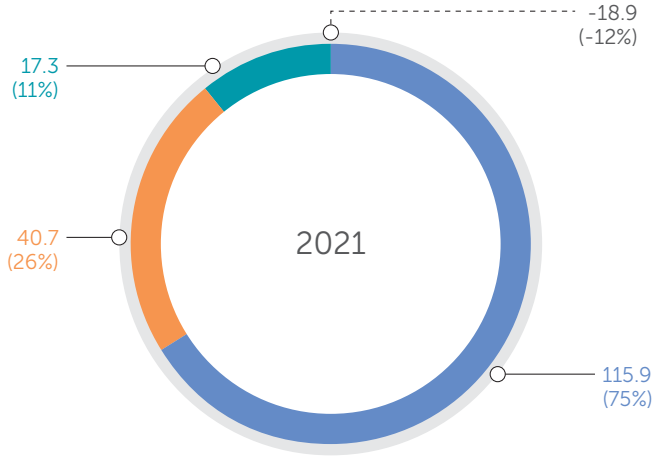
REVENUE (RM million)



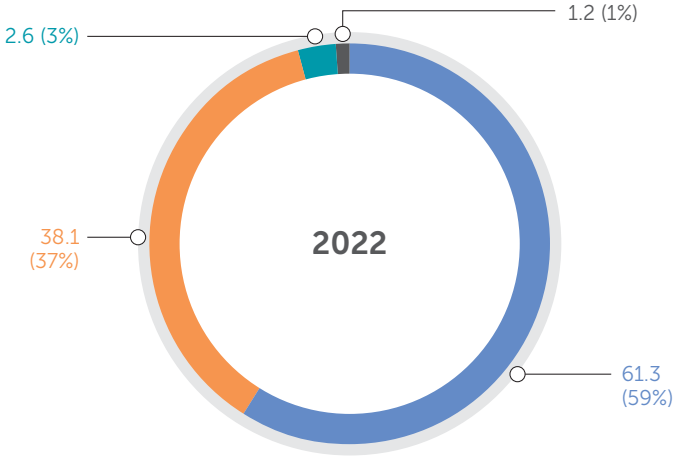


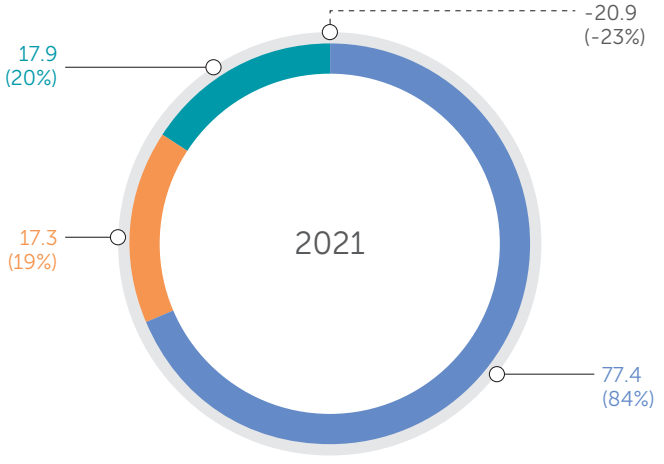
EBITDA (RM million)





PAT (RM million)





Healthcare Support Infrastructure Services Property & Facility Solutions Asset Consultancy

VALUE ADDED STATEMENT AND VALUE DISTRIBUTION

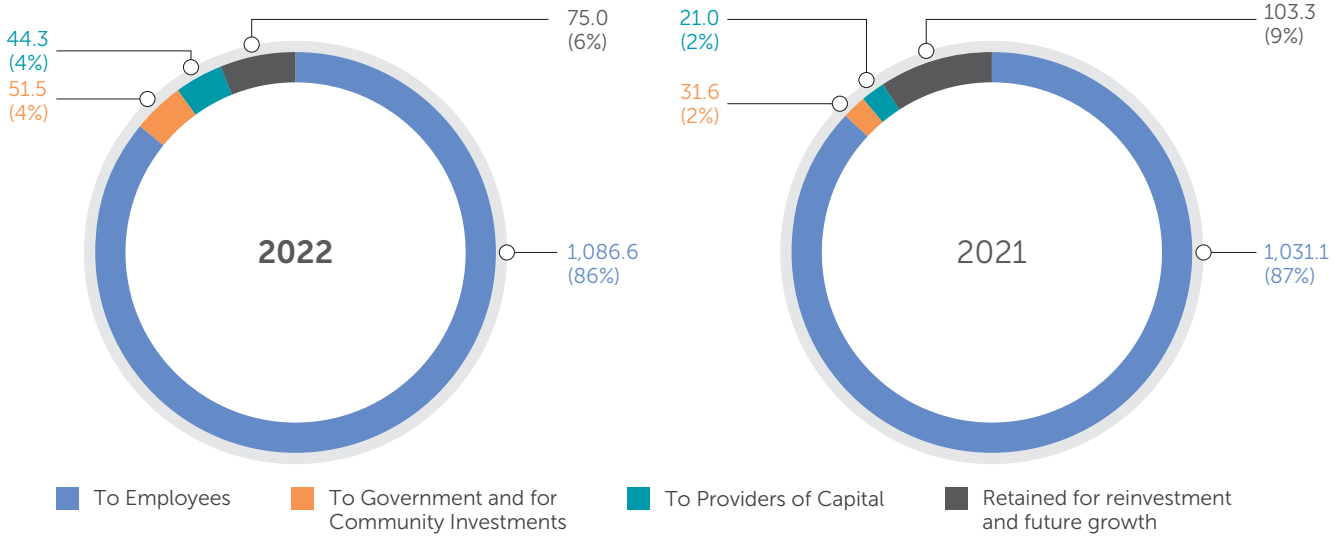
VALUE ADDED

	2022 RM million	2021 RM million
Revenue	2,523.6	2,292.4
Interest income	3.2	4.4
Other income	1.9	2.7
Operating costs	(1,271.3)	(1,112.5)
Value added available for distribution	**1,257.4**	**1,187.0**

VALUE DISTRIBUTION

	2022 RM million	2021 RM million
To Employees		
Employee costs	1,086.6	1,031.1
To Government and for Community Investments		
Taxation and zakat	51.3	31.4
Community investments	0.2	0.2
To Providers of Capital		
Dividend paid to shareholders	24.9	–
Dividend paid to non-controlling shareholders of subsidiaries	0.2	2.0
Interest paid	19.2	19.0
Retained for reinvestment and future growth	75.0	103.3
Value added available for distribution	**1,257.4**	**1,187.0**

DISTRIBUTION OF VALUE ADDED



GROUP QUARTERLY PERFORMANCE

	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)**
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	40.4	44.3	33.2	62.0	**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	4.5	21.0	**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**

	Financial Year ended 31 December 2021 (RM million)				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**
Revenue	483.6	538.6	571.9	698.3	**2,292.4**
Gross profit	66.6	77.1	81.9	84.7	**310.3**
Other income	7.9	8.5	6.8	12.8	**36.0**
Operating expenses	(58.6)	(72.2)	(70.4)	(69.8)	**(271.0)**
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	33.0	33.8	34.8	55.5	**157.1**
Profit before tax and zakat	15.9	13.7	15.7	33.3	**78.6**
Profit after tax and zakat	8.1	6.3	8.7	20.3	**43.4**
Profit attributable to owners of the parent	6.7	6.1	9.1	20.1	**42.0**
Earnings per share (sen)	0.8	0.7	1.1	2.5	**5.1**

FINANCIAL CALENDAR

ANNOUNCEMENT OF QUARTERLY RESULTS

FEBRUARY 24 2022 — Announcement on unaudited financial results for the 4th quarter ended 31 December 2021

MAY 26 2022 — Announcement on unaudited financial results for the 1st quarter ended 31 March 2022

AUGUST 25 2022 — Announcement on unaudited financial results for the 2nd quarter ended 30 June 2022

NOVEMBER 29 2022 — Announcement on unaudited financial results for the 3rd quarter ended 30 September 2022

FEBRUARY 28 2023 — Announcement on unaudited financial results for the 4th quarter ended 31 December 2022

DIVIDEND

FEBRUARY 24 2022 — Announcement on single tier interim dividend of 3.0 sen per ordinary share for the financial year ended 31 December 2021

MAY 19 2022 — Payment of single tier interim dividend of 3.0 sen per ordinary share for the financial year ended 31 December 2021

FEBRUARY 28 2023 — Announcement on single tier interim dividend of 4.0 sen per ordinary share for the financial year ended 31 December 2022

INTEGRATED ANNUAL REPORT AND ANNUAL GENERAL MEETING

APRIL 28 2022 — Notice of 59th Annual General Meeting

APRIL 29 2022 — Issuance of Annual Report for the financial year ended 31 December 2021

JUNE 16 2022 — 59th Annual General Meeting

INVESTOR RELATIONS

We aim to provide the investment community with timely and transparent information on our strategies, initiatives, performance and future outlook. Specifically, we engage with analysts, fund managers, institutional investors, retail investors and the media through various purpose-fit channels, enabling the building of trust while providing us with greater insight into the interests and expectations of each stakeholder.

INVESTOR RELATIONS COMMUNICATION AND ENGAGEMENT CHANNELS

Engagement Channel	Methods of Communication	Targeted Audience
Analyst and media briefings	• Semi-annual financial results briefings • Material development and updates • Quarterly analyst briefings	• Institutional investors • Analysts • Media
Investor meetings	• Small group meetings • One-on-one meetings	• Institutional investors • Analysts
Operational site visits	• Small group tours, e.g. to the Command and Contact Centre in Menara UEM	• Institutional investors • Analysts
Conferences	• Investor conferences • Non-deal roadshows • Industry conferences	• Institutional investors • Retail investors • Analysts
Digital, social media and financial bloggers	• Retail briefings • Corporate website: uemedgenta.com • Enquiry channel: ir@edgenta.com • Instagram: @uemedgenta • LinkedIn: @uem-edgenta-berhad	• Institutional investors • Retail investors • Analysts • Media
Media management	• Media briefings • Interviews • Media releases and statements	• Media • Public
Annual General Meeting and Annual Report	• Reporting of financial performance which includes: - Management discussion and analysis - Business strategies	• All shareholders • Media

ANALYST AND MEDIA BRIEFINGS

We host regular briefing sessions for analysts and the media where we disseminate information relating to our quarterly, half-yearly and full-year financial performance. All briefing materials, including financial statements to the stock exchange, an investor presentation and a press release, are made available via our corporate website.

Financial Results	Date of Announcement	Date of Briefing
UEM Edgenta FY22 Results	28 February 2023	1 March 2023
UEM Edgenta 3Q22 Results	29 November 2022	29 November 2022
UEM Edgenta 1H22 Results	25 August 2022	26 August 2022
UEM Edgenta 1Q22 Results	26 May 2022	27 May 2022
UEM Edgenta FY21 Results	24 February 2022	25 February 2022

INVESTOR RELATIONS

We also communicate with our shareholders via our corporate website, which provides a wider suite of information within the following segments:



The Company has put in place a Corporate Disclosure Policy that outlines our 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 policy also provides guidelines for achieving consistent disclosure practices across the Group.

OUR ANNUAL GENERAL MEETING

We held our 59th Annual General Meeting ("AGM") on 16 June 2022. Since 2020, UEM Edgenta has hosted its AGMs virtually, leveraging on technology to facilitate voting in absentia and remote shareholders' participation at the AGM.

The AGM was led by our Chairman and focused on our commendable results in the face of a challenging economic and operating environment, in addition to our progress in strategy execution and our future plans. Reflecting the centrality of sustainability to our business, our ESG goals and strategies were also communicated and discussed during the meeting.

Given time constraints, answers to shareholders' questions were provided wherever possible, with queries that could not be answered immediately duly noted and followed up subsequent to the meeting.

INVESTOR RELATIONS

Focus Areas

Focus areas discussed during the meeting are detailed below:

Focus Area

- Group's performance
- Future plans
- Strategy execution
- ESG goals and strategies

INVESTOR RELATIONS EVENTS

We engaged with the investment community through the following meetings, conferences and briefings held from January 2022 to March 2023.

Events	Venue	Date
One-on-one with RHB research analyst	Menara UEM	17 January 2022
Bursa Malaysia Investment Series Webinar	Virtual	17 January 2022
RHB Retail Webinar	Virtual	26 January 2022
Small group engagement with UOB and its clients	Virtual	28 January 2022
Small group site visit to UEM Edgenta's Command and Contact Centre (analysts and fund managers)	Menara UEM	8 February 2022
Small group engagement with CIMB Principal	Menara UEM	21 February 2022
Small group engagement with Eastspring	Menara UEM	22 February 2022
Facebook Live with financial blogger (12Invest)	Virtual	17 March 2022
Small group engagement with Maybank and its institutional clients	Virtual	18 March 2022
Interview with Asia Analytica	Menara UEM	25 March 2022
CGS-CIMB Small Mid Cap Virtual Access Day	Virtual	12 April 2022
Interview with Bursa View	Menara UEM	15 April 2022
Small group site visit to UEM Edgenta's Command and Contact Centre (analysts and fund managers)	Menara UEM	28 April 2022
Engagement with Nomura	Menara UEM	1 June 2022
Engagement with Great Eastern	Menara UEM	8 June 2022
UBS OneAsean Conference	Virtual	10 June 2022
59th Annual General Meeting	Virtual	16 June 2022
Small group engagement with Public Invest and its institutional clients	Virtual	23 June 2022
Engagement with Allianz	Menara UEM	28 June 2022
Maybank: IA2022 Country Corporate Access Exclusives (Malaysia)	Virtual	5 July 2022
Engagement with Firth Investment	Virtual	30 August 2022
Engagement with Macquarie Capital Securities	Kuala Lumpur	7 September 2022
Rakuten Webinar (live on Facebook and Youtube)	Virtual	17 October 2022
Engagement with Takaful and HLIB	Menara UEM	15 November 2022
Engagement with Etiqa	Menara UEM	6 December 2022
Small group engagement with Great Eastern, Public Mutual and AmanahRaya Investment	Kuala Lumpur	18 January 2023
Engagement with AHAM Asset Management	Kuala Lumpur	2 March 2023

INVESTOR RELATIONS

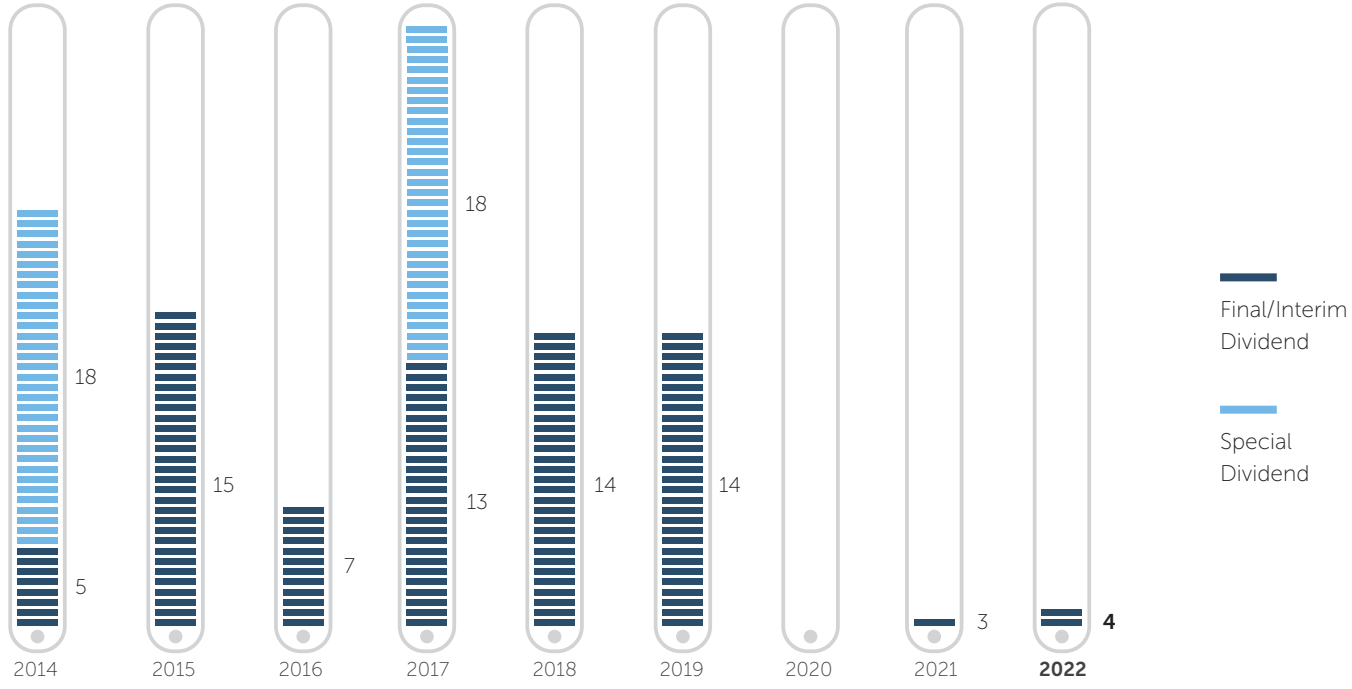
MARKET PERFORMANCE AND EXPECTATION

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.

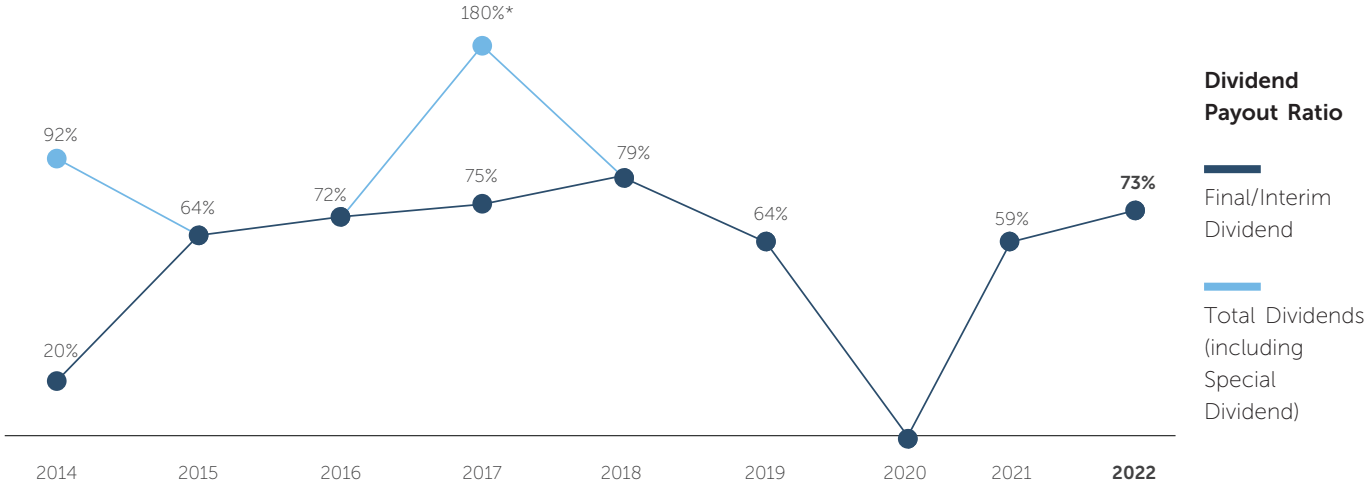
Dividend Declared

For FY2022, we declared a total dividend of 4 sen per share.



Return to Shareholders

Dividend payout for FY2022 amounted to RM33.3 million, bringing the total returns provided to shareholders to more than RM908 million over the past nine years.



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

INVESTOR RELATIONS

Research Coverage

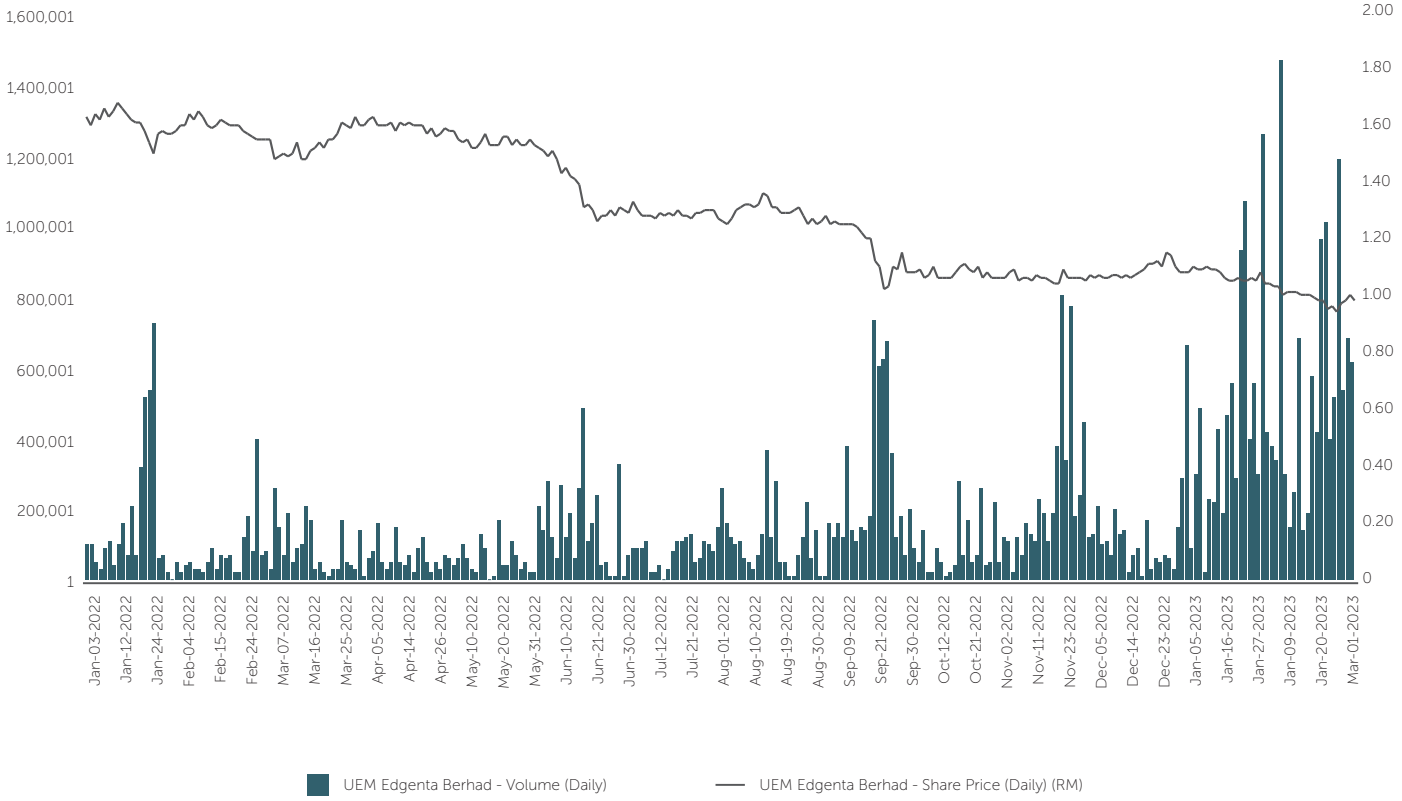
In FY2022, the Group was covered by three research houses:

Research House	Call	Target Price
Hong Leong Investment Bank	BUY	RM1.32
RHB Research	BUY	RM1.20
UOB Kay Hian	BUY	RM1.60

Note: As at 2 March 2023 (post Full-Year FY2022 results announcement)

SHARE PRICE MOVEMENT AND VOLUME TRADED

Period: 3 January 2022 to 1 March 2023



BUSINESS REVIEW



HEALTHCARE SUPPORT

With its growing repertoire of technology-based solutions, our Healthcare Support division is the region's foremost hospital support services provider for 250 healthcare institutions across Malaysia, Singapore and Taiwan.

KEY FOCUS AREAS

Smart Facilities Management Services	Facility Engineering Maintenance Services ("FEMS")	Biomedical Engineering Maintenance Services ("BEMS")
Healthcare Waste Management Services ("HWMS")	Environmental Services	Cleansing Services ("CLS")
Linen and Laundry Services ("LLS")	Portering Services	Health Attendant Services
Kitchen Stewarding Services	Disinfection Services	Managing Agent Services
Hospitality Services	Project Management Services	Digital & Cloud-Enabled Solutions
Facilities Management Services ("FMS")	Visitor Management Services	Sustainability Programmes ("SP")

HEALTHCARE SUPPORT

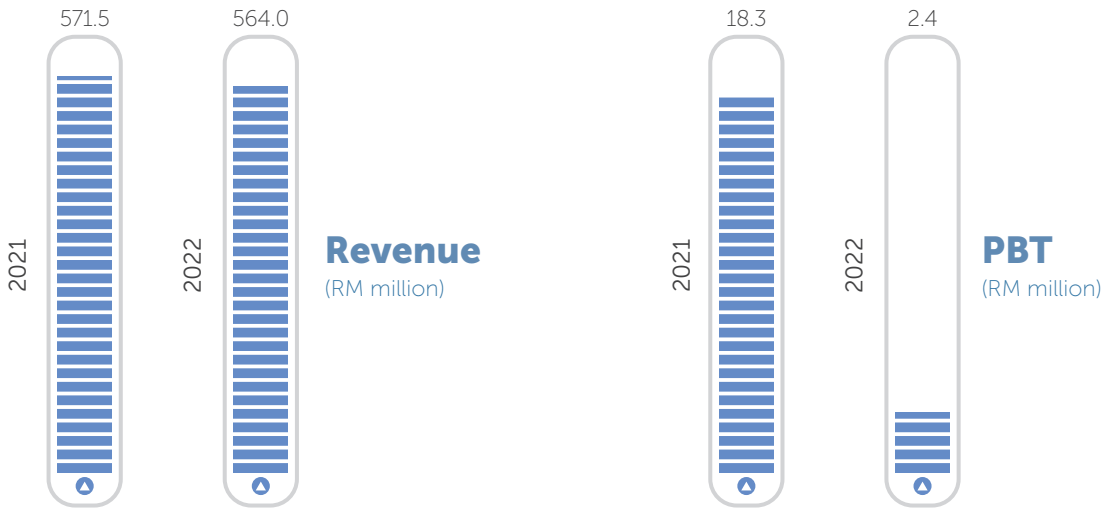
KEY INITIATIVES	RESULTS
Acquire new customers and secure renewal of existing contracts	• Successfully secured and completed the Replacement Through Maintenance ("RTM") programme for the installation of 32 units of BEMS asset, including Direct Digital Radiography, Ultrasonic Scanning System, Mobile Radiographic (X-ray) and Mammography • Mobilised services across a range of healthcare institutions in Malaysia, including: ▶ Integrated Facility Management ("IFM") services at ALTY Orthopaedic Hospital Kuala Lumpur ▶ Housekeeping services at KPJ Perdana Medical Centre, Anson Bay Medical Centre, Sri Kota Medical Centre, IHT Rehabilitation Centre Nusajaya and IMU Hospital ▶ Hospital aide and portering services at Pantai Hospital Kuala Lumpur and Loh Guan Lye Specialist Centre ▶ HWMS at Sunway Medical Centre Penang • Mobilised 11 new IFM, managing agent and housekeeping projects in Singapore • Successfully renewed seven major healthcare contracts in Singapore
Drive operational excellence and service delivery improvements	• Expanded BEMS IOT (Asset Utilisation and Monitoring System - AUMS) in Hospital Sultanah Maliha to 40 asset types in terms of sensor application and dashboard development • Enhanced productivity by implementing automation and robotics solutions, including: ▶ Automated escalator handrail sanitisers ▶ Robotic floor scrubbers (LionsBot LeoScrub, Avidbots Neo and Ecobot Scrubber) ▶ Whiz robotic vacuum sweepers • Established our Digital Command Centre in Singapore to centralise and integrate digital information captured through various *UE*Track™ programmes
Carry out exploration and expansion activities	• Embarked on the strategic expansion of new initiatives in healthcare facilities management, technology, training and consultancy • Initiated collaborations with healthcare digital solution providers to expand our SaaS offerings • Launched our hospitality business in Singapore with the provision of room attendant and laundry attendant services at Swissotel The Stamford and Fairmont Singapore • Commercialised our *UE*Track™ - Smart Toilet System, with 53 toilet panels installed at nine polyclinics across Singapore



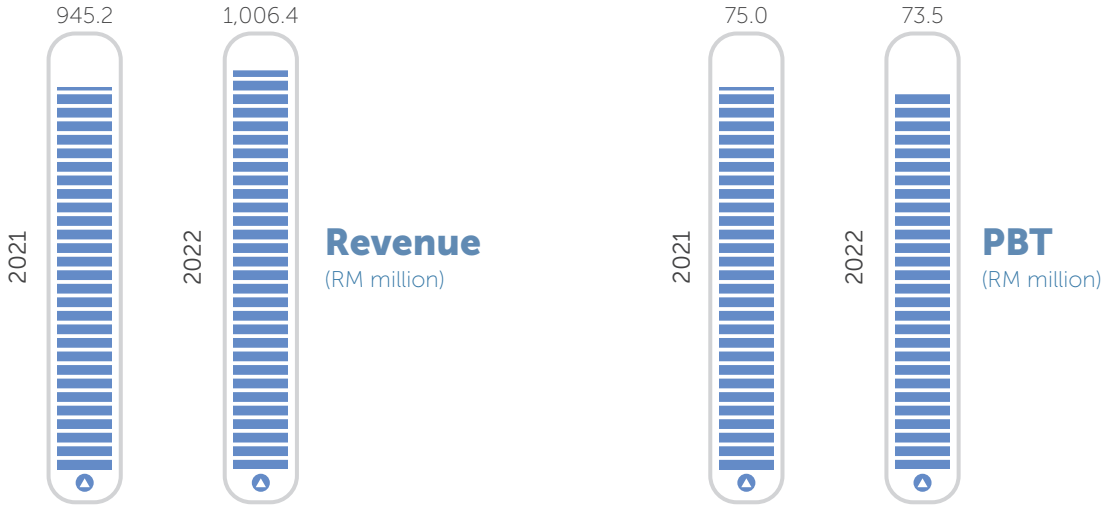
HEALTHCARE SUPPORT

FINANCIAL PERFORMANCE

Concession



Commercial



HEALTHCARE SUPPORT

KEY CHALLENGES	MITIGATING ACTIONS
Increased operating costs due to manpower regulations and inflation	▶ Implemented strict cost optimisation measures to minimise margin erosion ▶ Implemented productivity enhancements and reviewed job scopes to optimise manpower utilisation ▶ Negotiated with clients to adjust contract sums and reimburse or share any cost increases ▶ Restrategised current client and contract portfolios using financial performance as the decision driver
Manpower sourcing and cost challenges	▶ Collaborated with a wider network of partners to access a larger pool of manpower resources while diversifying our sources of manpower ▶ Continued to optimise manpower through productivity enhancements and job scope redesigns ▶ Secured contracts which enabled us to hire more local talents while continuing to prioritise local recruitment

KEY ACHIEVEMENTS

- In Malaysia:
  - Achieved Green Building Certification including LEED Platinum for Hospital Slim River – the highest score for LEED certification for Hospital Operations and Maintenance 2022
  - Attained 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)
- In Singapore:
  - Attained re-certification of the bizSAFE Star by the Workplace Safety and Health ("WSH") Council
  - Attained re-certifications of ISO 9001 (Quality Management System), ISO 14001 (Environmental System), ISO 22301 (Business Continuity Management System), ISO 27001 (Information Security Management System) and ISO 45001 (Occupational Health and Safety System)

OUTLOOK

- Continue initiatives emphasising on technology applications and sustainability programmes to fulfill the ongoing demand for high-quality healthcare services
- Capturing opportunities in healthcare technology solutions and expansion into new markets will be the key to meeting the evolving needs of the healthcare sector
- As we are faced with the heightened escalation in operating costs due to the inflationary pressures of the post-pandemic environment, we will continue to focus on cost optimisation across our business and pursue diversification into higher margin services

BUSINESS REVIEW



PROPERTY & FACILITY SOLUTIONS

Utilising cutting-edge technology, our Property & Facility Solutions division provides building owners with a holistic view of their assets, processes and people, empowering actions that enhance liveability, drive sustainability and deliver cost savings.

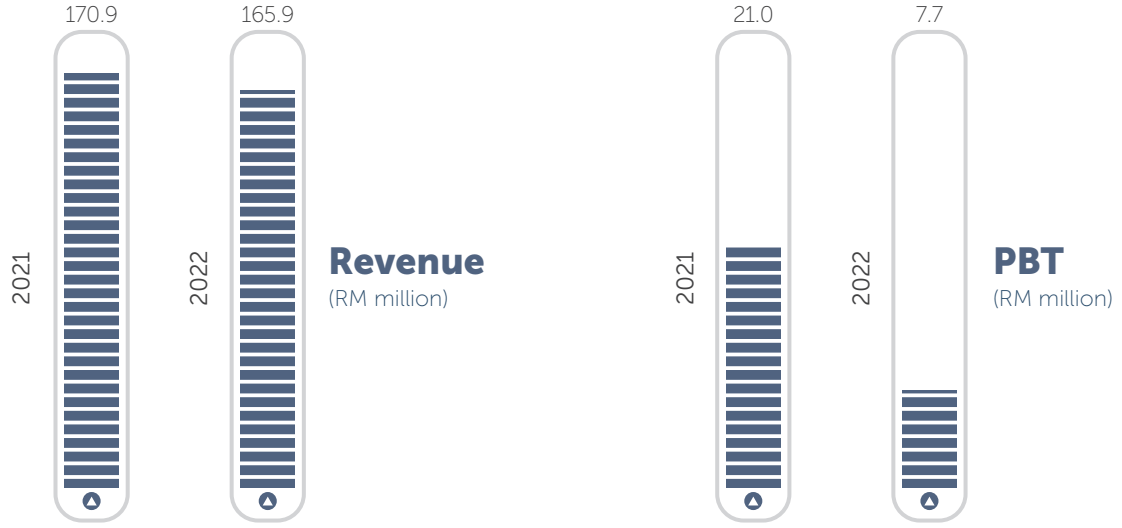
KEY FOCUS AREAS

- Energy Efficiency Contracting
- Performance-based Contracting
- Cloud-based Maintenance
- Systems Integration for Smart Building Conversion
- Performance-based Maintenance Services

KEY INITIATIVES	RESULTS
Acquire new customers	• Secured contracts with leading companies in Malaysia, including: ▶ Hard services maintenance for Maybank and Tenaga Nasional Berhad ("TNB") ▶ Building Condition Assessment ("BCA") for the Employees Provident Fund ("EPF") Board • Provided services to a range of customers, including: ▶ Non-comprehensive facilities management for Imperia Office Tower in Iskandar Puteri, Johor and four assets of Bank Negara Malaysia – Recovery Centre Shah Alam, JB, Sasana Kijang and Tunas Kijang ▶ Air-conditioning maintenance work for all Maybank branches in Pahang ▶ Building condition auditing for selected assets within EPF's domestic real estate portfolio and TNB's hard services in Pahang
Grow our sustainability portfolio	• Secured a contract for energy efficiency performance with Avisena Hospital, Shah Alam • Secured our first solar energy project through a contract with Hotel Permai, Kuala Terengganu

PROPERTY & FACILITY SOLUTIONS

FINANCIAL PERFORMANCE



KEY CHALLENGES

Increased manpower costs due to the new minimum wage and laws relating to working hours and overtime claim allowances

Manpower shortages (specifically amongst skilled technicians and unskilled workers)

MITIGATING ACTIONS

- Furthered our implementation of automation and mechanisation, especially in the housekeeping and cleaning service delivery sectors
- Explored the use of security management software and smart building technologies to drive process efficiency

- Collaborated with local higher institutions to develop local talents that meet our hiring needs
- Explored the viability of deploying robotic cleaning at suitable client sites

KEY ACHIEVEMENTS

- Added RM118 million to our order book
- Key achievements in sustainability:
  - Secured EPC valued at RM110 million with a five to eight year tenure
  - Reduced electrical energy consumption from 10% to 52%
  - Saved a total of 38 million kWh in electricity, amounting to RM16 million in cost savings
  - Achieved an 11% reduction in water consumption
  - Achieved 7,441 tCO_2 in carbon emissions reductions from EPC projects
  - Assisted 19 buildings in achieving GBI-rated and LEED certifications

OUTLOOK

- The return to pre-pandemic routines, with all economic sectors allowed to resume operations, will lead to an improved environment for business and investment in 2023
- Increases in FDI inflows, especially within the manufacturing sector, and the continued growth of e-commerce means that demand for industrial space will continue to rise
- The biggest threat to our business will come from cost escalation in goods and services, continued staff shortages and caution in spending caused by the anticipated global economic slowdown
- On a positive note, the formation of a unity government in Malaysia augurs well for political stability and should further encourage investment and business growth
- Nevertheless, our pace of growth will be affected by whether a global recession occurs, as well as its severity and duration

BUSINESS REVIEW



INFRASTRUCTURE SERVICES

As Malaysia's foremost name in infrastructure maintenance, our Infrastructure Services division manages approximately 4,000 km of highways and state roads across the country and in Indonesia. Bolstered by our longstanding expertise and our commitment to excellence, we have expanded our portfolio to include railways, airports, ports, oil and gas, plantation roads and other commercial and industrial sectors.

KEY FOCUS AREAS

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

KEY INITIATIVES	RESULTS
Expand our business footprint	▶ Secured the contract for the Coastal and Second Trunk Road project in Sarawak, making further progress on our Pan-Malaysia expansion strategy ▶ Expanded our presence in Indonesia with new contract wins, including the Serpong-Balaraja Toll Road and Bawen-Jogja Toll Road
Deepen our solutions base	▶ Secured road work projects for the Public Works Department ("JKR") Kelantan, the Royal Malaysian Air Force and the Pasir Gudang Highway.
Drive improved sustainability performance	▶ Launched initiatives including the Infra Maintenance Squad ("IMS"), an in-house routine team responsible for troubleshooting, to improve quality of service delivery ▶ Launched Infra Support Services ("ISS") to patrol and attend to emergencies in order to improve operating costs ▶ Introduced gamification, which makes work fun by introducing incentives, thereby increasing motivation and enhancing our services ▶ Enhanced sustainability and cost efficiency with the development of a premix plant to produce Recycled Asphalt Premix ("RAP"), with the plant expected to be operational from Q4 2023 ▶ Undertook an ESG initiative with PLUS
Enhance our product and technology proposition	▶ Introduced Tech Brigade, a team of young high-potentials who will drive innovation towards SMART Highway and infrastructure sustainability ▶ Implemented mechanised grass cutting with the use of rabbit mowers, resulting in a 20% increase in productivity ▶ Initiated digitalisation for pavement works monitoring with PLUS ▶ Implemented RAMS and PLUS TEMAN interfacing, resulting in reduced paperwork, shorter turnaround times and the elimination of ambiguity

INFRASTRUCTURE SERVICES

FINANCIAL PERFORMANCE



KEY CHALLENGES	MITIGATING ACTIONS
Maintaining competitiveness for continued market relevance	▶ Innovated our current concessions by: • Implementing quality and standards measures, e.g., setting up an infrastructure maintenance squad • Developing an ecosystem of infrastructure support services • Leveraging digitalisation and mechanisation for enhanced service delivery
Growing our addressable market to capture future value	▶ Focused our efforts towards generating growth in the non-toll road and road construction sectors ▶ Strengthened our presence in the Pan Borneo region and Indonesia as a whole ▶ Grew our subcontractor and supply chain network, especially in new markets and product portfolios ▶ Developed new ESG solutions while implementing our Tech Brigade Programme
Managing heavy traffic on highways	▶ Implemented a Traffic Safety Campaign that targets the general public across two phases, with the first phase featuring a TikTok influencer and the second phase comprising roadshows and competitions across 26 RSAs ▶ Adhered strictly to SOPs regarding policy compliance and monitoring ▶ Revolutionised traffic management plans and emergency works through the use of Truck Mounted Attenuators ("TMA")

KEY ACHIEVEMENTS

- Added more than RM250 million to our order book
- Expanded our list of external clientele
- Launched new operational initiatives with PLUS for continuous quality and service improvement
- Won the Institution of Engineers Malaysia ("IEM") Award 2022 (Asset Management - Industries Category) for our contributions to the local engineering industry

OUTLOOK

- We will look to preserve our market share with PLUS by uplifting our current services and driving new project origination
- We will also seek to enhance our local supply chain towards delivering greater value within the local business ecosystem
- We shall endeavour to diversify our portfolio through the introduction of new products, such as RAP and other offerings from our PRC, to support our growth strategy and sustainability agenda
- We will further develop our Tech Brigade Programme with the aim of driving innovation within the division

BUSINESS REVIEW

ASSET CONSULTANCY



Represented by Opus Consultants, our Asset Consultancy division boasts more than 30 years of experience in delivering mega infrastructure projects, during which time they have amassed a portfolio that includes transportation, buildings and integrated developments.

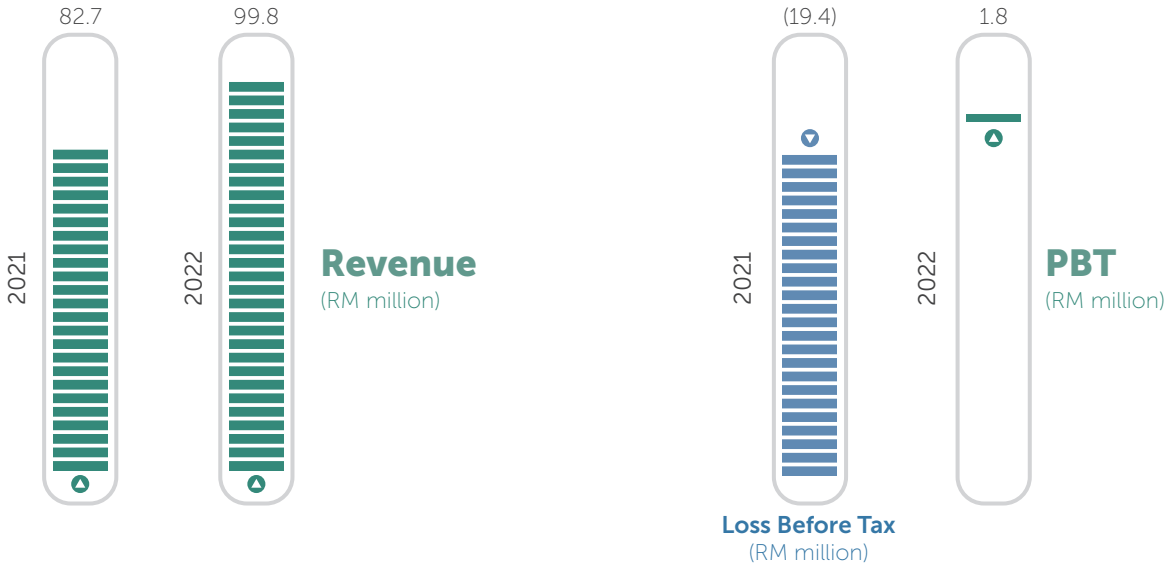
KEY FOCUS AREAS

- Project Management
- Engineering and Technical
- Asset Management

KEY INITIATIVES	RESULTS
Drive infrastructure development across Malaysia	▶ Executed a shareholding agreement for a joint venture with PPES Consults Sdn. Bhd., a wholly-owned subsidiary of Sarawak Economic Development Corporation ("SEDC") ▶ Initiated the setting up of a regional office in Kuching, Sarawak, as a permanent investment to intensify our business development activities, drive local capacity-building and enhance technology transfer in the region
Pursue opportunities in new services	▶ Received an Extension of Time ("EOT") for the provision of Independent Safety Audit services for the Sungai Besi - Ulu Kelang Expressway ("SUKE") project ▶ Built a pipeline of opportunities in sustainability-related projects that leverage our core competencies in engineering and project management
Consistently achieve high standards in engineering practice levels	▶ Adopted advanced and leading solutions in network planning management, resulting in optimised long-term budgeting due to refined deterioration analysis and a greater focus on highway maintenance ▶ Managed the inspection and implementation of the first maintenance of the Penang cable-stayed bridge, which occurs once every four years to optimise asset lifecycle and ensure user safety
Achieving positive outcomes from our initial exploration of cold recycled mix as an alternative sustainable pavement technology	▶ Collaborated with the Taiping Municipal Council and achieved comparably good results in using sustainable pavement technology at Jalan Taming Sari, Taiping, when compared to conventional methods ▶ Conducted and completed the overall field trial lay monitoring using cold recycled mix along the North-South Expressway ("NSE"), with the initial findings indicating encouraging results ▶ Transferred the operations of our Pavement Research Centre ("PRC") to the Infrastructure Services division to centralise, optimise and expand the adoption of resource-efficient technologies

ASSET CONSULTANCY

FINANCIAL PERFORMANCE



KEY CHALLENGES

- Uncertainty of some projects (which are reliant on government spending and the nation's continued pandemic recovery)
- Highly competitive tendering in limited projects available for bidding

MITIGATING ACTIONS

- Continued to pursue diversification into new services and projects related to sustainability
- Made further inroads on our Pan Malaysia expansion strategy by setting up a regional office in Kuching, Sarawak
- Continued to build competencies in areas of core focus while enhancing readiness for potential growth opportunities
- Consistently delivered excellence in project execution while providing other value-added services for client satisfaction

KEY ACHIEVEMENTS

- Executed a shareholding agreement for a joint venture with PPES Consults Sdn. Bhd., a wholly-owned subsidiary of Sarawak Economic Development Corporation ("SEDC"), through Opus Consultants (Sarawak) Sdn. Bhd.
- Achieved more than 50% of local hiring for ongoing projects in Sarawak and Sabah
- Secured an Extension of Time ("EOT") for the provision of Independent Safety Audit services to the Sungai Besi - Ulu Kelang Expressway ("SUKE") project
- Secured industry awards from three prominent industry bodies:
  - IEM Award 2022 for Contribution to Asset Management (Industries category)
  - Occupational Safety and Health Award (Gold Class 1) from the Malaysian Society for Industrial Safety ("MSOSH")
  - Malaysia Industry Excellence Gold Award from the Institution of Engineering and Technology ("IET")

OUTLOOK

- Despite the impact of COVID-19, the infrastructure sector is expected to enter a stage of recovery and we anticipate that funding will be allocated towards the continuation of existing projects such as the Pan Borneo Highway, thereby benefitting our business
- We will also continue to explore opportunities in new services and sustainability-related projects while ensuring the successful delivery of ongoing projects

SUSTAINABILITY STATEMENT





- Sustainability at UEM Edgenta 102
  - Sustainability Highlights and Achievements 104
  - Message from the Managing Director/ Chief Executive Officer 106
  - About This Report 110
  - Sustainability Governance 110
  - Our Sustainability Roadmap 113
  - Stakeholder Engagement 116
  - Materiality Assessment 116
  - Business Ethics 117
- Sustainable Economic Growth 118
- Minimising Environment Impact 130
- Social Value Creation 148

SUSTAINABILITY AT UEM EDGENTA

At UEM Edgenta Berhad, we define sustainability as managing and operating a responsible business while securing profits and driving long-term value creation. In this regard, we strive to meet the needs of the present without compromising the ability of future generations to meet their own needs.



We acknowledge our responsibility to ensure that our services, practices and offerings are delivered in a way that recognises the interconnectedness of environmental, social and economic issues, striving to address these considerations in a balanced and sustainable way. Ultimately, we trust that sustainability is significantly key to our current balanced success and future viable growth.

Backed by such a commitment, we envision becoming an industry leader with sustainability as our hallmark of excellence and corporate citizenry, building positive and impactful relationships with our stakeholders for the long-term. This is aligned with our Edgenta Way - delivering quality services to our customers across our Healthcare Support, Property & Facility Solutions, and Infrastructure Services, along with Asset Consultancy. We aim to do so while maintaining industry standards, advanced technology-based, efficiency and robust safety considerations.

In enhancing our approach towards sustainability, we have established a two-year Sustainability Roadmap (FY2022 – FY2024) that will provide the overarching steer to our sustainability journey. The roadmap outlines our strategy and initiatives surrounding our material matters and provides a framework for governance, performance management as well as reporting and communication in line with leading industry standards. Similarly, the roadmap will adequately complement our existing Sustainability Policy, which has guided the integration of sustainability into our operations. In view of the introduction of the roadmap, we will also be reviewing and updating the Sustainability Policy in FY2023.

To ensure that we further align and commit ourselves to the Sustainability Roadmap that we have developed in June 2022, we have embedded ESG KPIs as part of our corporate scorecard. The ESG KPIs are cascaded down to all Business Units and Corporate Support Departments in our effort to further integrate sustainability culture within the organisation and work together towards our sustainability goals. In the reporting year, we have achieved more than 80% of the initiatives that are listed in our 2022 roadmap.

Our sustainability aspirations are underpinned by our economic, environmental and social commitments, with the objective of driving the initiatives and actions taken across our key sustainability material matters, which are:



SUSTAINABILITY AT UEM EDGENTA



Further to the key pillars established, we have also committed to the following UN SDGs, which we believe may assist us at setting our strategic approach towards fulfilling our sustainability ambitions.



Ensure healthy lives and promote wellbeing for all at all ages
We value the occupational health and safety standards of our people.

Achieve gender equality and empower all women and girls
Diversity and inclusivity form an integral part of our corporate culture.

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
We prioritise creating positive impact in the lives of our employees, local communities and especially our suppliers through our Vendor Development Programme ("VDP").

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
We are involved in developing and maintaining quality, reliable, sustainable and resilient infrastructure.

Take urgent action to combat climate change and its impacts
We are building a resilient business portfolio comprising services that can help mitigate climate risks.

SUSTAINABILITY AT UEM EDGENTA

SUSTAINABILITY HIGHLIGHTS AND ACHIEVEMENTS

As we continue to align our efforts towards our sustainability ambitions, the following highlights put into perspective the impact and value that we are achieving through our business and our relationships with our stakeholders. Towards this goal, our achievements also represents our strong commitment for our employees and peers to embrace and support our continued success.

General

- During the year under review, we achieved a marked improvement in our FTSE4Good rating – from 2.5 to 3.1 – driven largely by enhancements to our disclosures and in our social practices
- Looking forward, we are confident that we can continue to boost our FTSE4Good rating by undertaking initiatives within the material matters prioritised within our Sustainability Roadmap, namely Supply Chain Management, Climate Change and Energy, Environment Management and Human Rights Assessment
- This will help pave the way for us to become an industry leader in sustainability, furthering our reputation as a provider of quality services amongst existing and potential clients

Sustainable Economic Growth

- Achieved a commendable 99.4% procurement ratio from companies based in Peninsular and East Malaysia
- Collaborated with HSBC Amanah Malaysia Berhad ("HSBC Amanah") to develop a Syariah-compliant Supplier Financing Programme, with over 380 SMEs and Micro Small-to-Medium Enterprises ("MSME") vendors offered to join the programme since the first phase of its implementation

Minimising Environmental Impact

- Achieved approximately 38,178,319 kWh in energy savings in 2022, through our Energy Performance Contracting ("EPC") services, which translates to approximately RM16.2 million of total electricity cost savings for our clients
- Continued to manage high quality sustainable assets comprising nineteen (19) GBI and LEED certified buildings at various levels from 2021
- Developed a greenhouse gas ("GHG") emission inventory for Scope 1 and 2
- Conserved a total of 6,000 m^3 of natural water through the Natural Water Harvester exercise, a collaborative water conservation effort between the Group and PLUS Malaysia Berhad ("PLUS") that leverages facilities in Rest and Service Areas ("RSAs") along the North-South Expressway
- Collected a total of 6,603 containers through our in-house KLEAN Machine, leading to an indirect reduction of our carbon footprint by 341 kg CO_2eq
- Developed a central data repository for ESG data

On Social Value Creation

- Recorded a total of 393,899 hours of employee development training, with 99.1% of our employees fulfilling their training requirements, comparing well to our target of achieving between 85% to 89% completion
- Introduced various ESG capacity buildings programmes to our Board of Directors ("Board"), Senior Management and Executives
- Completed 15 livelihood projects and stakeholder engagement activities, spending RM0.2 million to impact 12,500 communities nationwide
- Disbursed RM1.2 million of Zakat funds to Asnaf recipients, benefitting 10,822 individuals

SUSTAINABILITY AT UEM EDGENTA



SUSTAINABILITY AT UEM EDGENTA

MESSAGE FROM THE MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER



OUR SUSTAINABILITY JOURNEY OVER THE PAST YEARS HAS BEEN NOTE-WORTHY DESPITE THE CHALLENGES AND UNCERTAINTIES WE FACED. WHILE WE AIM TOWARDS ACHIEVING OUR GOALS, WE ARE CONSTANTLY GUIDED BY OUR COMMITMENT ON SUSTAINABILITY, WHICH IS TO ACHIEVE EQUITABLE BUSINESS GROWTH WHILE DELIVERING IMPACTFUL SOCIAL AND ENVIRONMENTAL STEWARDSHIP.

In defining sustainability, we believe that it is key for us to protect the value of the business and ensure that our stakeholders continue to reap the benefits and value that the Group generates. At the same time, we must make conscious efforts towards addressing key ESG issues that matter to the organisation and our stakeholders. While striking a balance in this respect is challenging, we are committed to taking the necessary strides, thereby leading this transition as an entity that truly embraces the value of sustainability. With that, our commitment has been truly exemplified through our efforts, initiatives and achievements during the year under review, as defined within this report.

SUSTAINABILITY AT UEM EDGENTA

MESSAGE FROM THE MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER

In FY2022, we took a big step forward with the development of our first Sustainability Roadmap. The roadmap is a result of our approach to further solidify our sustainability commitments with a comprehensive structure and fundamental targets. Being in sync with our Edgenta of The Future 2025 ("EoTF2025") vision, it enables us to determine our focus areas, benchmark our achievements to date and, most importantly, define our future outlook on addressing issues that are key to us. Similarly, as a vital component of our sustainability framework, the pillars defined in the roadmap guide our general approach to our initiatives and actions, performance measurement, reporting and communication as well as governance and culture.

In forging the true value of our roadmap, the Board continues to provide us with the necessary guidance, leadership and insights required to embrace sustainability in our practices and business. With this, we are able to maintain effective processes and procedures that are central to our sustainability policy, in line with what would be expected of a global entity with deep sustainability aspirations.

99.1%

OF OUR EMPLOYEES FULFILLED THEIR TRAINING REQUIREMENTS DURING FY2022

DELIVERING SUSTAINABLE ECONOMIC GROWTH

Recognising the nature of the present-day global economy, we continue to prioritise market expansion, operational optimisation and technological innovation. Through our continued expansion, we are better equipped to integrate our operations with the markets that we serve, thereby not only creating value for the Group but also delivering positive economic impact for our stakeholders. Likewise, our wide-ranging cost and operational efficiency measures have empowered us to stay ahead of our targeted milestones on overall savings, with this effort bolstered by our introduction and commercialisation of technology-based solutions and platforms.

To this end, we launched Asseto, our new performance-based Computerised Maintenance Management System ("CMMS") platform, during the year under review, paving the way for the implementation of expanded and improved smart building solutions. Since October 2022, Asseto has been rolled out to all buildings managed under our Property & Facility Solutions division, with more than 30,000 assets already connected to the platform. Asseto has also been implemented to enhance maintenance work orders and business processes for the Petronas Twin Towers and Menara 3 buildings.

While it is clear that our successful growth is dependent on the overall economic landscape, it is also imperative to us to embrace the benefits of establishing a responsible supply chain that is local to our operations. Further to establishing key policies that govern our suppliers, we will be enhancing our Procurement Vendor Management Policy to include ESG factors as part of the criteria for vendor performance evaluation. This will allow us to support our vendors in adopting sustainability considerations within their operations.

In addition, we remain committed to supporting the Bumiputera Vendor Development Programme ("BVDP"), which is derived from the government's Bumiputera Empowerment Agenda. During the year under review, we awarded 47% of all contracts to Bumiputera vendors, exceeding our target of 35%. In line with this initiative, we have also collaborated with HSBC Amanah to develop a Syariah-compliant Supplier Financing Programme ("SFP") that aims to provide fund assistance to SMEs without collateral requirements.

MINIMISING OUR ENVIRONMENTAL IMPACT

Cognisant of the physical and transitional risks of climate change, we are working proactively to seek out opportunities that may reduce our climate footprint and reduce any negative impacts to the environment. Through key leaders and competent teams within our organisation, we actively monitor changes in regulatory requirements, advancements in eco-technology as well as general developments in our natural ecosystem. Further to this, our dedicated Board Governance and Risk Committee ("BGRC") oversees sustainability risks for the Group as a whole, with their remit including overseeing and guiding actions to mitigate climate change and its impacts. Our approach in this regard is bolstered by the adoption of practices in line with the ISO 14001:2018 Environmental Management System and ISO9001:2018 Quality Management System certifications.

One of the main highlights of our approach to climate change is our deployment of energy efficiency technologies and solutions. This is exemplified through our EPC services, whereby we provide our clients with data-driven solutions that enable them to reduce their energy consumption and drive greater energy efficiency. Our EPC services generated 38,178,319 kWh in energy savings in 2022, which equates to approximately RM16,246,116 of total electricity cost savings for our clients.

SUSTAINABILITY AT UEM EDGENTA

MESSAGE FROM THE MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER

AS THE NEXT STEP IN OUR ENVIRONMENTAL JOURNEY, WE WILL BE DEVELOPING A CARBON NEUTRALITY OR NET ZERO STRATEGY WHICH WE AIM TO LAUNCH IN FY2023.



Taking the next steps in our environmental journey, we have begun the process of developing a carbon neutrality or net zero strategy which we aim to launch in FY2023, We have also enhanced our data collection processes and expanded our data points, while ensuring our data owners and preparers are well equipped with knowledge on carbon accounting by organising and collaborating numerous trainings and knowledge sharing sessions with subject matter experts. We have also set up a working team to define boundaries, research suitable emission factors and set up an enhanced data template. On a related note, the results of our FY2022 emissions inventory indicated total Scope 1, 2 and 3 emissions of 17,447.41 tCO_2.

Meanwhile, echoing our approach to energy efficiency, we have also expanded our waste management efforts, with focus placed on assessing and adapting circular economy practices. In line with this, our KLEAN reverse vending machine collected a total of 6,603 containers during a period of just four months, leading to an indirect reduction of our carbon footprint of 341 kg CO_2eq. In further supporting the circular economy, we have built on the success of our recycled asphalt programme with the Taiping Municipal Council by beginning construction of a Recycled Asphalt Premix Plant. We expect the plant to be operational by Q4 2023 and to drive up to 800 tonnes in CO_2 emissions reductions annually.



CREATING SOCIAL VALUE

Social stewardship is a core element of the sustainability of our business. With our Edgenta Stars being the foundation of our success, we have always been committed to creating an environment that is safe, secure and that supports equality, diversity and non-discrimination. This has led to the implementation of our health and safety framework, which focuses on providing crucial platforms for safety in addition to aid-related policies and procedures.

Having seen the impact of the pandemic, we have been made aware of the importance of our employees' emotional wellbeing. This led us to actively identify employees in need through our Depression Anxiety Stress Scale ("DASS") surveys and provide them with access to psychologist and psychiatrist consultations. Likewise, for this year, we further enhanced the psychological support we offer with the appointment of an in-house psychologist.

SUSTAINABILITY AT UEM EDGENTA

MESSAGE FROM THE MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER



Looking beyond employee support, our commitment to empowering career and professional development remains undimmed. To this end, we recorded a total of 393,899 hours of employee development training in FY2022, with 99.1% of our employees fulfilling their training requirements. We also hold deep to our belief that our employees come first. To this end, we have continued to invest in employee engagement activities, welfare assistance, equal opportunity benefits and other measures to ensure that our employees feel appreciated and cared for.

Sustainability remains at the forefront of our engagement with employees. To ingrain sustainability values in our employees we launched ESG awareness campaigns across the organisation, commencing with our ESG Awareness Month in 2022.

Besides, various ESG awareness programs were carried out, such as the official launch of the roadmap, panel discussions on sustainability topics by industry experts, vibrant webinars on current ESG topics, carbon emission training for data owners and emission training for data owners.

To cascade the values of the roadmap down to our businesses and our international offices, we also successfully ran ESG awareness sessions in various locations across our operations.

As a diversified organisation, we deeply understand and embrace our responsibility to uplift the communities we engage and interact with. In view of driving impactful contributions to society, we recently updated our Corporate Responsibility policy and framework. With our focus remaining true to our three pillars of Education, Community Enrichment and Well-being, and Environment, we have channelled our growing efforts to 15 livelihood projects and stakeholder activities with a combined spend of RM0.2 million, impacting 12,500 communities across Malaysia during the past year. The lessons learned and experiences gathered via these initiatives have provided us with greater hope that we will be able to engage with more communities and contribute to further needs in the future.

ACCELERATING OUR COMMITMENT TO FUTURE GENERATIONS

Sustainability has become a fundamental aspect of our operations and a key consideration of our customers. As we move forward, each and every one of us has an important role to play in advancing our sustainability objectives and creating a culture that values sustainability. To this end, I am proud to say that we are making strong progress against our goals, and that our momentum for continued positive change remains strong.

Having said this, our continued success will not be possible if not for the unwavering support, trust and contribution of all of our stakeholders. As we look forward at accelerating our sustainability journey, we trust that you will be part of the legacy we want to leave behind for our future generations.

SYAHRUNIZAM SAMSUDIN
Managing Director/Chief Executive Officer

SUSTAINABILITY AT UEM EDGENTA

ABOUT THIS REPORT

This sustainability report represents the strong commitment of UEM Edgenta to disclose its plans, progress and performance consistently throughout its sustainability journey. To this end, the publishing of this sixth (6th) year report is aimed towards providing an in-depth account of the Group's collective focus and efforts at creating and sustaining its ESG values and achievements.

Reporting Scope and Boundary

The content of this report, covering the period 1 January 2022 to 31 December 2022 ("FY2022"), is scoped to the Group's operations in Malaysia and other jurisdictions, namely Singapore, Indonesia, Taiwan and the UAE and the KSA. Further consideration will be placed on expanding our reporting to include performance data from more locations wihtin these jurisidictions in the future.

Reporting Framework

This report has been prepared with reference to the Global Reporting Initiative Standards, with its content guided by the 3rd Edition of the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad. The following five UN SDGs remain relevant in this report and have material impact on our business and stakeholders.



Assurance

We have not sought external assurance for this report. However, we are embarking on obtaining internal assurance for our upcoming report in FY2023.

As our reporting matures, we will be embarking on obtaining external assurance to comply with Bursa's Malaysia's guidelines that require public listed companies to seek assurance on Sustainability Reporting.

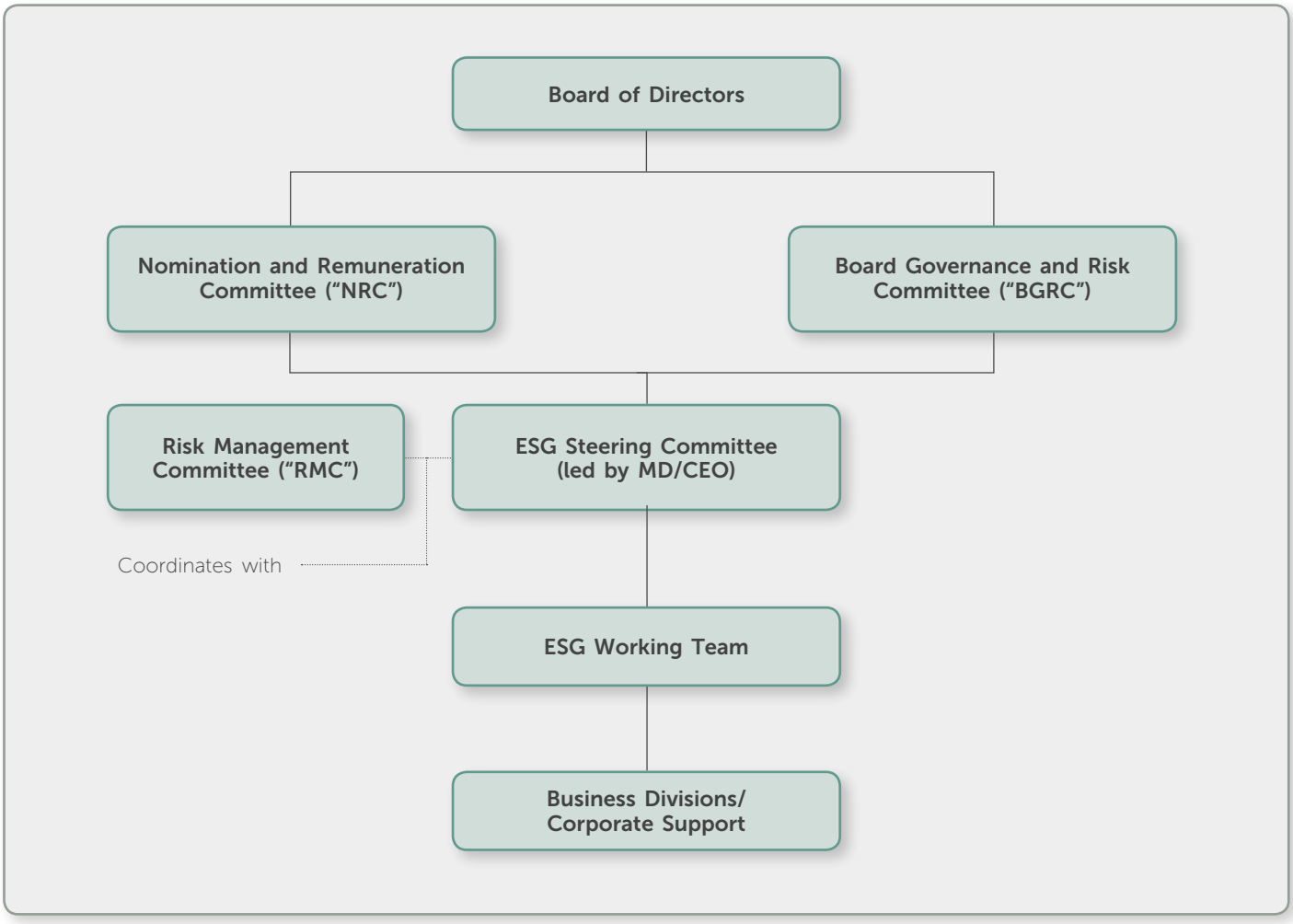
SUSTAINABILITY GOVERNANCE

We are cognisant of the fact that in order to run a sustainable business, we must be rigorous with our sustainability governance framework and structure as this shapes our sustainability direction and drives the effectiveness of our sustainability initiatives.

Our governance framework reflects our intention to integrate sustainability as part of our business, aligning with the call for greater accountability in managing our sustainability performance, forming an essential aspect of stakeholder accountability.

SUSTAINABILITY AT UEM EDGENTA

Governance Structure



Our robust and comprehensive governance structure is guided from the top, with the Board setting the tone and maintaining oversight of the overall sustainability strategy and ambitions of the Group. With this leadership role, the Board is responsible for monitoring all sustainability-related matters on a constant basis, and assessing and deliberating on sustainability strategies across the cycle of conception, implementation, development and completion through its quarterly meetings. Along with the key guidance that the Board provides, the Board discharges its responsibilities directly and through its committees, i.e. the Board Governance and Risk Committee ("BGRC"), which oversees the approval and implementation of sustainability programmes and monitors sustainability performance and risk management (which include environmental risks) and the Nomination and Remuneration Committee ("NRC"), which reviews Board and senior management performance against agreed KPIs. In January 2023, the BGRC affirmed the Group's commitment to align its sustainability disclosures with the recommendations made by the Financial Stability Board's Task Force on Climate-Related Financial Disclosure ("TCFD") by FY2025. This pledge is in line with Bursa Malaysia's Enhanced Sustainability Reporting Framework issued on 26 September 2022. In FY2023, the Group will prepare a TCFD work plan to meet this commitment.

SUSTAINABILITY AT UEM EDGENTA

Working with senior management, our Risk Management Committee ("RMC") plays a significant role in institutionalising our enterprise risk management framework, which entails assessing, monitoring and managing key risks, including sustainability risks, throughout the Group. In line with this, the RMC acknowledges that environmental or climate risks form one of the key components of the Group's sustainability risk profile.

In further complementing the role of the RMC, we have also established an ESG Steering Committee which is delegated the role of developing and monitoring our strategies, policies, processes and initiatives related to sustainability as approved by the Board. In addition, the ESG Steering Committee periodically reviews the sustainability performance of the Group and recommends action plans for further improvements as part of our overall sustainability framework.

Moreover, the Board has elected our Managing Director/Chief Executive Officer to be our dedicated focal point in embedding the intentions of our sustainability framework within our operations and to exemplify good leadership relating to our day-to-day sustainability performance.

Coordinating with the RMC to consider and incorporate sustainability risk within the Group's risk profile, an ESG Working Team has been formalised and is tasked with monitoring, tracking and reporting sustainability performance on a quarterly basis. The roles of the ESG Working Team include:

- Developing sustainability strategy and frameworks
- Coordinating the implementation of sustainability related projects
- Supporting the development of sustainability targets and KPIs
- Connecting, engaging and educating the various internal stakeholders on ESG matters
- Monitoring, evaluating and reporting on a regular basis the progress of sustainability initiatives/programmes/events to the ESG Steering Committee/Board
- Overseeing the preparation of the Group's Sustainability Report and other required disclosures related to sustainability

In supporting the pillars of our governance structure, our affiliation with the CEO Action Network ("CAN") has been impactful during the year, allowing us to further engage and interact on key issues that matter within a network of peers advocating sustainability. Since our acceptance to the network in 2021, we have leveraged on this extended grid of collaboration to build awareness, expand capacity and initiate actions addressing matters such as climate change, social stewardship and others. As part of our affliance with CAN, our Edgenta Stars were also provided with opportunities to participate and collaborate with CAN on several knowledge sharing sessions during the year, including on sustainabilty assurance and carbon tax.

Besides, the Board also participated in several other sustainability engagement and awareness sessions, including the Path to Net Zero Webinar. Furthermore, ESG awareness sessions at business units also led to a collaboration between our team at Infrastructure Services and PLUS in initiating a recycling 3R (Reduce, Reuse and Recycle) campaign at rest areas along the North-South Expressway ("NSE").

RISK MANAGEMENT

A formal Risk Management Framework - developed based on the principles of ISO:31000 - has been established to set clear guidelines in relation to the risk management methodology of the Group. Based on the framework, a structured process has been established to identify, evaluate and manage significant risks, including thorough significant consideration of ESG risks. In managing ESG risks, the organisation defines its context and lists down measures to mitigate potential exposure to such risks.

For further information on the way we manage our ESG risks, please refer to Risks and Mitigation on page 72 of this report.

The risk management process includes identifying key risks at areas of significance, assessing the likelihood and impact of risk exposure, determining the relevant risk mitigation and remedial plans, and presenting key matters for review and deliberation. In addition, our risk ratings and mitigating actions are subjected to regular reviews in order to identify emerging risks, update our risk profile and follow up on the implementation of proposed initiatives.

For more details on our risk management framework and control processes, please refer to Statement on Risk Management and Internal Control on pages 237 to 245 of this report.

OUR SUSTAINABILITY ROADMAP

As we embark on the next phase of our sustainability journey, we have taken the initiative to develop our first Sustainability Roadmap as a key component of our sustainability framework. With the target of better defining our vision and strategy, the roadmap was developed by aligning our actions with our sustainability goals and objectives while staying true to the UN SDGs we have adopted.

The two-year roadmap (FY2022 - FY2024) was developed through a comprehensive and holistic approach which included gathering insights from stakeholders through various workshops and taking into consideration the material matters that are significant to our business operations and our stakeholders. Through the exercise, the roadmap defined six sustainability pillars to guide our journey moving forward.

- Approach
- Materiality
- Performance Measurement
- Governance and Culture
- Initiatives and Actions
- Reporting and Communication



SUSTAINABILITY AT UEM EDGENTA

Pillars	Achievements in FY2022
Approach *Focus Areas:* *Sustainability strategy, vision and mission*	Established a two-year Sustainability Roadmap
Materiality *Focus Areas:* *Identification of material matters and communication of matters with stakeholders*	• Published a materiality matrix in our FY2022 statement • Enhanced material matter data collection methodologies
Performance Measurement *Focus Areas:* *Development of short, medium and long-term targets for material matters*	• Defined boundaries and parameters, calculation methodology, and emission factors reference • Enhanced our data collection template • Identified and expanded on our emission data points • Emission inventory of Scope 1 and Scope 2
Governance and Culture *Focus Areas:* *Improvements to sustainability governance and the embedding of a sustainability culture*	• Approved an enhanced Terms of Reference ("TOR") for an ESG governance structure • Enhanced employee awareness on ESG matters
Initiatives and Actions *Focus Areas:* *Enhanced disclosure on existing initiatives*	• Established focus groups for prioritised sustainability matters • Identified the ESG maturity level of our suppliers
Reporting and Communication *Focus Areas:* *Improved sustainability reporting based on recommendations of frameworks*	• Identified reporting data gaps • Improved reporting content and quality by aligning to reporting principles

SUSTAINABILITY AT UEM EDGENTA

Future Outlook (by 2024)

Develop a sustainability policy and strategy while:

1. Enhancing material matter-level policies
2. Monitoring the implementation of sustainability policies across the Group
3. Integrating our overall ESG commitment within our corporate vision and mission
4. Communicating our sustainability policy to our stakeholders

Enhance sustainability data disclosure and communication processes by:

1. Establishing a general stakeholder management strategy
2. Aligning with Bursa Malaysia's proposed amendments on sustainability reporting
3. Integrating the outcome of our materiality assessment and our stakeholders' responses into our sustainability strategy development

Establish a GHG emissions baseline and reduction targets while enhancing our ESG performance measurement and methodology. Specific actions to be undertaken include:

1. Establishing a baseline for GHG emissions across Scope 1 and Scope 2
2. Establishing quantitative targets and KPIs for high priority material matters (short-term)
3. Monitoring our progress at achieving KPIs and targets
4. Aligning our KPIs and targets with the outcomes of our materiality assessment
5. Committing to a GHG emissions reduction target (short-term)
6. Digitising our sustainability management and reporting processes
7. Embarking on a GHG emissions inventory for Scope 3
8. Expanding digital technology adoption across the organisation
9. Aligning quantitative targets with the national sustainability agenda
10. Setting a net zero target while developing a decarbonisation path

Enhance disclosure on our governance structure. Specific actions to be undertaken include:

1. Embedding a culture of sustainability at a deeper level amongst our employees
2. Enhancing the involvement of employees in sustainability programmes
3. Improving communication by senior management on our sustainability commitments

Enhance disclosure on existing initiatives. Specific actions to be undertaken include:

1. Developing qualitative KPIs and targets for initiatives under prioritised material matters
2. Identifying ESG risks within our supply chain
3. Expanding on initiatives for other material matters
4. Establishing a Group-wide ESG performance monitoring mechanism
5. Improving the ESG capacity and knowledge of our suppliers
6. Establishing a Group Human Rights Statement

Attain assurance on sustainability disclosures and reporting according to the GRI Standards, with specific actions to be undertaken including:

1. Enhancing material matter disclosures with reference to Bursa Malaysia's common sustainability matters
2. Seeking internal assurance of selected performance indicators
3. Performing an assessment of our preparedness to embark on climate-related disclosures based on the recommendations of the TCFD

SUSTAINABILITY AT UEM EDGENTA

STAKEHOLDER ENGAGEMENT

As we progress on our sustainability journey, we deeply recognise the role of our stakeholders as an essential element in aligning our approach and performance towards our ESG goals. Through constant, two-way, open and transparent engagements with our stakeholders, we keep abreast of their feedback and expectations while providing crucial communication on our sustainability performance. With input from our stakeholders, we are able to enhance the foundation of our sustainability agenda and business priorities while responding to their needs more effectively, ultimately enabling us to deliver greater long-term value.

The stakeholders that we actively engage with include Boards of Directors and Employees, Client and Partners, Shareholders, Investors and Analysts, Government and Regulators, Industry and Business Associations, Supply Chain Partners, Community and Media.

For more information on our stakeholders, please refer to Stakeholder Engagement on page 56 of this report.

MATERIALITY ASSESSMENT

As part of our ongoing efforts to further understand our material issues, our material assessment exercise for this year included the views of our external stakeholders. Interviews and surveys were conducted across a broad set of stakeholders, with an 80% response rate. These engagements helped reaffirm our materiality matrix, highlight strengths and opportunities and call out areas for improvements.

In FY2022, we continued to acknowledge our 11 ESG matters as major drivers of our sustainability efforts. As a result of the materiality assessment performed in 2021, the matters included four with economic impact (Business Ethics, Economic Development, Supply Chain Management and Innovation); two with environmental impact (Climate Change and Energy, and Environmental Management); and the remaining five with social impact (Human Rights Assessment, Occupational Health and Safety, Customer Satisfaction, Employment Culture and Local Community). By focusing on these matters, we were able to better manage our stakeholders' expectations and create long-term value for them in a manner that is consistent with our business strategies and objectives.

Furthermore, through the assessment, we also developed a detailed action plans for our four primary material sustainability matters - Human Rights Assessment, Supply Chain Management, Climate Change and Energy, and Environmental Management - which were identified as our immediate focus areas. For these matters, we further elected focus groups, champions and working group members to reinforce our approach in addressing these issues towards meeting our roadmap targets.

For more information on these material matters, please refer to Our Material Matters on page 70 of this report.



SUSTAINABILITY AT UEM EDGENTA



BUSINESS ETHICS

We strive to inculcate a culture and belief in our DNA which is anchored on our core values, FIRST – Future Focused; Imagine New Ways; Respect For All; Solutioning Mindset; and True to Our Word. Through these core values, we commit to show Respect for All – where we treat our colleagues and stakeholders with respect and True to Our Word – where we are guided by integrity to build trust. As we strive towards becoming a Technology-Enabled Solutions Company, integrity, ethics and accountability are essential components which we must harness at both the professional and personal levels. Defining our ethical stance also enables us to achieve better brand recognition and growth, improve our customer retention, attract greater talent and establish wider appeal to our stakeholders.

With attention on our core values, the BGRC is tasked to provide oversight and guidance, aided by the support of the Risk, Integrity and Compliance Department ("RICD"). The primary role of the RICD is to assist with the management of our Enterprise Risk Management ("ERM") framework, Business Continuity Management ("BCM") plan and any other matters that relate to compliance and integrity. In summation, this structure provides adequate governance over the control and execution of our key focus areas.

For more information on our focus areas of good business ethics, please refer to the Corporate Integrity and Ethical Business Conduct section on page 246 of this report.



Products and services purchased locally

99.4%



AREAS DISCUSSED

Economic Development

Supply Chain Management

Sustainable Economic Growth



SUSTAINABLE ECONOMIC GROWTH



Economic Development

COMMITTING TO RESPONSIBLE ECONOMIC DEVELOPMENT

Positive economic performance generates the funds necessary to reinvest in the Group's workforce and surrounding communities. We see this positive outcome as being pivotal to our ability to continuously create value and deliver meaningful impact across our business footprint in the long run. With the aim of delivering strategic economic impact and driving the sustainable development of our communities, business ecosystem and national economies, we consistently invest in innovative and efficient solutions that enhance our operations and products.

This goal has driven us to further expand on our EoTF2025 vision, which was first developed and introduced in 2021. In its 2nd year of implementation, significant progress has been made that paves the way for the Group to become a global tech-enabled asset and facilities management company. In doing so, entrenching sustainability into our operations becomes a key paradigm towards building a resilient ecosystem – enriching people's livelihoods, protecting and preserving the environment and enabling value creation for the communities that we interact with.

The objectives of EoTF2025 are anchored on enhancing profits through the scalability of our business in the various markets we operate in. This is predicated on the ability to replicate the Group's franchise through market expansion strategies, optimising the way we operate through efficiencies in our value chain, enhancing the value proposition to our clients through the use of technology to accelerate the deployment of services, and increasing transparency and data on asset performance.

Furthermore, we have continued to support Bumiputera vendors as well as SME suppliers through our development and financing programme. Ultimately, with our structure and capabilities, we believe that we are well-placed to support our nation in reviving the economy from the impacts of the pandemic over the last few years.

SUSTAINABLE ECONOMIC GROWTH

EXPAND FOOTPRINT AND DEEPEN SOLUTIONS BASE

In today's global economy, market expansion is imperative to foster economic growth as it broadens our customer base and income stream. Furthermore, participation in international markets can lead to increased trade and economic integration between the Group and the markets that we serve, which in turn sets us up for future business opportunities.

A central theme of EoTF2025 is the ability of the Group to replicate its franchise in international markets by expanding into adjacencies within existing core markets and entering into new markets. Presently, we operate in six countries – Malaysia, Singapore, Indonesia, Taiwan, the United Arab Emirates and the Kingdom of Saudi Arabia. In developing our growth themes for each of these markets, the Group is committed to creating positive economic impact for stakeholders and the local economy through our operations, either by contributing to development in the local areas or communities in which we operate (e.g., through local hiring), by engaging with local suppliers or by developing sustainable solutions that meet the needs of our clients.

With 38% of our revenue and 62% of new contracts originating from international markets, our diversified portfolio across different geographies gives us the advantage of a far-reaching network with broader sources of income to sustain the Group financially in the long run.

Revenue generated from international markets



Moreover, as a result of our conscientious planning and implementation of market expansion strategies, we have been able to drive and distribute value to our stakeholders and the countries that make up our operational footprint by accruing meaningful contributions to our operation, as depicted here:

A. Direct economic value generated from revenue:

UEM Edgenta and its subsidiaries (RM million)



SUSTAINABLE ECONOMIC GROWTH

B. Economic value distributed through:

Operating costs, employee wages and benefits

UEM Edgenta and its subsidiaries
(RM million)



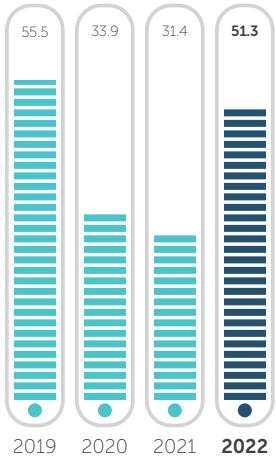
Payments to providers of capital

UEM Edgenta and its subsidiaries
(RM million)



Payments to government

UEM Edgenta and its subsidiaries
(RM million)



Community Investments

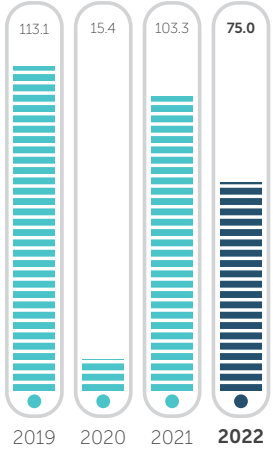
UEM Edgenta and its subsidiaries
(RM million)



C. Economic value retained

Direct economic value generated less economic value distributed

UEM Edgenta and its subsidiaries
(RM million)



In our efforts to build industry resilience and deepen our solutions base, the Group reinforced its support to ensure sustainability in healthcare infrastructure by rolling out solutions that enhance the quality and availability of key healthcare infrastructure. In FY2022, the Group further extended its support by replacing aging equipment through its Replacement Through Maintenance ("RTM") programme for high critical biomedical equipment (62 units of equipment provisioned since 2020), the provision of hybrid ICU units to complement the expanding needs of hospitals (15 units provided since 2020) and by driving environmental effectiveness in healthcare infrastructure through GBI and/or LEED certifications. More recently, the Group entered into a partnership with Weitmarscher Ambulanz ("WAS"), a leading manufacturer of ambulances, and First Ambulance Malaysia to pioneer the concept of "Ambulance-as-a-Service" and introduce electric ("EV") ambulances to markets where we operate.

SUSTAINABLE ECONOMIC GROWTH

By maintaining a wide-ranging portfolio and a strong global market presence, we are ideally positioned to navigate macroeconomic headwinds and spur resilient growth. To this end, supported by our multi-pronged EoTF25 strategy and a solid financial position, we will continue to take advantage of international expansion opportunities by offering quality tech-enabled solutions to new markets.

EXTRACT VALUE FROM CORE BUSINESS

In 2022, we continued to push ahead with our journey of optimisation to deliver sustainable economic value to our clients through cost and operational efficiency measures. To this end, the Group has rolled out a target of RM100 million in savings to be generated over 5 years and as of FY2022 (2nd year of implementation) approximately 50% of the target cumulative savings have already been achieved. These initiatives include efficiencies in procurement and payment processes, digitalisation and the introduction of new and high-tech mechanisation features in our day-to-day operations.

By extracting value from our core businesses, we contribute to the economy through the connections we build from our business transactions and the returns on investments we generate for our ultimate holding company, Khazanah National Berhad. In addition, we also drive positive economic impact through our local recruitment efforts that span across all levels of employment including senior management positions, where such positions are made available. Through these efforts, we ensure that our employees are adequately remunerated with salaries, retirement benefits and other economic benefits, enabling them to contribute to the local economy through their spending, investment and tax payments.

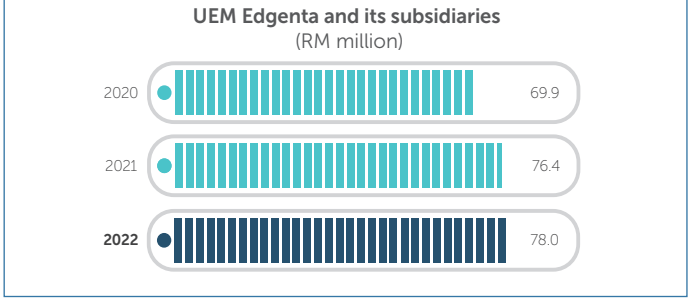
With this in mind, we consistently ensure that we adhere to the minimum wage legislation relevant to each country where we operate. In our commitment to be a fair-pay workplace, our minimum wage in Malaysia and Taiwan is above local requirements, whereas in Singapore, we comply with the Progressive Wage Model that is compulsory in the cleaning sector to help uplift lower-wage workers' salaries. Awareness briefings are also provided to all suppliers to ensure that compliance with minimum wage levels forms a key constituent of their compensation framework.

As another channel to distribute value, we contribute to employees' retirement savings through two types of retirement plans:

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

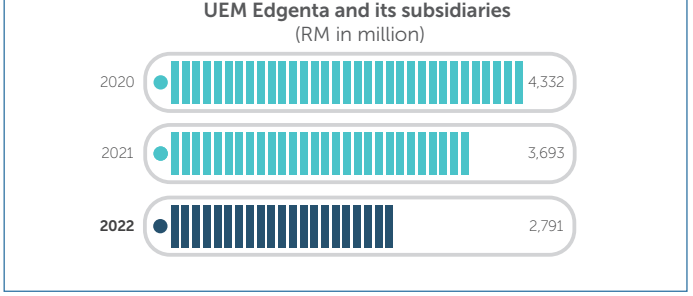
Defined Contribution Plan



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 to the pension scheme. This is currently exercised in Edgenta Mediserve Sdn. Bhd. and Edgenta UEMS Ltd.
- Pension liabilities are calculated based on the actuarial present value of the benefits payable to the employees when certain conditions are met
- For Edgenta Mediserve Sdn Bhd, assets are not set aside by the Group to meet pension liabilities. Nonetheless, funding to meet these obligations is set aside on the year when these obligations arise. For Edgenta UEMS Ltd, the plan assets, comprising cash and cash equivalents, are deposited with the Bank of Taiwan and are managed by the government of Taiwan

Defined Benefit Plan



SUSTAINABLE ECONOMIC GROWTH

The Group received and utilised tax benefits as follows:

Tax relief and tax credits

- For UEM Edgenta and its subsidiaries, there was utilisation of previously unrecognised losses and reinvestment allowance against current year income tax amounting to RM6.6 million in tax reliefs/credits. There was no actual cash inflow as this amount was deducted from respective companies' chargeable income, thereby reducing the amount of estimated income tax payable for the financial year ending 2022

In line with Group-level principles of non-discriminatory compensation to improve the welfare of the local communities in areas that we operate in, the Human Resource Department has continually maintained insightful statistics in relation to these efforts, enabling close monitoring and progressive improvement to compensation schemes. With that, the Group is pleased to disclose the following performance data as a testament to our local recruitment and minimum wage compliance efforts:

Male to female minimum wage ratio

Entity	Minimum wage ratio*
UEM Edgenta and its local subsidiaries	1:1 (at significant locations of operations[1])
UEMS Singapore	1:1

"Note: Operon, which operates in the UAE, is not governed by minimum wage requirements.

Local recruitment performance

Entity	Senior management[2] hired locally
UEM Edgenta and its subsidiaries	100%
UEMS Singapore	85%

Entity	Senior management from the local[3] community
UEMS Singapore	0.30%
Operon	0.38%

Guided by our central tenet that an empowered workforce plays an integral part in driving long-term business performance and economic growth, we will continue to champion equitable pay for our employees that sufficiently reflects increasing living costs. This approach also shapes our overall compensation policy, which is designed on a fair and structured basis to reallocate value generated from our operations to the communities that have been paramount to our continued success.

[1] *Significant locations of operations can be defined as Malaysia and Singapore for UEM Edgenta and UEMS Singapore respectively while for Operon, it is defined as the area where the Company delivers contractual services within the United Arab Emirates.*
[2] *Senior Management refers to the Top Management and Headquarter Management staffs for UEM Edgenta and UEMS Singapore respectively while in Operon, it refers to the highest level of authority within its operations.*
[3] *The term "local" refers to Malaysia and Singapore respectively for UEM Edgenta and UEMS Singapore and within the Emirates of the United Arab Emirates for Operon.*

SUSTAINABLE ECONOMIC GROWTH



ENHANCE PRODUCT AND TECHNOLOGY PROPOSITION

While the focus in the prior year was to initiate UEM Edgenta's digital ecosystem platform (i.e., Edgenta NXT), our attention for the year under review was to launch the platform into our service offerings. Asseto, a new performance-based Computerised Maintenance Management System ("CMMS") platform developed in-house, was launched in October 2022. This software-as-a-service platform will help pave the way for Edgenta NXT's smart buildings solutions by anchoring on the need for renewed efficiency in infrastructures, enabling real-time data convergence on a single platform to empower engineers and facilities managers to manage multiple buildings seamlessly and efficiently.

To-date, Asseto has been rolled out across all of the buildings that are being managed under the Property & Facility Solutions division with more than 30,000 assets already connected to the platform. Building on the success of the internal roll-out, Asseto was then introduced for the first time in a commercial environment to enhance maintenance work orders and business processes for the Petronas Twin Towers and Petronas Tower 3. The platform rides on cutting-edge technology to enable real-time operations and automation, contributing to the reduction of manual work, eliminating manual surveillance and supporting audit tracking, thereby increasing overall performance at project sites.

Moving forward, the Group is committed to further enhancing Asseto's core by developing applications for other types of buildings and infrastructure, including hospitals and road infrastructures.

As we move forward in pioneering technology solutions to transform the industry, the Group recognises the importance of developing a more cohesive technology ecosystem that can integrate with various partner solutions across various verticals to further enhance our value proposition to our clients. To this end, the Group has formalised several partnerships with leading international companies to further enhance its solutions for smart cities and sustainability. During the year under review, partnerships were formed with Disrupt-X on the customised development of an IoT platform for the facilities management industry, Sumitomo Corporation Asia and Softbank Corporation for the creation of smart and sustainable city solutions, ITMAX Systems for solutions pertaining to the field of public space networked systems and related analytics intelligence, and Alibaba on the integration of Asseto and Alibaba's sustainability platform to help the Group and our customers measure, analyse and manage carbon emissions. These partnerships and solutions will be offered via Edgenta NXT through its Asseto platform with an interoperable infrastructure that enables data and analytics to be integrated from the source.

SUSTAINABLE ECONOMIC GROWTH

Supply Chain Management

DRIVING A RESPONSIBLE AND LOCAL SUPPLY ECOSYSTEM

As an entity with a global footprint, we are mindful of the benefits that a responsible supply chain, local to our operations brings. Positive impacts have been acknowledged from maintaining a transparent supply chain, which include benefits for overall business efficiency. Likewise, an optimised supply chain can also potentially contribute to cost reductions which in turn increase the tangible value of the products and services we are able to offer to our stakeholders. Besides, developing trust-based supplier relations is similarly a vital cornerstone towards crisis-proof governance, ensuring that exposure to compliance risks is tactfully managed and mitigated. Ultimately, upholding high ethical standards in our supply chain will broadly help us consistently deliver seamless consumer experiences, safeguarding our reputation and position as a leader in the industry.

We are looking at establishing key policies which can form core expressions of our sustainability and compliance based procurement framework. In this regard, we will strive to inculcate Environment Social and Governance factors in our Procurement Vendor Management Policy as part of the criteria for vendor selection or performance evaluation. For instance, our business partners as well as third parties supplying on-site services have the obligation to:

- Uphold our occupational health and safety standards by providing a healthy and safe workplace for their employees and maintaining compliance with all relevant local health and safety laws, regulations and standards, including site-specific safety requirements
- Comply with all applicable local labour, employment and human rights legislation, including but not limited to minimum wage, minimum age for employment and maximum hours of work
- Be guided by our Sustainability Policy to strengthen efforts in addressing environmental issues, such as waste, energy and emissions

In addition to that, the Group's Procurement and Contract Management ("GPCM") has executed various ESG initiatives according to our Sustainability Roadmap, with our suppliers during our year in review which include:

- Identification of dedicated persons-in-charge from GPCM to lead ESG initiatives and data collation
- Conducted ESG assessments on 675 vendors selected based on average spend and volume of order to evaluate their ESG maturity and understanding, with capacity-building initiatives conducted to raise their ESG literacy levels
- Commenced evaluation and identification of parameters to track and compute Scope 3 emissions within our supply chain

- Knowledge Sharing session with suppliers: ESG Awareness with Edgenta's Business Partners Webinar

  - In November 2022, GPCM, in collaboration with the ESG team, conducted a webinar to raise awareness on ESG. The webinar received participation from 201 active suppliers, with feedback received indicating that the webinar improved their understanding of ESG

In future, along with our plan to segmentise vendors into one of the four areas - Strategic, Critical, Operational and Transactional - we intend to embed ESG capability criteria in our vendor segmentation assessment to evaluate the impact vendors have on the Group from various aspects such as business operations, profitability and continuity.

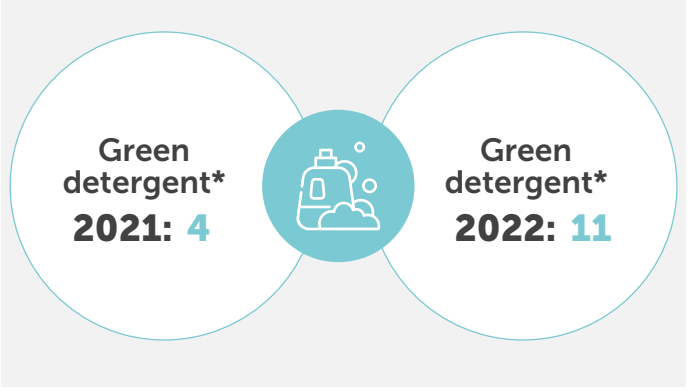
RESPONSIBLE SUPPLY CHAIN MANAGEMENT

As part of our impartial and transparent procurement procedures, we have in place a stringent due diligence process whereby potential new suppliers are thoroughly vetted before any form of engagement. During an onboarding process, supplier information is submitted through the Credit Tip Off System ("CTOS") as an additional risk-reduction strategy to screen out vendors that may carry potential financial/legal threats to the Group. Once a potential supplier has successfully completed the onboarding process, they are required to understand, acknowledge and pledge their commitment to ethical business practices, as outlined in the Code of Conduct for Business Partner ("COCBP") and Business Partner Letter of Declaration ("BPLOD"). Besides, other efforts carried out include the continuation of our "Projek Perintis" (a Contractor HSSE Development Programme), review exercises of the health and safety impact of our products and services, and enhancements to our procurement process to be more efficient and transparent. Further information on Projek Perintis can be found within the "Occupational Health and Safety" disclosures, on page 158 of the report.

As part of our continued effort to uphold the Group's environmental standards across our supply chain, suppliers in UEMS Singapore undergo strict screening procedures to ensure they are equipped with Singapore Green Labelling Scheme ("SGLS") certification. With that, the Group works closely with these suppliers to enhance our sustainable product offerings to our customers.

In supporting our robust procurement framework, enhancements have been made to our procurement process during the year in review. With the goal of driving greater efficiency and transparency, the Oracle Procure-to-Pay ("PTP") self-service system was designed for suppliers to manage administrative procedures such as updating their vendor profiles, participating in Requests-for-Proposals and/or Tender exercises, making payments and more by themselves. This digital transformation in our procurement operations has been communicated to suppliers via training sessions to ensure understanding of the system and its intended purpose.

At the same time, our approach in establishing a responsible supply chain is closely associated with our pledge towards climate protection. This is further bolstered by our support towards the Ministry of Health Malaysia's Sustainability Programme's goal of achieving net carbon neutrality in healthcare facilities by 2045. Parallel to this national aspiration, our Singapore office - UEMS Singapore - is determined to continue along its path of improving resource conservation through various sustainable procurement initiatives, which promotes the purchase and use of green consumables, materials and chemicals in its facilities. In 2022, our healthcare unit UEMS Malaysia added to their usage of environmentally friendly detergents.



Note: Types of biodegradable detergents used

SUSTAINABLE ECONOMIC GROWTH



In this similar vein, we have taken a forward-looking approach and planned various initiatives as per our "Focus Material Matter: Supply Chain Management " section in our Sustainability Roadmap., Some of the initiatives include carrying out more comprehensive supplier evaluations to gauge ESG maturity levels further, expanding on the scope of the ESG awareness webinar rolled out in 2022, planning capacity-building and training for suppliers, and conducting extensive, multi-point due diligence checks on vendors. Meanwhile, our Property and Facility Solutions division (Operon Middle East) plans to implement ISO 14001 in 2023 and carry out supplier environmental screening in 2023.

PROVIDING BUSINESS OPPORTUNITIES

While we remain focused on developing our local supply chain, our approach has simultaneously allowed us to further extend support to local vendors by establishing the BVDP during the year under review. The BVDP, which was derived from the government's Bumiputera Empowerment Agenda, aims to elevate local entrepreneurial communities with training modules designed in-house, allowing underserved Bumiputera businesses that meet our governance and policy requirements to participate competitively in the local and global markets. Currently, there are seven vendors participating in this programme.

Besides, every year, we set out to meet the government's goal of awarding at least 30% of all contracts to Bumiputera vendors through its Bumiputra Vendors Contract Award programme. Nonetheless, through our transparent tender and negotiation process which enables the Group to make optimal decisions on our business partners, we have gone beyond this target by granting 47% of contracts to Bumiputera vendors during the year.

In order to ensure that sustainable procurement decisions are securely anchored within our supply chains, mindful selection of suppliers with similar principles of entrepreneurial responsibility to our own will continue to be our primary focus, especially in this era of geopolitical tension and global supply chain disruptions. During the year, no suppliers selected or contracted were subjected to due diligence processes for environmental impacts.

To further demonstrate our commitment towards BDVP and the sustainability of the small and medium industry players who form part of our value chain, targets set to encourage the growth of these businesses is tracked as part of our MD/CEO's key performance indicators. In conclusion, our local procurement and supply chain financing policies will continue to be a catalyst to unlock further economic value for the Group and our stakeholders at large.

SUSTAINABLE ECONOMIC GROWTH

As an additional mark of our commitment to support our supply chain partners, we have also collaborated with HSBC Amanah to develop a Syariah-compliant Supplier Financing Programme ("SFP") that helps fund the growth aspirations of SMEs by providing them with affordable financing without collateral. The launch of the SFP took place on the 30th of August 2022 at our Learning Centre and was graced by the Malaysian Minister of Entrepreneur Development and Cooperative. Since the first phase of its implementation, over 380 SMEs and MSME vendors have been offered to join the programme, with more vendors in the pipeline expected to be onboarded.

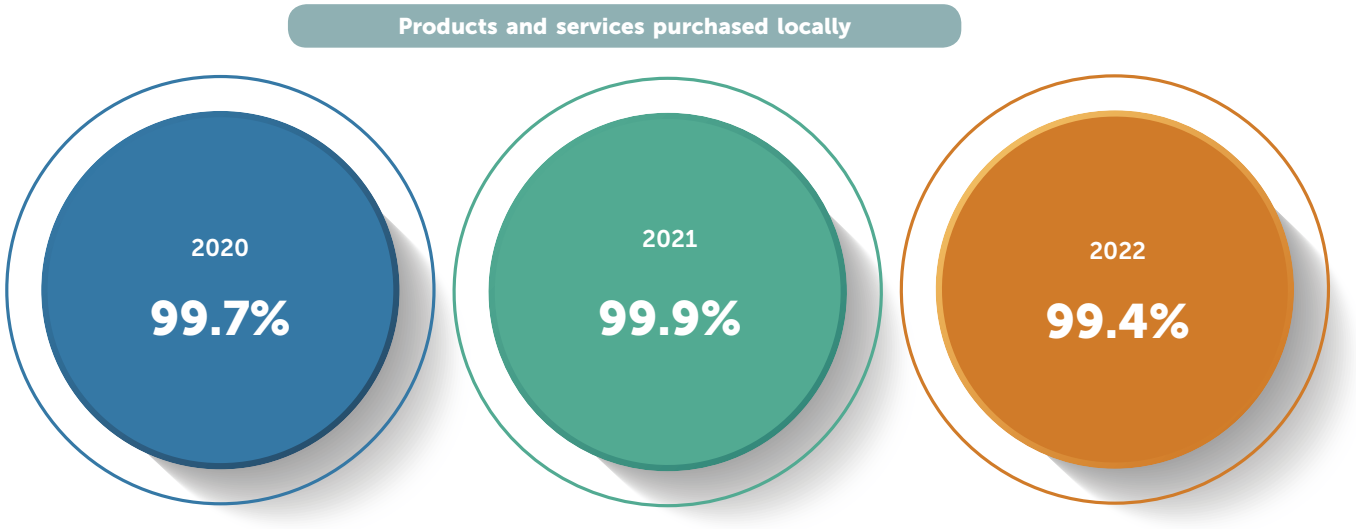
For the year under review, we have achieved the following performance on local supplier procurement:

a. Percentage of procurement budget spent on total vendors

	2020	2021	2022
Total number of vendors	1,756 vendors	1,605 vendors	817 vendors
Contracts outsourced to Bumiputera vendors over total procurement (%)	41.8%	65.0%	47.3%

The amount spent on vendors, total number of vendors, and total contracts outsourced to Bumiputera vendors dropped between 2021 and 2022 as there were major healthcare maintenance contracts (the recipients of which were mainly Bumiputera vendors) awarded for the contractual period of three years in 2021. Hence, by contrast, there is an overall decrease in large healthcare maintenance contracts in 2022.

b. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local (within Peninsular and East Malaysia) to that operation, such as percentage of products and services purchased locally.





Average yearly environmental impact contributed to our clients includes

between 10% to 52%

reduction in energy consumption levels

We manage

19 Green Building Index ("GBI") and Leadership in Energy and Environmental Design ("LEED")-certified

buildings at various certification levels



AREAS DISCUSSED

Climate Change and Energy

Maintaining Our Environmental Stewardship

Minimising Environment Impact



MINIMISING ENVIRONMENT IMPACT

Climate Change and Energy



ADDRESSING CLIMATE CHANGE AND EXPLORING ENERGY EFFICIENCY

As an organisation that is involved in various business segments, we are deeply conscious that climate change threatens the balance of our business ecosystem and the environment as a whole, and therefore may result in supply chain disruptions, increased regulatory or compliance requirements and other significant outcomes and risks. At the same time, the evolving challenges brought about by climate change provide fertile ground for the Group to capitalise on emerging opportunities by demonstrating thought leadership and developing innovative ways to adapt to the changing climate. With that, our business strategies are geared towards limiting our climate footprint and minimising negative impacts on the environment, not only for our operations but also in assisting our clients to achieve the same for their business assets. Towards this goal, comprehensive policies have been established by the Group to reflect our commitment to addressing climate change impacts, while we uphold our business partners and the procurement activities we engage in, to the same standards.

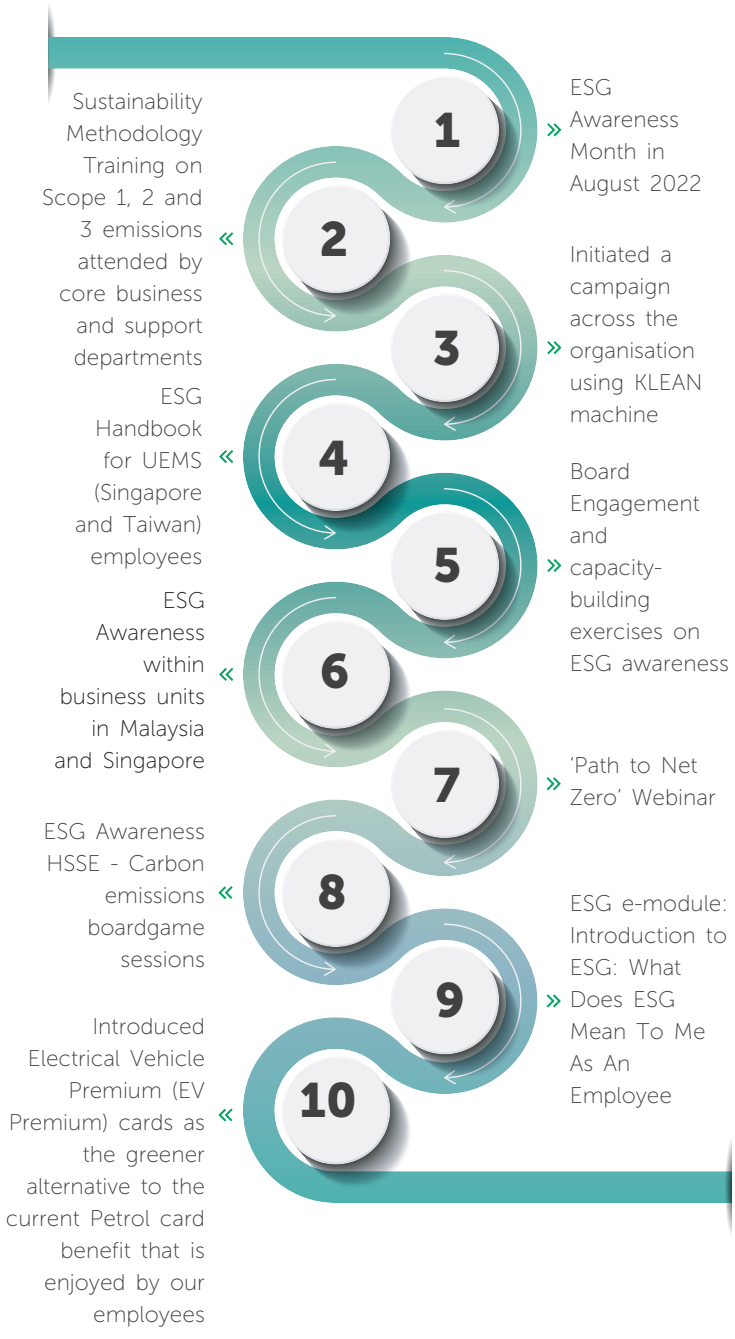
In view of the 12th Malaysia Plan to achieve carbon neutrality by 2050, minimising our carbon footprint and reducing the adverse impact of our operations have on the environment is imperative. To further align our key strategic initiatives to our net zero or carbon neutrality goals, we have a dedicated BGRC that oversees enterprise risks including sustainability risks and various of their components such as climate change for the Group as a whole. Further information on how our governance structure is tailored to address sustainability issues can be found in the Sustainabilty Governance section.

Our stakeholders are increasingly focusing their attention on climate-related matters and keenly observe how we respond to climate risks. Furthermore, our workforce - which comprises a significant number of employees from younger generations - want us to conduct our business and run our processes in ways that do not harm the environment. To this end, the ISO 14001:2018 - Environmental Management System and ISO 9001:2015 - Quality Management System certifications help ensure that a standardised process is applied across the Group in identifying and addressing environmental risks. The effectiveness of our integrated management systems is continually assessed by accreditation bodies and official authorities.

During the year, a two-year Sustainability Roadmap was announced in conjunction with our ESG Awareness Month in August 2022, reflecting our dedication to environmental protection and sustainability aspirations. The Roadmap which is currently being rolled out progressively, saw us run the following initiatives to instill ESG awareness among our staff.

MINIMISING ENVIRONMENT IMPACT

List of initiatives to build Environmental, Climate Change and Energy Awareness



Given the pace at which environmental regulations are evolving, it is critical that we remain abreast of the latest sustainability-related developments and seize opportunities to better serve the market. With that, services aligned with green initiatives are consistently offered across our businesses as drivers of value creation.

In this respect, as an Energy Service Company ("ESCO"), we provide Energy Efficiency and Renewal Energy Solutions with Zero Upfront Capex financing via EPC and Power Purchase Agreements ("PPA"). These services are primarily focused on introducing and promoting the application of energy efficiency and renewable energy in order to create a low-carbon ecosystem for the occupants of UEM managed buildings, asset, and infrastructure.

We also engage in sustainability matters through networks that we belong to. During the year under review, we deepened our relationships with sustainability circles such as the CAN and Climate Governance Malaysia by engaging with subject matter experts in these communities and planning various capacity and knowledge sharing sessions on climate related topics such as carbon tax and sustainability assurance for the benefit of our staff and their members.

ENERGY EFFICIENCY AND GREEN BUILDING SOLUTIONS

In FY2022, we continued to provide various services as part of our offerings that kept the climate at its forefront, such as our EPC works, GBI initiatives and LEED certification solutions. Our energy conservation solutions continue to pave the way for our customers to obtain their Green Building Index ("GBI") certifications through our Green Performance Contracting ("GPC") programme.

We provide these services not only for our clients but also embed such services in our own practices. We are committed to managing our energy efficiently, recognising the pivotal role that energy management plays in reducing our emissions consumption as well as the greater benefits that sustainability and renewable energy may bring in securing our future. This is similarly echoed in the partnerships which we have built with our customers, whereby we provide support on their journey of enhancing energy efficiency, especially by reducing footprint from electricity consumption in the healthcare, industrial, commercial and retail sectors.

MINIMISING ENVIRONMENT IMPACT

With that, we have undertaken the following energy efficiency and green building initiatives during the year under review:

- Our efforts and capabilities surrounding renewable energy solutions
  - The Group is a Registered Solar Photovoltaic ("PV") Investor ("RSPV")[1] with the Malaysian Sustainable Energy Development Authority ("SEDA"), enabling us to implement renewable energy solutions through comprehensive energy audit evaluations, feasibility studies and viable funding models.
  - In order to keep abreast of evolving industry requirements, we remain in proactive contact with regulatory bodies (i.e., SEDA and Construction Industry Development Board ("CIDB")), ensuring compliance with prevailing standards at all times.
  - Renewable energy solutions form an underpinning component of the services offered within our Property and Facility Solutions ("PFS") and Healthcare Support business segments. Through these business divisions, we maintain commercial buildings and public healthcare assets across a broad client base including the Prime Minister's Office in Putrajaya, Mercu UEM Petronas Twin Towers and Menara 3 and 47 of CIMB Group Holdings Berhad's sites.

- Usage and maintenance of solar panels and solar thermal technology to generate renewable energy at Menara UEM and our Clients' sites
  - The usage and maintenance of photovoltaic solar panels on the roof of Menara UEM, contributing to 4% of total electricity usage, wherein the Group's electricity source is derived from the grid and solar panels installed.
  - Deploying photovoltaic solar panels at Hospital Sultanah Maliha as detailed further in our featured success story below.
  - The installation and maintenance of Solar Thermal that collect and concentrate sunlight to produce the high temperature heat needed to generate hot water, at Hospital Sultanah Bahiyah, Kedah.

- Provision of Energy Performance Contract services
  - EPC[2] is an invaluable driver of our success in the energy solutions business, allowing well-founded, data-driven energy management programmes to be executed. These programmes are tailored to the specific needs of the client through a series of ESG-based assessments taking electrical consumption levels and other factors into consideration.
  - Through the evaluation, areas that could benefit from energy reduction strategies are highlighted, especially for Significant Energy Use ("SEU") equipment such as Chiller, Air Compressor, and Lighting systems etc. Energy savings (computed based on Investment Grade Audit guidelines) driven by such efficiency measures can, in turn, generate capital expenditure to finance more extensive renewable energy technologies. This is demonstrated by the implementation of Energy Conservation Measures ("ECMs") identified through energy audits, gap analyses and building assessments, which provides tangible benefits such as electrical energy and cost savings which can be used to retrofit or optimise the system with more efficient energy technologies with data intelligence.
  - The repayment on the EPC projects is via shared saving model or fixed payment which can be offered through zero capex models with performance guarantee over the contract period. The shared savings on spend and duration of the contract are simulated over a financial modelling taking into account the asset's life cycle costing.
  - In order to measure the efficiency of our EPC projects, measurable results are monitored real time via Energy Monitoring System with customised dashboard and verified annually via the International Performance Measurement and Verification Protocol ("IPMVP") methodology, with the verification conducted by qualified experts. The Projects that the Group manages are also monitored via our Command and Contract Centre ("CnC"), which is the Central hub for the creation and implementation of IoT applications into the realm of facilities management through digital workforce.
  - To this end, we have undertaken 11 EPCs between 2016 to 2022, with a total contract value of RM110 million. During that same period, we have achieved 38,178,319 kWh energy savings per year, which translates into approximately RM16.2 million of total electricity cost savings for our clients per year.



An additional EPC contract was secured during FY2022 which is expected to further contribute another **1.8 million kWh** energy saving per year, translating to approximately **RM0.7 million** of total electricity cost savings per year for our client.

[1] A Registered Solar PV Investor is allowed to operate as an investor under the Net Energy Metering ("NEM") scheme by SEDA, offering Power Purchase Agreements ("PPA") and services on solar leasing.

[2] EPC is based on a profit-sharing agreement between the building owner and the Energy Service Company ("ESCO") (in which case would be the Group), whereby upfront capital for energy efficiency projects is borne by the ESCO while asset owners make future repayments from cost savings.

MINIMISING ENVIRONMENT IMPACT

- Implementation of real-time monitoring of energy consumption
  - The Energy Monitoring System and the SmartConnect platform developed by our Property & Facility Solutions business segment uses real-time data on critical parameters to revolutionise energy management by employing machine learning for prescriptive analytics. The platform seamlessly integrates critical building support systems, enabling energy consumption across all areas within a building to be monitored in real-time and benchmarked against the Building Energy Index.

- Active energy management of third-party assets
  - We take a highly participative approach towards asset management, whereby all pertinent aspects are systematically evaluated and corroborated with on-site stakeholders (i.e., building owners, facilities manager or the operations team that manage the site), for continuous energy efficiency measures to be implemented. This includes providing qualified Energy Manager services for our existing Integrated Facilities Management contracts.



Sustainable multi-faceted facilities management programmes are deployed throughout project lifecycles from design, supply, delivery, installation and testing to commissioning – working towards the goal of equipping buildings with Green Building certifications

The average yearly environmental impact contributed to our clients includes between 10% to 52% reduction in energy consumption levels, 12 tonnes of recyclable waste diverted from landfills annually and approximately 430 kg of organic waste diverted from landfills daily

Furthermore, with an annual pipeline of potential sustainability-focused projects valued at around RM300 million, an Energy Management System ("EMS") has been integrated within our operations to support contracting agreements, energy monitoring, performance optimisation, energy baseline and Investment Grade Audits, aided by Internet-of-Things ("IoT") and big data analytics capabilities

Providing Green Performance Contracting ("GPC") and Green Building Certifications

- We manage nineteen (19) GBI and LEED-certified buildings at various certification levels. To complement these business offerings, value-added services such as calculations on ESG baseline and GHG inventory, development of net zero carbon building strategies and other green initiatives are provided to our clients.

- As part of our GBI initiatives, more than 14 GBI buildings (e.g., the Petronas Twin Towers, Tune Hotel KLIA2 and the Prime Minister's Office and etc.), continue to remain under our care.

- GPC solutions are guided by industry standards (i.e. Malaysian Standard 1525:2019) and focus on the six (6) pillars within GBI-Energy Efficiency, Water Efficiency, Indoor Air Quality and Innovation Sustainable Site Planning and Management ("SM") and Materials and Resources, with priority/primary focus on the first four. These are integrated into our Facilities Management and Comprehensive Maintenance Programme to upkeep capital investments.

- Green Building Certification that we maintain for our clients is the LEED Certification. In the reporting year, a hospital that we maintain, Slim River Hospital, was accorded with a Platinum LEED rating.

- Sustainability projects are backed by robust risk and mitigation plans, Business Impact Analysis and comprehensive Standard Operating Procedures ("SOP") before and after project implementation.

Sungai Siput Hospital maintained by the Healthcare business became the first hospital in the world to receive the Malaysian Carbon Reduction and Environmental Sustainability Tool ("MyCrest") certification with a 4-star rating.

We also have the Energy Management Gold Standard whereby **32 healthcare facilities** was accorded with a **3-star rating**.

MINIMISING ENVIRONMENT IMPACT

OUR FEATURED SUCCESS STORY

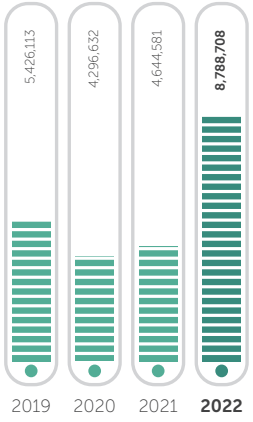
Hospital Slim River received an award from the Malaysian Green Technology and Climate Change Corporation ("MGTCCC"). The hospital was accorded a 4-Diamond in Low Carbon City Recognition (Partner Category Diamond) under category of energy (electrical) with reduction of GHG emission of 37.32% (2016 as baseline). Various elements were measured including energy, water, waste, mobility and greenery. The Hospital successfully achieved a significant carbon dioxide reduction as a result of energy-saving projects that have been carried out through a sustainability programme including conversion/ retrofitting of chiller systems, LED lights, HVAC systems and the installation of solar panels.

Furthermore, under our LEED certification programme with Hospital Sultanah Maliha, the hospital became the first healthcare facility in the world to be awarded LEED gold. We undertook steps to ensure indoor air quality meets ASHRAE[1] standards, use lamp with reduced picograms per lumen hour, reduce refrigerant impact to the atmosphere, install solar PVs, rainwater harvesting and food waste composting mechanisms that convert waste to bio-organic fertiliser, in phases, between 2016 to 2020. As a result, the hospital became the first in the world to be recognised as a Green Hospital under the 'Existing Building, Operation and Maintenance' ("EBOM") category rated by the LEED system.

Apart from energy solutions driven by collaborations with our customers, we have strategic and joint venture partnerships with leaders in the energy management industry, such as Resource Data Management Asia, which enables the sharing of resources and market development opportunities.

In conclusion, our performance data for the year under review can be summarised below:

Electricity Consumption (kWh) data for 62 sites



The increase in electricity consumption from FY2021 was due to the increase in number of sites tracked (refer page 139 for number of sites breakdown).

Environmental impact reduction in Clients' facilities through EPCs executed under the PFS segment

	2022
Number of EPCs	11
Total Annual Energy Savings (kWh)	38 million/year
Total Annual Electricity Cost savings (RM)	16 million/year
Number of chillers retrofit projects	19
Chiller plant efficiency improvement* *(*The average range for all the equipment that have been retrofitted or optimised for EPC projects. The value will typically be the same each year over the contract period.)*	30-50%

Note: The operational energy consumption data disclosed here are verified by independent third parties but are without data assurance. The data above is specifically for FY2022.

In building a shared, sustainable future, we look forward to continued collaborations with our customers, collectively working towards minimising greenhouse gas emissions and managing resources efficiently through tech-driven solutions.

[1] *The American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) is an American professional association seeking to advance heating, ventilation, air conditioning and refrigeration systems design and construction.*

MINIMISING ENVIRONMENT IMPACT

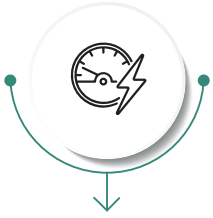
DECARBONISATION

The Group remains committed to attaining net zero or carbon neutrality by 2050, in line with the international and national targets being announced by the various governments in the jurisdictions that we operate in by exploring innovations that contribute to sustainable energy generation and resource-efficient energy-saving measures. We are therefore undergoing a process to determine our decarbonisation strategy and outline medium-term strategies and policies to achieve this ambition. To form the baseline for our decarbonisation path, we continued to track our scopes 1, 2 and 3 emissions and in 2022, increased the number of sites tracked from 25 to more than 60 sites encompassing our global geographical locations.

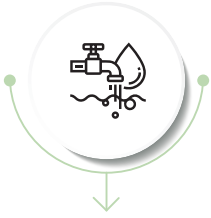
In 2022, the main composition of our main carbon footprints are as follows:



Scope 1: Emissions from petrol and diesel fuel consumption from our fleet of vehicles, refrigerants and natural gas



Scope 2: Emissions from our buildings' electricity consumption



Scope 3: Business travel and water consumption emissions, employee commuting, upstream leased assets

In 2022, we kick-started our decarbonisation initiative by mobilising data owners across our organisation to build an inventory of our emission data points. As part of this process, we determine boundaries, parameters and calculation methodology to produce our initial emission baseline which include additional data points of our Scope 1, 2 and 3 emission. We have begun working on automating some aspects of this procedure which led to our recent engagement with Alibaba.

We are currently looking at scenario climate models to evaluate potential decarbonisation paths in developing our net zero/carbon neutrality strategy and The Energy Expert platform from Alibaba contributes to improving this process. The platform is trustworthy as it has also been certified by TÜV Rheinland[1] and its processes are in accordance with ISO 14064 as well as GHG Protocol. The Energy Expert platform help enterprises manage their carbon assets most cost-effectively, providing one-stop solutions for:

- Carbon monitoring, reporting and validation;
- Carbon asset evaluation and recording of latest carbon market movements; and
- Planning of carbon neutrality pathways and progress-tracking towards setting goals based on industry carbon reduction, capture and offsets measurements.



Total Scope 1, 2 and 3 emission FY2022

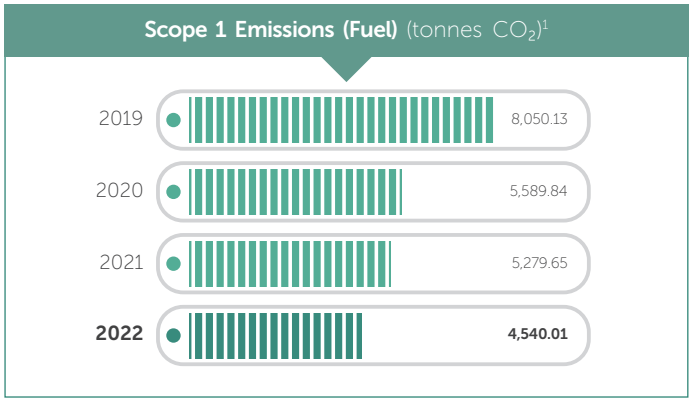
17,447 tonnes CO_2

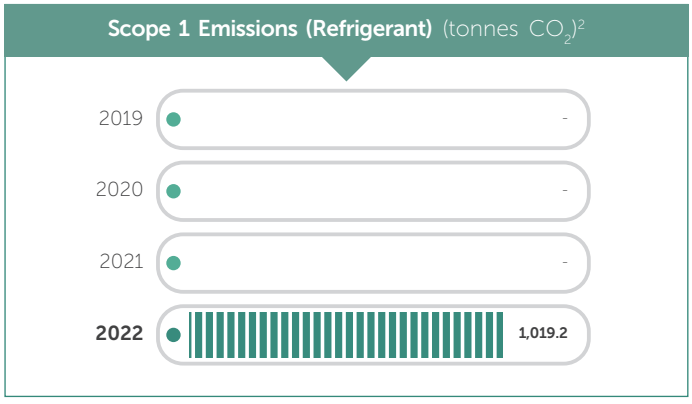
[1] *TUV Rheiland is one of the world's leading testing service providers that carries out product certifications.*

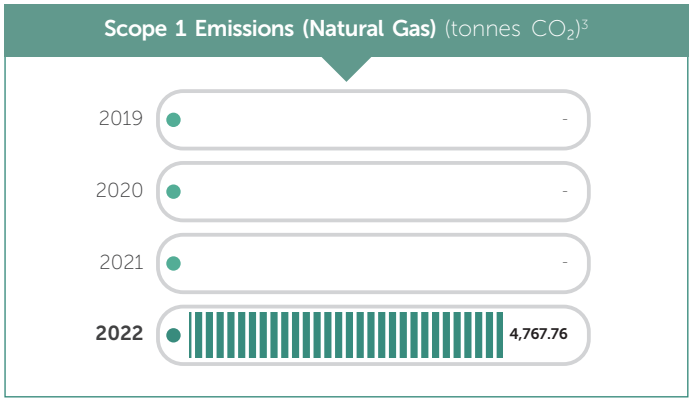
MINIMISING ENVIRONMENT IMPACT

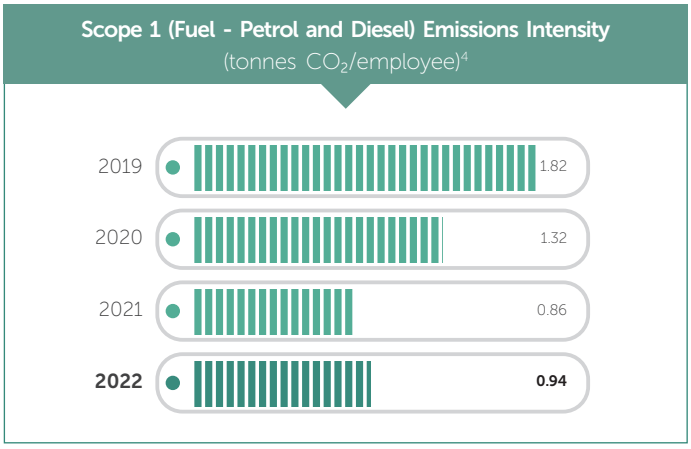
As a result of our carbon footprint reduction efforts, we achieved the following performance during FY2022:

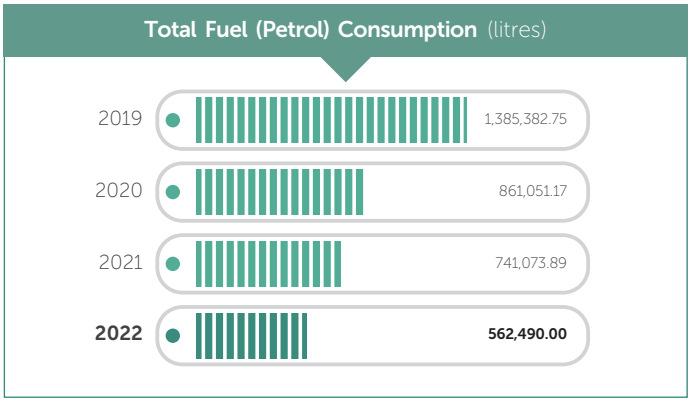
a. Scope 1: Combustion emission and consumption data*

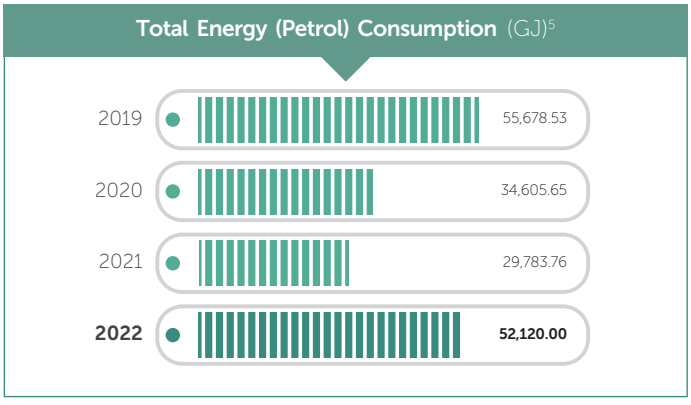












Note:
The emissions data disclosed here are verified by an independent third party, but are without data assurance.
For 2022, we also reclassified some of the vehicles in our fleet which are under operating lease into Scope 3 Upstream Leased assets.

[1] *The Scope 1 emissions (fuel) has been restated using emission factors that are appropriate to our business and the total emission (fuel) is 2% lower compared to previously reported.*
[2] *The Scope 1 emissions (refrigerant) are a result of the Group's own consumption of refrigerant.*
[3] *The Scope 1 emissions (natural gas) are a result of the natural gas combustion from our laundry, linen and incineration plants for our healthcare business.*
[4] *FY2022 Total number of employees = 6,722. This comprises of employees of Malaysia staff only. Our international workforce was excluded from the GHG intensity calculation considering insignificant emissions from the said workforce.*
[5] *The total energy (petrol) consumption has been restated using conversion factors that are appropriate to our business and the total energy (petrol) is 15-19% higher compared to previously reported.*

MINIMISING ENVIRONMENT IMPACT



Total Fuel (Diesel) Consumption (litres)[1]

2019	1,791,126.36
2020	1,330,443.66
2021	1,318,651.62
2022	**1,212,460.45**

Total Energy (Diesel) Consumption (GJ)

2019	68,779.25
2020	51,089.04
2021	50,636.22
2022	**64,986.24**

Total Energy Consumption (Petrol and Diesel) (GJ)

2019	124,457.78
2020	85,694.69
2021	80,419.98
2022	**117,106.24**

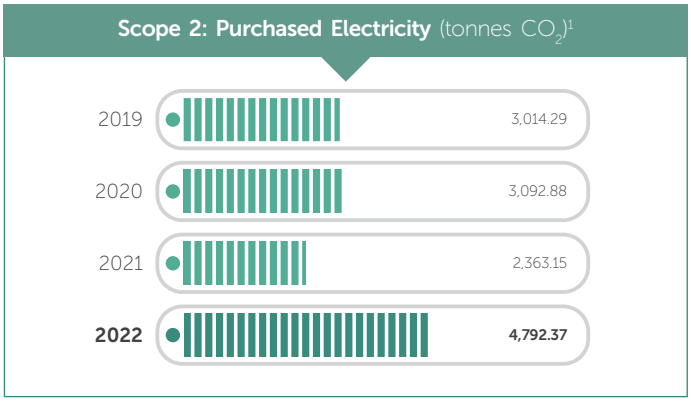
**Note:*

[1] The correct figure for Total Fuel (Diesel) Consumption figure from 2019 should be 1,791,126.36, instead of 41,791,126.36 which resulted from a misprint last year.

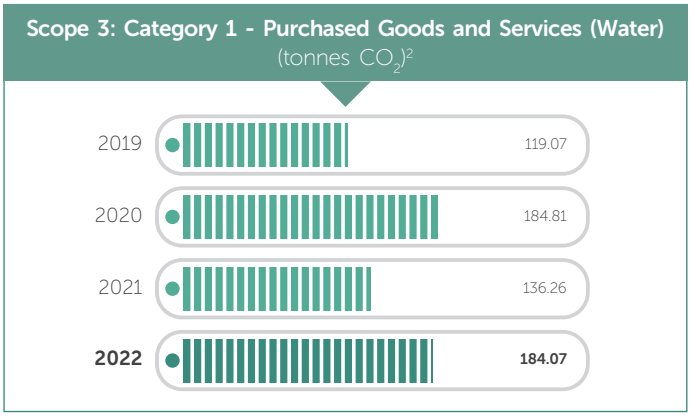
MINIMISING ENVIRONMENT IMPACT

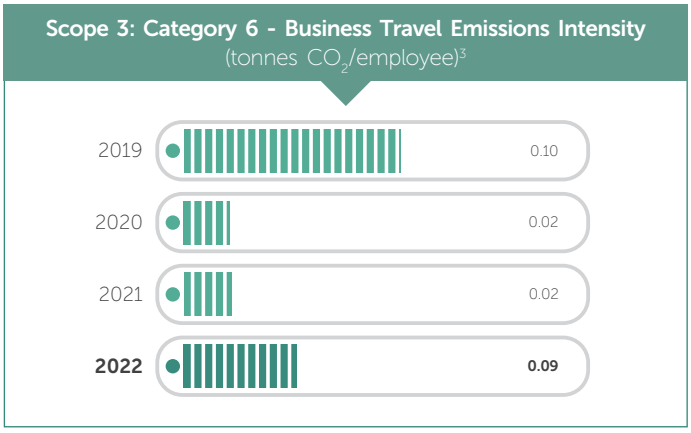
The increase in electricity emissions from FY2021 was due to the increase in number of sites tracked (2019: 10 sites, 2020: 14 sites, 2021: 25 sites and 2022: 62 sites).

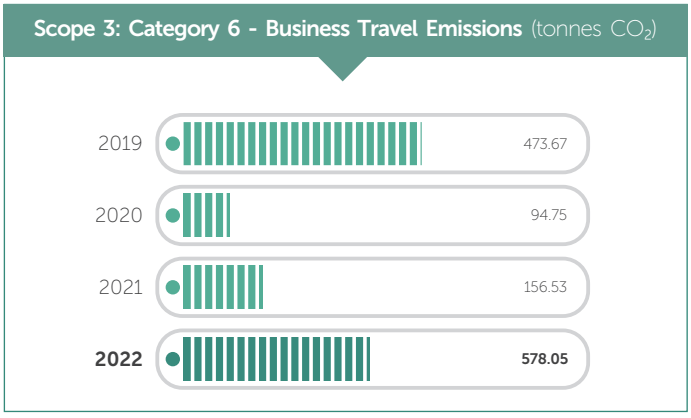
b. Scope 2 Emission Data*



c. Scope 3 Emission Data*







Note:
The emissions data disclosed here are verified by an independent third party, but are without data assurance.
[1] Total electricity emissions (tonnes CO_2) for 2019 to 2021 have been restated to take into consideration the industry accepted and published emission factors for each year in each of the country that we operate.
[2] The Scope 3 (water) emissions data for FY2019 – 2021 is restated using standardised, published emission factors relevant to our business activities in FY2022.
[3] FY2022 Total number of employees = 6,722. This comprises of employees of Malaysia staff only. Our international workforce was excluded from the GHG intensity calculation considering insignificant emissions from the said workforce.

Electricity Emission % Variance[1]

Year	2019	2020	2021
Previously Disclosed emission (tonnes CO_2)	3,765.52	4,652.81	4,886.44
Restated emission (tonnes CO_2)	2,984.36	2,363.15	2,554.52
Variance	21%	49%	48%

Water Emission % Variance[3]

Year	2019	2020	2021
Previously Disclosed emission (tonnes CO_2)	1,516.99	2,416.00	1,781.93
Restated emission (tonnes CO_2)	119.07	184.81	136.26
Variance	92%	92%	92%

MINIMISING ENVIRONMENT IMPACT

During the year, business travels increased from FY2021 to FY2022, as a result of increase in local, regional and international travel activities as lockdowns were lifted and borders were re-opened. 29% of all business travels are made up of local travel by various forms of transportation such as taxi and bus.

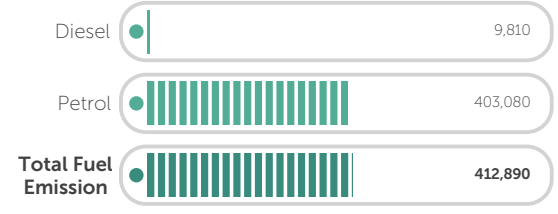
d. Scope 3 Emissions Data (Category 7: Employees Commuting)

Scope 3: Fuel Emissions (tonnes CO_2)



Note: We just started to track Employee Commuting in 2022 so there's no data for 2020 and 2021.

Total Fuel Consumption (litres)

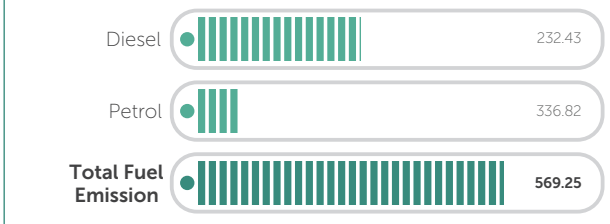


Note: We just started to track Employee Commuting in 2022 so there's no fuel data for 2020 and 2021.

Petrol and diesel consumption increased between FY2021 and FY2022 due to increase in business operations, post COVID-19 Monitoring activities at highways and buildings managed by us increased as lockdowns were lifted and economic activities resumed. This led to increased fuel consumption in cars and vehicles we owned and rented.

e. Scope 3 Emissions Data (Category 8 - Upstream Leased Assets 2022)

Scope 3: Fuel Emission (litres)



Note: We just started to track Upstream Leased Assets in 2022 so there's no fuel data for 2020 and 2021.

Note:
Category 8 - Upstream Leased Assets includes emissions from the operation of assets that are leased by the reporting company in the reporting year and not already included in the reporting company's Scope 1 or Scope 2 inventories.

In 2022, we started to track two new Scope 3 categories, which are, Scope 3 Category 7 Employee Commuting and Scope 3 Category 8 Upstream Leased Assets. Scope 3 is an area we are continuously enhancing and moving forward, we will continue to embed transparent, systematic carbon footprint quantification across our value chain, with the objective of identifying emission drivers and provide impetus for innovations that can reduce carbon emissions.

Note:
Category 7 - Employees Commuting includes emissions from the transportation of employees between their homes and their worksites.
Emissions from employee commuting may arise from:
- *Automobile travel*
- *Bus travel*
- *Rail travel*
- *Air travel*
- *Other modes of transportation (e.g., subway, bicycling, walking)*

MINIMISING ENVIRONMENT IMPACT

Maintaining Our Environmental Stewardship



While climate change is a primary risk to our environment, we also recognise our responsibility to provide stewardship in other environmental areas including waste management, material consumption and water management. Our approach to addressing such issues has also enlightened us on the potential benefits we may obtain, spanning from cost savings to efficiency optimisation.

Waste management protocols are adapted within each business segment to address challenges specific to them. In line with this approach, our Healthcare Support division manages waste generated across a broad spectrum of sources, including chemical, clinical, heavy metal, electrical and electronic equipment, and kitchen waste. Moreover, we closely adhere to waste management standards established by the Department of Environment ("DOE") of Malaysia, particularly on waste incineration practices by treating emissions before they are released into the atmosphere. As for our Property & Facility Solutions division, we constantly seek new ways of handling waste, thereby contributing to improved operational efficiency.

Besides waste management, we acknowledge the importance of resource recovery and have allocated approximately RM15 million to construct a dedicated plant that produces our own recycled asphalt premix. The plant is expected to go live in Quarter 4 of 2023 and deliver a potential carbon dioxide equivalent ("CO_2 eq") reduction of 800 tonnes per year (see Material Utilisation on page 144 for further details). As for our commitment to reducing water consumption, we take full advantage of our rainwater harvesting capabilities and have channeled rainwater for other usages, such as cleaning the RSA along the North-South Expressway and irrigating plants.

In encapsulating all key sustainability matters within our operations, 98% of our operating sites are ISO 14001 certified, ensuring that robust environmental management systems are consistently established across the Group.

MINIMISING ENVIRONMENT IMPACT

WASTE MANAGEMENT

As a multinational entity, we are cognisant of the waste our business activities and operations generate.

In order to deliver efficient, effective and responsible waste management for both general domestic waste and scheduled waste, key strategies/actions taken include:

- Reducing Paper Consumption through Digitalisation
  - With the goal of imparting a sense of accountability in the consumption of printing paper, a new practice will be initiated during 2023 whereby departmental consumption reports will be prepared and presented to the Head of Units on a quarterly basis.
  - Paper waste typically accounts for a large proportion of solid waste generated, making the digitalisation of our processes vital in curbing unnecessary paper consumption. In alignment with this approach, we leverage on digital solutions such as Adobe Sign to help streamline our day-to-day operations.

a. Total Paper Consumption (No of A4 reams used)

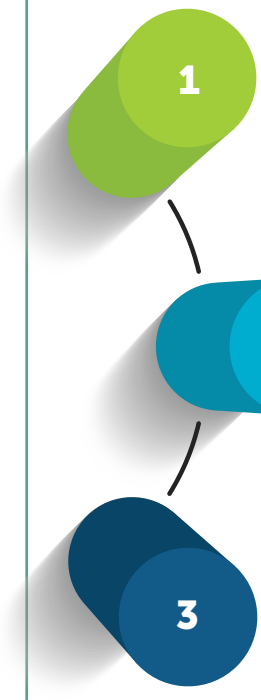


The drastic decrease between FY2022 and FY2021 is due to the backlog inventories of A4 paper that were not used in the previous years and also as a result of our flexible working policy where staff are working remotely. As mentioned above, UEM Edgenta is transitioning towards digital documents, hence the decrease in paper consumption.

- Disposal of electronic waste ("e-waste")
  - E-waste forms part of the scheduled waste we generate alongside waste oil, contaminated containers and filters.
  - In order to ensure the safe discarding of electronic devices that carry severe environmental and health risks, the HSSE department has put in place a designated e-waste bin at the lobby of Menara UEM. The e-waste bin accepts various forms of electronic products ranging from small home appliances to mobile phones, computer accessories and used batteries.
- Healthcare Waste Management Services ("HWMS")
  - As an ethical HWMS provider, we ensure that our stakeholders in healthcare facilities can work in a safe and healthy environment without fearing exposure to health hazards or risks of infections. Our utmost priority is the implementation of stringent protocols under a comprehensive waste management framework to minimise waste generation, promote recycling, ensure proper disposal of hazardous waste, and engage employees in environmentally responsible practices.
  - Within our Healthcare Support division, we remain steadfast in averting the negative impacts that the by-products of our clinical waste incineration activities generate. To this end, we are keenly exploring non-conventional, fossil fuel-free alternatives.
  - As a whole, our scope of work covers healthcare waste collection, transportation, storage, hygiene, infection control, treatment, and spillage management. For each case, our trained HWMS team oversees the segregation at the source. Following which, these scheduled and unscheduled waste are collected, stored and transported out according to procedure for each waste type, and ensuring strict adherence to local regulations.
  - Lastly, with a team of over 40 employees (including engineers, logistic coordinators, drivers etc.) dedicating their effort and time to this service, we have managed to make the following contributions.
- Recycling campaign
  - In support of a recycling culture, our Infrastructure Services division partnered with our client, PLUS Malaysia to organise a recycling campaign with the theme 'Asingkan! Demi Masa Depan Kita' in three (3) separate RSA along the North-South Expressway. The participating RSAs were from the Rawang, Gunung Semanggol and Ayer Keroh locations. The campaign held on February 2022 included exhibition booths, information sharing sessions and games conducted around the theme of recycling. Waste segregation activities were also carried out with PLUS Malaysia, the results of which were monitored by weighing the segregated waste. Following the success of this event, more recycling campaigns emphasising on the importance of 3Rs (Reduce, Reuse, Recycle) will be organised to encourage greater participation.

MINIMISING ENVIRONMENT IMPACT

- Installation of KLEAN machine
  - In line with our desire to set a strong example through sustainable practices, we have sought to further inculcate a culture of recycling within the organisation through the installation of our KLEAN machine. This reverse vending machine rewards recyclers with points that are redeemable for vouchers and has been stationed in Menara UEM since 2021. It is mobile application-enabled and powered by AI technology capabilities that allow it to recognise and automatically sort incoming materials into recycling bins.
  - Within our reporting period, we observed the following performance data gathered from the KLEAN dashboard real-time tracking and reporting feature:



For over a period of four (4) months, a total of **6,603** containers were collected; out of which **84.3%** were made up of polyethylene terephthalate ("PET") and the remaining **15.7%** consisting of aluminium cans.

Carbon footprint impact: **341 kg** CO_2 eq saved.

Based on **799** users in 2022, **66%** are returning recyclers

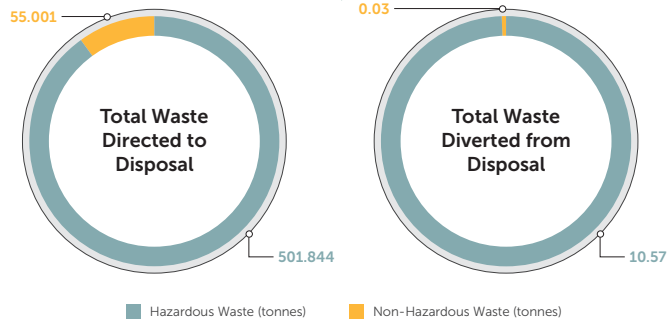
- With this information gathered on the KLEAN machine, we will be able to develop the best strategy to increase recycling rates in our building. We are looking forward to renewing it and are considering the possibility of installing more KLEAN machines throughout our operations.

- Bring Your Own Mug Campaign
  - As a means to promote environmentally conscious practices in an engaging manner, our employees are encouraged to bring their own mugs to a café we operate at Menara UEM for a RM1 discount on their orders.



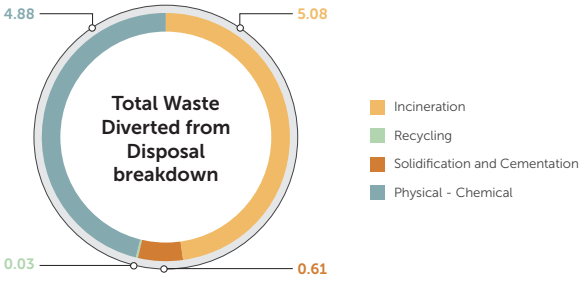
During the year being reported, we are disclosing more data on waste across our business and how these wastes are being treated. Furthermore, we are focusing on solutions to better manage waste and reduce amounts sent to landfill, an approach that we are currently deploying across all our business activities. Driven by the proactive implementation of our waste management approaches, we observed the below results during the year in review:

b. Total Waste Generated (UEM Edgenta) 2022



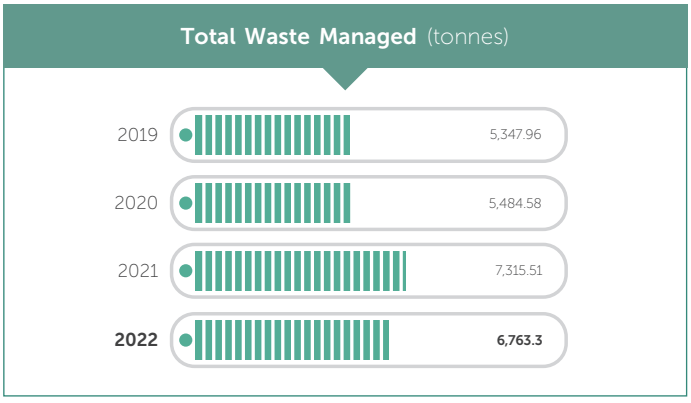
**We only started tracking our waste in FY2022.*

c. Total Waste Diverted from Disposal Breakdown (UEM Edgenta)

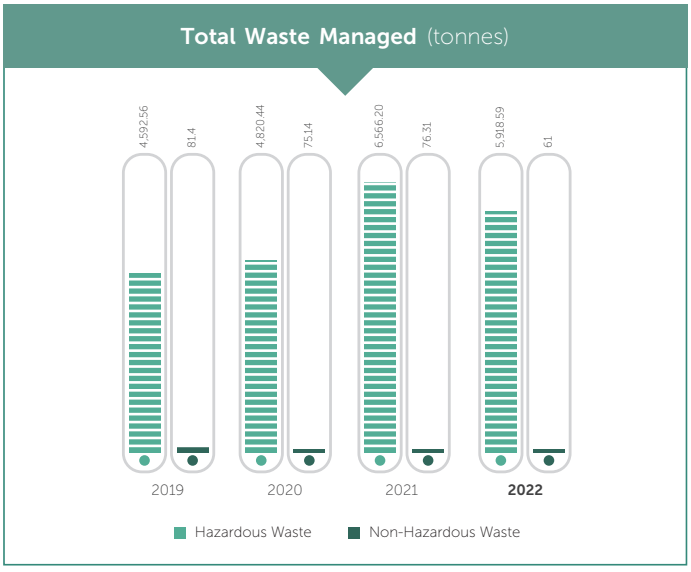


MINIMISING ENVIRONMENT IMPACT

d. Total Waste Managed by Edgenta for Healthcare Client



e. Total Waste Managed Directed to Disposal by Edgenta for Client

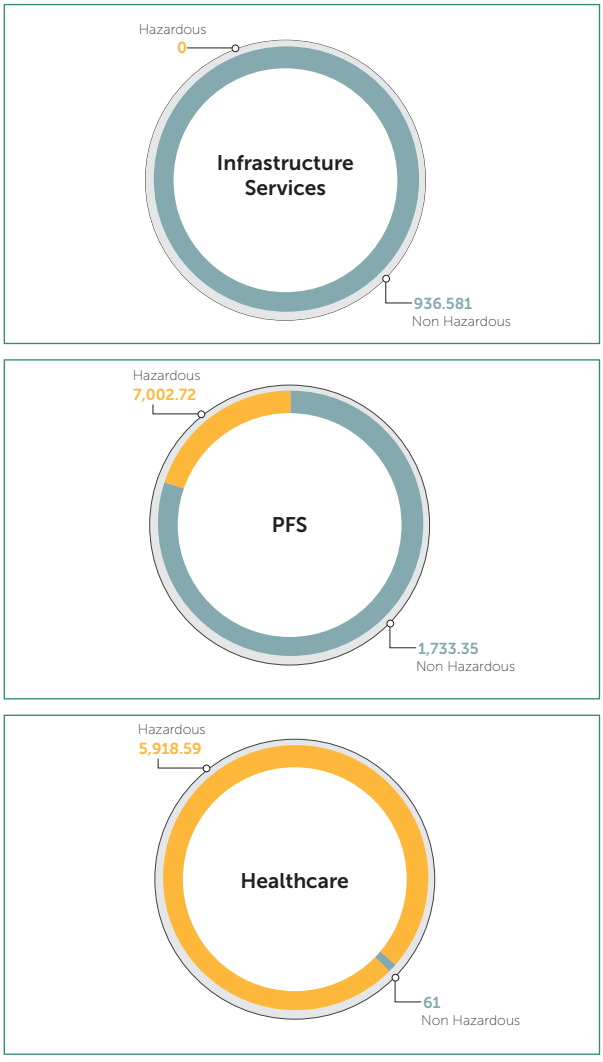


f. Total Waste Managed Diverted from Disposal by Edgenta for Client

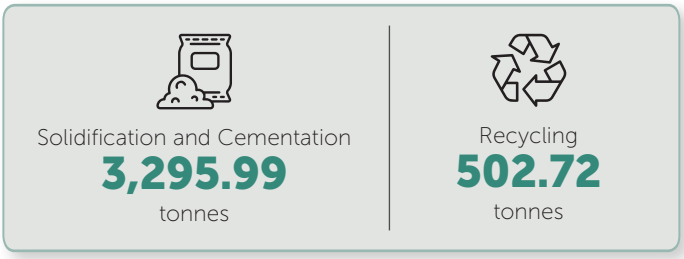


The total waste managed for healthcare client decreased from FY2021 to FY2022 as waste generated at hospitals decreased post COVID-19.

g. Total Waste Managed Directed to Disposal by Edgenta for Clients (breakdown according to Business Units)



h. Total Waste Managed Diverted from Disposal Breakdown by Edgenta for Client



Moving forward, we will remain on the lookout for new opportunities to enhance our waste management capabilities across our operations, with an aim to increase the efforts of recycling and waste diversion from landfills.

MINIMISING ENVIRONMENT IMPACT

MATERIAL UTILISATION

Through our mindful approach to material utilisation, we place greater value on responsible and efficient consumption of materials and other resources relevant to our operations. This has led us to recycle and optimise our usage of other resources. With the asphalt industry having a significant environmental impact, we have set up a Pavement Research Centre which focuses on the research and development of innovative pavement materials and advanced maintenance techniques. Moreover, we have also constructed a Recycled Asphalt Premix Plant which serves as a recycling facility for asphalt.

Furthermore, collaborations with business partners that share the same aspirations have been pivotal in helping us to implement breakthrough resource utilisation strategies, as illustrated below:

- The Pavement Research Centre and Recycled Asphalt Premix Plant

  Being the building block for infrastructure development, asphalt has long been a culprit of adverse environmental impact. In addressing this, we have embarked on a recycled asphalt programme with the Taiping Municipal Council in 2021. This programme was undertaken to better align our business operations with responsible material consumption practices by leveraging our PRC facility that focuses on research and development of various materials. Building upon the resounding success of the collaboration with Taiping Municipal Council, we have embarked on the construction of a Recycled Asphalt Premix Plant, which we expect to be operational by Q3 of 2023.

  The following performance disclosures reflect the progress we have made towards our material utilisation aims:

Pavement Research Centre

13 variations of asphalt mixes tailored to the specific needs of our customers have been researched and produced. **8** out of **13** mixes laid on the PLUS Expressways are currently undergoing a 12-month test run and have shown promising performance thus far. **30%** RAP and **100%** RAP in hot and cold applications respectively have been developed for use by our companies, diverting a significant amount of asphalt away from landfills.

Recycled Asphalt Premix Plant

The plant, which is expected to be fully operational by Q3 of FY2023, is projected to drive up to **800 tonnes** in **CO_2 emissions reductions** annually by decreasing the usage of virgin materials. We also aspire to commercialize the product and advocate for a greener road infrastructure in Malaysia..

- Collaboration with PLUS Expressways and Cement Industries Malaysia Berhad ("CIMA") for New Jersey Barriers

  Through an ongoing joint initiative with PLUS Expressways Berhad and CIMA, we are exploring the use of Fibre Reinforced Concrete in the construction of new jersey barriers to separate lanes. Within the year, the technical and commercial feasibility of the project was continuously explored. This includes efforts directed towards fine tuning and finalisation of product specifications along with discussions with the Malaysian road authorities (i.e., Jabatan Pengangkutan Jalan ("JPJ")). Even though the project is still at an exploratory stage, we believe that this new material has the potential to optimise concrete quality and labour usage, reinforce other raw material components such as steel, and shorten construction periods for minimised heat, noise and air pollution. With that, we expect to implement the project progressively by phases from 2023 onwards.

  As part of our unwavering dedication towards resource efficiency, we will continue to pioneer research and development undertakings towards utilising materials more sustainably, with a particular focus on the sustainable use of asphalt in the infrastructure industry. Ultimately, we are on the right track in minimising waste, thereby contributing to the road safety and security of the nation's highways.

MINIMISING ENVIRONMENT IMPACT

WATER CONSUMPTION

As part of our overall approach on water resource stewardship, we also monitor our water consumption as withdrawn from municipal water supply, which is mainly utilised by our office and other operations. To this effect, various water management initiatives are currently being implemented across our organisation, including:

- Monitoring mechanisms, and water management plans and procedures as the Group's effort to reduce water consumption across all operations.
  - As a means to reduce the excessive usage of water, we have incorporated several water-saving measures such as the installation of water aerators in all faucets throughout the Group.
  - We have conducted briefings to raise awareness of the importance of water conservation and the implementation of practical water recycling solutions.

- Setting up a Natural Water Harvester project
  - The Natural Water Harvester is a collaborative water conservation effort between the Group and our customer, PLUS, that leverages facilities in the RSAs along the North-South Expressway. Under this conservation plan, water management initiatives, rainwater harvesting systems and tube wells are employed to reduce costs.
  - During the reporting period, approximately 6,000 m^3 of natural water was conserved from 11 rainwater harvester sites, 1 tube well and 1 river source. Looking forward, we plan to extend our rainwater harvesting system to all other RSAs in phases.

We have recorded the following results with regard to water consumption during the year:

Total water consumption across 49 sites in Malaysia, including Menara UEM



Note:
[1] The Scope 3 (water consumption) emissions data for FY2019 – 2021 is restated using standardised, published emission factors relevant to our business activities.

To secure long-term water security, the Group will continue to implement organisation-wide monitoring mechanisms, water management plans and procedures, towards reducing water consumption across all operations



100%
of our business units are now certified under ISO 14001 and ISO 45001

We recorded a total of
313,981 hours
of employee development training

We successfully generated
159 new business ideas
through the Edgenta Innovation Programme, with 12 ideas have been worked on for full implementation



AREAS DISCUSSED

Occupational Health and Safety

Employment Culture

Customer Satisfaction

Human Rights Assessment

Local Community

Social Value Creation



SOCIAL VALUE CREATION

Occupational Health and Safety

SETTING OUR APPROACH ON OCCUPATIONAL HEALTH AND SAFETY

The health and safety of our employees has always been a priority at UEM Edgenta. It is our belief that by ensuring a secure working environment that focuses on the physical safety, security and wellbeing of our people, we can foster greater motivation, goodwill and dedication. In addition, we commit to ensuring that the healthy and safe work environment we provide includes coverage for other key stakeholders of the Group, such as our vendors/suppliers.

By empowering our people with the ability to focus on their job functions without distraction of discomfort or potential hazards, we enable them to function efficiently and thus positively impact our business. Likewise, given the importance of a healthy and safe environment, we aspire to continually ensure the adoption of best practices, maintain full adherence to all regulations and persistently enhance our efforts wherever possible.

Our OE & HSSE department presently play a key role in ensuring the optimum version of our health and safety framework. This is crucial as the Group adheres to the guidelines of all its adopted standard requirements.

Overall, our intention remains to pursue and achieve our Goal Zero* ambitions.

FEATURED STORY

PROMOTING THE HEALTH AND FITNESS OF EDGENTA STARS

As we begin emerging from the COVID-19 pandemic, many of us have started returning to our workplace more regularly in 2022. However, Edgenta continue to promote a flexible working arrangement allowing staff to practice a hybrid mode of working, blending both working from home and at the office. We understand that working from home may pose a risk for staff slipping into a sedentary lifestyle or feeling isolated, leading to feeling constant pressure or even experiencing mental health issues. With that, Edgenta launched Project DASS as a pilot during the pandemic and last year increased the coverage of this project to cover more staff. DASS is a survey that promotes early identification of mental illness among our employees to allow them for early treatment. In 2022, 2,389 employees were assessed under this programme and a third party was appointed to provide Employee Assistance Programme to resolve personal issues affecting work performance because of mental health conditions. The programme succeeded in breaking the emotional barrier among staff to discuss mental health issues more openly in a safe environment.

Besides, we also acknowledge that a passive lifestyle may also cause health issues or unhealthy habits. With that in mind, one of the primary causes of noncommunicable diseases ("NCDs") in Malaysia is obesity and lung failure caused by smoking. Through our Physical Health Assessment which was launched during the year, we were able to identify the percentage of our employees that suffer from obesity as well as those who smoke within our organisation. The identified employees are then invited to participate in health campaigns such as the Weight Warriors Programme and the Smoking Cessation Programme. The programmes aim to help participants to achieve a weight reduction of 10%, or to reduce their smoking rate by 30% by 2025. As of the end of 2022, the top 5 teams, consisting of 25 people of the Weight Warriors Programme had experienced an average weight loss of 22.3% of their total original weight while 50 participants from the Smoking Cessation Programme are still tracking their progress up until June 2023.

**Goal Zero refers to no fatality cases, no harm to people, and no damage to the environment across all levels of the Group.*

SOCIAL VALUE CREATION

Occupational Health and Safety Management System

- A comprehensive system that is implemented based on the standard requirements of ISO 14001 and ISO 45001 and is guided by local rules and regulations as well as other relevant HSSE legal requirements and industrial codes of practice.
- For our entities in Malaysia, the system adheres 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 the Group-wide implementation of this system, 100% of our business units are now certified under ISO 14001 and ISO 45001.
- All our key stakeholders (i.e., employees, contractors and vendors) are covered by the occupational health and safety management system, including by way of the implementation of relevant policies and procedures.
- In 2021, the Group took another step beyond its adoption of common standardised health and safety practices by being the first Malaysian company to be certified under the ISO 45005:2020 (Occupational Health and Safety Management – General Guidelines for Safe Working During the COVID-19 Pandemic). This certification has allowed the Group to stay focused at managing key risks arising from COVID-19, in which protecting the health, safety and wellbeing of our employees remained key.

Quality Health, Safety, Security and Environment Policy

In line with our certification with standardised health and safety practices, the Group also maintain a QHSSE Policy. With the policy, it provides an overarching guidance for our practices at managing matters relating to health and safety of our stakeholders. Along with the guidance it provides, the policy is also a key representation of our commitment to:

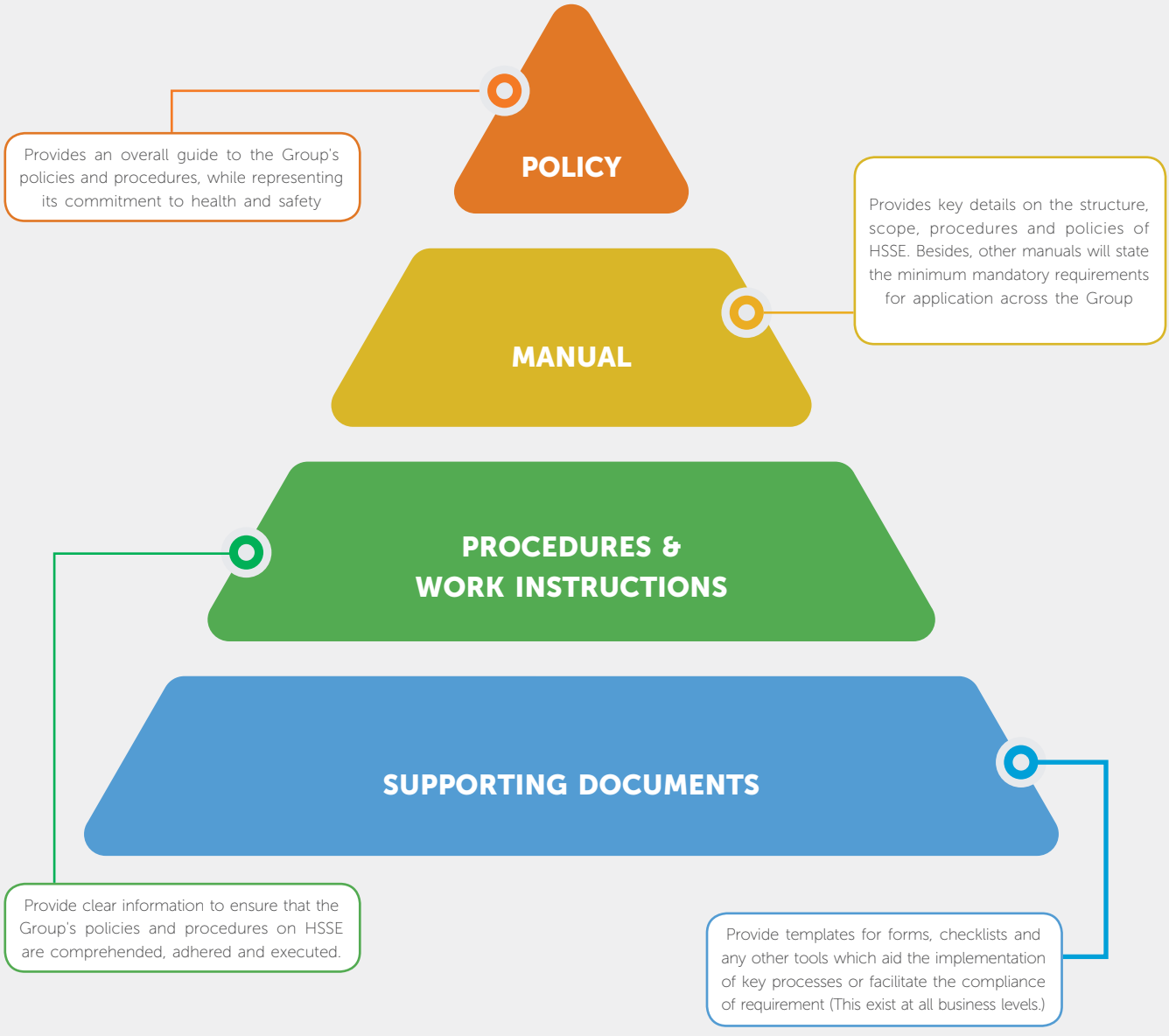
- Comply and exceed beyond all applicable statutory and regulatory requirements;
- Achieve the objective of causing no harm to people while protecting the environment;
- Lead a systematic approach at adopting health and safety practices that are developed to meet our stakeholders' expectations while continue to pursue further enhancement;
- Embed health and safety related targets as part of our employees' performance assessment;
- Require our contractors to meet health and safety standards in line with this policy;
- Pursue improvement over our adoption of health and safety policies and procedures by seeking to identify, reduce and eliminate risks or hazards through engagement with our stakeholders; and
- Seek potential cooperation with third parties via joint ventures in view of achieving key objectives of this policy as well as to promote the Group's stance on health and safety.

SOCIAL VALUE CREATION

HSSE Manual

- As part of our efforts to drive consistency and coherence in health and safety standards across the Group, we have developed and implemented eleven HSSE manuals to date, with three more manuals currently in the pipeline (covering Health, Security and Environment).
- The manuals (covering Health, Safety and Environment) will be disseminated across our operations in Malaysia and also introduced to our operations in UAE, Taiwan and Singapore to achieve cohesive adoption of health and safety measures.

HSSE MANUAL STRUCTURE



SOCIAL VALUE CREATION

HSSE Governance Structure

- Our oversight on HSSE related matters is ultimately led and governed by the Board, whereby the Board oversees, assesses and deliberates on all relevant issues on a quarterly basis. Besides, our MD/CEO is elected as the designated person at the board level to provide leadership and focus in managing and integrating the element of health and safety within our strategies, decisions and actions.
- The governance structure is further supported at the working level by our 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.
- 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, our 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;
  - Compile, review and submit HSSE related performance data to each business division;
  - Implement and maintain a 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.

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 Profesionals 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 dont's" 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 2022, 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 from our Infrastructure, Healthcare, and Property & Facility Solutions division increased from 77 to 132.

GEMBA WALK

2021	2022
77	132

The amount of final audits for 6S increased from 39 (year 2021) to 66 (year 2022).

6S

2021	2022
39	66

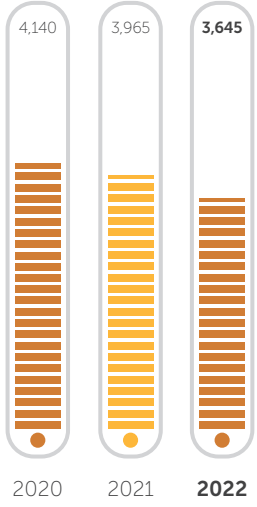
The results and findings from the audits were recorded on the BenchmarkESG, which is an AI-driven Safety, Health and Environment incident reporting platform. It enables the Group to perform a root cause analysis which facilitate a faster implementation of any corrective and preventive actions ("CAPAs").

SOCIAL VALUE CREATION

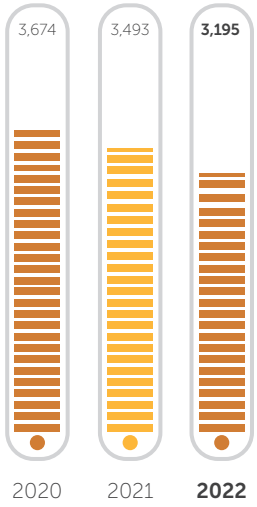


Our occupational health and safety management system also provides coverage to personnel who carry out work for the Group, including those who are not classified as employees:

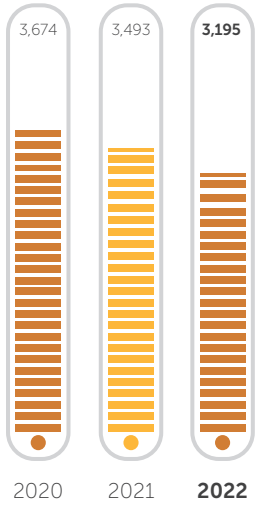
i. Number of all employees and workers who are not employees but whose work and/or workplace is controlled by the organisation, who are covered by such a system



ii. Number of all employees and workers who are not employees but whose work and/or workplace is controlled by the organisation, who are covered by such a system that has been internally audited



iii. Number of all employees and workers who are not employees but whose work and/or workplace is controlled by the organisation, who are covered by such a system that has been audited or certified by an external party



SOCIAL VALUE CREATION

INCULCATING A CULTURE OF HEALTH AND SAFETY

In supporting our overall health and safety agenda, we seek to embed a positive culture within our workforce through various communication platforms which are provided for employees to highlight issues pertaining to health and safety. Through this approach, our employees are encouraged to adopt a vigilant and cautious mindset on safety and staying away from hazards.

We also ensure that our employees are provided with up-to-date knowledge and skillsets through capacity building initiatives, disseminated via trainings and awareness briefings. To this end, we implement an HSSE training matrix for both our employees and our contractors or vendors. The matrix developed defines and assigns the type of trainings relevant for our employees and contractors, which may include mandatory trainings required by law as well as site-specific operational training and awareness sessions on issues such as COVID-19, emotional wellbeing, etc.

Moving forward from 2022, the Group will continue to take a proactive approach to sustainability reporting, implementing measures such as implementing an e-PTW system and revising HSSE management requirements. These actions will demonstrate our unwavering commitment to health and safety, compliance, and continuous improvement. Besides, we will also actively involve employees in health and safety initiatives and regularly monitor and revise our approaches as needed to ensure ongoing effectiveness.

In 2022, we continued our Leadership Exchange and Action Programme which was launched in 2021 as a platform for team leaders and workers to discuss on Operational Health and Safety related issues, in order to persist on strengthening the safety culture within the organisation.

With that, during the year we managed to achieve the following performance on the delivery and completion of HSSE trainings:



- 14th NRG-SHE Occupational Safety & Health ("OSH") Conference OSH Inclusive - Equality and Commitment
- Industrial Disaster Management Seminar in conjunction with National Preparedness Month 2022 (BKN 2022)
- Safety Day
- Safety and Health Officer (Part Time)
- Expressway Operations Safety Passport
- Safety Induction for Construction Worker (SICW)
- Certified Construction Traffic Management
- Defensive Driving Training ("DDT")

- Training Pengurusan Sisa Buangan
- Radiation Safety And Health (RSH101)
- Enhancing Schedule Waste Spill Response Management

- Future of Work: Minimising Stress and Improving Employees' Mental Health
- Risk & Resilience in The New Norm
- Health Talk Series: Psychosocial Pandemic Impact Stress Management

- ISO 14001 & ISO 45001
  a) Environment Aspect and Impact (EASI)
  b) Emergency Response Plan
  c) Hazard Identification, Risk Assessment and Risk Control (HIRARC)
  d) Incident Reporting
  e) Internal Auditor Training
- SAMM Accreditation Process and Assessment for ISO 17025

- Authorised Gas Tester and Entry Supervisor for Confined Space
- BeFit Programme
- Emergency Response Team Kursus Pengurusan Kebakaran
- Essential Occupational First Aid, CPR and AED

SOCIAL VALUE CREATION

98.8% of employees completed the mandatory OHS e-learning modules

3,026 of employees completed a total of 25,050 hours of HSSE training cumulatively

27 vendors and contractors (Perintis Council) completed health and safety trainings

A total of **255** HSSE trainings for employees have been conducted

HSSE Training & Initiatives



Moving forward, we will continue to implement improvements to our training approach in order to maintain the highest health and safety values among our employees and contractors.

SOCIAL VALUE CREATION

Promoting the health and wellbeing of employees

We recognise that our duty in ensuring healthy and safe employees extends beyond ensuring such conditions exist within their working environment and includes measures to enhance their quality of life in general. To this end, we have launched initiatives geared at improving their physical fitness, emotional wellbeing, lifestyle habits and other general health related issues.

As the foundation of our approach, we provide our employees with access to non-occupational medical and healthcare services, which are delivered by a third-party insurance provider, MiCare. Through this facility, our executive and non-executive employees are entitled to health screenings and medical services in panel clinics, private and government hospitals across Malaysia. During the year, we conducted health screening in collaboration with PERKESO at Hospital Sultanah Bahiyah, Hospital Bukit Mertajam and Hospital Taiping. A total of 300 employees participated in these health screening exercises, marking a key success in our efforts to enhance employee wellbeing.

During the year in review, we also continued our BeFit programmes which was implemented since 2021 to assess and monitor the physical fitness of our employees. As part of the project, a total of 216 employees participated to undergo seven battery test sessions which were developed based on the national physical test routines. Following these tests, employees then underwent a customised bootcamp module with the aim of sustaining or improving their level of fitness.

2021 saw us rolling out the Muscular Skeletal Disorder project to analyse and improve workplace ergonomics based on ergonomic risk factors identified in environmental risk assessment ("ERA"). Through ergonomics awareness and improvement of ergonomic risk factors identified in ERA, the MSD project has managed to reduce MSD-related medical expenses.

Our employees also have access to psychologist and psychiatrist consultations, with the cost borne by the Group. This is supported by the DASS surveys, which is designed to measure the three related negative emotional states of depression, anxiety and stress. Through DASS surveys, we are able to identify employees who are in need of such help and provide them with the necessary assistance.

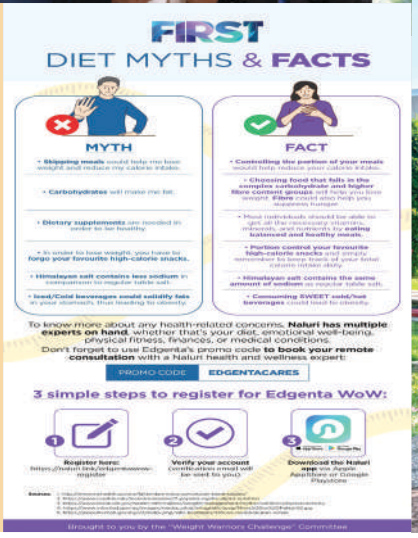
Moreover, we also conduct awareness sessions and ultimately provide psychologist support. Such psychological support was further enhanced during the year with the appointment of an in-house psychologist to help employees deal with emotional or mental health issues.

Other health promotion programmes provided include webinars, communication via infographics as well as exercise sessions such as Taiso and Zumba. These programmes are aimed at improving general health awareness and providing opportunities for employees to develop healthy habits. Some of the programmes offered include:

Webinars on health-related topics such as nutrition and diet, choosing the right exercise, monkey pox and other relevant topics



Infographics entitled "Weight Warrior Diet Myths and Facts", "Hunger vs. Cravings", "Pick Your Calorie Intake Wisely" and "Weight Management Tips"



Morning exercise sessions including the Taiso exercise routine and Zumba



SOCIAL VALUE CREATION

During the year in review, we also carried out a programme based on the concept of Life's Simple 7, which is targeted at defining the ideal cardiovascular health of an individual. The programme was initiated with a survey conducted among a selected pool of employees to collect three health data points for cardiovascular health improvement (blood pressure, cholesterol and blood sugar level). Employees deemed to be at risk of cardiovascular health problems due to being overweight or being a heavy smoker were then chosen to be part of our Smoking Cessation and Weight Reduction programme.

Ultimately, the Edgenta Spending Allowance ("ESA"), which is provided to all employees, may also be utilised to cover any other medical and health related costs.

Performance during the year

Emotional Wellbeing
- 2,389 employees participated in Project DASS surveys
- 40 employees participated in the Mental Health Aider programme

Befit Programme
- 2022 KPI: 10%-20% participation
- 2022 Actual Performance: 51% participation

Health Promotion Programme
- 5,707 employees participated in daily morning Zumba and Taiso exercise classes

Life's Simple 7 (Smoking Cessation Programme)
- 57 employees participated in the smoking cessation programme

Life's Simple 7 (Weight Warrior Programme)
- 330 employees participated in the programme

Targets for the future

Emotional Wellbeing
- 100% success rate in identifying and managing cases of emotional illness

Befit Programme
- 100% success rate in helping overweight employees achieve physical fitness by 2030

Health Promotion Programme
- To be the healthiest workplace by 2025 in terms of reduction to non-communicable diseases

Life's Simple 7 (Smoking Cessation Programme)
- Help 30% of participants to quit smoking

Life's Simple 7 (Weight Warriors Programme)
- Reduce the weight of participants by an average of 10%

Towards our goal of establishing the healthiest workplace by 2025, we will continue to pursue the success of our existing health and wellbeing programme and explore the adoption of other potential efforts.

SOCIAL VALUE CREATION

Advocating health and safety within our value 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.

In 2021, we launched the Perintis Council, a key component of our Contractor HSE Management Programme. The programme was initiated to provide support and guidance to our contractors in adopting better health and safety practices and was publicised and amplified via our contractor engagement roadshows.

During these roadshows, contractors are provided with an opportunity to communicate their feedback and expectations. From there, we assess and select contractors to be part of the HSE performance development programme. In December 2021, a pilot online HSSE Capability Assessment was completed for all 15 Perintis Contractors. This programme was then carried out on 17 other contractors in 2022. 59% (10 out of 17) of the contractors rated themselves with 1 Star. These contractors will be enrolled into HSSE Intervention Program to help them close the gap and improve their HCA result.

To further complement the objective of our Contractor HSE Management Programme, contractors under our Infrastructure Services division are currently subjected to our annual HSE Performance Ranking/Rating exercise. Through this assessment, contractors are assessed and rated based on how well they have managed and addressed health and safety issues.

For contractors that are not performing up to expectations, structured assistance to improve their performance is provided through enrolment in our HSSE Intervention Programme, which includes mentor-mentee sessions between both parties.

With this exercise, we aspire for all our contractors to achieve a 4-star rating and champion various aspects of class-leading health and safety measures. However, for those who do not comply with the relevant HSSE rules and regulations, we will take action to penalise their conduct as part of our HSSE Consequence Management procedures.

With regards to the HSSE Consequence Management process, we have establish a 3 tier system as illustrated below:



We will take decisive action to promote health and safety practices among business partners and vendors through the implementation of the Contractor HSE Management programme. This will involve providing support, ranking performance, intervening for improvement, and implementing consequence management for non-compliance. The Group aims to achieve industry-leading health and safety measures, expand best practices, and provide continued support to contractors in the future.

SOCIAL VALUE CREATION

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. In addition, we also managed to observe the following performance with regard to non-compliance with regulations and/or voluntary codes regarding health and safety issues within the reporting period.

0	0
Incidents of non-compliance with regulations resulting in a fine or penalty	**Incidents of non-compliance with voluntary codes**

Reflecting the priority we have placed on health and safety, a culture of continuous improvement is nurtured across the Group, enabling us to identify emerging risks and implement immediate mitigation actions. To this end, we embarked on the following actions during the year towards addressing work-related hazards as well as to assist us at achieving our goal of zero fatalities across our business divisions.

a) Monitoring and managing our accident rates through incident review meetings which are held every two weeks with analysis and report on the three types of main injuries

b) Adopting the Group's risk management manual, which includes High Bowtie risk management

c) Ensuring that all our activities are covered by HIRARC or JHA

d) Implementing a proactive hazard identification process through ERA, CHRA, NRA and etc.

e) Assessing and identifying which hazards have caused or contributed to high-consequence injuries

Once hazards were identified, we implemented the following actions to eliminate or minimise their attendant risks:

a) Assessing and implementing engineering control actions (e.g., Project Stevie, TMA)

b) Monitoring control measures by the project site HSE personnel (e.g., PPE Matrix, training and supervision)

c) Performing compliance audits and inspections (carried out by HSE personnel) to ensure the effectiveness of control measures

d) Reviewing the HIRARC/JHA periodically or when any incidents occur

e) Reviewing and approving fatality and high potential incident action items/control measures (carried out by Senior Management)

When an incident occur, our investigation team will perform a comprehensive investigation whereby each member will be allocated a specific task in the enquiry and its respective due date for completion. Once the investigation is completed, the following actions may be implemented as a result:

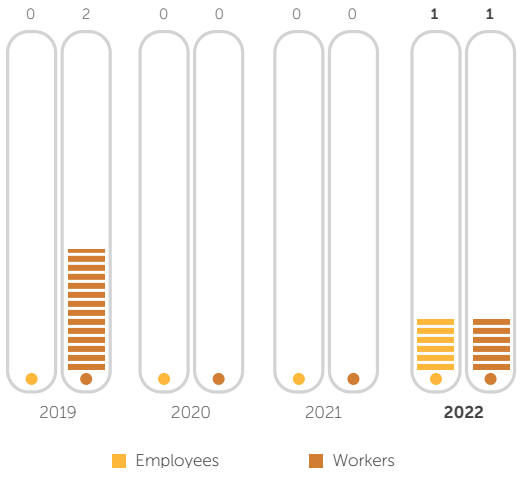


SOCIAL VALUE CREATION

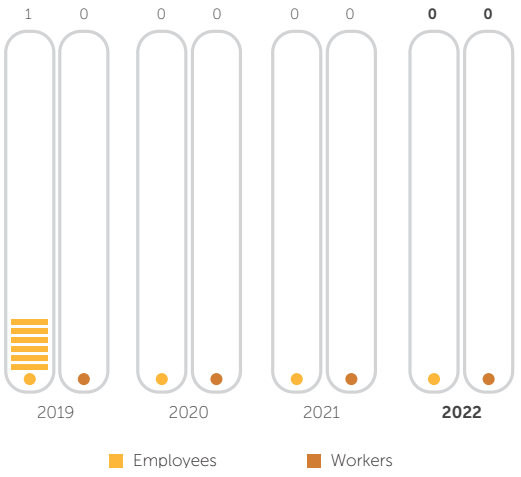
Our performance below reflects the value that we have achieved from this proactive approach.

a. Work-Related Injury for our employees and workers
(Workers refers to contractors hired by UEM Edgenta)

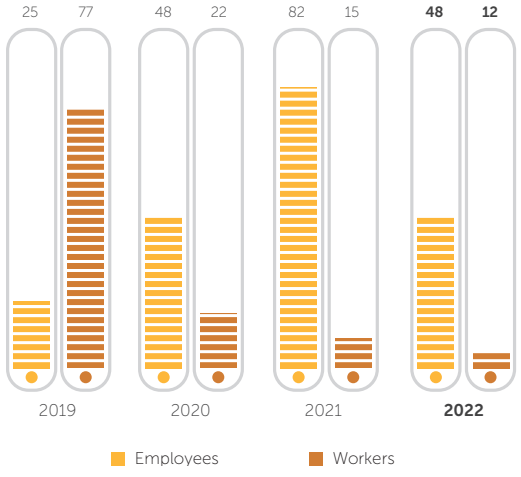
The number of fatalities as a result of work-related injuries



The number of high-consequence work-related injuries (excluding fatalities)



The number of recordable work-related injuries

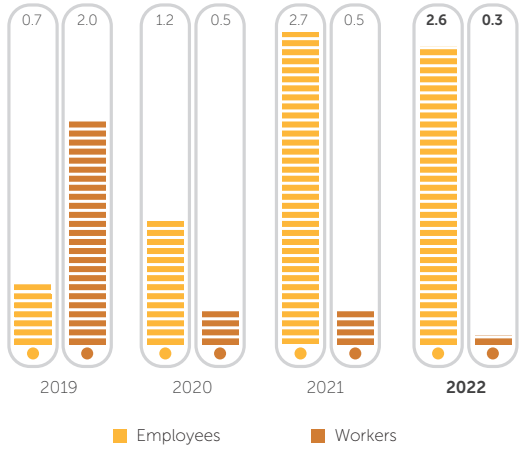




**The main injuries among employees are slips, trips and falls and needle prick.*

SOCIAL VALUE CREATION

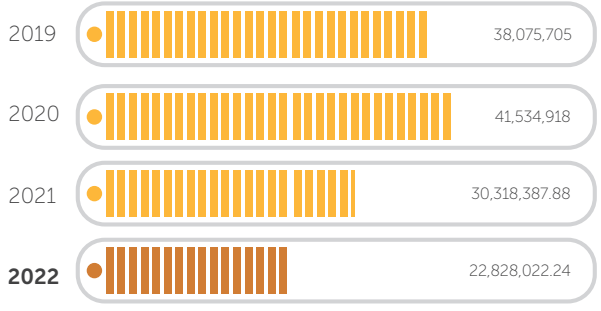
Rate of recordable work-related injuries



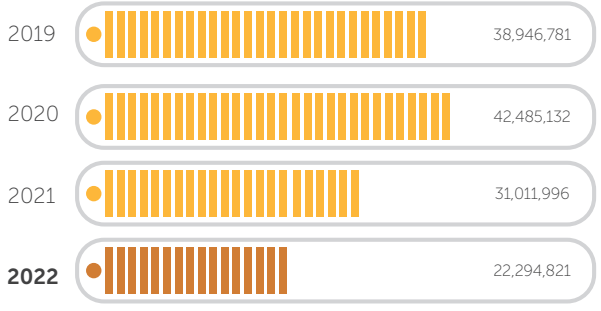
Lost Time Injury Frequency Rate (Number of Lost Time)



Total of hours worked by employees



Total of hours worked by workers who are not employees but whose work and/or workplace is controlled by the organisation



2022 Performance

Rate of fatalities as a result of work-related injury	Rate of recordable work-related injuries
0.04	**1.1**

2023 Target

Injury Rate	
1.4	**Zero Fatality**

Reflecting on the priority we place on health and safety, we have assessed and identified three key performance targets for us to benchmark and further improve our performance. Our focus will be targeted on gradually reducing our injury rate, operationalising our HSSE manuals as well as improving our intiatives on ensuring access security and asset security. We believe that the targets will provide a sense of direction towards our overall objective of keeping everyone, everywhere safe and secure.

Employment Culture

CARING ABOUT OUR PEOPLE AND CULTURE

Our continued growth as an organisation and our ability to thrive amidst the challenges of the future rest largely on our people, the Edgenta Stars.

Recognising their role as the driving force of our business, it is crucial that we commit to creating an environment that supports diversity and inclusiveness while providing them with equal opportunities to develop skillsets and knowledge, as well as achieve their ambitions. After all, by nurturing our 16,000-plus strong workforce, we will be better equipped in sustaining our competitiveness within our markets of operation and achieve our growth objectives.

To this end, we are more committed than ever to our core values of FIRST (Future Focused, Imagine New Ways, Respect For All, Solutioning Mindset and True to Our Word) and to our Code of Conduct, which enforces that we advocate fairness, inclusivity and positive motivation within our working culture. Our approach in this respect is guided by our employee handbook, which provides a summary of terms and conditions of Edgenta Stars' employment alongside guidelines on various other human resources related matters. Furthermore, we are able to provide opportunities for a wide range of internal development throughout Edgenta Academy, which focuses on the development of leadership, soft skills and technical skills.

Skills and career development

At UEM Edgenta, we believe that an engaged workforce is more dedicated to contribute better performances and be accountable to deliver better services to our customers. To this end, we are committed to providing our employees personal development opportunities and have put in place a comprehensive and holistic training and development framework that has been customised to meet the specific needs of each of our business divisions.

At the core of our training and development agenda is the Career Development Programme. Through this programme, employees undergo upskilling courses which cover topics in various key categories such as:



In addition, we offer programmes that are geared towards upgrading employees' skills thereby empowering us to adapt and thrive amidst our evolving operating environment. Training initiatives provided to our employees from all divisions include Expert Talk, Leader Teach Leader series as well as workshops and seminars offering insightful knowledge sharing on topics such as occupational health and safety, environmental awareness, soft skills development, project management and among others.

Our focus in training and development is undertaken as a concerted effort across our different business units. Similarly, our Healthcare Support division has continued with its Facilities Manager Development Programme which is aimed at upskilling Facilities Managers and to initiate the necessary steps in preparing a competent and certified manpower.

SOCIAL VALUE CREATION

As part of our initiative to enhance our approach to training and development, the Group has continued to leverage on digital learning solutions. Solution such as our LEARN-on-the-GO ("LOTG") approach which was implemented within our Healthcare Support and Infrastructure Services divisions in 2021 has continued to gain traction and achieve its intended objective of providing our employees with convenient access to learning. Aiding this, we continue to leverage on our learning management system, Learn on Edge, which uses a self-paced learning approach to deliver knowledge to Edgenta Stars.

Beyond employee specific training programmes, we also run programmes for succession planning to ensure a strong leadership bench strength for the future of UEM Edgenta as an organisation. Through our Succession Plan framework, we have delivered various development initiatives such as our Executive Leadership programme, certifications and seminars, as well as coaching and mentoring sessions to further develop our identified talent pool as future leaders. Ultimately, we will continue our emphasis on continuous and further development of these identified talent as we view them as a key component for the Group to grow and prosper in the long-term.

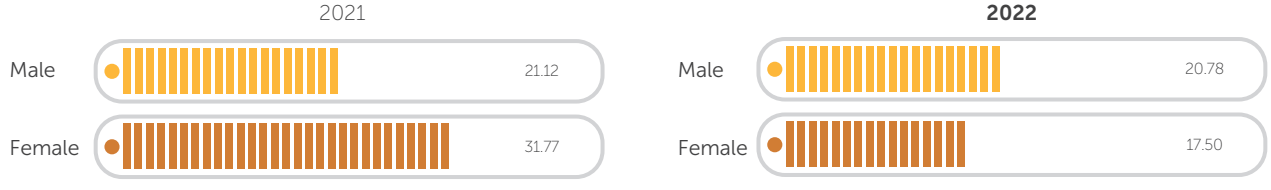
Besides, our transition assistance programme aims to assist employees with their pre-retirement planning, including by way of acquiring essential soft skills. By equipping them with additional skillsets and knowledge, their employability is enhanced, better enabling them to seek employment beyond their time with the Group.

Moreover, in supporting continuous learning amongst our employees, we also provide study leave, exam leave and long unpaid leave for any Edgenta Stars who are pursuing studies outside their employment. In 2022, we recorded a total of 313,898.5 hours of employee development training, with 99.1% of our employees fulfilling their training requirements, comparing well to our target of achieving between 85% to 89% completion.

Lastly, the Group also acknowledges that career development is a crucial component of an employee's growth and experience with us. Hence, our established Performance Management framework ensure that a performance appraisal exercise is carried out on an annual basis with its main component segregated between a formal development discussion held at the beginning of the year and performance follow-up session held at the mid-year and year-end point. All managers are trained and expected to follow up with employees under their supervision in order to give constructive opinions, provide coaching and support as well as to receive feedbacks from the employees. This approach allows for an effective two-way communication, beneficial for the development of the employee and the people manager.

a) Average hours of training that the organisation's employees have undergone during the reporting period, by:

i. Average Training Hours per Employee (by Gender)



SOCIAL VALUE CREATION

ii. Average Training Hours per Employee (by Employee Category)

FY2022

Top Management	Senior Management	Middle Management	Junior Management	Non-executive
48.79	49.99	46.35	48.13	19.73

FY2021

Top Management	Senior Management	Middle Management	Junior Management	Non-executive
53.94	52.57	44.92	36.23	14.17

iii. Total Training Hours of Employee (by Gender)

FY2022

Male	Female
161,950 hour	151,948.5 hours

Data for the group including international offices

FY2021

Male	Female
60,963 hours	34,253 hours

Data only for Edgenta Malaysia

iv. Total Training Hours by Employee Category

FY2022

Top Management	Senior Management	Middle Management	Junior Management	Non-executive
829	8,398	13,324	56,387	39,894

FY2021

Top Management	Senior Management	Middle Management	Junior Management	Non-executive
741	8,376	11,487	43,918	30,693

Figures disclosed last year for each of these categories were top management (34 hours), senior management (41 hours) and middle management (38 hours), junior management (31 hours) and non-executive (39 hours). The numbers have been restated this year to take into consideration the actual learning hours accumulated by employees in each category.

SOCIAL VALUE CREATION

b) Percentage of total employees category who received regular performance and career development reviews during the reporting period

2020	2021	2022
100%	100%	100%

c) Skills and career development: (Detailed data only for Malaysia-UEM Edgenta)

- Employee training hours breakdown

Leadership Development

2019	415
2020	743
2021	6,113
2022	**28,785.5**

Soft Skill/Behavioural Programme

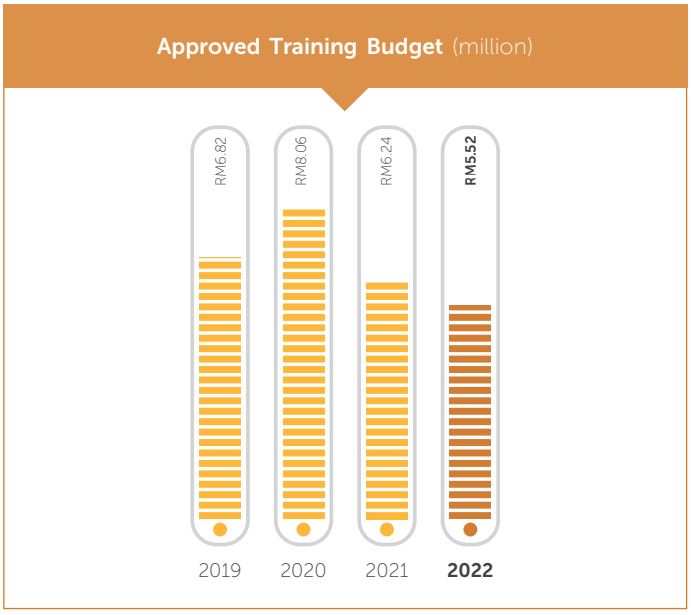
2019	908
2020	1,810
2021	10,147
2022	**15,722.5**

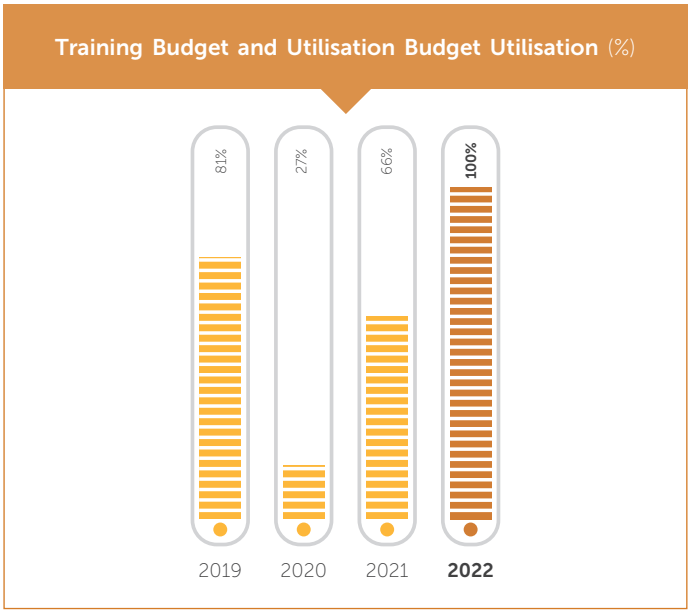
Technical/Functional Training

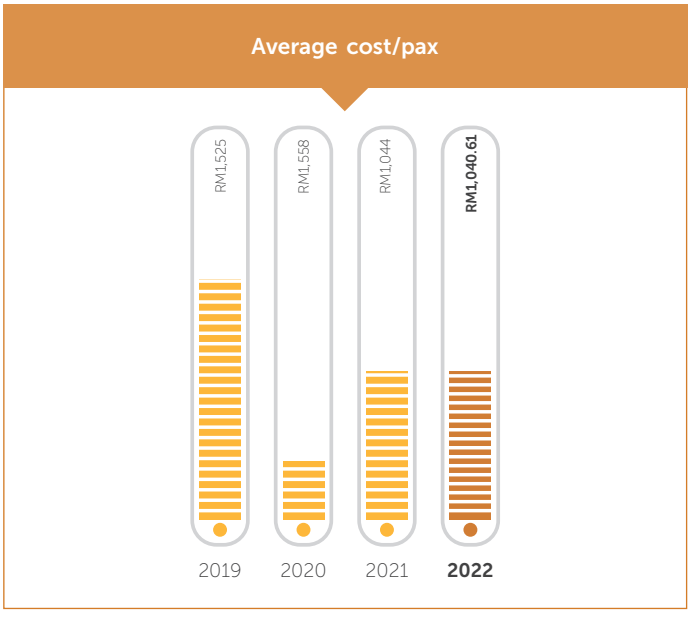
2019	10,161
2020	7,846
2021	28,234
2022	**42,428.5**

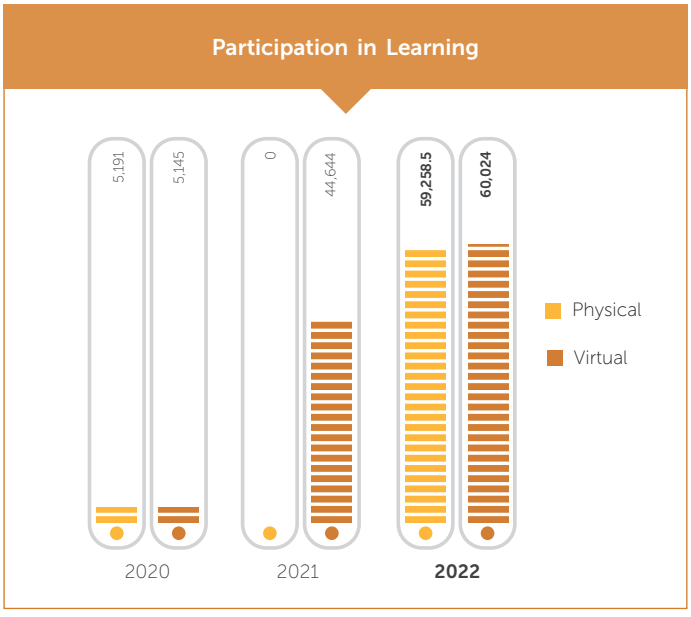
SOCIAL VALUE CREATION

d) Training budget and utilisation: (Detailed data only for Malaysia-UEM Edgenta)









SOCIAL VALUE CREATION

Total Spent on Training and Education

2020	2021	2022
RM2.1 million	**RM4.1 million**	**RM5.54 million**

In 2022, Amount utilisation exceeded the approved budget due to amounts committed to in prior year being utilised in the current year (2022).

Percentage of Employees Who Received Training

2020	2021	2022
3,878 (93%)	**3,945 (98%)**	**3,517 (95.7%)**

Data for Edgenta (Malaysia Operations) only.

Moving forward in 2023, UEM Edgenta will implement individual development plan which caters to all sections of our employees. Through this initiative, we hope that our employees will be more engaged and able to achieve their professional and personal aspirations during their employment at UEM Edgenta.

Talent attraction and retention

Guided by our commitment to create an environment that motivates and values our employees, we have explored various initiatives that drive talent attraction and retention at the Group and divisional level. In addition, all our initiatives are also implemented in line with our effort to hire employees local to the area of our operations. The key initiatives carried out are illustrated in the diagram below:

Initiatives	Measures related to talent attraction and retention
Internal & International Mobility and Transfer	In filling internal vacancies, we give priority to our existing employees, whereby such vacancies are communicated internally before being advertised externally. If an existing employee is keen to explore the role in question, he or she may request for an internal transfer, which is approved subject to the satisfactory completion of an assessment conducted by the hiring lead. In 2022, we also initiated an international mobility programme where outstanding staff are identified and given the opportunity to assume positon in international offices where suitable roles exist.
Flexible Working Arrangement	Flexible work arrangements were initially introduced in response to the COVID-19 pandemic. Now, with its successful implementation, we have continued to provide this option to ensure that our employees stay motivated while benefitting from flexibility that they can use to benefit other areas of their life.

SOCIAL VALUE CREATION

Initiatives	Measures related to talent attraction and retention
Rewards and Recognition	We also provide non-monetary recognition programmes for our employees with good performances. This is implemented through awarding of spot recognition tokens such as certificates, plaques, or monetary gift to well-deserving employees as a token of appreciation for their hard work and dedication.
Programmes for Young Professional Employment	We currently conduct two distinct programmes which are aimed at providing working experience to students/fresh graduates: • Graduate Trainee Programme (9 to 12 months): 48 participants in FY2022; and • Internship Programme (3 to 6 months): 43 participants in FY2022.
Employment Benefits	Our practice of allocating benefits to our employees is carried out in consideration of the different needs by employees from various groups. Employees are provided with a range of benefits and welfare such as parental leave, life insurance, healthcare and retirement benefits. During the year, a total of 190 employees (comprising of 43 male employees and 147 female employees) had utilised their parental leave. From that pool of employees, we managed to achieve a return to work after parental leave rate of 84%. Furthermore, we are continuinung with our Edgenta Spending Account programme, which allocates employee with credits to spend on medical, wellbeing, and lifestyle benefits depending on their individual and flexible needs. To further enhance the programme, we are also planning on increasing the credit allocation based of the needs of different employee groups. In addition, as a mark of our commitment to reduce organisational carbon footprint we will be introducing Electrical Vehicle Premium ("EV Premium") cards as the greener alternative to the current Petrol card benefit that is enjoyed by our employees. This is to further demonstrate our commitment to sustainability by encouraging eligible employees to transition to EV. In addition, as our effort in embracing diversity and inclusivity, we will be extending the pilgrimage leave that we offer for hajj and umrah to all other pilgrimage journeys for staff of different faiths and beliefs.

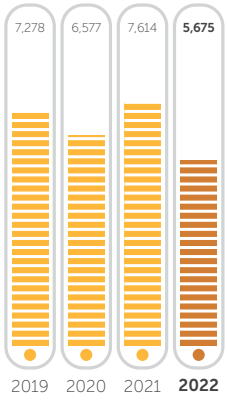
SOCIAL VALUE CREATION

Key performance indicators on talent attraction and retention for the reporting period.

a) Our new hire rate and turnover rate by age group, gender and region for the year:

Employment

Total number of new employee hires during the reporting period



Data is inclusive of operations in countries outside of Malaysia such as Indonesia, Singapore, Taiwan, United Arab Emirates and Kingdom of Saudi Arabia.

New hires, by gender



**This performance data covers only the operations in Malaysia.*
For the year 2022, the breakdown includes operations in countries outside of Malaysia such as Indonesia, Singapore, Taiwan, United Arab Emirates, Kingdom of Saudi Arabia.

New hires, by age group

FY2022

< 30 years	30-50 years	> 50 years	Total
1,379	2,001	2,295	5,724

FY2021*

< 30 years	30-50 years	> 50 years	Total
113	162	14	289

FY2020*

< 30 years	30-50 years	> 50 years	Total
93	89	7	189

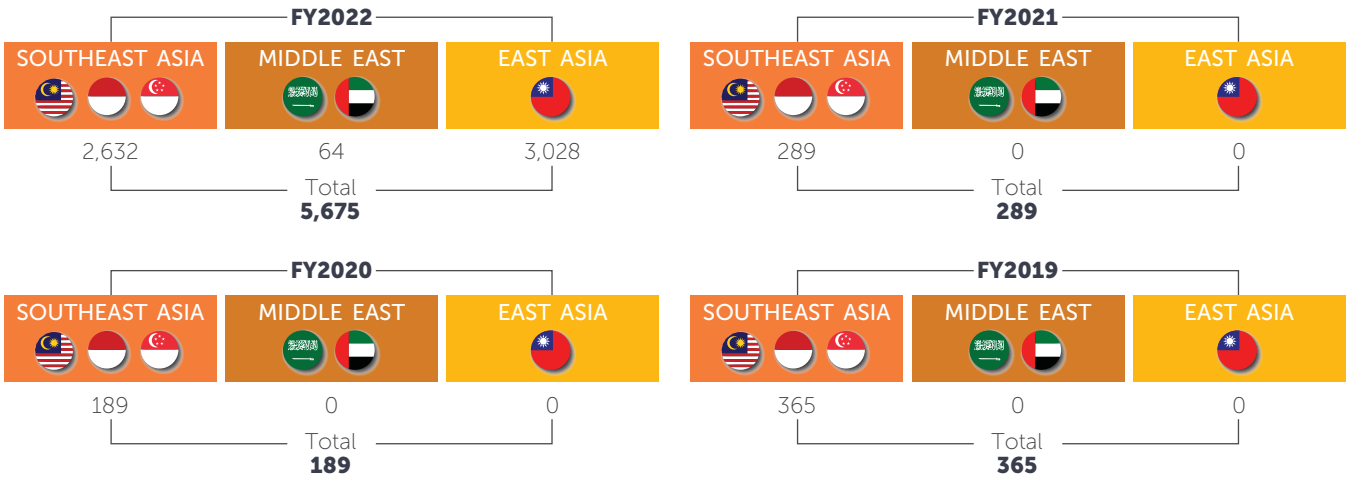
FY2019*

< 30 years	30-50 years	> 50 years	Total
206	148	11	365

**This performance data covers only the operations in Malaysia.*

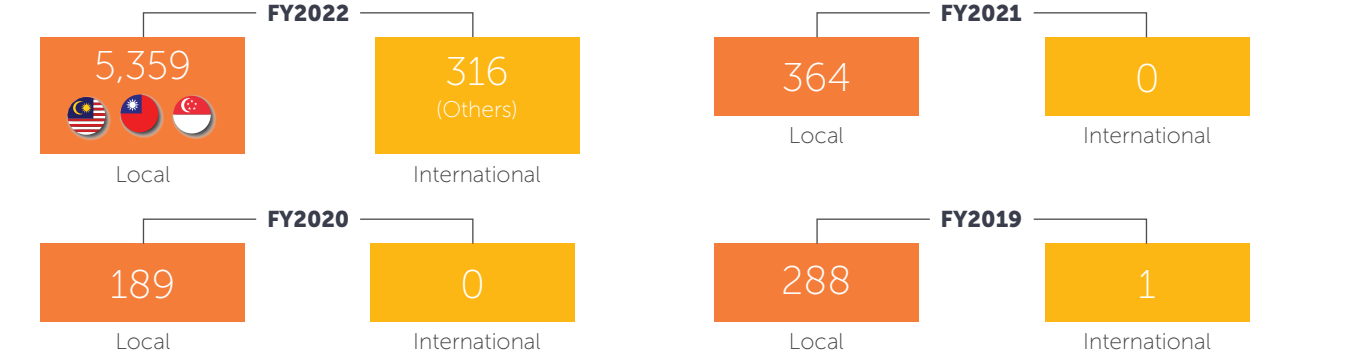
SOCIAL VALUE CREATION

New hires, by region (countries)



Data for other regions are not collected in 2019-2021.

New hires by nationality



**2019-2021 data are Malaysian operations only.*

b) Total number and percentage of employee turnover during the reporting period, by nationality, age group, gender and region:

Total number of Group resignation

FY2022

Management*	Executive	Non-Executive
103	246	4,738

**Management includes Top Management (4), Senior Management (29), Middle Management (70).*

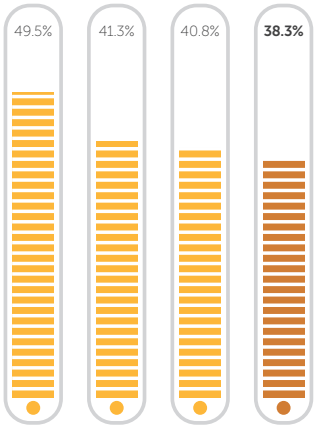
FY2021

Management	Executive	Non-Executive
129	310	8,095

**Edgenta Malaysia data only.*

SOCIAL VALUE CREATION

Total Percentage of Employee Turnover



*This performance data covers only the operations in Malaysia.

Turnover by Nationality



No. of Turnover by Gender

		FY2019*	FY2020*	FY2021*	FY2022	
Voluntary turnover		188	156	182	2,124	
		74	60	76	2,963	
		262	**216**	**258**	**5,087**	Total
Non-voluntary turnover		70	101	186	658	
		25	23	25	454	
		95	**124**	**211**	**1,112**	Total
Voluntary and non-voluntary turnover		258	257	368	2,782	
		99	83	101	3,417	
		357	**340**	**469**	**6,199**	Total

*This performance data covers only the operations in Malaysia.

No. of Turnover by Age Group

Voluntary turnover

	< 30 years	30-50 years	> 50 years	
FY2022	1,057	1,879	2,151	5,087 Total
FY2021*	71	147	40	258 Total
FY2020*	55	116	45	216 Total
FY2019*	97	116	49	262 Total

Non-voluntary turnover

	< 30 years	30-50 years	> 50 years	
FY2022	273	417	422	1,112 Total
FY2021*	7	48	156	211 Total
FY2020*	24	46	54	124 Total
FY2019*	32	34	29	95 Total

Voluntary and non-voluntary turnover

	< 30 years	30-50 years	> 50 years	
FY2022	1,330	2,269	2,573	6,199 Total
FY2021*	78	195	196	469 Total
FY2020*	79	162	99	340 Total
FY2019*	129	150	78	357 Total

*This performance data covers only the operations in Malaysia.

SOCIAL VALUE CREATION

No. of Turnover by Region (Countries)

Voluntary Turnover

FY2022

SOUTHEAST ASIA	MIDDLE EAST	EAST ASIA
2,188	23	2,876

Total **5,087**

FY2021

SOUTHEAST ASIA	MIDDLE EAST	EAST ASIA
258	-	-

Total **258**

FY2020

SOUTHEAST ASIA	MIDDLE EAST	EAST ASIA
216	-	-

Total **216**

FY2019

SOUTHEAST ASIA	MIDDLE EAST	EAST ASIA
262	-	-

Total **262**

Non-Voluntary Turnover

FY2022

SOUTHEAST ASIA	MIDDLE EAST	EAST ASIA
832	3	277

Total **1,112**

FY2021

SOUTHEAST ASIA	MIDDLE EAST	EAST ASIA
211	-	-

Total **211**

FY2020

SOUTHEAST ASIA	MIDDLE EAST	EAST ASIA
124	-	-

Total **127**

FY2019

SOUTHEAST ASIA	MIDDLE EAST	EAST ASIA
95	-	-

Total **95**

Voluntary and Non-Voluntary Turnover

FY2022

SOUTHEAST ASIA	MIDDLE EAST	EAST ASIA
3,020	26	3,153

Total **6,199**

FY2021

SOUTHEAST ASIA	MIDDLE EAST	EAST ASIA
469	-	-

Total **469**

FY2020

SOUTHEAST ASIA	MIDDLE EAST	EAST ASIA
340	-	-

Total **340**

FY2019

SOUTHEAST ASIA	MIDDLE EAST	EAST ASIA
357	-	-

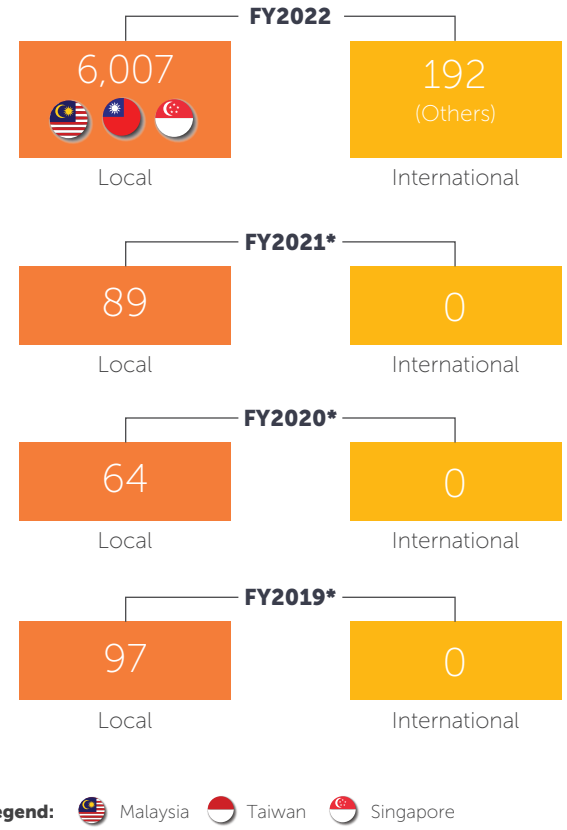
Total **357**

Legend: Malaysia, Indonesia, Singapore, Saudi Arabia, UAE, Taiwan

Data FY2019 - FY2021 in other regions are not collected.

SOCIAL VALUE CREATION

Turnover by Nationality



Legend: Malaysia Taiwan Singapore

**2019-2021 data are Malaysian operations only.*



c) Benefits that are standard for full-time employees of the organisation but are not provided to temporary or part-time employees, at significant locations of operation.

	2019				2020				2021				**2022**			
	MY	TW	UAE	SG	MY	TW	UAE	SG	MY	TW	UAE	SG	MY	TW	UAE	SG
Life Insurance	✓	–	–	–	✓	✓	✓	–	✓	✓	✓	–	✓	✓	✓	–
Healthcare	✓	–	–	–	✓	–	✓	–	✓	–	✓	–	✓	✓	✓	✓
Disability and invalidity coverage	✓	–	–	–	✓	–	✓	–	✓	–	✓	–	✓	✓	✓	✓
Parental leave	✓	–	–	–	✓	–	✓	–	✓	–	✓	–	✓	✓	✓	✓
Retirement Provision	✓	–	–	–	✓	–	–	–	✓	–	–	–	✓	✓	–	✓
Stock Ownership	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

d) Utilisation of parental leave by our employees during the year

		2020		2021		2022	
		M	F	M	F	**M**	**F**
a.	Total number of employees that are entitled to parental leave, by gender	2,448	737	2,423	763	**2,286**	**747**
b.	Total number of employees that took parental leave, by gender	133	49	127	55	**147**	**43**
c.	Total number of employees that returned to work in the reporting period after parental leave ended, by gender	131	48	124	54	**137**	**40**
d.	Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender	N/A	N/A	123	45	**104**	**45**
e.	Return to work and retention rates of employees that took parental leave, by gender	N/A	N/A	94%	94%	**84%**	**84%**

[1] This refers to the locations whereby the Group has established a presence through the setting up of an office.
The performance data in the table above covers only the operations in Malaysia.
In this year's diclosure, we have defined employees entitled to parental leave to employees with married status only.

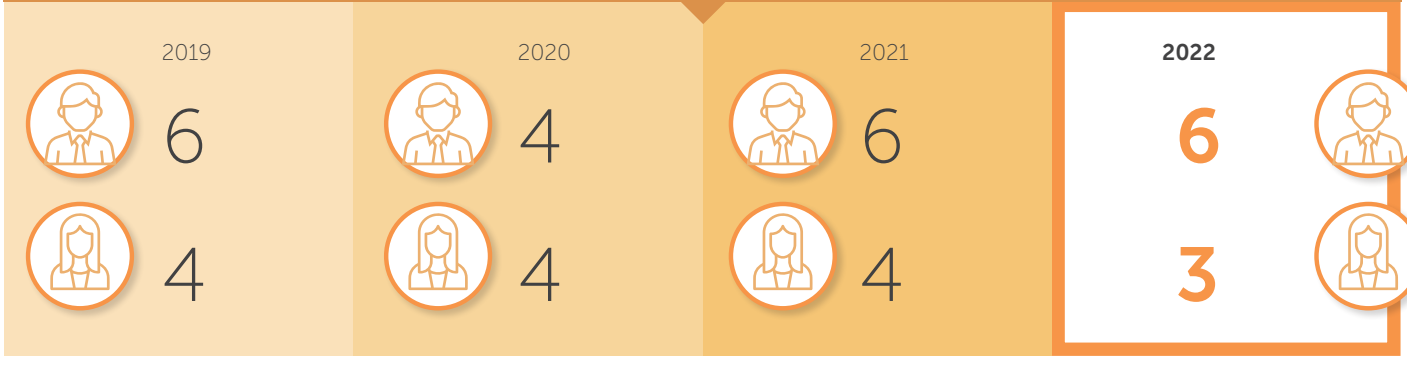
Diversity and inclusion

As our business spans multiple countries, nurturing a diverse workforce from various backgrounds is central to achieving our objectives and driving the sustainability of our business. With this in mind, we have worked towards creating an environment where all employees are respected and accepted.

Our principles on diversity and inclusion are further embedded within our Code of Conduct, which expressly prohibits employees from engaging in any unwarranted verbal, visual, psychological, physical or other conduct that is intimidating, offensive, abusive or hostile to other employees. We do not tolerate discriminatory behaviour either when we hire new employees or in our daily interaction with each other. In addition, we have proactively communicated with our employees that any form of discrimination or harassment shall be reported via our grievance procedures or through our whistleblowing channel in order to ensure immediate and strong actions against the offender. Besides, in order to further expand on our commitment to support overall inclusiveness within our operations, the Group is currently in the midst of developing a Diversity, Equality and Inclusion Policy. For the reporting period, we are pleased to disclose that no incidents of discrimination or harassment have been reported and dealt with by our Risk Integrity & Compliance and Human Resource teams.

The diversity and inclusivity of our Company is reflected by:

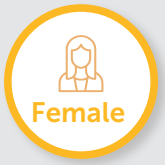
a. Percentage of individuals within organisation's governance bodies by gender across the whole organisation (Board of Directors)



SOCIAL VALUE CREATION

b. In Percentage of employees per employee category in each of the following diversity categories:

GENDER
(Percentage of employee by gender groups across the whole organisation)



2020:**26.1%**
2021: **50.1%**

2022
52.7%



2020:**73.9%**
2021: **49.9%**

2022
47.3%

AGE GROUP: UNDER 30 YEARS OLD, 30-50 YEARS OLD, OVER 50 YEARS OLD
(Percentage of employee by age groups across the whole organisation)



2020:**18.06%**
2021: **15.36%**
2022: 13.88%



2020:**60.08%**
2021: **63.53%**
2022: 42.8%



2020:**21.85%**
2021: **11.88%**
2022: 43.4%

For 2020 - 2021: Data available is only for UEM Edgenta (Malaysia Operations only), not collected for other regions.
For 2022: Group-wide Data, excluding Sindori (India) & EAL (KSA).

OTHER INDICATORS OF DIVERSITY WHERE RELEVANT (SUCH AS MINORITY OR VULNERABLE GROUPS)
(Percentage of employee by age ethnicity across the whole organisation)



90.2%



3.4%



4.0%



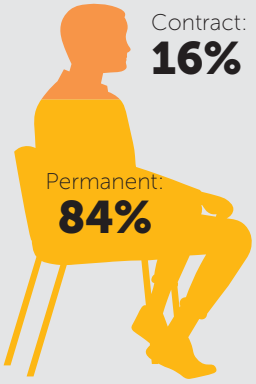
2.4%

Data is for UEM Edgenta (Malaysia operations) only.

SOCIAL VALUE CREATION

c. Breakdown of our workforce for FY2022 by:

EMPLOYMENT STATUS



Contract: **16%**

Permanent: **84%**

CATEGORY

Top Management: **0.1%**

Senior Management: **1.3%**

Middle Management: **2.4%**

Executive: **10.2%**

Non-Executive: **86%**

DIVISION

Healthcare Support (Commercial): **75.7%**

Healthcare Support (Concession): **9.9%**

Infrastructure Services: **5.3%**

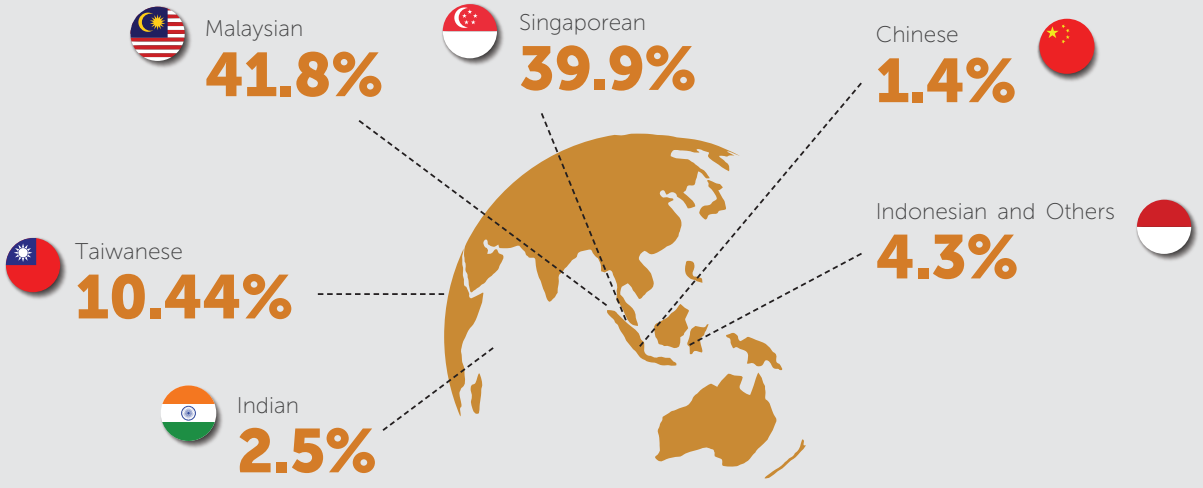
Asset Consultancy: **2.3%**

Property & Facility Solutions: **3.4%**

Property Development: **0.1%**

Support Services: **3.3%**

NATIONALITY



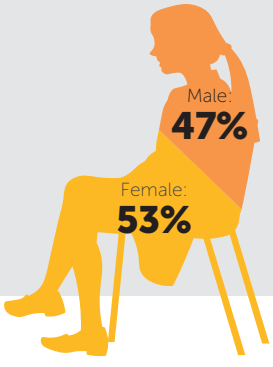
GENDER

Top Management: Male **72.2%**

Top Management: Female **27.8%**

Senior and Middle Management: Male **68.3%**

Senior and Middle Management: Female **31.7%**



SOCIAL VALUE CREATION



Engaging our employees

Our employee engagement activities are primarily anchored on achieving a holistic sense of wellness across physical, emotional, financial, workplace and environmental dimensions, through which we aim to motivate a pool of committed, competent and content individuals.

One of our key initiatives is the Edgenta Innovation Programme. The programme consists of three main components - the Idea Bank, the Innovation Passport Learning Series and the Innovation Month – with the primary intention of inspiring our employees to drive innovation in their work. In doing so, the programme encourages our employees to look beyond their daily work routines and explore innovation in areas that may have an impact personally and to the wider ecosystem of the Group. In addition, the programme is equipped with elements that are designed to trigger the development of ideas, stimulate organic self-motivation and encourage a sense of inclusivity. Therefore, it has the potential to not only have a constructive impact on our employees but also to positively influence our stakeholders.

SOCIAL VALUE CREATION

During the year in review, a total of 1,700 employees participated in this programme, accumulating a total of 13,110 learning hours. In addition, we successfully generated 159 new business ideas through the programme, with 12 ideas being shortlisted for further evaluation on feasibility of implementation. With that, the programme has achieved its objective of fostering a culture of innovation among our employees, while also making an indirect impact by significantly increasing awareness on the benefits of learning and self-improvement. This is evidenced by all departments reporting that 95%-100% of their employees have fulfilled their dedicated learning hours through our training platforms and modules.

Overall, the Group has targeted an engagement score of 67% to 71% and achieved an actual score of 71%.

Further to this, we have also earmarked enhancements to our Employee Engagement Survey whereby our Engagement Score will be increased gradually over the next few years. This will enable us to better capture the real issues that our employees face and ensure we take the right actions in response.

Moving forward to 2023, UEM shall continue our emphasis on developing the capabilities of Edgenta Stars with programmes tailored to their essential workplace job competencies and to support and enable our human capital to perform at the optimum level. Additionally, there will be a greater focus in upholding our sustainability aspiration around human rights whereby more awareness and education programmes will be conducted across the organisation. Lastly, we are committed to provide a positive and meaningful working experience for Edgenta Stars across all employee levels and shall continue to enhance our engagement initiatives.

LIST OF EMPLOYEES ENGAGEMENT PROGRAMMES 2022

- HR Roadshow
- Penghayatan Maulidur Rasul
- Badminton Tournament
- Edgenta Chinese New Year Celebration
- Launch of Edgenta WoW
- Webinar: Green Homes Programme
- Being A Good Listener To Those Around You Crisis Comm
- Hari Tanpa Tembakau Sedunia
- Helping Children Build Their Emotions
- How to Stay Fashion Forward
- No Pain, No Gain and Get Leaner
- The Month of Giving
- Edgenta Raya Open House
- UEM Edgenta Sports Recreational Club activities Swimming Class
- Paintball Game
- Running Clinic
- FIRST Recognition Programme
- FIRST Immersion Session with International Business
- Hari Hipertensi Sedunia
- Heart to Heart Ensuring Our Heart Is Safe
- How to Achieve Self- Empowerment
- Intermittent Fasting
- Ramadhan Ready, Set, Go!
- The Ways to Manage Your Pets

SOCIAL VALUE CREATION

Customer Satisfaction



UPHOLDING OUR COMMITMENT TO CUSTOMER SATISFACTION

Our customers are a fundamental stakeholder and their satisfaction heavily influences our success and growth. With this in mind, we impress on our people the imperative of ensuring the highest level of customer satisfaction and always ready to address any feedback or complaints that are received.

We currently practice two key approaches in gathering feedback from our customers. Firstly, through a passive approach, feedback and complaints from our customers are reported directly to our management team (i.e. sales and administrative personnel), upon which the matter reported is reviewed, deliberated and addressed while a reply is provided to the customer that has submitted the report. Secondly, we have also adopted a proactive approach whereby we disseminate a Customer Satisfaction Form to customers every six months. From this survey, all feedback received is compiled within a dashboard and presented during the next management review meeting. Where necessary, the respective Person in Charge for the business unit in question is tasked with addressing the gaps identified or developing an enhancement to the process that has caused the dissatisfaction.

In order to ascertain that the necessary safeguards are in place to maintain the safety and privacy of our customers' data, we have made continuous improvement over the development and monitoring of our practices that ensure the protection of data confidentiality. With that, the current Customer Satisfaction Survey ("CSS") exercise which generates a Group-wide CSS Score, has been incorporated as a crucial component of our corporate scorecard's KPIs. Based on the CSS Score, our business units are able to continually monitor the quality of their products and services and the quality of their customer relationships.

For the reporting period, we achieved an overall average CSS score of 88%.

Human Rights Assessment



ALIGNING OUR STANCE ON HUMAN RIGHTS

The issue of human rights is vital across our value chain and we commit to complying with all local and international laws on forced labour, child labour and labour rights. To this end, we comply with the following regulations that enforce a strict prohibition on the employment of children and young persons or the use of forced labour in a company's operation:

1. **Protocol of 2014 to the Forced Labour Convention, 1930**
2. **Children and Young Persons Act 1993 – Singapore**
3. **Children and Young Persons (Employment) Act 1966 (Act 350) – Malaysia**
4. **The Protection of Children and Youths Welfare and Rights Act – Taiwan**
5. **UAE'S Labour Law – The UAE**

Our commitment is showcased within our employment practices and incorporated into our Code of Conduct and we strongly expect the same level of commitment from parties within our supply chain, safeguarding this intention through the implementation of our Business Partner Code of Conduct. Partners in our supply chain are required to comply with all applicable labour, employment and human rights legislation encompassing but not limited to minimum wage, minimum age for employment and maximum hours of work. In addition, vendors are required to pledge their responsibility in safeguarding basic human rights practices via our Vendor Letter of Declaration.

The Group recorded zero confirmed cases of forced, indentured, bonded or involuntary labour at our project sites or in operation offices. Furthermore, there were zero incidences of child labour in our project sites and similarly, there were zero incidents of discriminations or breaches related to freedom of association and collective bargaining during the year.

SOCIAL VALUE CREATION



Further to this, we have committed to other international guidelines such as the UNSDG Decent Work and Economic Growth guidelines, which strive to protect labour rights and promote safe and secure working environments for all workers. Meanwhile, we have also assessed and allocated resources to engage with union advisors, enabling us to better understand employee concerns and effectively address any issues or enhancement opportunities in our employment practices.

Similarly, the Group has put in place a Whistleblowing Policy to provide an avenue for any parties to raise or report legitimate concerns about any actual or suspected unwarranted treatment of employees at the earliest opportunity for investigation. This will allow the necessary transparency and objectivity in identifying and addressing any risk of human rights issues.

During the year in review, we also conducted HR roadshows (Talk on Human Rights), which covered issues that included human rights, human rights at the workplace, human rights wages, fair working hours, diversity, equity and inclusion (DEI) and non-discrimination. The roadshow was held in 4 regional sites, Menara UEM (HQ), Johor, Perak and Penang, with a total attendees of 278 pax. As an overall average, the attendees rated the session at 3.75/4.

At present, we do not maintain a standalone policy on human rights, slavery and human trafficking. However, we look forward to incorporating a formal testament on human rights into our Business Code of Conduct in the near future.

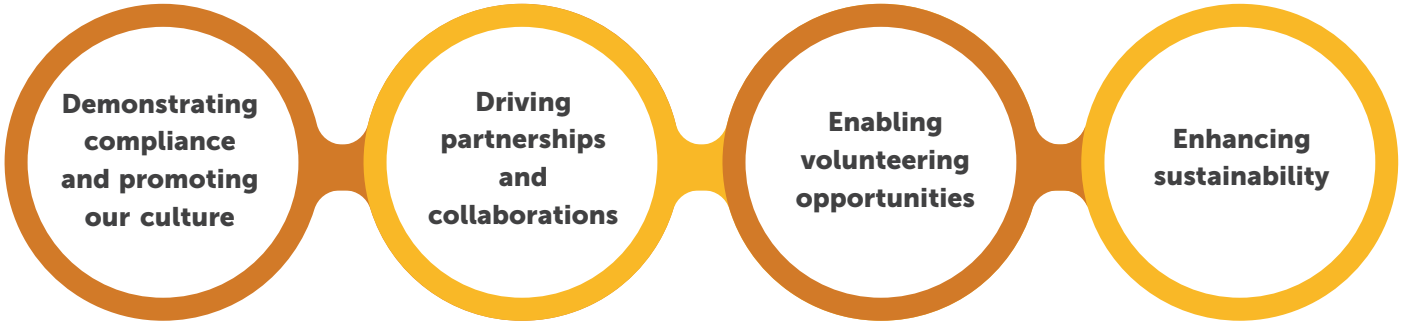
Local Community

CONTRIBUTING TO OUR LOCAL COMMUNITIES

At UEM Edgenta, we believe in the paramount importance of contributing to the communities within the areas where we operate. To this end, we have focused our driving initiatives under three focus areas:



With these key focus areas in mind, we have established the following guiding principles which guide the implementation of our CR programmes:



SOCIAL VALUE CREATION

EDUCATION

We embrace opportunities to enhance the accessibility, quality and effectiveness of education for local communities, cognisant that a good education is a strong foundation for personal success. With that, our efforts are focused on programmes that deliver key knowledge and skillset development across all tiers within the local communities.

During the year in review, we carried out the following initiatives:

i. **Back to School "Riang Ria" Programme**
   - This programme provides assistance to our employees in the low-income group
   - Essential school supplies are provided, helping these families equip their young one(s) for school
   - Since its launch in 2020, we have contributed school supplies to 1,982 Edgenta Stars and 3,177 children
   - In FY2022, our contribution to this programme amounted to more than RM154,000, amounting to a total contribution of more than RM450,000 since the programme's inception in 2020

ii. **Refurbishment of Sekolah Kebangsaan Wan Sulaiman Siddiq, Kedah**
   - Contributions to support the school's refurbishment project fund which was initiated for the purpose of repainting the façade walls and gates as well as purchasing tables and chairs for the common areas of the school



COMMUNITY ENRICHMENT AND WELL-BEING

This pillar is the most fundamental within our CR framework as it focuses on driving our ambition to contributing back to the surrounding communities, thus making a positive impact through our presence.



During the year in review, we contributed to the following initiatives:

a. **Festive Celebrations**

   i. **'Jalinan Kasih Ramadan Edgenta'**
      - Edgenta Stars treated 20 children from Teratak Che Dah, Rawang Selangor to a shopping spree in conjunction with the Hari Raya celebrations, while also providing them with meals for the day and a cash contribution
      - Contributed food, monetary assistance and COVID-19 RTK test kits to Masjid Ar-Rahah, Masjid Al-Ikhlasiah and Masjid Jamek Al-Khadijah in Pantai Dalam, Bangsar, benefiting a total of 240 asnaf recipients
      - Provided iftar meals to 1,200 frontliners within our operations network across 12 hospitals in Kedah, Perak and Penang
      - Contributed basic provisions and monetary assistance to 20 children at Pusat Jagaan Anak Anak Yatim dan Miskin Nurul Iman in Ipoh, Perak and to 25 children at Pertubuhan Kebajikan Anak Anak Yatim/Miskin, Tahfiz Al Furqan in Baling, Kedah

SOCIAL VALUE CREATION

iii. Site clearance at Sekolah Kebangsaan Lutong in Miri, Sarawak

- Conducted site clearing, backfill and leveling of land at Sekolah Kebangsaan Lutong, enabling the school to better provide co-curricular activities to its students, which also benefited the surrounding community at large

iv. Other Key Initiatives

- Supported the Eco-School Programme by Green Growth Asia Foundation, a project-based learning programme for primary and secondary schools on local environmental issues

Expanding our efforts within this pillar, we plan to expand our internal programme to external stakeholders while allocating additional resources to educational causes. We also aim to establish strong partnerships with governments, businesses, non-profit organisations and civil society to strengthen the outreach and impact of our programmes and its deliverables. All the while, we will continue to evaluate the effectiveness of our programmes and make necessary adjustments to ensure they continue to meet the needs of the local communities in question.





ii. Deepavali Celebration

- Provided shopping vouchers and traditional cookies for 40 children from SJK (Tamil) Jalan Bangsar and SJK (Tamil) Ladang Seafield

iii. Hari Merdeka

- Provided in-kind contributions (i.e. food offerings) to the Police Department and Fire Department in Lembah Pantai as a token of appreciation

b. Disaster Relief Efforts

i. Donated RM40,000 worth of supplies to the Putrajaya and Lembah Pantai Fire Departments in preparation for the year-end monsoon season. The assistance include safety jackets, raincoats, food and drinks and other necessities, benefiting approximately 7,000 beneficiaries whose livelihoods may have been affected by the floods

ii. Donated monetary contribution to the fire victims in Gombak, Selangor to assist with the rebuilding of a new house

SOCIAL VALUE CREATION

c. Other Key Initiatives

i. Organised various programmes that benefited 10,822 asnaf recipients under the Al-Gharimin, Fisabilillah and Asnaf Miskin categories in accordance with Majlis Agama's requirements
ii. Contributed 1,000 COVID-19 saliva test kits and video conferencing equipment to the Ministry of Health
iii. Contributed five cows to the community of Hulu Langat to carry out the "ibadah korban" in conjunction with the Hari Raya Korban
iv. Monetary contributions for Misi Keluarga Wawasan Everest 2022 in collaboration with Yayasan UEM to support people with disabilities and uniformed body forces on their planned Mount Everest expedition



ENVIRONMENT

Empowered by a strong and deeply held environmental consciousness, we constantly strive to make a positive impact on the environment wherever possible, thereby protecting and safeguarding the natural ecosystem and its biodiversity.

During the year in review, the Group embarked on the following environmentally-themed community programmes:

a. Zoo Negara Animal Adoption Programme

- We have adopted a pair of giraffes - Mas Boy and Mas Kira - since 2020, during which time we have contributed to the giraffes' annual welfare, provision of food supply and veterinary care
- In 2022, we deployed 60 of our employees to volunteer in the 'Glow the Zoo Negara' initiative, which aims to improve the landscape within Zoo Negara. Our volunteers participated in initiatives including the painting of the zoo's bridge area and road curbs and the cleaning of animal enclosure areas, benches, drains, fences and some light modification work
- Through this programme, we have invested more than RM74,000 towards the welfare of the giraffes and other contributions in related activities

b. Beach Clean-Up Programme

- We collaborated with Dungun Municipal Council to organise a beach clean-up event with the local community at Pantai Teluk Bidarain in Dungun, Terengganu
- The programme, themed "Sayangi Pantai Kita", was participated in by over 70 volunteers including our employees, local authorities, non-government organisations and the local community
- Through the event, we managed to successfully collect a total of 370 kg of waste along the 600 m stretch of beach
- We also sponsored a public awareness signboard to encourage the community to better care for the environment when present at the beach
- With the objective of promoting a safe and clean beach as a recreational place, as well as raising public awareness on the conservation of our marine ecosystem, we contributed a total of RM6,500 to the programme

Looking forward, we plan to organise more events and initiatives while exploring new partnerships with NGOs and organisations that share a similar purpose and interest. This approach will allow us to leverage a larger pool of resources and target a wider audience. Likewise, with this approach, we hope to inspire our employees to commit to volunteering more of their time and efforts to such environmental causes.

SOCIAL VALUE CREATION



Moving forward, we plan to expand our outreach in order to assist other vulnerable groups and deserving communities in East Malaysia and within other states across our network. In addition, in order to develop and tailor initiatives with better impact, we will continue to engage with communities via direct interaction, surveys and focus groups. As a result, we hope that we will be able to contribute to a wider variety of needs within local communities.



LEADERSHIP



- Corporate Information 189
- Board of Directors 190
- Board of Directors' Profile 192
- Company Secretary's Profile 201
- Executive Leadership 202
- Executive Leadership's Profile 204
- Organisation Structure 210

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' NOORAZMAN ABD AZIZ
Non-Independent Non-Executive Director

DATO' GEORGE STEWART LABROOY
Independent Non-Executive Director

ROWINA GHAZALI SETH
Independent Non-Executive Director

SHIRLEY GOH
Independent Non-Executive Director

JENIFER THIEN BIT LEONG
Independent Non-Executive Director

MOHD ASRUL AB RAHIM
Non-Independent Non-Executive Director
(Appointed on 21 January 2022)

WONG SHU HSIEN
Non-Independent Non-Executive Director
(Resigned on 21 January 2022)

ROBERT TAN BUN POO
Independent Non-Executive Director
(Retired on 16 June 2022)

AUDIT COMMITTEE

SHIRLEY GOH
Chairperson
(Redesignated as Chairperson on 1 August 2022)

MOHD ASRUL AB RAHIM
Member
(Appointed on 21 January 2022)

JENIFER THIEN BIT LEONG
Member
(Appointed on 1 August 2022)

WONG SHU HSIEN
Member
(Resigned on 21 January 2022)

ROBERT TAN BUN POO
Chairman
(Retired on 16 June 2022)

NOMINATION AND REMUNERATION COMMITTEE

ROWINA GHAZALI SETH
Chairperson

DATO' MOHD IZANI GHANI
Member

DATO' GEORGE STEWART LABROOY
Member

BOARD GOVERNANCE AND RISK COMMITTEE

DATO' GEORGE STEWART LABROOY
Chairman

DATO' NOORAZMAN ABD AZIZ
Member

ROWINA GHAZALI SETH
Member

JENIFER THIEN BIT LEONG
Member

BOARD TENDER COMMITTEE

JENIFER THIEN BIT LEONG
Chairperson
(Redesignated as Chairperson on 21 January 2022)

MOHD ASRUL AB RAHIM
Member
(Appointed on 21 January 2022)

DATO' GEORGE STEWART LABROOY
Member
(Appointed on 1 August 2022)

WONG SHU HSIEN
Chairperson
(Resigned on 21 January 2022)

ROBERT TAN BUN POO
Member
(Retired on 16 June 2022)

BOARD INVESTMENT COMMITTEE
(Ad-hoc Board Committee)

DATO' NOORAZMAN ABD AZIZ
Chairman

TAN SRI DR. AZMIL KHALID
Member

SHIRLEY GOH
Member

COMPANY SECRETARY

CHIEW SIEW YUEN
SSM PC No.: 201908001259
MAICSA 7063781

REGISTERED OFFICE

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Fax : +603 2725 6888

AUDITORS

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

SHARE REGISTRAR

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

PRINCIPAL BANKERS

Ambank Berhad
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
Sanjay Mohan
Shearn Delamore & Co.
Zul Rafique & Partners

STOCK EXCHANGE LISTING

MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD
Stock Name/Code: EDGENTA/1368
Stock Sector : Industrial Products & Services

BOARD OF DIRECTORS



BIC

TAN SRI DR. AZMIL KHALID
Independent Non-Executive Chairman



NRC

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



BIC BGRC

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

Legend:

- Audit Committee (AC)
- Nomination and Remuneration Committee (NRC)
- Board Governance and Risk Committee (BGRC)
- Board Tender Committee (BTC)
- Board Investment Committee (BIC)



AC BIC

SHIRLEY GOH
Independent Non-Executive Director



SYAHRUNIZAM SAMSUDIN
Managing Director/Chief Executive Officer



BGRC NRC BTC

DATO' GEORGE STEWART LABROOY
Independent Non-Executive Director



NRC BGRC

ROWINA GHAZALI SETH
Independent Non-Executive Director



BTC BGRC AC

JENIFER THIEN BIT LEONG
Independent Non-Executive Director



AC BTC

MOHD ASRUL AB RAHIM
Non-Independent Non-Executive Director

BOARD OF DIRECTORS' PROFILE



TAN SRI DR. AZMIL KHALID

Independent Non-Executive Chairman

Age
62

Gender
Male

Nationality
Malaysian

Date of Appointment
24 May 2019

Board Committee Membership

- Member of Board Investment Committee

Qualification

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

Present Directorship(s) in other Public Companies

- Reach Energy Berhad (Listed Company)
- Sapura Industrial Berhad (Listed Company)

About

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

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

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

BOARD OF DIRECTORS' PROFILE



SYAHRUNIZAM SAMSUDIN

Managing Director/Chief Executive Officer

Age
49

Gender
Male

Nationality
Malaysian

Date of Appointment
1 July 2020

Board Committee Membership

- Nil

Qualification

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

Present Directorship(s) in other Public Companies

- Opus Group Berhad

About

Prior to his appointment, Syahrunizam 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.

Syahrunizam 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
55

Gender
Male

Nationality
Malaysian

Date of Appointment
22 October 2019

Board Committee Membership

- Member of Nomination and Remuneration Committee

Qualification

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

Present Directorship(s) in other Public Companies

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

About

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

He has over 30 years of investment and management experience. Prior to joining UEM Group, Dato' Mohd Izani was the Executive Director, Investments at Khazanah Nasional Berhad ("Khazanah") where he oversaw its Turkey Regional Office. He was formerly Khazanah's Chief Financial Officer where under his leadership, the Government's strategic investment arm issued many landmark sukuk transactions, including exchangeable and Social Impact Sukuk. He had also previously served at Putrajaya Holdings Sdn. Bhd. and Renong Group.

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

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

BOARD OF DIRECTORS' PROFILE



DATO' NOORAZMAN ABD AZIZ

Non-Independent Non-Executive Director

Age
67

Gender
Male

Nationality
Malaysian

Date of Appointment
2 October 2018

Board Committee Membership

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

Qualification

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

Present Directorship(s) in other Public Companies

- UEM Sunrise Berhad (Listed Company)
- Kumpulan Perangsang Selangor Berhad (Listed Company)
- CTOS Digital Berhad (Listed Company)
- PLUS Malaysia Berhad
- Yayasan UEM
- MUFG Bank (Malaysia) Berhad
- Sun Life Malaysia Assurance Berhad
- Sun Life Malaysia Takaful Berhad

About

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

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

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

BOARD OF DIRECTORS' PROFILE



DATO' GEORGE STEWART LABROOY

Independent Non-Executive Director

Age
71

Gender
Male

Nationality
Malaysian

Date of Appointment
1 December 2017

Board Committee Membership

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

Qualification

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

Present Directorship(s) in other Public Companies

- Nil

About

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

An esteemed and renowned property professional, he has over 46 years of experience in industrial design, manufacturing, operations management, property development, REIT and funds management. He is a prominent speaker on the subject of real estate investment trusts and has presented numerous papers at conferences globally.

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

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

BOARD OF DIRECTORS' PROFILE



ROWINA GHAZALI SETH

Independent Non-Executive Director

Age
61

Gender
Female

Nationality
Malaysian

Date of Appointment
1 August 2018

Board Committee Membership

- Chairperson of Nomination and Remuneration Committee
- Member of Board Governance and Risk Committee

Qualification

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

Present Directorship(s) in other Public Companies

- Velesto Energy Berhad (Listed Company)
- Top Glove Corporation Bhd (Listed Company)
- Hong Leong Islamic Bank Berhad

About

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

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

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

BOARD OF DIRECTORS' PROFILE



SHIRLEY GOH

Independent Non-Executive Director

Age
63

Gender
Female

Nationality
Malaysian

Date of Appointment
1 July 2021

Board Committee Membership

- Chairperson of Audit Committee
- Member of Board Investment Committee

Qualification

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

Present Directorship(s) in other Public Companies

- Malayan Banking Berhad (Listed Company)
- Maybank Asset Management Group Berhad
- Maybank Trustees Berhad

About

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

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

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

BOARD OF DIRECTORS' PROFILE



JENIFER THIEN BIT LEONG

Independent Non-Executive Director

Age
55

Gender
Female

Nationality
Malaysian

Date of Appointment
1 July 2021

Board Committee Membership

- Chairperson of Board Tender Committee
- Member of Board Governance and Risk Committee
- Member of Audit Committee

Qualification

- BSc. Food Science & Technology, Universiti Putra Malaysia

Present Directorship(s) in other Public Companies

- Nil

About

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

She has over 30 years of international C-suite experience in the consumer packaged goods industry and had the opportunity to live and work in a number of countries across Asia and the US 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
41

Gender
Male

Nationality
Malaysian

Date of Appointment
21 January 2022

Board Committee Membership

- Member of Audit Committee
- Member of Board Tender Committee

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
- Cenergi SEA Berhad

About

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.

DECLARATION:

- **Family Relationship with Director and/or Major Shareholder**
  None of the Directors have any family relationship with any other Director and/or major shareholder of UEM Edgenta.
- **Conflict of Interest**
  None of the Directors have any conflict of interest with UEM Edgenta.
- **Conviction of Offences**
  None of the Directors have been convicted for offences within the past 5 years other than traffic offences, if any.
- **Public Sanction/Penalty**
  None of the Directors have any public sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2022.

NOTES:

- Dato' Mohd Izani Ghani and En. Mohd Asrul Ab Rahim are nominees of UEM Group Berhad.
- Age as at 20 March 2023.

COMPANY SECRETARY'S PROFILE



CHIEW SIEW YUEN

Head, Secretarial
UEM Edgenta Berhad

Age
43

Gender
Female

Nationality
Malaysian

Date of Appointment
23 July 2014

Qualification

- Associate Member of Malaysian Institute of Chartered Secretaries and Administrators
- Chartered Secretary and Chartered Governance Professional under The Chartered Governance Institute

About

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

Present Directorship(s) In Other Public Companies

- Nil

EXECUTIVE LEADERSHIP



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



HILLARY CHUA PEI SUM
Chief Financial Officer,
UEM Edgenta Berhad



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



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



DERRICK WONG
General Manager,
Operon Middle East Limited



NIK MARIEN NIK AHMAD KAMAL
Chief Executive Officer,
Edgenta NXT Sdn. Bhd.

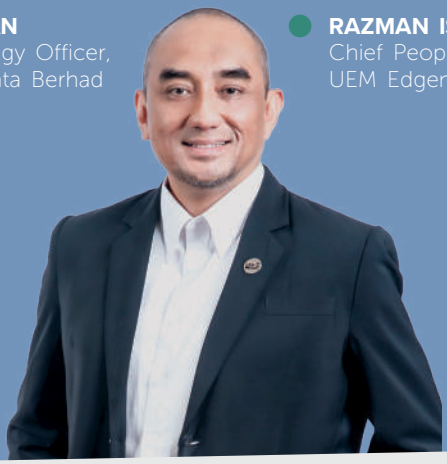


ANIL ABRAHAM
General Counsel,
Legal,
UEM Edgenta Berhad

EXECUTIVE LEADERSHIP



RAIS IMRAN
Chief Strategy Officer,
UEM Edgenta Berhad



RAZMAN ISMAIL
Chief People Officer,
UEM Edgenta Berhad



CHUA YONG HOWE
Chief Digital Officer,
UEM Edgenta Berhad



SHAIFUL ZAHRIN SUBHAN
Head, Healthcare Solutions
Managing Director,
Edgenta Mediserve Sdn. Bhd.



TAN CHEH TIAN
Chief Executive Officer,
UEMS Singapore
& Taiwan



AHMAD ZAKRI ISMAIL
Chief Executive Officer,
Edgenta Arabia Limited



ANDREW RAJ VARATHARAJU
Head, Operational Excellence & HSSE,
UEM Edgenta Berhad



WAN LAILA FATIHAH WAN OMAR SUKRI
Head, Corporate Communications,
UEM Edgenta Berhad



FAIZATUL FARHAH GHAZALI
Head, Risk, Integrity & Compliance
UEM Edgenta Berhad

EXECUTIVE LEADERSHIP'S PROFILE



SYAHRUNIZAM SAMSUDIN

Managing Director/
Chief Executive Officer,
UEM Edgenta Berhad

Nationality Malaysian | **Age** 49 | **Gender** Male

Please refer to his profile in the Board of Directors' Profile on page 193.



HILLARY CHUA PEI SUM

Chief Financial Officer,
UEM Edgenta Berhad

Nationality Malaysian | **Age** 47 | **Gender** Female

Date of Appointment:
15 October 2020

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

Present Directorship(s) In Listed Entity/Other Public Companies:
- Opus International (M) Berhad
- Opus Group Berhad
- Pengurusan Lantas Berhad

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



RAIS IMRAN

Chief Strategy Officer,
UEM Edgenta Berhad

Nationality Malaysian | **Age** 40 | **Gender** Male

Date of Appointment:
22 February 2021

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

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

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

EXECUTIVE LEADERSHIP'S PROFILE



RAZMAN ISMAIL

Chief People Officer,
UEM Edgenta Berhad

Nationality Malaysian | **Age** 52 | **Gender** Male

Date of Appointment:
1 November 2019

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

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

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



CHUA YONG HOWE

Chief Digital Officer,
UEM Edgenta Berhad

Nationality Malaysian | **Age** 45 | **Gender** Male

Date of Appointment:
18 January 2021

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

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

Working Experiences:
- January 2021 – Present: Chief Digital Officer, UEM Edgenta Berhad
- November 2018 – January 2021: Country Managing Director (Malaysia & Singapore), Eureka AI
- February 2013 – October 2018: Practice Leader - Analytics Advisory (Asia), DXC Technologies
- February 2011 – February 2013: Consulting Manager, 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



IR. VEKNESWARAN T. ARASAPPAN

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

Nationality Malaysian | **Age** 47 | **Gender** Male

Date of Appointment:
1 January 2022

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

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

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

EXECUTIVE LEADERSHIP'S PROFILE



SHARIMAN YUSUF MOHAMED ZAIN

Head, Infrastructure Services
Managing Director,
Edgenta PROPEL Berhad

Nationality	Age	Gender
Malaysian	48	Male

Date of Appointment:
17 March 2020

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

Present Directorship(s) In Listed Entity/Other Public Companies:
- Edgenta PROPEL Berhad

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



SHAIFUL ZAHRIN SUBHAN

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

Nationality	Age	Gender
Malaysian	46	Male

Date of Appointment:
27 January 2023

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



TAN CHEH TIAN

Chief Executive Officer,
UEMS Singapore & Taiwan

Nationality	Age	Gender
Singaporean	50	Female

Date of Appointment:
1 September 2021

Professional Qualifications:
- Master of Science (Estate Management), National University of Singapore
- Bachelor of Science (Estate Management) (2nd Upper Honours), National University of Singapore
- Board of Director, 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

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

EXECUTIVE LEADERSHIP'S PROFILE



AHMAD ZAKRI ISMAIL

Chief Executive Officer,
Edgenta Arabia Limited

Nationality	Age	Gender
Malaysian	56	Male

Date of Appointment:
29 November 2022

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



DERRICK WONG

General Manager,
Operon Middle East Limited

Nationality	Age	Gender
Malaysian	47	Male

Date of Appointment:
13 November 2011

Professional Qualifications:
- Bachelor of Science (Mechanical Engineering), City College of London, London, England
- Diploma (2nd Class Upper) in Electromechanical, Federal Institute of Technology, Kuala Lumpur, Malaysia
- International Facility Management Association (Member)
- RICS MEA (Member)

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

Working Experiences:
- November 2011 – Present: General Manager (Integrated Facilities Management), Operon Middle East (Dubai, UAE)
- September 2009 – January 2011: National Head (Integrated Facilities Management), Jones Lang Lasalle (Intel Penang)
- April 2008 – September 2009: Section Head Facility Engineer II, Fuji Electric (M) Sdn. Bhd. Malaysia
- June 2005 – November 2007: Maintenance Engineer, MESL Group/Norland Manage Services, VISA Europe Headquarters Building (Paddington), London



NIK MARIEN NIK AHMAD KAMAL

Chief Executive Officer,
Edgenta NXT Sdn. Bhd.

Nationality	Age	Gender
Malaysian	39	Female

Date of Appointment:
12 January 2023

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:
Nil

Working Experiences:
- June 2019 – January 2023: Team Lead Iskandar Malaysia Portfolio, Khazanah Nasional Berhad
- December 2019 – January 2022: Founding Lead 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

EXECUTIVE LEADERSHIP'S PROFILE



ANIL ABRAHAM

General Counsel, Legal,
UEM Edgenta Berhad

Nationality	Age	Gender
Malaysian	42	Male

Date of Appointment:
12 December 2020

Professional Qualifications:
- Master of Business Administration (MBA), ESSEC Business School, Paris
- Masters in Law with Merit (LL.M), King's College, London
- Bachelors in Law with Upper Second Class Honours (LL.B), King's College, London

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

Working Experiences:
- Present: General Counsel, Legal - UEM Edgenta Berhad
- April 2017 – 2020: Group Head, Legal & Regulatory Affairs - Malaysian Resources Corporation Berhad
- January 2011 – December 2016: Vice President – MEASAT Satellite Systems Sdn. Bhd.
- January 2010 – January 2011: Senior Legal Counsel, Group Legal Department – Usaha Tegas Sdn. Bhd.



ANDREW RAJ VARATHARAJU

Head, Operational Excellence & HSSE,
UEM Edgenta Berhad

Nationality	Age	Gender
Malaysian	49	Male

Date of Appointment:
1 July 2021

Academic/Professional Qualification
- 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



WAN LAILA FATIHAH WAN OMAR SUKRI

Head, Corporate Communications,
UEM Edgenta Berhad

Nationality	Age	Gender
Malaysian	41	Female

Date of Appointment:
15 December 2022

Professional Qualifications:
- Masters in Knowledge Management with Multimedia, Multimedia University, Cyberjaya
- Bachelor's Degree in Multimedia, (film & animation) Multimedia University, Cyberjaya
- 19 years of experience specialising in Branding, Marketing, Strategic & Corporate Communications in addition to Stakeholder Management encompassing various industries which includes 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) with the responsibility of 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: Holding various roles including spearheading the role of Head, Branding & Stakeholder Management, Project Delivery & Technology Division, PETRONAS
- 2003 – 2010 : Holding 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

Head, Risk, Integrity & Compliance
UEM Edgenta Berhad

Nationality	Age	Gender
Malaysian	45	Female

Date of Appointment:
1 December 2022

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)

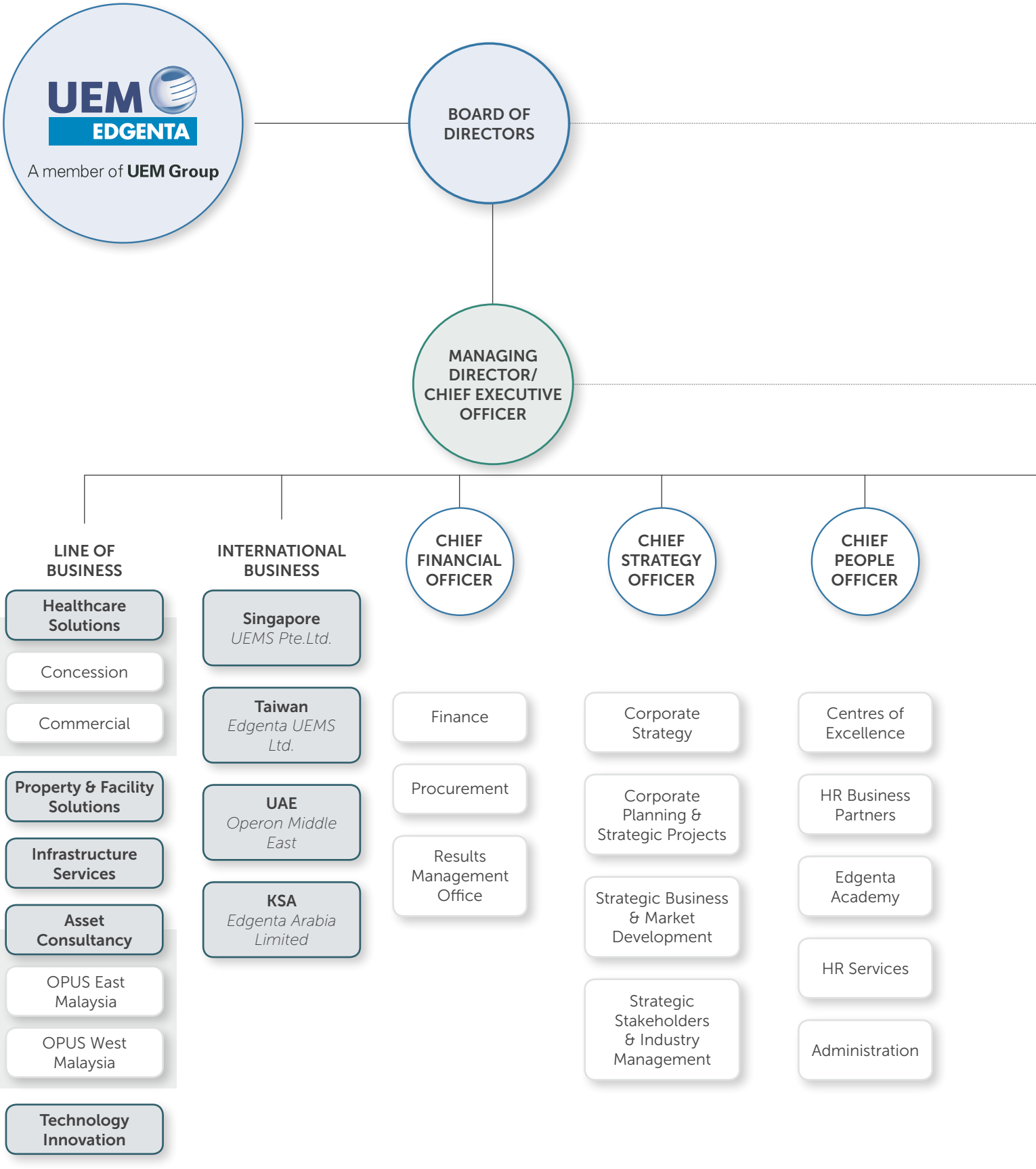
Present Directorship(s) In Listed Entity/Other Public Companies:
Nil

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

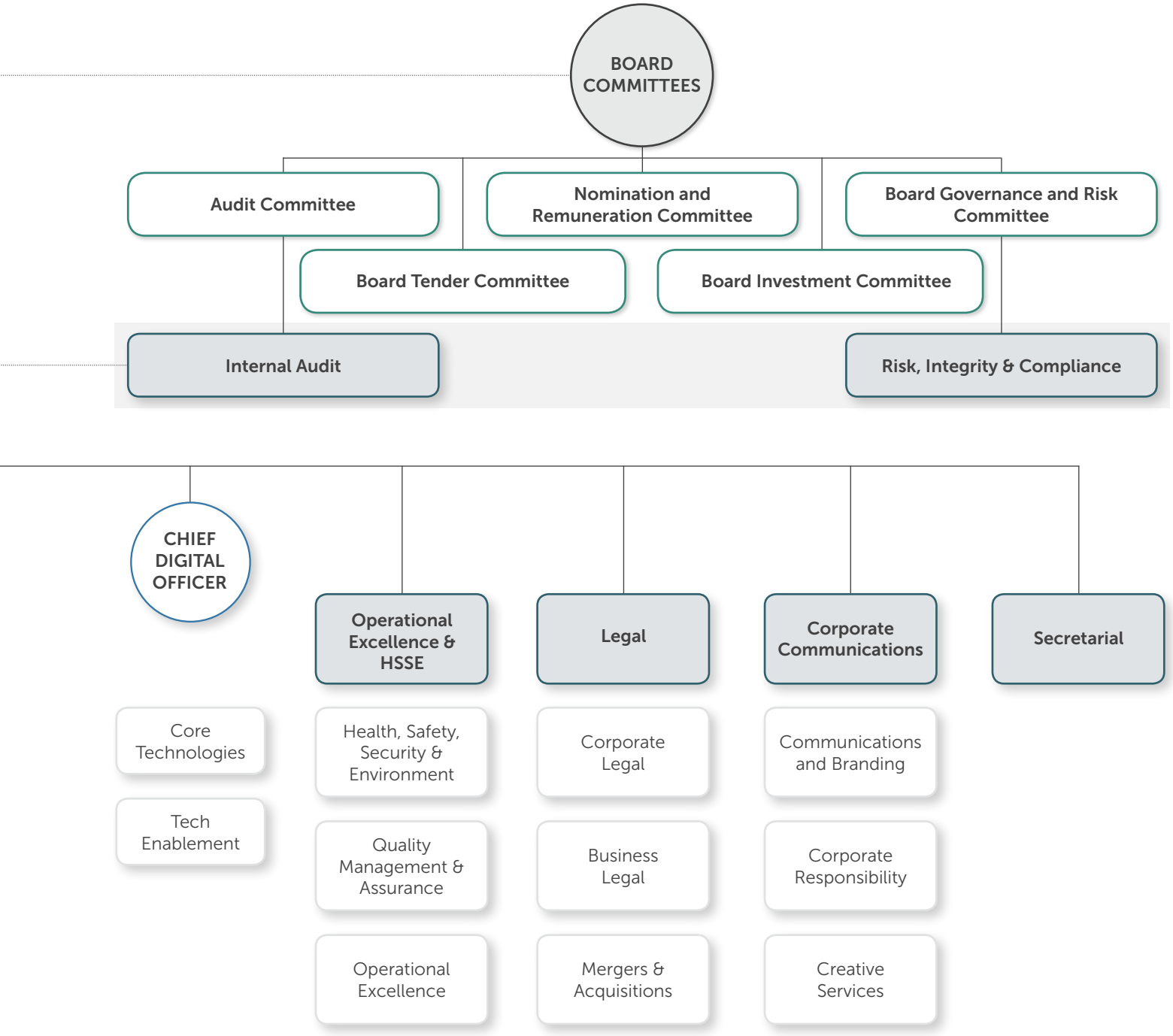
DECLARATION:
- **Family Relationship with Director and/or Major Shareholder**
  None of the Key Senior Management have any family relationship with any other Director and/or major shareholder of UEM Edgenta.
- **Conflict of Interest**
  None of the Key Senior Management have any conflict of interest with UEM Edgenta.
- **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 2022.

ORGANISATION STRUCTURE

As at 31 March 2023



ORGANISATION STRUCTURE



GOVERNANCE





- Corporate Governance Overview Statement 214
- Audit Committee Report 234
- Statement on Risk Management and Internal Control 237
- Corporate Integrity and Ethical Business Conduct 246
- Additional Compliance Information 248

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Statement is to be read together with the Corporate Governance Report ("CG Report"), which provides details on how the Company has applied each Practice as set out in the Malaysian Code on Corporate Governance 2021. The CG Report is available on the Company's website at www.uemedgenta.com.

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

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

A BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

A Strengthened Governance Framework

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

In discharging its roles and responsibilities, the Board is guided by the Board Charter and the Discretionary Authority Limits which outlines the duties and responsibilities of the Board, as well as matters that the Board may delegate to the Board Committees, the Managing Director/Chief Executive Officer and Management. The Board Charter can be found on the Company's website at www.uemedgenta.com.

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

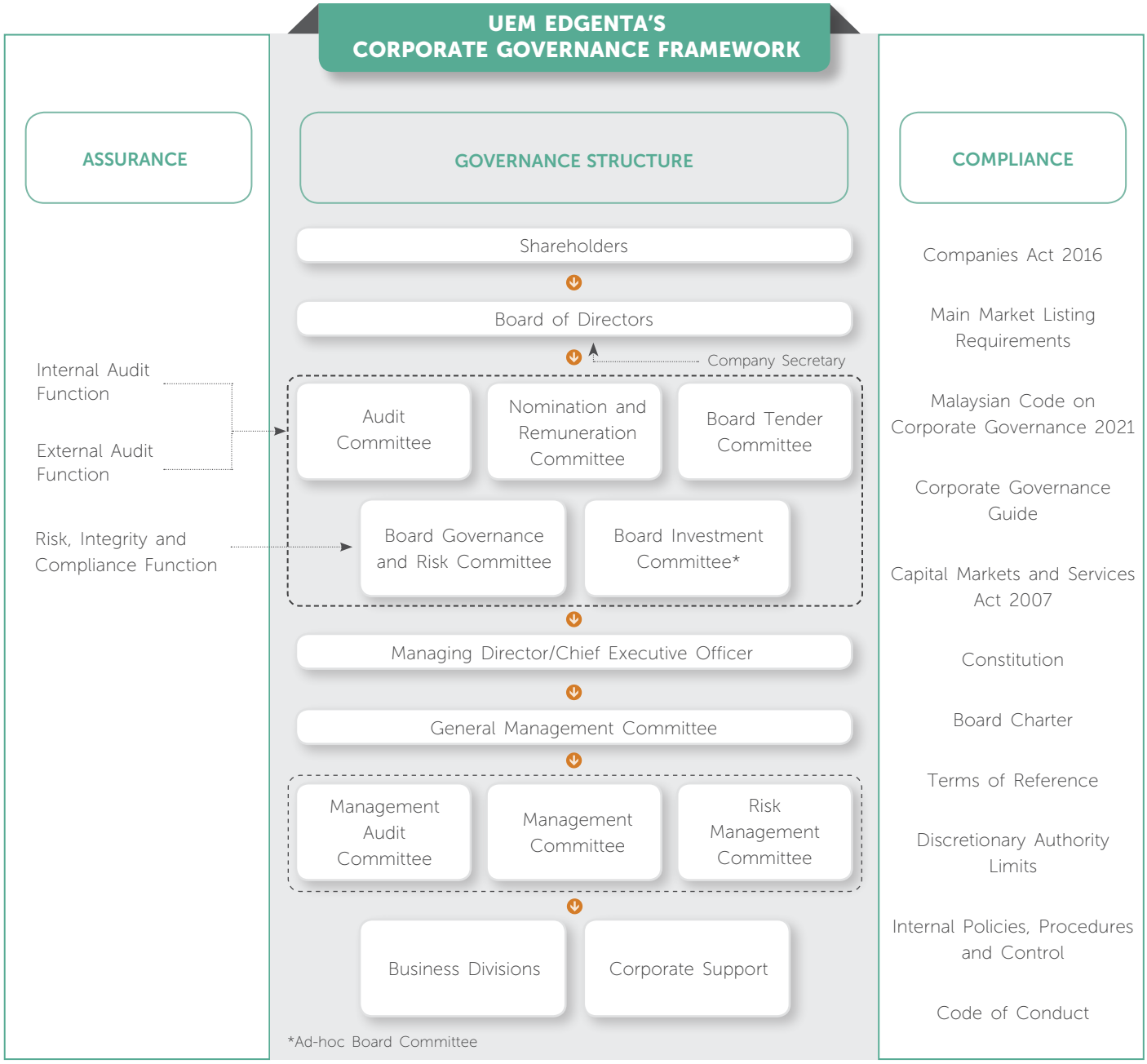
Establishing, reviewing and adopting the **strategic plans** and direction for the Group.	Overseeing the conduct of the **Group's business** to evaluate whether the business is being properly managed.	Identifying **principal risks** and ensuring the implementation of appropriate systems to manage these 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 uniformity 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. The framework incorporates the key elements of Group-wide Framework on Corporate Governance.

This framework contains 2 sections i.e. the Corporate Governance Structure and list of policies/documents. The framework combines the items in one place for easy overview and reference to guide the governance practices and authority of decision-making across the Company.

The Corporate Governance Framework can also be found on the Company's website.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

LEADERSHIPS AND CULTURE

CODE OF CONDUCT

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

GROUP GOVERNANCE STRUCTURE AND POLICIES & PROCEDURES

POLICIES AND PROCEDURES

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

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

KEY FEATURES OF RISK MANAGEMENT FRAMEWORK



Information & risk reporting

- Board of Directors
- Board Governance and Risk Committee
- Risk Management Committee
- Risk, Integrity & Compliance Department
- Risk Owners (Company/Joint Venture/ Business Unit/Division/ Department/Function/Project/ Process & etc.)
- Risk Management Unit Committee

Policy and review

AUTHORITY AND DECISION LIMITS WITHIN THE GROUP

DISCRETIONARY AUTHORITY LIMITS

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

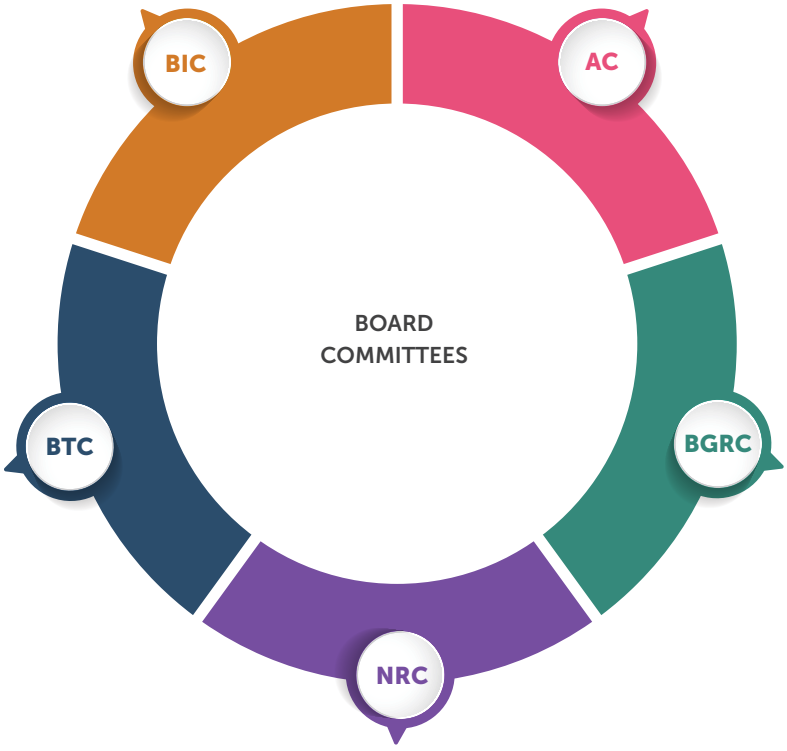
In order to ensure responsibilities are effectively discharged, the Board is assisted by five (5) Board Committees. These committees operate within defined terms of references, which are published on our website at www.uemedgenta.com/about-us/corporate-governance. Each committee chair reports to the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

BOARD INVESTMENT COMMITTEE
(Ad-hoc Committee)

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

AUDIT COMMITTEE

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



BOARD TENDER COMMITTEE

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

BOARD GOVERNANCE AND RISK COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD FOCUS AREAS

The Board is responsible for ensuring that the Company is appropriately managed and achieves the strategic objectives that it sets. For the financial year end, the Board discharged its responsibilities through an annual programme of meetings which was planned ahead in the fourth quarter of 2021. The annual Board meeting calendar is then communicated to the Directors prior to the commencement of the new financial year. Special meetings are convened as and when required.

The following are 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's Scorecard.
  - The establishment of new companies in United Arab Emirates.
  - Proposed acquisition of stake in MASIC-backed MEEM in Kingdom of Saudi Arabia.
  - Proposed partnership with Sarawak Economic Development Corporation.
  - Moving Forward Plan for Edgenta Energy Services Sdn Bhd.
  - Proposed disposal of Faber Sindoori Management Services Private Limited.

Overseeing the Conduct of Business

- Reviewed and approved the formation of Executive Committee for Healthcare Support and Asset Consultancy.

Health, Safety, Security and Environment

- Reviewed the Health, Safety, Security and Environment Report on 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 quarterly basis.
  - Integrity & Compliance Reports.
  - Integrity & Compliance Plan.
  - Revised Anti-Bribery and Anti-Corruption Policy Statement.
  - Whistleblowing Policy Statement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Succession Planning for Senior Management

- 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.
- Reviewed and approved:-
  - The appointment of Chief Executive Officers for Edgenta NXT Sdn Bhd and Edgenta Arabia Limited.
  - The promotion of Senior Management of Grade UT2 & above.
  - The renewal of fixed-term employment contract of Senior Management of Grade UT2 & above.
  - New organisational chart and appointment of General Manager for UEMS Pte Ltd.
  - Appointment of Head of Edgenta Healthcare Solutions.
  - Appointment of Head of Internal Audit.

Financial Statements

- Reviewed the recommendation from AC and approved the quarterly financial results and audited financial statements.
- Met up with the External Auditors for the presentation of their reports.
- Reviewed the re-appointment of External Auditors and their audit fees.
- Considered the segmental disclosure for alignment with Edgenta of the Future 2025 Vision.

Environmental, Social & Governance

- Reviewed the reports on the progress of the action plans for Environmental, Social & Governance on a quarterly basis.
- Approved the Sustainability Strategy and Roadmap.

Governance/Compliance

- Reviewed and adopted:-
  - Fit and Proper Policy.
  - Updates to Terms of Reference for the Board Governance and Risk Committee.
  - Updates to Board Charter.

Human Resources

- Reviewed and approved the following:-
  - Revision to Employee Benefits.
  - Rewards structure for Edgenta NXT Sdn Bhd.
  - Talent Attraction and Retention Strategy.
  - Minimum Wage Implementation and revision of Selected Terms and Condition of Employment for Edgenta UEMS Sdn Bhd.
  - Remuneration Policy for Global Talent Mobility Programme.
  - Revision of Salary Range.
  - Revision of Additional Responsibility Allowance Policy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MEETING ATTENDANCE FOR FINANCIAL YEAR 2022

Members	Board	AC	NRC
Tan Sri Dr. Azmil Khalid Independent Non-Executive Chairman	9/9	-	-
Syahrunizam Samsudin Managing Director/Chief Executive Officer	9/9	-	-
Dato' Mohd Izani Ghani# Non-Independent Non-Executive Director	9/9	-	M 11/11
Dato' Noorazman Abd Aziz Non-Independent Non-Executive Director	9/9	-	-
Dato' George Stewart LaBrooy Independent Non-Executive Director	9/9	-	M 11/11
Rowina Ghazali Seth Independent Non-Executive Director	9/9	-	C 11/11
Shirley Goh#^ Independent Non-Executive Director	8/9	C 5/5	-
Jenifer Thien Independent Non-Executive Director	9/9	M 2/2	-
Mohd Asrul Ab Rahim# Non-Independent Non-Executive Director *(Appointed on 21 January 2022)*	9/9	M 5/5	-
Wong Shu Hsien Non-Independent Non-Executive Director *(Resigned on 21 January 2022)*	0/0	M 0/0	-
Robert Tan Bun Poo#^ Independent Non-Executive Director *(Retired on 16 June 2022)*	5/5	C 3/3	-

Member of the Malaysian Institute of Accountants

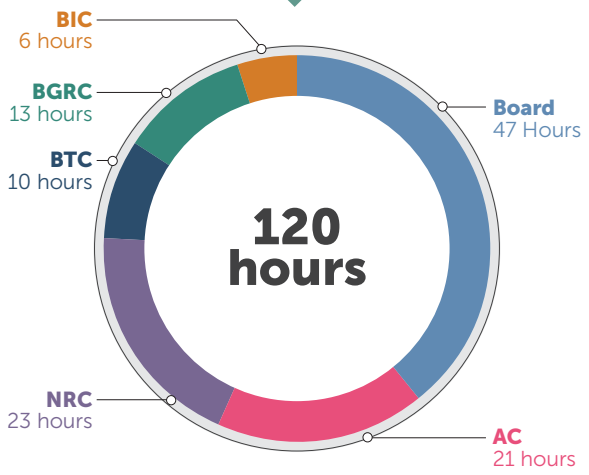
^ Member of the Malaysian Institute of Certified Public Accountants

LEGEND: C Chairperson of Board Committee; M Member of Board Committee; Board; Audit Committee

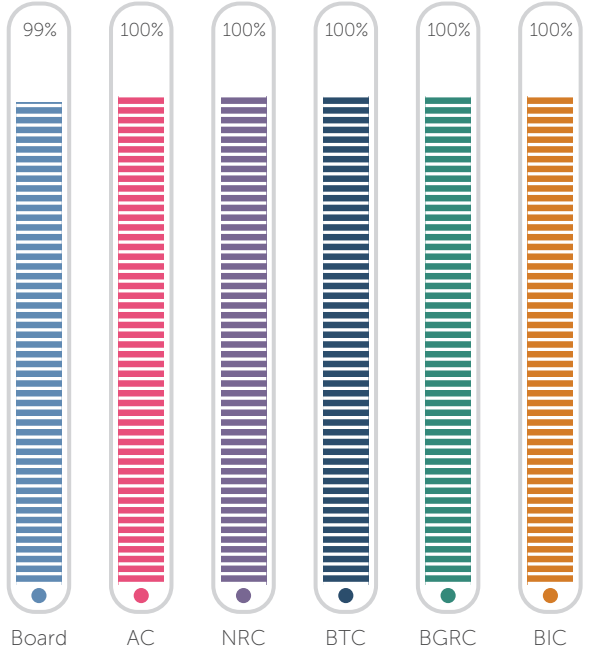
CORPORATE GOVERNANCE OVERVIEW STATEMENT

BTC	BGRC	BIC
-	-	M 3/3
-	-	-
-	-	-
-	M 6/6	C 3/3
M 3/3	C 6/6	-
-	M 6/6	-
-	-	M 3/3
C 7/7	M 6/6	-
M 6/6	-	-
C 1/1	-	-
M 4/4	-	-

TOTAL MEETING HOURS



AVERAGE MEETING ATTENDANCE



Nomination and Remuneration Committee

Board Governance and Risk Committee

Board Tender Committee

Board Investment Committee

CORPORATE GOVERNANCE OVERVIEW STATEMENT

NOMINATION AND REMUNERATION COMMITTEE ("NRC")

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

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

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 Directors to ensure high standard of Board performance and succession for both Executive and Non-Executive Directors in the event of any deficiency.
- Reviewed the composition of the Board and Board Committees of UEM Edgenta Berhad.
- Reviewed the Board composition for the subsidiaries/associate companies of UEM Edgenta Berhad.
- 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 the current status of the Succession Plan for Senior Management and the progress made so far and identified areas that require further attention.
- Reviewed and recommended:-
  - Proposed appointments of Senior Management.
  - New organisational chart and appointment of General Manager for UEMS Pte Ltd.

Remuneration for UEM Edgenta Group

- Reviewed and recommended:-
  - The 2021 Corporate Scorecard Achievement and 2021 Managing Director/Chief Executive Officer's Scorecard Achievement.
  - The proposed 2022 Corporate Scorecard and Managing Director/Chief Executive Officer's Scorecard.
  - The 2021 Bonus Pool and 2022 increment.
  - The 2021 Performance Bonus of the Managing Director/Chief Executive Officer and Senior Management.
  - The proposed Talent Attraction and Retention Strategy.
  - Minimum wage implementation and revision of selected Terms and Condition of employment.
  - The revision to employee benefits.
  - The proposed Rewards Structure for Edgenta NXT Sdn Bhd.

Overseeing the Conduct of Business

- Reviewed and recommended the formation of Executive Committee for Healthcare Support and Asset Consultancy.

Governance/Policy

- Approved the MCCG proposed action plan.
- Reviewed and recommended:-
  - The Fit and Proper Policy.
  - The revision of Additional Responsibility Allowance Policy.
  - The Remuneration Policy for Global Talent Mobility Programme.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Nomination and Appointment of Directors

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

In sourcing for new Board members, candidates are identified through a mixture of recommendations made by existing Board members and major shareholder, desktop searches and independent executive searches.

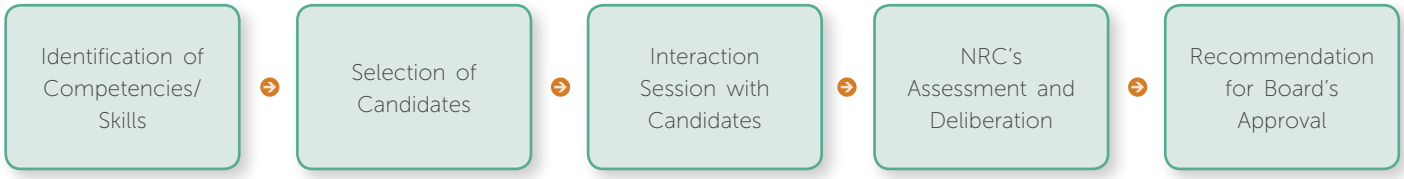
In assessing and making recommendations to the Board on the candidacy of Directors or appointment of Directors to Board Committees, the NRC considers the candidates' competencies, time commitment, contribution and performance, skills, knowledge, expertise and experience, professionalism, background, character and integrity and leadership qualities. The NRC also takes into consideration the size and composition of the Board as well as be guided by the MCCG and comply with the Listing Requirements.

For the position of Independent Non-Executive Directors, the NRC also evaluates the candidates' ability to discharge such responsibilities/ functions as expected from an Independent Non-Executive Director.

After due assessment and shortlisting, with the consent from identified candidate, a reputable third-party agency will conduct a thorough background screening process to verify their credibility.

On 26 May 2022, the Board has approved the Fit & Proper Policy to ensure formal, rigorous and transparent process for the appointment and re-election of Directors.

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



Once appointed, the new Board member would undergo a Board Induction Programme where they would be briefed in detailed on the following:-

- Governance Structure and Governance of the Company
- Financial Perspective
- Group Strategy
- Human Resources Matters of the Group
- Businesses of the Group
- Risk, Integrity & Compliance
- Operational Excellence & HSSE
- Legal Updates of the Company

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Additionally, the NRC has also recommended for all Directors of the Company to attend at least one external briefing on Section 17A, Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009") as part of Directors' training and development.

For the year under review, En. Mohd Asrul Ab Rahim was appointed as Board member on 21 January 2022. He was nominated by the major shareholder.

En. Mohd Asrul has attended the Board Induction Programme on 3 & 4 March 2022 and an external briefing on Section 17A, MACC Act 2009.

Directors' Continuing Education Programmes

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

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

Additionally, since the effective of the corporate liability provision of the MACC Act 2009, the NRC has recommended for all Directors of the Company to attend at least one external briefing on Section 17A, MACC Act 2009 as part of Directors' training and development. Therefore, the Company Secretary is constantly monitoring to ensure the recommendation of NRC was met when there are new Directors appointed to the Board.

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

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

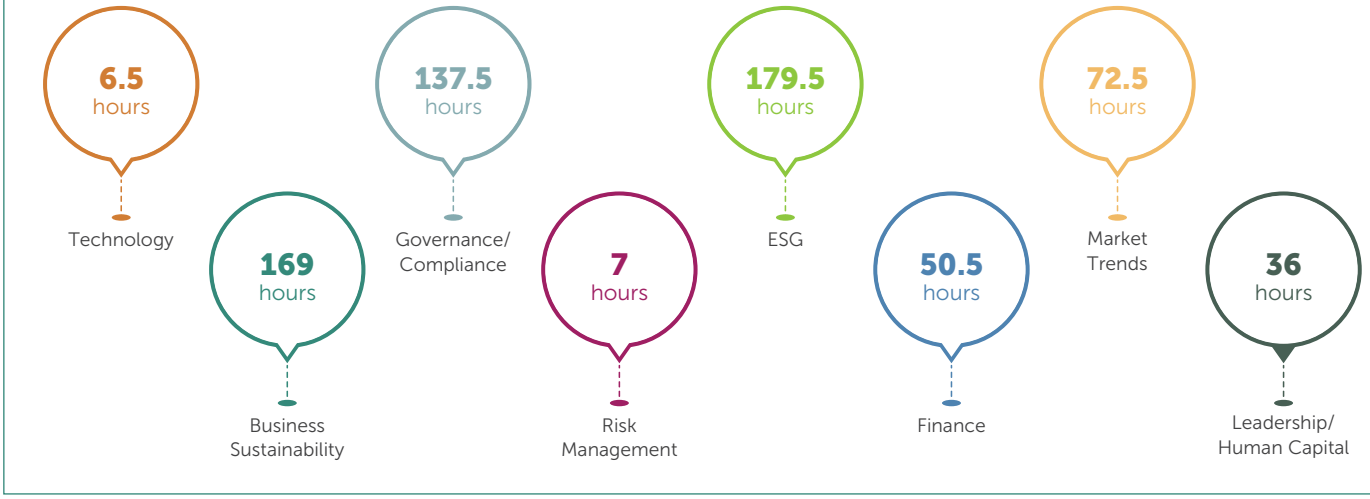
In line with Management's strategy to focus on Environmental, Social and Governance ("ESG"), the Board has also been updating their ESG competencies by attending courses in relation with ESG.

Pn. Rowina Ghazali Seth is currently attending the ESG Competent Boards Certificate and Designation Programme. This programme syllabus contains 12 strategic ESG session topics. Upon graduating, Pn. Rowina Ghazali Seth will attain the Global ESG Competent Boards Certificate and Designation (GCB.D). Meanwhile, Ms. Jenifer Thien has been granted GCB.D in March 2022.

At the 2022 Pre-Board Convergence held on 6 October 2022, the Management focused the discussion around ESG and sustainability, and also invited speakers to share on ESG topics.

Board Training Hours

Training Hours Based on Categories



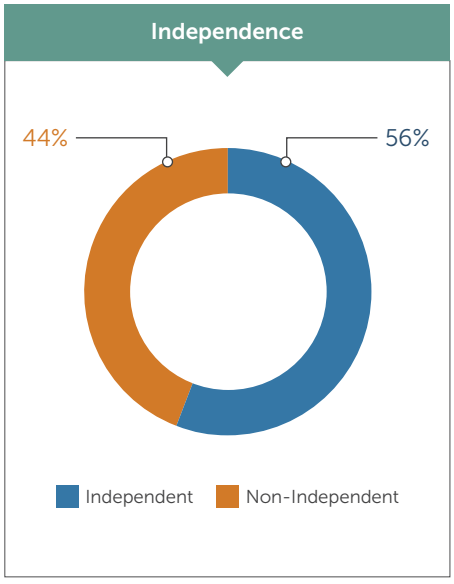
CORPORATE GOVERNANCE OVERVIEW STATEMENT

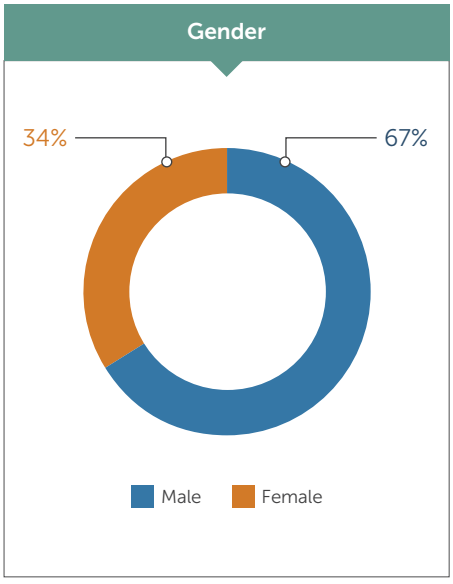
BOARD COMPOSITION

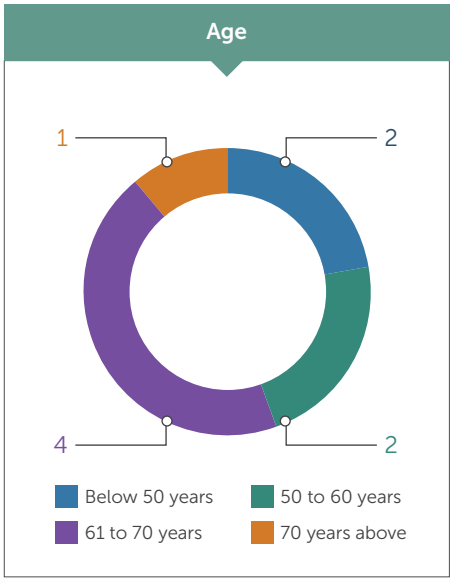
Ensuring the Right Composition

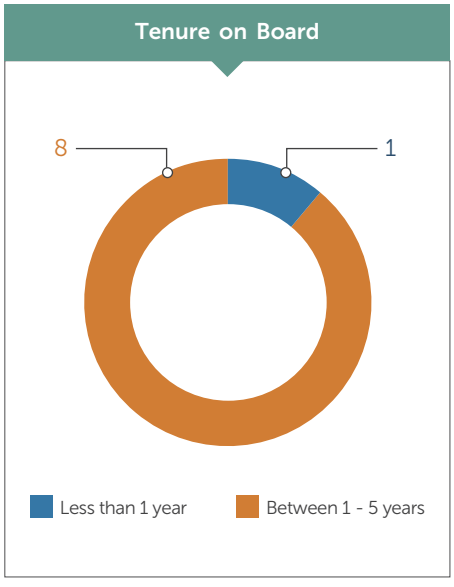
As at 31 December 2022, the Board consist of nine (9) members, comprising an Independent Non-Executive Chairman, one (1) Executive Director, three (3) Non-Independent Non-Executive Directors and four (4) Independent Non-Executive Directors. One third (1/3) of the Board comprises of Independent Non-Executive Directors, in compliance with Paragraph 15.02(1) of the Listing Requirements.

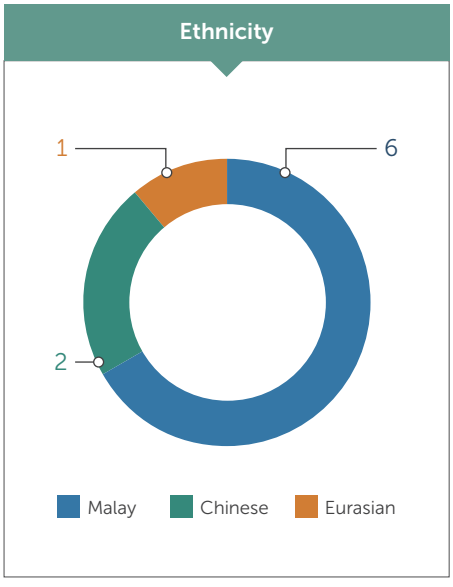
For year 2022, the Company had 56% Independent Non-Executive Directors and 34% Women Directors on Board.

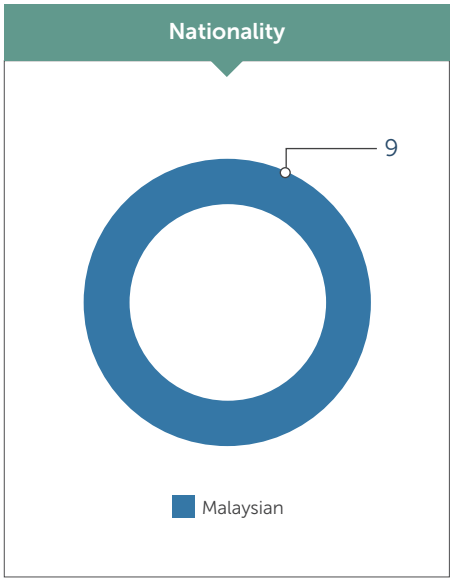












CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Mix of Skills and Experience

Leadership/Stewardship

Leadership Experience	100%	Strategic Planning	100%	Human Capital Developer	89%

Regulatory Experience and Network

Regulatory Experience	67%	Government Relations	56%	International Experience	67%

General Management

Accounting/ Financial/Banking	78%	Risk/Audit	78%	Tax Planning	56%

Sector/Service Experience

Infrastructure	44%	Oil and Gas	33%	Healthcare	11%
Consultancy and Project Management	22%	Asset Management	44%	Property Development/ Property Management	44%

Entrepreneurship

Entrepreneurial Experience	44%
Sales/ Marketing	33%

Others

ICT	11%	Education	33%	Legal	11%
Corporate Finance	67%	Public Relations and Communication	44%	Engineering	33%
Fast-Moving Consumer Goods (FMCG)	22%	Merger and Acquisition	78%	ESG/ Sustainability	56%

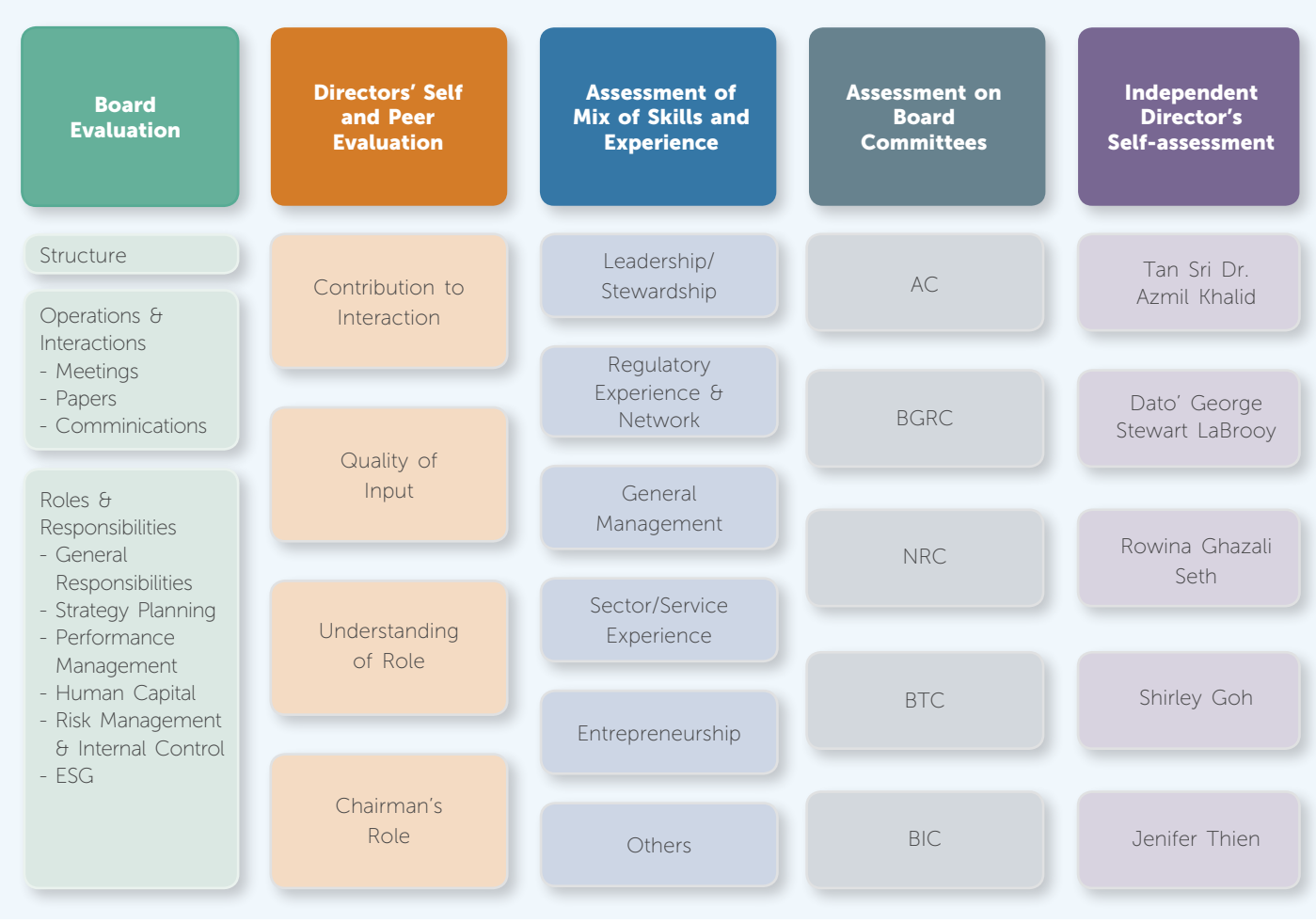
The profile of each Director is set out on pages 192 to 200 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Effectiveness Assessment

The Board via the NRC performs yearly Board Effectiveness Assessment ("BEA") of its performance and activities.

As the Company is not a Large Company, the BEA for FY2022 was facilitated by the Company Secretary via an online portal, which covered key topics and included forward looking elements as follows:-



All feedbacks are handled in a confidential manner to ensure that Directors give their honest feedback. A summary of the key issues raised was then collated and presented in a report to the NRC and the Board.

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

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

The results for FY2022 did not indicate any material weaknesses or shortcomings identified that warrant specific action plan to address the same. The results of BEA indicated that the performance of the Board, Board Committees and individual Directors had been effective in their overall discharge of functions, roles and duties. The level of independence demonstrated by the Independent Directors are satisfactory.

The results also revealed that the Board is satisfied that MD/CEO and CFO of the Company has the character, experience, integrity, competence and time to effectively discharge their roles accordingly.

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 via the NRC is also tasked to establish and review periodically the remuneration policies and procedures to attract and retain Directors and Senior Management.

Remuneration for Directors

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

Additionally, the Company also has its own Remuneration Policy for Non-Executive Directors, which was drawn up with the aim to strengthen the Company's commitment to attract and retain talented and well qualified candidates while being financially cautious. This policy was in place since 8 December 2020. For transparency purpose, the Remuneration Policy is published on the Company's website at www.uemedgenta.com.

The Non-Executive Directors are paid a fixed base fee on a quarterly basis. With the recommendation from the NRC, the Board as a whole determines the remuneration for Non-Executive Directors 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 which was last reviewed in August 2020 is as below. The remuneration breakdown of individual Directors which includes fees, salary, bonus, benefits-in-kind and other emoluments are as set out in the CG Report under Practice 8.1.

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

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

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

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

Remuneration for Senior Management

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

B EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

Upon the retirement of Mr. Robert Tan Bun Poo at the annual general meeting held on 16 June 2022, the Audit Committee ("AC") was led by Ms. Shirley Goh, to assist the Board in its oversight of the Company's financial reporting, and in fulfilling its fiduciary responsibilities relating to internal controls. This includes risk management, maintenance of financial and accounting records and setting policies as well as financial reporting practices of the Group. It also reviews related party transactions, conflict of interest situations that may arise within the Group and the provision of non-audit services by the External Auditors.

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

Kindly refer to pages 234 to 236 for the AC's membership and composition, and the AC Report for the summary of work carried out by the AC during the financial year 2022.

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

As at 31 December 2022, the current AC members have attended training courses relating to the development in accounting and auditing standards, practices and rules.

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

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

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

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

The assessment on the External Auditors for financial year ended 31 December 2022 was facilitated by the Finance team. A set of questionnaires pertaining to the following were sent out to the AC members, relevant personnel from Finance, Risk, Integrity & Compliance, Internal Audit and the Company Secretary 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 on their suitability and independence, and recommended for their re-appointment at the forthcoming annual general meeting.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Effective Risk Management and Internal Control Framework

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

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

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

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

The Statement on Risk Management and Internal Control as set out on pages 237 to 245 of this Annual Report provides an overview of the state of internal controls within the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

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

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

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

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

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

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

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

The Annual Report 2022 was presented based on Integrated Reporting. The Company has fully adopted integrated reporting based on a globally recognised framework.

The summary of engagements with stakeholders are available on pages 56 to 61.

CONDUCT OF GENERAL MEETINGS

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

For the AGM held on 16 June 2022, the Notice of AGM was given to shareholders on 29 April 2022. The Notice together with the relevant reports and circular was given more than 28 days prior to the AGM to allow sufficient time to consider the resolutions that would be discussed and decided at the AGM.

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

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

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

The summary of the AGM proceeding was uploaded on the website within 30 business days after the completion of the AGM on 22 July 2022.

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

This Corporate Governance Overview Statement was approved by the Board on 28 March 2023.

AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee ("AC") Report which provides insights on how the AC discharge its function and duties for the financial year ended 31 December 2022.

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

COMPOSITION AND MEETING ATTENDANCE

The composition of the AC and meeting attendance for financial year 31 December 2022 are available in pages 222 to 223 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 2022:-

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

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

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

5. Considered the proposed change of segmental disclosure for alignment with the Edgenta of the Future 2025 ("EoTF 2025") vision.

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. The above included 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. 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 and this included their appointment for non-audit services.

3. Discussed with the External Auditors on 22 November 2022 and 20 February 2023 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 due to their satisfactory performance based on the feedback received via assessment questionnaires and the 2021 Annual Transparency Report, recommended their re-appointment to the Board of Directors.

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

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

The information on the resources, objectivity, and independence of the internal auditors are provided in the Corporate Governance Report in accordance with Practice 11.2 of the revised Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia 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 search for a new Head of Internal Audit has been initiated and is ongoing. As an interim measure, the Head of Risk, Integrity and Compliance is double hatting as the Acting Head of Internal Audit, in view of the focus on risk-based audit plan/reviews.

The total cost incurred for the internal audit function for financial year ended 31 December 2022 is approximately RM1,427,000, 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 2022 which was approved by the AC on 19 November 2021, 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 revenue concentration risks, litigation risks, cybersecurity risks, business strategy execution risks, information security risks, project execution risks, overseas business expansion risks, and sustainability risks.

The scope of the planned audit assignments for the financial year 2022 covered the following:-

1. Operational audits in Healthcare Support, Infrastructure Services, Asset Consultancy, and overseas operations.

2. Audit on Information Technology, Cybersecurity and Support Services.

3. Quarterly review on Related Party Transactions/Recurrent Related Party Transactions.

During the year, AC had reviewed and deliberated on a total of ten (10) 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 practise 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.

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

RESPONSIBILITY AND ACCOUNTABILITY

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 nine (9) Directors on the Board comprising one (1) Managing Director/Chief Executive Officer ("MD/CEO"), five (5) Independent Non-Executive Directors and three (3) Non-Independent Non-Executive Directors.

The Board is supported by a number of 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 consists of Head of Companies of the Group and co-opted members from the management team of the Group.

The RMC undertakes the following responsibilities:

- Review and recommend risk management policies and procedures for the approval or acknowledgement of the BGRC and Board and Managing Director/Chief Executive Officer respectively;
- Act as Primary Champion of risk management at strategic and operational levels;
- Review the ongoing adequacy and effectiveness of the risk management process;
- Review and deliberate on identified risks, controls and risk mitigating strategies to ensure that these are adequately managed;
- Review the Group's resilience in event of a crisis or disaster and ensure adequate insurance coverage against key risks and perils;
- Review and implement compliance 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.

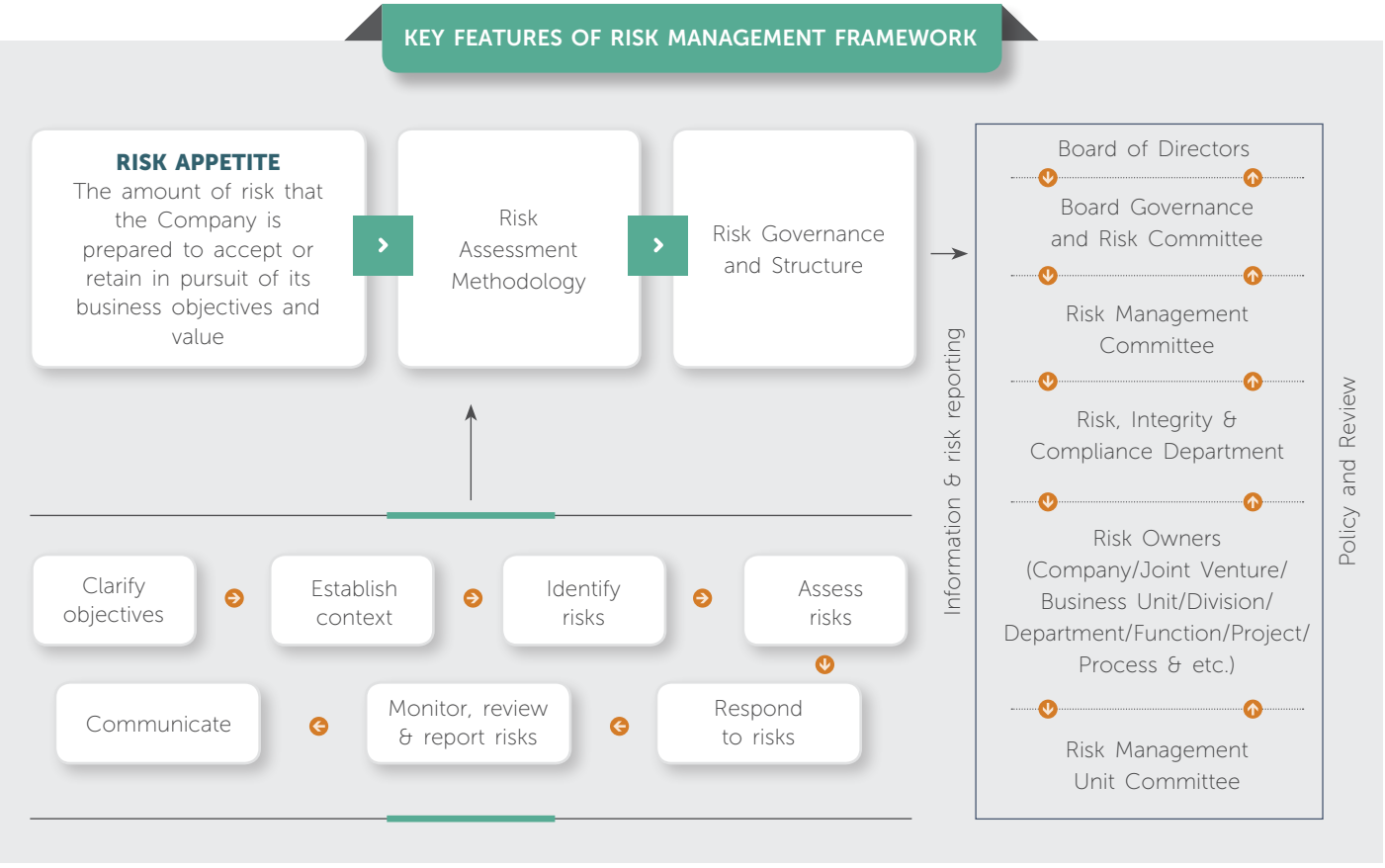
Risk Management Framework

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



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
Establish 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/influence 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

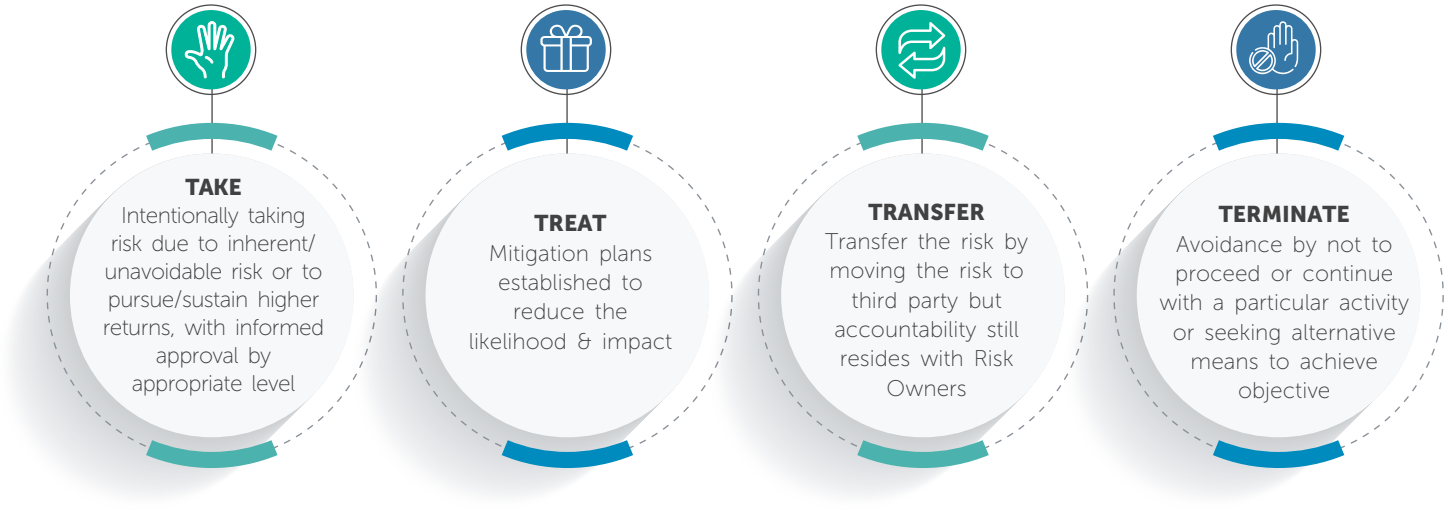
The Group adopts the following risk rating matrix to articulate the relationship between risk impact and likelihood:

Risk Rating					
	Risk Impact				
Likelihood	**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 are monitored continuously to ensure that risk responses and mitigations remains relevant and are operating as designed and expected.

g. Communication

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

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 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 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.

Integrity & Compliance

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

UEM Edgenta is committed to uphold its integrity and compliance value in carrying out its business operations. The Group has embarked on the journey to obtain 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, UEM Edgenta had adopted best practices and has the following framework, policy & procedures in place:

- Code of Conduct for Directors and Employee

  UEM Edgenta's Code of Conduct for Directors and Employee expresses our commitment to build trust in our business ecosystem, and it outlines ethical behaviour standards in our business activities, accompanied by important policy statements.

- Code of Conduct for Business Partners ("COCBP")

  UEM Edgenta's Code of Conduct for Business Partners sets the expectations for our dealings with this key stakeholder group.

- Business Partner's Letter of Declaration ("BPLOD")

  The Business Partner's Letter of Declaration has been established to maintain a high standard of integrity in our business operations and ensure business partners embrace the spirit of commitment to integrity and high ethical standards as set out in UEM Edgenta's Code of Conduct for Business Partners.

- Compliance Framework

  The framework aims to establish and embed the culture of ethics and integrity, consistent with the values of the organisation and promote the culture of commitment to lawful and ethical behaviour.

- Third-Party Risk Management Framework

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

  Compliance checks include:

  - Evaluation of the Third-Party's governance, values, code of conduct, anti-corruption programme and policies

  - Checks of evidence of good practice compliance

- 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 as essential components which the Company and its employees must harness at both professional and personal levels.

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- ABMS Manual

  This Manual sets out requirements in relations to MS ISO 37001:2016 Anti-Bribery Management System and provide guidance of a management system designed to help UEM Edgenta to prevent, detect, respond, and address to bribery and corruption.

- No Gift Policy

  UEM Edgenta upholds the "No Gift Policy" to avoid actual or perceived conflict of interest, in accordance with UEM Edgenta's Code of Conduct.

- Conflict of Interest Declaration Procedure

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

- Investigation Procedure

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

- Authorities' Raid/Visit Procedures

  This procedure sets out the key practical points to be considered in providing an effective response when facing the authorities' raid.

Whistleblowing Policy Statement

UEM Edgenta is committed to adhering to the highest standards of ethical behaviour in terms of governance, integrity, accountability, and transparency in the conduct of our business and operations, which is in line with Edgenta's core values of FIRST. We aspire to conduct our business dealings and relationships in an ethical, responsible, and transparent manner.

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 confidentiality and are protected from retaliation.

Whistleblowing Procedure

UEM Edgenta's Whistleblowing Procedure provides an avenue for its employees, stakeholders and members of the public to report any actual or suspected malpractice, misconduct or violation of Group's policies and procedures through dedicated and confidential channels (Whistleblowing Lodgement Form to the Chairman of the Board or Chairman of BGRC or email to the Whistleblowing Committee at whistleblowing@edgenta.com) which are available on our UEM Edgenta Official Website.

The Whistleblowing Procedure encourages the reporting of such allegations in good faith, with the assurance that employees or any parties making such reports will be treated fairly, their identity remains anonymous and are protected from reprisal. All disclosure will be verified and evaluated by the Whistleblowing Committee. The Chairman of the Whistleblowing Committee shall then report to the BGRC and Board on all outcomes and recommendations of the investigation.

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 to ensure that they remain relevant and reflective of the Group's operating and business environment.

The Group, via its subsidiaries, have in place several Internationally Accredited Management Systems (for e.g., ISO 9001:2015 – 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Group has also established a HSSE Management Systems, comprising HSSE Rules, standard operating procedures and processes, to inculcate a strong HSSE culture and sustainable HSSE performance. This also includes introducing an enhanced UEM Edgenta HSSE Management System Manual which seeks to make the HSSE execution simpler and more aligned within the Group.

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 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.

Operating Plans and Strategies

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

Each Business Unit is responsible for carrying out a comprehensive analysis on current and prior years' performances and identifying the strategic priorities for consideration and commitment in the Group Annual Operating Plan ("AOP"), 5-year 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 MD/CEO's Scorecard which are deliberated, reviewed by the Board for approval.

The approved AOP, 5-year operating plan and strategic plans are then cascaded to the senior management team across the Business Units for planning, monitoring and execution.

The Group monitors the business performance of respective business divisions through its KPIs and measures them against the approved AOP, 5-year 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 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

Insurance on Assets

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

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

Business Continuity Management

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

UEM Edgenta continues to deliver an effective BCM programme as part of its efforts to enhance organisational resilience that enables effective response to continue operations and deliver critical services in the event of any crisis and disruption.

Human Resources Management

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

Talent acquisition policies and guidelines are established within UEM Edgenta and its subsidiaries. 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 Systems ("MIS")

The Group is continually investing in tools and solutions to migrate processes, people, and technology to the cloud for improved data collection, analysis, and evaluation of organisational development and operational performance. To maximise the benefits of cloud computing, the Group has established partnerships with Microsoft and Alibaba, utilising both the Azure and Alibaba cloud platforms for hosting, deploying, and managing systems and applications.

The Group has also converted its data centre into a hybrid cloud, primarily hosting development and test environments, which facilitates seamless deployment across different clouds. With this transition to cloud computing, the Group can allocate its resources more effectively, freeing them from managing physical hardware, networks, and infrastructure, and instead focusing on enhancing its digital capabilities to digitise and transform core business operations. This investment in cloud-related technologies also accelerates application development and simplifies technical operations.

The Group places a high priority on cyber security and adopts adequate governance measures, such as implementing robust access controls and conducting security audits, at the earliest stages of software development. This proactive approach helps to ensure compliance with industry regulations and protects against evolving cyber threats. The Group carefully balances the advantages of utilising cloud technology with the requirement to maintain the confidentiality and integrity of data through regular assessments and updates.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Disaster Recovery Planning

The Group's Business Continuity Management (BCM) process encompasses Disaster Recovery Planning to secure its data, systems, and applications stored in the cloud with backup and protection in a safe location. Quick access to company data ensures seamless business continuity, minimising downtime and preserving productivity.

Joint Ventures and Associates

The disclosures in this statement do not include the risk management and internal control practices of the Group's joint venture and associate companies, as the Board does not have any direct control over their operations.

The Group's interests in these entities are safeguarded through the representation on the Boards of the respective companies where management accounts and periodical reports are received and reviewed, as well as deliberation on proposals related to these companies. Such representation also provides the Board with information for decision-making on the continuity of the Group's investments based on the performance of the Group's joint venture and associate companies.

Internal Audit

The Group has established its own Internal Audit Department ("IAD") to carry out 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 2022, and reported to the Board that nothing has come to their attention that causes them to believe that the statement is not prepared, in all material respects, in accordance with the disclosure required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

This Statement on Risk Management and Internal Control was approved by the Board on 28 March 2023.

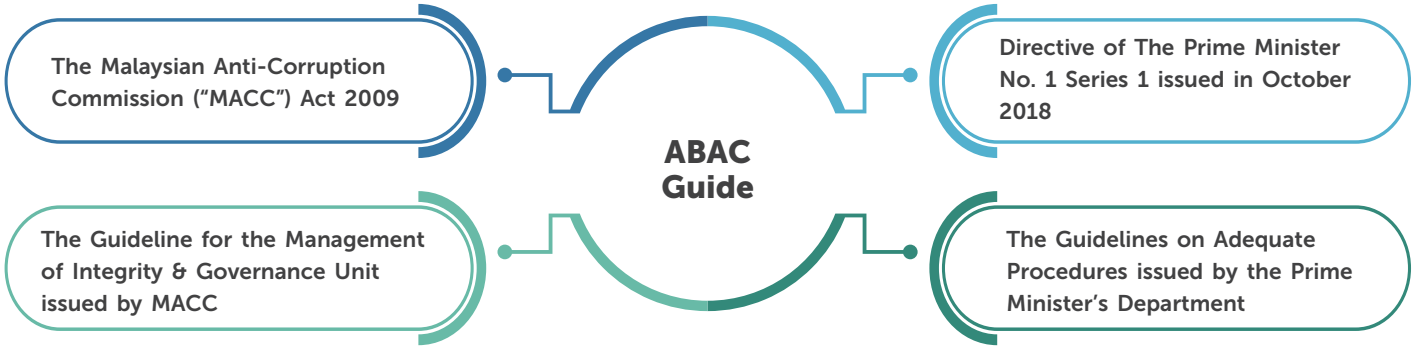
CONCLUSION

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 committed to strengthening the integrity & ethical culture across the organisation. The shared values we instill in our DNA to steer businesses and operations are anchored to uncompromising integrity and exceptional performance. As we actively lay solid foundations across all businesses and remain steadfast in pursuing our growth plans through geographical expansion, new products & services, cost optimisation, and tech-enabled solutions, upholding these values and presenting ourselves with integrity, ethics, and accountability are essential components which we must harness at both a professional and personal level. As a public listed company, we are adamant that all our business undertakings and proceedings are in strict adherence to good corporate governance practices.

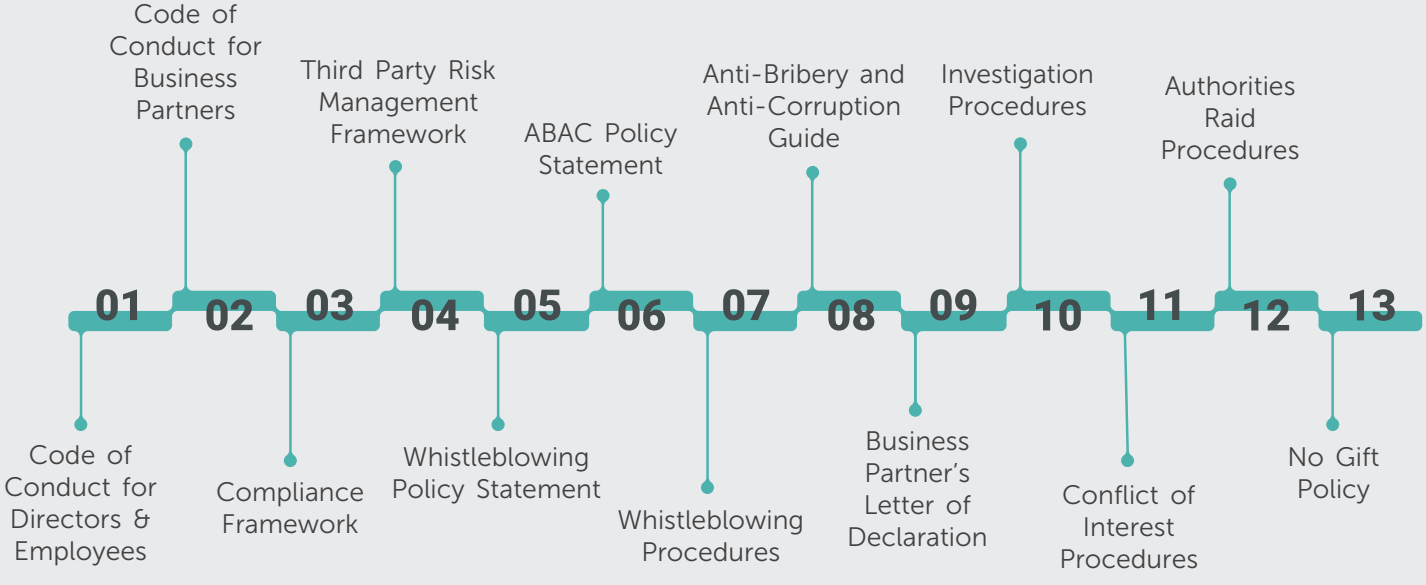
The Board is committed to the Anti-Bribery & Anti-Corruption ("ABAC") measures such as ABAC Guide by ensuring that the document is enforced appropriately. As a yardstick in terms of ABAC, we are guided by the following legal and regulatory requirements that relate to the ABAC Guide:



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

Framework, Codes, Policies & Procedures

13 Integrity & Compliance



CORPORATE INTEGRITY AND ETHICAL BUSINESS CONDUCT

Our Core Values



In 2022, UEM Edgenta undertook the following initiatives to drive better governance and integrity culture under four strategic pillars, namely:

- **Complaint Management:**

  Involves the systematic management of information/complaints on the misconduct of corruption, abuse of power, malpractice, and violation of the organisation's code of conduct and ethics to ensure that action is taken on every information/complaint. In addition to supervising and monitoring complaints, the Integrity & Compliance Unit is responsible for the efficiency of the Complaints Management system.

- **Detection and Verification**
  - Established a dedicated team to investigate grievances related to the breach of Code of Conduct ("COC") channeled to Whistleblowing Platform.

- **Integrity Enhancement**
  - Conducted RICD Engagement Roadshow to instill and cultivate the adoption of Risk, Business Resilience, Integrity & Compliance into daily operation of Edgenta Stars
  - Conducted awareness briefing for business partner during Vendor Mass Training 2022 in collaboration with Group Procurement and Contract Management
  - Webinar focused on the understanding of the term "Governance" from an ESG perspective, its relation to the Culture of Integrity and Compliance at UEM Edgenta and the role of employees in corporate governance
  - Conducted Authorities Raid Briefing to provide Edgenta Stars with the necessary knowledge on what to expect during a raid and in how to manage it effectively
  - Shared Integrity messages during Annual Management Dialogue 2022.

- **Compliance and Governance**
  - Reviewed and revised existing Policies and Procedure according to MS ISO 37001:2016 Anti-Bribery Management System certifications requirements
  - Completed Stage 1 Certification Body audit for MS ISO 37001:2016 Anti-Bribery Management System
  - Instilling a culture of integrity and compliance at the workplace through educational awareness sessions such as engagement session and periodic communications.

UEM Edgenta is committed towards addressing any violations to the Code of Conduct, as well as any applicable laws, regulations, or policies. We have put in place several procedures and appropriate disciplinary actions against any unethical or improper practices.

The Whistleblowing Policy and Procedure encourages the reporting of such allegations in good faith, with the assurance that employees or any parties making such reports will be treated fairly, their identity remains anonymous and are protected from reprisal.

You can email your concern to whistleblowing@edgenta.com or write to the Chairman of the Board of Directors or Chairman of the Board Governance and Risk Committee, UEM Edgenta Berhad using the prescribed Whistleblowing Lodgment Form.

All disclosures will be verified and evaluated by the Whistleblowing Committee. The Chairman of the Whistleblowing Committee shall then report to the BGRC and Board on all outcomes and recommendations of the investigation in ensuring a supervisory overview of the ethical environment within UEM Edgenta.

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES

During the financial year ended 31 December 2022, 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	212	1,474
Non-audit services	365	435
Total	**577**	**1,909**

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

- Advisory services for the development of sustainability roadmap
- Review of Statement on Risk Management and Internal Control
- Tax compliance services

2. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

In 2017, the Company has 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 million in nominal value and sub-limit of RM300 million in nominal value for ICP Programme under Shariah Principle of Murabahah via a Tawarruq Arrangement.

On 26 April 2017, the Company 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 (maturity date: 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 2022, 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 property development to investment properties.

Accordingly, the Group has adopted a 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(o) and Note 14 in the Audited Financial Statements which are set out in the pages 264 to 382 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 2023.

FINANCIAL STATEMENTS



- Directors' Responsibility Statement 250
- Directors' Report 251
- Statement by Directors 257
- Statutory Declaration 257
- Independent Auditors' Report 258
- Statements of Comprehensive Income 264
- Statements of Financial Position 266
- Statements of Changes In Equity 269
- Statements of Cash Flows 271
- Notes to the Financial Statements 273

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"), 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 2022, 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 251 to 256 and the Audited Financial Statements from pages 264 to 382 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 2022.

PRINCIPAL ACTIVITIES

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

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

RESULTS

	Group RM'000	Company RM'000
Profit after tax and zakat	45,651	38,209
Attributable to:		
Owners of the parent	45,879	38,209
Non-controlling interests	(228)	–
	45,651	38,209

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

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

DIVIDENDS

The amounts of dividends paid by the Company since 31 December 2021 were as follows:

	RM'000
In respect of the financial year ended 31 December 2021 as reported in Directors' report of that year:	
Single tier interim dividend of 3.00 sen on 831,624,030 ordinary shares declared on 24 February 2022 and paid on 19 May 2022	24,949

On 28 February 2023, the Board of Directors has declared a single tier interim dividend of 4.00 sen per ordinary share on 831,624,030 ordinary shares, amounting to RM33,264,961 to be paid on 18 May 2023. The entitlement date is 20 April 2023. 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 2023.

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	
Syahrunizam bin Samsudin*	
Dato' Mohd Izani bin Ghani	
Dato' Noorazman bin Abd Aziz	
Dato' George Stewart LaBrooy	
Rowina Ghazali Seth	
Shirley Goh	
Jenifer Thien Bit Leong	
Mohd Asrul bin Ab Rahim	(Appointed on 21 January 2022)
Wong Shu Hsien	(Resigned on 21 January 2022)
Tan Bun Poo	(Retired on 16 June 2022)

**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:

Aliza binti Sulaiman
Andrew Raj A/L Varatharaju
Angel Yogesh Vora
Anil Abraham
Azam bin Mohamed
Chen Yen-Yu
Chua Pei Sum
Chua Yong Howe
Dr. Nik Fawaz bin Nik Abdul Aziz
Grace Nesam Poore A/P J. Kannuthurai
Izdihar binti Ibrahim
Jesudason Selvaraj
Kang Kee Yen
Kenneth Anak Tuba
Leong Kar Yung
Lim Su San
Lim Wah Seng
Lim Wei Hsien Kenny
Liu Hsiao Fan
Mazli bin Mohamed Ayob
Mohamad Muhazni bin Mukhtar
Mohamad Zamani bin Razali
Nur Aisyah binti Osman
Nuraida binti Ismail
Raihana binti Ahmad
Rais bin Imran
Razman bin 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.):

Roli Shukla	
Shariman Yusuf bin Mohamed Zain	
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	
Ahmad Zakri bin Ismail	(Appointed on 5 December 2022)
Choo Boon Kwee Colin	(Appointed on 31 May 2022)
Effreeza binti Mohamad	(Appointed on 30 March 2022)
Enita Azlina binti Osman	(Appointed on 19 August 2022 and resigned on 13 January 2023)
Erika Mushtarina bin Mat Ariffin	(Appointed on 13 January 2023)
Haziah binti Hamzah	(Appointed on 15 December 2022)
Ir. Vekneswaran A/L T.Arasappan	(Appointed on 1 January 2022)
Josephine Wong Foong Yin	(Appointed on 1 October 2022)
Rakesh Devasish Jena (Alternate to Chua Pei Sum)	(Appointed on 16 November 2022)
Saipolyazan bin Mat Yusop	(Appointed on 13 August 2022 and resigned on 24 October 2022)
Shaiful Zahrin bin Subhan	(Appointed on 27 January 2023)
Soo Kian Sin	(Appointed on 16 November 2022)
Dr. Chan Tuck Leong	(Resigned on 30 September 2022)
Fardan bin Abdul Majeed	(Resigned on 15 July 2022)
Lim Hock Thye	(Resigned on 31 May 2022)
Mohd Hasri bin Haron	(Resigned on 19 August 2022)
Rakesh Devasish Jena (Alternate to Dr. Chan Tuck Leong)	(Resigned on 30 September 2022)
Sharon Ruba a/p Krishnamurthy	(Resigned on 31 March 2022)
Suriana binti Abdul Hamid	(Resigned on 16 December 2022)

Director of a subsidiary that has been dissolved during the financial year:

Sitthambaranatha Gandhi a/l Suppiah	(Dissolved on 17 January 2022)

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	1,020	255
Bonus	255	255
Contributions to defined contribution plans	191	71
Allowances	50	13
Benefits-in-kind	28	7
	1,544	601
Non-Executive:		
Fees	1,144	1,144
Allowance	53	53
	1,197	1,197
Total	2,741	1,798

During the financial year, the directors and officers of the Company are covered under the Directors and Officers Liability Insurance ("D&O Insurance") in respect of liabilities arising from acts committed in their respective capacity as, inter alia, the directors and officers of the Company subject to the terms of the D&O Insurance policy. The insurance premium incurred by the Company was RM130,870.

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.

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.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONTD.)

(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.

SIGNIFICANT EVENTS

Significant events are 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	964	212
Other member firms of Ernst & Young Global	444	–
Other auditors	66	–
	1,474	212

DIRECTORS' REPORT

AUDITORS (CONTD.)

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 2022.

Signed on behalf of the Board in accordance with a resolution of the directors dated 20 March 2023.

Tan Sri Dr. Azmil Khalili bin Dato' Khalid

Syahrunizam 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 Syahrunizam 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 264 to 382 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 2022 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 20 March 2023.

Tan Sri Dr. Azmil Khalili bin Dato' Khalid

Syahrunizam bin Samsudin

STATUTORY DECLARATION

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

I, Chua Pei Sum, being the officer primarily responsible for the financial management of UEM Edgenta Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 264 to 382 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed
Chua Pei Sum (MIA 39350)
at Kuala Lumpur in the Federal Territory
on 20 March 2023.

Chua Pei Sum

Before me,

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

INDEPENDENT AUDITORS' REPORT

to the members of UEM Edgenta Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of UEM Edgenta Berhad, which comprise the statements of financial position as at 31 December 2022 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 significant accounting policies, as set out on pages 264 to 382.

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 2022, 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 (f)(i) and (i) – Summary of significant accounting policies: Intangibles assets - Goodwill and Impairment of non-financial assets and Note 2.5 (b)(ii) - Key sources of estimation uncertainty: Impairment of goodwill)

As at 31 December 2022, the carrying amount of goodwill amounted to RM561 million, representing 48% 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 a subsidiary

(Refer to Note 18 – Investment in subsidiaries, Note 2.4 (i) – Summary of significant accounting policies: Impairment of non-financial assets and Note 2.5 (b)(iii) – Key sources of estimation uncertainty: Impairment of investment in subsidiaries)

As at 31 December 2022, the carrying amount of the investment in a subsidiary, Edgenta Environmental & Material Testing Sdn. Bhd. ("EEMT") amounted to approximately RM25.9 million, representing 2% and 1% of the Company's total non-current assets and total assets respectively. The Company assessed that there was an indication of impairment for its investment in EEMT.

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

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

Arising from the impairment assessment, the Company recognised an impairment loss of RM4.5 million in relation to its investment in EEMT during the year.

Our audit response

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

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

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, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of the auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

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

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

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

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

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, related safeguards.

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

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 46 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
20 March 2023

Ismed Darwis Bahtiar
No. 02921/04/2024 J
Chartered Accountant

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Revenue	3	**2,523,629**	2,292,422	**81,934**	189,906
Cost of sales	4	**(2,192,154)**	(1,982,088)	**–**	–
Gross profit		**331,475**	310,334	**81,934**	189,906
Other income	5	**49,966**	36,019	**35,044**	14,126
Administrative expenses		**(228,715)**	(217,880)	**(39,714)**	(89,948)
Selling and marketing expenses		**(1,388)**	(1,136)	**–**	–
Other expenses		**(50,327)**	(52,026)	**(18,540)**	(57,398)
Operating profit		**101,011**	75,311	**58,724**	56,686
Finance costs	6	**(20,769)**	(20,901)	**(13,560)**	(15,274)
Share of profit of associates		**13,537**	24,159	**–**	–
Share of loss of a joint venture		**(6)**	–	**–**	–
Profit before tax and zakat	7	**93,773**	78,569	**45,164**	41,412
Zakat		**(773)**	(707)	**–**	–
Income tax expense	10	**(47,349)**	(34,502)	**(6,955)**	–
Profit after tax and zakat		**45,651**	43,360	**38,209**	41,412
Profit/(loss) attributable to:					
Owners of the parent		**45,879**	42,003	**38,209**	41,412
Non-controlling interests		**(228)**	1,357	**–**	–
		45,651	43,360	**38,209**	41,412
Earnings per share attributable to owners of the parent (sen)	11	**5.5**	5.1		

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

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit after tax and zakat		**45,651**	43,360	**38,209**	41,412
Other comprehensive income					
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		**23,182**	12,889	**–**	–
Exchange differences reclassified to profit or loss		**–**	3,679	**–**	–
		23,182	16,568	**–**	–
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Remeasurement gain/(loss) on:					
Retirement benefit scheme	32	**821**	–	**–**	–
Defined benefit pension scheme	33	**121**	(127)	**–**	–
		942	(127)	**–**	–
Other comprehensive income for the year		**24,124**	16,441	**–**	–
Total comprehensive income for the year		**69,775**	59,801	**38,209**	41,412
Total comprehensive income/(loss) attributable to:					
Owners of the parent		**70,003**	58,379	**38,209**	41,412
Non-controlling interests		**(228)**	1,422	**–**	–
		69,775	59,801	**38,209**	41,412

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	**146,355**	166,502
Investment properties	14	**13,800**	–
Right-of-use assets	15	**44,246**	37,281
Land held for property development	16	**–**	477
Intangible assets	17	**700,893**	699,204
Investment in associates	19	**72,346**	102,922
Investment in a joint venture	20	**116**	–
Other investments	21	**232**	232
Trade and other receivables	22	**107,366**	113,477
Contract related assets	23	**73,656**	77,694
Deferred tax assets	24	**12,513**	8,141
		1,171,523	1,205,930
Current assets			
Inventories	25	**17,178**	66,772
Trade and other receivables	22	**491,670**	586,918
Contract related assets	23	**359,404**	311,646
Tax recoverable		**32,184**	55,103
Short-term investments	26	**97,178**	28,310
Cash, bank balances and deposits	27	**609,486**	600,391
		1,607,100	1,649,140
Assets of disposal group classified as held for sale	28	**90,048**	–
Total assets		**2,868,671**	2,855,070

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Note	Group 2022 RM'000	Group 2021 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	**23,066**	(116)
Retained earnings		**975,894**	954,022
		1,580,890	1,535,836
Non-controlling interests		**3,141**	3,519
Total equity		**1,584,031**	1,539,355
Non-current liabilities			
Retirement benefit obligations	32	**1,046**	2,140
Defined benefit pension plan	33	**709**	1,003
Provisions	34	**4,280**	3,441
Borrowings	35	**331,639**	58,095
Lease liabilities	15	**28,210**	25,020
Trade and other payables	36	**10,776**	10,765
Deferred tax liabilities	24	**47,128**	47,392
		423,788	147,856
Current liabilities			
Retirement benefit obligations	32	**1,036**	550
Provisions	34	**1,620**	1,620
Borrowings	35	**127,111**	385,426
Lease liabilities	15	**12,744**	8,599
Trade and other payables	36	**665,385**	727,740
Contract liabilities	23	**30,777**	30,312
Income tax payable		**19,008**	13,612
		857,681	1,167,859
Liabilities of disposal group classified as held for sale	28	**3,171**	–
Total liabilities		**1,284,640**	1,315,715
Total equity and liabilities		**2,868,671**	2,855,070

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022 (contd.)

	Note	Company 2022 RM'000	Company 2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	**8,640**	11,672
Right-of-use assets	15	**32,195**	31,406
Intangible assets	17	**–**	35,893
Investment in subsidiaries	18	**1,673,261**	1,546,139
Other investments	21	**232**	232
Other receivables	22	**–**	107,082
		1,714,328	1,732,424
Current assets			
Other receivables	22	**115,076**	111,604
Tax recoverable		**–**	2,688
Cash, bank balances and deposits	27	**62,289**	50,457
		177,365	164,749
Total assets		**1,891,693**	1,897,173
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		**(9,941)**	(23,201)
		1,528,543	1,515,283
Non-current liabilities			
Borrowings	35	**250,000**	–
Lease liabilities	15	**20,901**	22,577
		270,901	22,577
Current liabilities			
Borrowings	35	**52,000**	304,184
Lease liabilities	15	**9,700**	6,818
Income tax payable		**4,144**	–
Other payables	36	**26,405**	48,311
		92,249	359,313
Total liabilities		**363,150**	381,890
Total equity and liabilities		**1,891,693**	1,897,173

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 2022

Group	Attributable to owners of the parent					Non-controlling interests RM'000	Total equity RM'000
	Non-distributable						
	Share capital (Note 29) RM'000	Capital reserve (Note 30) RM'000	Other reserves (Note 31) RM'000	Retained earnings RM'000	Total RM'000		
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**
At 1 January 2021	268,074	313,856	(16,340)	935,082	1,500,672	8,590	1,509,262
Profit for the year	–	–	–	42,003	42,003	1,357	43,360
Other comprehensive income/(loss)	–	–	16,503	(127)	16,376	65	16,441
Total comprehensive income	–	–	16,503	41,876	58,379	1,422	59,801
Transactions with owners							
Acquisition of non-controlling interest	–	–	–	(22,936)	(22,936)	(4,625)	(27,561)
Issuance of shares to non-controlling interest	–	–	–	–	–	306	306
Dividends paid to:							
– Non-controlling shareholders of subsidiaries	–	–	–	–	–	(1,965)	(1,965)
Liquidation of a subsidiary	–	–	(279)	–	(279)	(209)	(488)
	–	–	(279)	(22,936)	(23,215)	(6,493)	(29,708)
At 31 December 2021	268,074	313,856	(116)	954,022	1,535,836	3,519	1,539,355

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 2022 (contd.)

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 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**
At 1 January 2021	268,074	788,375	482,035	(64,613)	1,473,871
Total comprehensive income	–	–	–	41,412	41,412
At 31 December 2021	268,074	788,375	482,035	(23,201)	1,515,283

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 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from operating activities				
Cash receipts from customers	**2,689,352**	2,351,932	**77,297**	60,779
Cash payments to suppliers	**(1,178,018)**	(1,021,364)	**–**	–
Cash payments to employees and for expenses	**(1,362,648)**	(1,232,806)	**(69,304)**	(78,589)
Cash generated from/(used in) operations	**148,686**	97,762	**7,993**	(17,810)
Interest paid	**(19,221)**	(19,036)	**(13,853)**	(14,062)
Net taxes paid	**(25,147)**	(34,129)	**–**	(2,688)
Net cash flows generated from/(used in) operating activities	**104,318**	44,597	**(5,860)**	(34,560)
Cash flows from investing activities				
Proceeds from disposal of an associate	**38,174**	–	**–**	–
Acquisition of shares in a joint venture	**(122)**			
Proceeds from disposal of property, plant and equipment	**50**	121	**–**	–
Final distribution to shareholders upon disposal of a subsidiary company	**–**	152	**–**	152
Payment of deferred consideration	**–**	(2,910)	**–**	(2,910)
Subscription of additional shares in subsidiary companies	**–**	–	**(713)**	(500)
Acquisition of non–controlling interests in a subsidiary	**–**	(27,561)	**–**	–
Placement of short term investments	**(67,938)**	(90,700)	**–**	–
Proceeds from withdrawal of short-term investments	**–**	74,953	**–**	–
Interest received	**3,923**	4,514	**96**	81
Dividends received from associates	**4,800**	6,418	**–**	–
Dividends received from subsidiaries	**–**	–	**53,258**	65,034
Purchase of property, plant and equipment (Note (b))	**(21,814)**	(24,393)	**(623)**	(1,180)
Purchase of intangible assets (Note (c))	**(2,310)**	(18,286)	**(926)**	(17,175)
(Advance to)/repayment from subsidiaries	**–**	–	**(1,378)**	30,506
Net cash flows (used in)/generated from investing activities	**(45,237)**	(77,692)	**49,714**	74,008

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2022

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Cash flows from financing activities				
Issuance of shares to non–controlling interest	**–**	306	**–**	–
Drawdown of borrowings	**428,437**	82,197	**275,000**	52,000
Repayment of borrowings	**(408,614)**	(126,182)	**(275,000)**	(50,000)
Repayment of lease liabilities	**(7,251)**	(7,278)	**(7,073)**	(5,804)
Dividends paid	**(24,949)**	–	**(24,949)**	–
Dividends paid to non–controlling shareholders of subsidiaries	**(150)**	(1,965)	**–**	–
Net placement of pledged fixed deposits	**(7,512)**	(5,014)	**–**	–
Net cash flows used in financing activities	**(20,039)**	(57,936)	**(32,022)**	(3,804)
Net increase/(decrease) in cash and cash equivalents	**39,042**	(91,031)	**11,832**	35,644
Net foreign exchange difference	**(489)**	6,985	**–**	–
Cash and cash equivalents at beginning of year	**554,760**	638,806	**50,457**	14,813
Cash and cash equivalents at end of year (Note a)	**593,313**	554,760	**62,289**	50,457
(a) Cash and cash equivalents comprise:				
Cash in hand and at banks	**478,242**	398,649	**53,289**	50,457
Fixed deposits with licensed banks	**131,244**	201,742	**9,000**	–
Cash, bank balances and (Note 27)	**609,486**	600,391	**62,289**	50,457
Add: Cash and bank of disposal group (Note 28)	**35,840**	–	**–**	–
Less: Fixed deposits on lien	**(4,219)**	(3,849)	**–**	–
Less: Fixed deposits pledged	**(22,160)**	(22,933)	**–**	–
Less: Cash and fixed deposit restricted in usage	**(25,634)**	(18,849)	**–**	–
	593,313	554,760	**62,289**	50,457

(b) In the previous financial year, included in the purchase of property, plant and equipment of the Group and the Company amounted to RM1.6 million and RM0.3 million, respectively, relates to amounts paid for property, plant and equipment that had been capitalised in prior years.

(c) Included in the purchase of intangible assets of the Group and the Company is an amount of RM0.9 million (2021: RM17.2 million) 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 2022

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 activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries, joint ventures and associates are described in Note 46.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 20 March 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

2.2 Changes in accounting policies

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

(a) Adoption of MFRS 140 *Investment Properties* ("MFRS 140") and MFRS 13 *Fair Value Measurement* ("MFRS 13") (for non-financial instrument) due to the transfer of land held for property development to investment properties during the financial year ended 31 December 2022.

Other than the adoption the fair value adjustment of RM13.3 million and its related tax impact, the adoption of MFRS 140 and MFRS 13 (for non-financial instrument) did not have any significant impact to the Group's result.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Changes in accounting policies (contd.)

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

(b) On 1 January 2022, the Group and the Company adopted the following amendments to MFRS mandatory for financial period beginning on or after 1 January 2022:

	Effective for annual period beginning on or after
Amendments to MFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Annual Improvements to MFRS Standards 2018–2020	1 January 2022
Amendments to MFRS 3 Business Combinations: Reference to conceptual framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment Property, plant and equipment – proceeds before intended use	1 January 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – cost of fulfiling a contract	1 January 2022

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 period beginning on or after
MFRS 17: Insurance Contracts ("MFRS 17") and amendments to MFRS 17	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112: Income taxes	1 January 2023
Amendments to MFRS 16: Leases	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies

(a) Basis of consolidation and subsidiaries

(i) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. 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. Specifically, the Group controls an investee if, and only if, the Group has:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its involvement with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(a) Basis of consolidation and subsidiaries (contd.)

(i) Basis of consolidation (contd.)

Business combinations 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.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* ("MFRS 9"), is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9.

Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

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). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(a) Basis of consolidation and subsidiaries (contd.)

(i) Basis of consolidation (contd.)

Business combinations and goodwill (contd.)

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Business combinations involving entities under common control

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

(ii) Subsidiaries

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

(b) Investment in associates and joint venture

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 considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(b) Investment in associates and joint venture (contd.)

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(c) Joint arrangements

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

(d) Joint operations

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(e) Current versus non-current classification

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

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realised within twelve months after the reporting period; or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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

(f) Intangible assets

(i) Goodwill

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(f) 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. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

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

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

Customer 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 life of customer contracts and customer relationships are assessed to be ranging from 10 to 15 years and 5 to 10 years respectively. Amortisation is charged on a straight line basis and the expense is recognised in profit or loss.

Software

Software that do not form an integral part of the related hardware have been reclassified as intangible assets. Software is considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products between 3 and 10 years. Impairment is assessed whenever there is an indication of impairment and amortisation period and method are also reviewed at least at each reporting date. Software-in-progress is stated at cost, net of accumulated impairment losses, if any.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(f) Intangible assets (contd.)

(ii) Other intangible assets (contd.)

Research and development costs

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

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

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

(g) Property, plant and equipment

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

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

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress is not depreciated as these assets are not available for use.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(g) Property, plant and equipment (contd.)

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

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

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

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

(i) Land held for property development

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

(ii) Property development costs

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

(i) Impairment of non-financial assets

The Group 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 CGU.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(i) Impairment of non-financial assets (contd.)

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

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

(j) Inventories

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

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

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

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

(k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(k) Financial instruments (contd.)

(i) Financial assets (contd.)

Initial recognition and measurement (contd.)

Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

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

The Group's 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 OCI (debt instruments)

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(k) Financial instruments (contd.)

(i) Financial assets (contd.)

Subsequent measurement (contd.)

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

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

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

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

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.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(k) Financial instruments (contd.)

(i) Financial assets (contd.)

Derecognition (contd.)

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

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

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. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade receivables and contract assets, the Group 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 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(k) Financial instruments (contd.)

(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, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's and the Company's financial liabilities include trade and other payables, borrowings and lease liabilities.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

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

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

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

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

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. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(k) Financial instruments (contd.)

(ii) Financial liabilities (contd.)

Derecognition

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

(iii) Offsetting of financial instruments

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

(l) 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.

(m) Share capital

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(n) 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. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the estimated useful lives of the assets, as follows:

Leasehold land	50 to 94 years
Office premises	2 to 10 years
Motor vehicles	2 to 3 years

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(i).

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 include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and 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. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group 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. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(n) Leases (contd.)

As a lessee (contd.)

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

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

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.

(o) Investment properties

Investment properties comprise of 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.

Investment properties are to be derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

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.

(p) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(q) 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.

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

(ii) Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(q) Taxes (contd.)

(ii) Deferred tax (contd.)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2.4(aa), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

(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.

(r) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(t) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(t) Employee benefits (contd.)

(iv) Defined benefit plan (contd.)

The cost of providing benefits under this plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine the current service cost) and to the current and prior periods (to determine the present value of the defined benefit obligation) and is based on actuarial advice. The current service cost is charged to profit or loss. Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if benefits have vested.

A charge representing the unwinding of the discount on the plan liabilities during the year is included in profit or loss as administrative expenses. A credit representing the expected return of the plan assets during the year is also included within administrative expenses. This credit is based on the market value of the plan assets and expected rates of return at the beginning of the year.

(v) 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.

(u) 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.

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).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(u) Foreign currencies (contd.)

(i) Transactions and balances (contd.)

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.

(v) 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.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

(w) Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised. A corresponding amount is recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(x) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(x) Income recognition (contd.)

Revenue from contracts with customers (contd.)

(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;

(ii) the significant risks and rewards of ownership of the asset is borne by the customer.

Revenue from the maintenance and servicing of the infrastructure subsequent to the retro-fitting is recognised over time in the period the services are rendered.

(v) Property development

Revenue from sale of property development is recognised over time.

Revenue from sale of completed property units is recognised at the point of time upon the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it entitled in exchange for the asset that will be transferred to the customer.

(vi) Management fees

Management fees for services provided to entities within the Group are recognised over time as services are rendered.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(x) Income recognition (contd.)

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.

(y) Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs the obligations under the contract.

Contract fulfillment assets

Contract fulfillment assets are divided into:

(i) cost that give rise to an asset; and

(ii) costs that are expensed as incurred.

When determining the appropriate accounting treatment for such costs, the Group firstly considers any other applicable standards. If those other standards preclude capitalisation of a particular cost, then an asset is not recognised under MFRS 15.

If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalisation:

(i) the costs directly relate to a contract or to a specifically identifiable anticipated contract;

(ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(iii) the costs are expected to be recovered. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(y) 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.

A contract fulfillment assets is derecognised either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

Management is required to determine the recoverability of contract fulfillment assets. At each reporting date, the Group determines whether or not the contract fulfillment assets are impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract.

(z) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 43, including the factors used to identify the reportable segments and the measurement basis of segment information.

(aa) Fair value measurement

The Group and the Company measure financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(aa) Fair value measurement (contd.)

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(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

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.

(ab) Contingencies

A contingent liability is:

(i) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(ii) A present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statement of financial positions of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT 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 VIU of the CGU to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to determine suitable discount and growth rates in order to calculate the present value of those cash flows. The carrying amounts of goodwill at 31 December 2022 was RM561.0 million (2021: RM539.7 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 2022 was RM1,673.3 million (2021: RM1,546.1 million). Further details are disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2. SIGNIFICANT 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 unutilised tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The deferred tax assets amounting to RM12.5 million (2021: RM8.1 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 RM67.4 million (2021: RM69.4 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 2022. 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 2022

3. REVENUE

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Revenue from contracts with customers (a)				
Asset consultancy	**99,520**	82,475	**–**	–
Healthcare support	**1,487,871**	1,432,534	**–**	–
Infrastructure services	**768,997**	594,405	**–**	–
Property and facility solutions	**163,766**	162,974	**–**	–
Others	**3,475**	20,034	**–**	–
Management fees	**–**	–	**22,748**	82,458
	2,523,629	2,292,422	**22,748**	82,458
Revenue from other sources				
Dividend income from subsidiaries	**–**	–	**59,186**	107,448
Total revenue	**2,523,629**	2,292,422	**81,934**	189,906
(a) Revenue from contracts with customers are recognised:				
– At a point in time	**153,756**	72,856	**–**	–
– Over time	**2,369,873**	2,219,566	**22,748**	82,458
	2,523,629	2,292,422	**22,748**	82,458
(b) Geographical markets				
Malaysia	**1,567,649**	1,374,803	**81,934**	189,906
United Arab Emirates	**75,057**	78,697	**–**	–
Indonesia	**12,092**	28,237	**–**	–
Singapore	**401,867**	381,221	**–**	–
Taiwan	**466,964**	429,464	**–**	–
	2,523,629	2,292,422	**81,934**	189,906

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2022 due within one year is RM1.7 billion (2021: RM1.5 billion) and due more than one year is RM4.6 billion (2021: RM5.6 billion). These relate to performance obligations from long-term service contracts that is to be satisfied within 1 to 16 years (2021: within 1 to 17 years).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

4. COST OF SALES

	Group	
	2022 RM'000	**2021 RM'000**
Asset consultancy	**77,454**	77,202
Healthcare support	**1,328,670**	1,252,307
Infrastructure services	**646,997**	500,326
Property and facility solutions	**138,811**	138,817
Property development:		
– completed properties held for sale (Note 25)	**2,413**	11,810
– other costs	***(2,710)**	1,626
Others	**519**	–
	2,192,154	1,982,088

*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 RM197.0 million and RM2.4 million (2021: RM193.0 million and RM11.8 million) respectively.

5. OTHER INCOME

Included in other income are:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Dividend income from short-term investments	**733**	656	**–**	–
Interest income from:				
– fixed deposits	**3,232**	4,437	**77**	87
– advances to subsidiaries	**–**	–	**5,414**	4,205
License and commission fees from an associate	**1,197**	1,844	**–**	–
Reversal of allowance for ECL on trade and other receivables (Note 22)	**3,812**	334	**16,507**	–
Fair value adjustment on investment properties (Note 14)	**13,323**	–	**–**	–
Fair value gain on short-term investment	**174**	–	**–**	–
Bad debt recovered	**771**	–	**–**	–
Net foreign exchange gain:				
– realised	**1,172**	72	**590**	26
– unrealised	**1,335**	–	**1,621**	–
Gain on derecognition of lease	**–**	89	**–**	89
Accretion of interest on				
– concession receivables	**17,459**	18,883	**–**	–
– loans and receivables	**2,658**	975	**–**	–
Rental income	**147**	147	**9,821**	6,162

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

6. FINANCE COSTS

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Interest expense on:				
– bank borrowings	**18,176**	18,375	**12,615**	13,511
– loan from a subsidiary	**–**	–	**–**	420
– lease liabilities (Note 15)	**1,204**	1,541	**901**	1,212
Amortisation of capitalised borrowing cost	**135**	379	**31**	125
Commitment fees	**457**	275	**–**	–
Bank charges	**797**	331	**13**	6
	20,769	20,901	**13,560**	15,274

7. PROFIT BEFORE TAX AND ZAKAT

The following amounts have been charged/(credited) in arriving at profit before tax and zakat:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Employee benefits expense (Note 8)	**1,086,589**	1,031,140	**13,954**	68,587
Non-executive directors' remuneration excluding benefits-in-kind (Note 9)	**1,197**	1,315	**1,197**	1,315
Auditors' remuneration:				
Statutory audit:				
– Ernst & Young PLT	**964**	913	**212**	210
– other member firms of Ernst & Young Global	**444**	359	**–**	–
– other auditors	**66**	90	**–**	–
Other assurance services	**15**	14	**15**	14
Other services	**420**	70	**350**	–
Loss on liquidation of a subsidiary	**–**	3,875	**–**	266
Amortisation of intangible assets (Note 17)	**25,693**	26,698	**1,215**	5,325
Depreciation of right-of-use assets (Note 15)	**13,626**	10,883	**10,855**	7,124
Depreciation of property, plant and equipment (Note 13)	**44,241**	49,671	**1,284**	2,964
Net loss/(gain) on disposal of plant and equipment	**340**	283	**–**	(2)
Property, plant and equipment written off (Note 13)	**1,365**	363	**–**	–
Intangible asset written off (Note 17)	**–**	246	**–**	–
Allowance for ECL on trade and other receivables (Note 22)	**5,375**	2,328	**–**	1,584
Bad debts written off	**1,025**	8	**–**	–
Impairment loss on investment in a subsidiary (Note 18(b))	**–**	–	**4,516**	40,350
Inventories written off (Note 25)	**12,762**	–	**–**	–
Net foreign exchange loss:				
– realised	**1,992**	149	**560**	42
– unrealised	**421**	136	**307**	13
Loss on disposal of an associate (Note 19)	**251**	–	**–**	–
Tax penalty (Note 44(c))	**1,530**	–	**1,530**	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Wages and salaries	**805,536**	753,682	**8,613**	52,257
Contributions to statutory Employees Provident Fund ("EPF")	**77,974**	76,360	**1,270**	8,151
Social security contributions	**2,961**	2,808	**89**	352
Retirement benefit obligations (Note 32)	**411**	(121)	**–**	–
Decrease in liability for defined benefit pension plan (Note 33)	**(124)**	(125)	**–**	–
Employees' service entitlements (Note 34(a))	**653**	621	**–**	–
Staff rationalisation cost	**12,672**	12,619	**–**	–
Other benefits	**186,506**	185,296	**3,982**	7,827
Total employee benefits recognised in profit or loss (Note 7)	**1,086,589**	1,031,140	**13,954**	68,587

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration excluding benefits-in-kind amounting to RM1.5 million (2021: RM1.3 million) and RM0.6 million (2021: RM1.3 million), respectively as further disclosed in Note 9.

9. DIRECTORS' REMUNERATION

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Directors of the Company				
Executive:				
Salaries and other emoluments	**1,020**	1,020	**255**	1,020
Bonus	**255**	85	**255**	85
Contributions to defined contribution plans	**191**	171	**71**	171
Allowances	**50**	50	**13**	50
Benefits-in-kind	**28**	30	**7**	30
	1,544	1,356	**601**	1,356
Non-Executive:				
Fees	**1,144**	1,299	**1,144**	1,299
Allowances	**53**	16	**53**	16
Benefits-in-kind	**–**	41	**–**	41
	1,197	1,356	**1,197**	1,356
Total	**2,741**	2,712	**1,798**	2,712
Total excluding benefits-in-kind	**2,713**	2,641	**1,791**	2,641

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

9. DIRECTORS' REMUNERATION (CONTD.)

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 8)	**1,516**	1,326	**594**	1,326
Total non-executive directors' remuneration excluding benefits-in-kind (Note 7)	**1,197**	1,315	**1,197**	1,315
Total directors' remuneration excluding benefits-in-kind (Note 39(b))	**2,713**	2,641	**1,791**	2,641

The number of directors of the Company whose total remunerations during the year fell within the following bands is analysed below:

	No. of Directors	
	2022	**2021**
Executive directors:		
RM550,001 – RM600,000	**1**	–
RM1,350,001 – RM1,400,000	**–**	1
Non-executive directors:		
Below RM50,000	**2**	–
RM50,001 – RM100,000	**1**	5
RM100,001 – RM150,000	**4**	4
RM150,001 – RM200,000	**2**	1
RM250,001 – RM300,000	**1**	1

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

10. INCOME TAX EXPENSE

Major components of income tax expense

Major components of income tax expense for the years ended 31 December 2022 and 2021 are:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Current income tax:				
– Malaysian income tax	**18,097**	13,407	**25**	–
– Foreign tax	**22,310**	18,605	**–**	–
– Capital gain tax#	**3,612**	–	**–**	–
	44,019	32,012	**25**	–
Under/(over) provision of income tax in prior years:				
– Malaysian income tax*	**7,345**	(1,340)	**6,930**	–
– Foreign tax	**1,257**	(121)	**–**	–
	8,602	(1,461)	**6,930**	–
	52,621	30,551	**6,955**	–
Deferred tax (Note 24):				
– Relating to origination and reversal of temporary differences	**(6,370)**	152	**–**	–
– Underprovision in prior years	**1,098**	3,799	**–**	–
	(5,272)	3,951	**–**	–
Income tax recognised in profit or loss	**47,349**	34,502	**6,955**	–

Relates to capital gain tax paid to tax authority upon disposal of an associate in India as disclosed in Note 19.

* Included in the underprovision of Malaysian income tax is an amount of RM5.3 million recorded resulted from out-of-court settlement with Director General of Inland Revenue Board ("DGIR") as disclosed in Note 44(c).

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 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 2022

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 2022 and 2021 are as follows:

Group	2022 RM'000	2021 RM'000
Profit before tax and zakat	**93,773**	78,569
Less: Zakat	**(773)**	(707)
	93,000	77,862
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	**22,320**	18,687
Tax effect on share of profit of associates	**(3,249)**	(5,798)
Tax effect on share of profit of a joint venture	**(1)**	–
Income not subject to tax	**(526)**	(2,318)
Foreign income not subject to tax	**(4,347)**	(8,284)
Non-deductible expenses	**23,297**	18,971
Different tax rates in other countries	**(1,816)**	(2,476)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(6,643)**	(2,600)
Deferred tax assets not recognised during the year	**5,002**	15,982
Capital gain tax	**3,612**	–
Underprovision of deferred tax in prior years	**1,098**	3,799
Under/(over) provision of income tax expense in prior years	**8,602**	(1,461)
Income tax expense recognised in statement of comprehensive income	**47,349**	34,502

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

Company	2022 RM'000	2021 RM'000
Profit before tax and zakat	**45,164**	41,412
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	**10,839**	9,939
Non-deductible expenses	**12,800**	10,720
Foreign income not subject to tax	**(770)**	(745)
Income not subject to tax	**(18,384)**	(26,516)
Utilisation of previously unrecognised tax losses and other deductible temporary differences	**(4,460)**	–
Deferred tax assets not recognised	**–**	6,602
Underprovision of income tax expense in prior years	**6,930**	–
Income tax expense recognised in statement of comprehensive income	**6,955**	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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	
	2022 RM'000	**2021 RM'000**
Profit attributable to owners of the parent	**45,879**	42,003
	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	**5.5**	5.1

There are no potential ordinary shares outstanding as at 31 December 2022. 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	
	2022 RM'000	**2021 RM'000**	**2022 Sen**	**2021 Sen**
Recognised during the financial year:				
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 2023, the Board of Directors has declared a single tier interim dividend of 4.00 sen per ordinary share on 831,624,030 ordinary shares, amounting to RM33,264,961 to be paid on 18 May 2023. The entitlement date is 20 April 2023. 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 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

13. PROPERTY, PLANT AND EQUIPMENT

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 2022

13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group 2021	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 2021	1,160	12,149	432,486	68,754	514,549
Additions	–	–	22,603	212	22,815
Disposals	–	–	(3,627)	–	(3,627)
Written off	–	–	(3,593)	–	(3,593)
Reclassification	–	–	68,110	(68,110)	–
Exchange differences	–	–	851	–	851
At 31 December 2021	1,160	12,149	516,830	856	530,995
Accumulated depreciation and impairment loss					
At 1 January 2021	–	1,680	319,191	–	320,871
Charge for the year (Note 7)	–	255	49,416	–	49,671
Disposals	–	–	(3,223)	–	(3,223)
Written off	–	–	(3,230)	–	(3,230)
Exchange differences	–	–	404	–	404
At 31 December 2021	–	1,935	362,558	–	364,493
Net carrying amount					
At 31 December 2021	1,160	10,214	154,272	856	166,502

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

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**

Company 2021	Buildings RM'000	Equipment, furniture, fittings, office equipment, motor vehicles and computers RM'000	Total RM'000
Cost			
At 1 January 2021	9,759	18,805	28,564
Additions	–	863	863
Disposals	–	(18)	(18)
At 31 December 2021	9,759	19,650	29,409
Accumulated depreciation and impairment loss			
At 1 January 2021	1,246	13,545	14,791
Charge for the year (Note 7)	195	2,769	2,964
Disposals	–	(18)	(18)
At 31 December 2021	1,441	16,296	17,737
Net carrying amount	8,318	3,354	11,672

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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	
	2022 RM'000	**2021 RM'000**
Plant and equipment	**92,829**	103,826

(b) During the year, the Group and the Company acquired property, plant and equipment by way of:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Cash payment	**21,814**	22,815	**623**	863
Other payables	**3,651**	–	**–**	–
	25,465	22,815	**623**	863

(c) As at 31 December 2022, 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	
	2022 RM'000	**2021 RM'000**
At 1 January	**–**	–
Transfer from land held for property development (Note 16)	**477**	–
Fair value adjustment (Note 5)	**13,323**	–
At 31 December	**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 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 2022, the expenses incurred in relation to the investment properties was RM15,000.

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.

14. INVESTMENT PROPERTIES (CONTD.)

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 -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 as at 31 December 2022

Group 2022	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
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

The following table show a reconciliation of Level 3 fair value:

	Group	
	2022 RM'000	2021 RM'000
Land		
As at 1 January	**–**	–
Transfer from land held for development	**477**	–
Fair value adjustment	**13,323**	–
As at 31 December	**13,800**	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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 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**
As at 1 January 2021	4,818	35,736	273	40,827
Additions	–	9,219	338	9,557
Depreciation (Note 7)	(120)	(10,244)	(519)	(10,883)
Derecognition	–	(2,287)	–	(2,287)
Foreign exchange differences	–	67	–	67
As at 31 December 2021	4,698	32,491	92	37,281

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTD.)

Company	Leasehold land RM'000	Office premises RM'000	Total RM'000
As at 1 January 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**
As at 1 January 2021	2,997	30,964	33,961
Additions	–	6,856	6,856
Derecognition	–	(2,287)	(2,287)
Depreciation (Note 7)	(34)	(7,090)	(7,124)
As at 31 December 2021	2,963	28,443	31,406

As at 31 December 2022, leasehold land with an aggregate carrying value of RM2.0 million (2021: RM1.9 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
As at 1 January	**33,619**	37,575	**29,395**	31,557
Additions	**21,667**	9,557	**11,644**	6,856
Accretion of interest (Note 6)	**1,204**	1,541	**901**	1,212
Amount billed	**(14,438)**	(12,768)	**(11,339)**	(7,852)
Derecognition	**(1,054)**	(2,378)	**–**	(2,378)
Foreign exchange differences	**(44)**	92	**–**	–
As at 31 December	**40,954**	33,619	**30,601**	29,395
Disclosed as:				
– Current	**12,744**	8,599	**9,700**	6,818
– Non-current	**28,210**	25,020	**20,901**	22,577
	40,954	33,619	**30,601**	29,395

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTD.)

During the year, lease liability and interest paid by the Group and the Company amounts to RM7.3 million (2021: RM7.3 million) and RM7.0 million (2021: RM5.8 million) respectively.

Included in profit or loss of the Group and the Company:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Expense relating to leases of short-term leases	**2,799**	5,570	**753**	643
Expense relating to leases of low-value assets	**247**	5,353	**28**	45
	3,046	10,923	**781**	688

16. LAND HELD FOR PROPERTY DEVELOPMENT

	Group		
	Land RM'000	**Development expenditure RM'000**	**Total RM'000**
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	**–**	**–**	**–**
As at 31 December 2021			
At cost			
At 1 January 2021/31 December 2021	830	6,674	7,504
Accumulated impairment loss			
At 1 January 2021/31 December 2021	353	6,674	7,027
Carrying amount at 31 December 2021	477	–	477

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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)	Software-in-progress RM'000	Total RM'000
Cost						
At 1 January 2021	534,538	33,996	173,807	98,685	354	841,380
Additions	–	–	–	1,111	–	1,111
Transfer	–	–	–	354	(354)	–
Written off	–	–	–	(1,616)	–	(1,616)
Exchange difference	5,156	–	2,506	95	–	7,757
At 31 December 2021	**539,694**	**33,996**	**176,313**	**98,629**	**–**	**848,632**
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**
Accumulated amortisation and impairment loss						
At 1 January 2021	–	10,417	73,434	39,180	–	123,031
Amortisation during the year (Note 7)	–	2,193	17,298	7,207	–	26,698
Written off	–	–	–	(1,370)	–	(1,370)
Exchange difference	–	–	980	89	–	1,069
At 31 December 2021	**–**	**12,610**	**91,712**	**45,106**	**–**	**149,428**
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**
Net carrying amount						
At 31 December 2022	**560,984**	**19,193**	**71,820**	**48,896**	**–**	**700,893**
At 31 December 2021	539,694	21,386	84,601	53,523	–	699,204

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

17. INTANGIBLE ASSETS (CONTD.)

Company	Software RM'000 (Note c)	Software-in-progress RM'000	Total RM'000
Cost			
At 1 January 2021	45,818	354	46,172
Additions	25	–	25
Disposals	(180)	–	(180)
Reclassification	354	(354)	–
At 31 December 2021	46,017	–	46,017
At 1 January 2022	**46,017**	**–**	**46,017**
Transfer to a subsidiary	**(46,017)**	**–**	**(46,017)**
At 31 December 2022	**–**	**–**	**–**
Accumulated amortisation			
At 1 January 2021	4,799	–	4,799
Amortisation for the year (Note 7)	5,325	–	5,325
At 31 December 2021	10,124	–	10,124
At 1 January 2022	**10,124**	**–**	**10,124**
Amortisation for the year (Note 7)	**1,215**	**–**	**1,215**
Transfer to a subsidiary	**(11,339)**		**(11,339)**
At 31 December 2022	**–**	**–**	**–**
Net carrying amount			
At 31 December 2022	**–**	**–**	**–**
At 31 December 2021	35,893	–	35,893

17. INTANGIBLE ASSETS (CONTD.)

(a) Goodwill

Impairment testing of goodwill

Goodwill is allocated and monitored by management across the following cash generating units ("CGU"):

	2022 RM'000	2021 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	**68,518**	64,571
– Singapore	**289,338**	272,659
– Taiwan	**11,538**	10,874
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
	560,984	539,694

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 twelve 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.

Key assumptions used in value-in-use calculation

The discount rates applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flows beyond the projection period are as follows:

	Projection period Years	Discount rate		Terminal growth rate	
		2022 %	2021 %	2022 %	2021 %
Asset consultancy:					
Opus Group	5	**11.0**	11.0	**1.0**	1.0
Healthcare support:					
EMS	12	**8.6**	8.6	*****	*
Edgenta UEMS Group:					
– Malaysia	5	**8.6**	8.6	**1.0**	1.0
– Singapore	5	**8.6**	8.6	**1.0**	1.0
– Taiwan	5	**8.6**	8.6	**1.0**	1.0
Property and Facility Solutions:					
EGT Group	5	**7.9**	7.9	**1.0**	1.0
Infrastructure services:					
Edgenta PROPEL Berhad	5	**7.3**	7.3	**1.0**	1.0

* For EMS, the value-in-use is determined by discounting cash flows for a period of 12 years (2021: 13 years) with no terminal value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

17. INTANGIBLE ASSETS (CONTD.)

(a) Goodwill (contd.)

Key assumptions used in value-in-use calculation (contd.)

The calculation of the value-in-use for the CGUs are most sensitive to the following assumptions:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins and average growth rate achieved in the years before the budgeted year, adjusted for market and economic conditions and internal resource efficiency.

(ii) Discount rate

The discount rates reflect the current market assessment of the risks specific to each CGU. This reflected the management's best estimate of return on capital employed required in the Group.

(iii) Terminal growth rate

Terminal growth rates used to extrapolate cash flows beyond the budget period is based on published industry research for each business.

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 EGT Group and Edgenta UEMS Group in 2016 and are amortised over the range of 5 to 15 years.

(c) Software and other development cost

Computer software represents licenses and other software assets that are not an integral part of property, plant and equipment assets. Software assets are recorded at cost and have finite useful life based on the term of the license or other contractual basis. The cost is amortised over the estimated asset's useful life of 3 to 10 years (2021: 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 2022

18. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 RM'000	**2021 RM'000**
Unquoted shares, at cost (Note (a)):		
– Malaysian subsidiaries	**1,871,259**	1,870,546
– Foreign subsidiaries	**217,302**	86,377
	2,088,561	1,956,923
Less: Accumulated impairment (Note (b))	**(415,300)**	(410,784)
	1,673,261	1,546,139

(a) Cost of investment in subsidiary companies

		Company	
	Note	**2022 RM'000**	**2021 RM'000**
At 1 January		**1,956,923**	2,249,216
Capitalisation of amounts due from Edgenta (Singapore) Pte. Ltd. ("ESG")	(i)	**130,925**	–
Incorporation of Edgenta Arabia Limited ("EAL")	(ii)	**613**	–
Acquisition of additional share capital in subsidiaries	(iii)	**100**	500
Capital reduction of Opus Group Berhad ("OGB")	(iv)	**–**	(101,816)
Liquidation of Faber L.L.C ("FLLC")	(v)	**–**	(418)
Dissolution of Faber Hotel Holdings Sdn. Bhd. ("FHH")	(vi)	**–**	(190,559)
At 31 December		**2,088,561**	1,956,923

(i) Capitalisation of amounts due from ESG

On 16 December 2022, 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.

(ii) Incorporation of EAL

On 31 July 2022, EAL was incorporated in the Kingdom of Saudi Arabia as a wholly-owned subsidiary of the Company.

(iii) Acquisition of additional share capital in subsidiaries

On 30 March 2022, Edgenta FIRST Sdn. Bhd., increased its ordinary shares to 100,000 by issuing new ordinary shares. The Company subscribed to the new shares which was settled by cash.

In previous financial year, the acquisition of additional share capital in subsidiaries relates to subscription of new shares issued by Edgenta NXT Sdn. Bhd.. The subscription was settled by cash.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

18. INVESTMENT IN SUBSIDIARIES (CONTD.)

(a) Cost of investment in subsidiary companies (contd.)

(iv) Capital reduction of OGB

On 15 February 2021, OGB had undertaken capital reduction exercise of RM101.8 million by way of offsetting against the loan amount due from the Company. Consequently, the cost of investment of OGB reduced from RM1,002.4 million to RM900.6 million.

This capital reduction exercise has no cash flows impact to the Company.

(v) Liquidation of FLLC

On 29 May 2021, FLLC, a 75% subsidiary of the Company, which was under Members' Voluntary Winding-Up, has ceased to be a subsidiary of the Company upon cancellation and termination of its Trade License from the Commercial Register in accordance with Federal Law No. (5) of 1975 and Federal Law No. (8) of 1984 of United Arab Emirates.

The financial impact of the liquidation to the Group is as follows:

	RM'000	RM'000
Final distribution to shareholders, via cash		152
Net asset at the date of liquidation	(836)	
Less: Non-controlling interest	209	
Group's share of net assets	(627)	(627)
Transfer from statutory reserve	279	
Transfer from foreign exchange reserve	(3,679)	
	(3,400)	(3,400)
Net loss on liquidation of a subsidiary		(3,875)

The financial impact of the liquidation to the Company is as follows:

	RM'000
Final distribution to shareholders, via cash	152
Less: Cost of investment	(418)
Net loss on liquidation of a subsidiary	(266)

(vi) Dissolution of FHH

On 14 March 2021, FHH, a wholly-owned subsidiary of the Company, which was under Members' Voluntary Liquidation, has dissolved and ceased to be a subsidiary of the Company.

The dissolution of FHH has no cash flows impact to the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

18. INVESTMENT IN SUBSIDIARIES (CONTD.)

(b) Impairment of investment in subsidiaries

The movement in accumulated impairment loss as follows:

	Company	
	2022 RM'000	**2021 RM'000**
At 1 January	**410,784**	560,993
Impairment loss on investment in a subsidiary company	**4,516**	40,350
Dissolution of FHH (Note 18(a)(vi))	**–**	(190,559)
At 31 December	**415,300**	410,784

During the current 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.

In the previous financial year, an impairment loss of RM40.3 million was recognised against the carrying amount of its investment in OGB of RM516.5 million to its recoverable amounts. Based on management's assessment, the recoverable amount of its investment in OGB was RM476.2 million which was estimated based on the VIU of OGB.

Summarised financial information

Summarised financial information of Rimbunan Melati Sdn. Bhd. ("Rimbunan Melati"), which has 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 statement of financial position

	Rimbunan Melati	
	2022 RM'000	**2021 RM'000**
Current assets, representing total assets	**11,857**	11,815
Current liabilities, representing total liabilities	**(26)**	(162)
Net assets	**11,831**	11,653
Equity attributable to owners of the Company	**6,507**	6,409
Non-controlling interests	**5,324**	5,244

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

18. INVESTMENT IN SUBSIDIARIES (CONTD.)

Summarised financial information (contd.)

(ii) Summarised statement of comprehensive income

	Rimbunan Melati	
	2022 RM'000	**2021 RM'000**
Revenue	**–**	–
Profit for the year, representing total comprehensive income for the year	**152**	227
Attributable to:		
– owners of the Company	**84**	125
– non-controlling interests	**68**	102
	152	227

(iii) Summarised statement of cash flows

	Rimbunan Melati	
	2022 RM'000	**2021 RM'000**
Net cash (used in)/generated from operating activities	**(77)**	89
Net cash generated from investing activities	**144**	127
Net increase in cash and cash equivalents	**67**	216
Cash and cash equivalents at beginning of the year	**11,739**	11,523
Cash and cash equivalents at the end of year	**11,806**	11,739

19. INVESTMENT IN ASSOCIATES

	Group	
	2022 RM'000	**2021 RM'000**
Unquoted shares, at cost		
In Malaysia	**5,730**	5,730
Outside Malaysia	**–**	6,082
	5,730	11,812
Share of post-acquisition reserves	**71,416**	97,528
Less: Dividend received	**(4,800)**	(6,418)
	72,346	102,922

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

19. INVESTMENT IN ASSOCIATES (CONTD.)

On 9 November 2022, the Company announced that its wholly-owned subsidiary, Edgenta Facilities Sdn. Bhd. ("EFSB"), had on 8 November 2022, 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.

Prior to disposal of ASHL, the Group's effective shareholding in FSPL was 51%. Notwithstanding of more than 50% in FSPL, the Group did not have the substantive rights and power to direct the relevant activities of FSPL and the ability to use the power to significantly affects its returns as the key governing structure resides with the board of directors of FSPL of which majority of the board representative are from ASHL that also has the casting vote in the event of deadlock, as stipulated in the shareholders agreement.

Therefore, the Group continued to have significant influence in FSPL and account for this investment as an associate under MFRS 128 *Investments in Associate* until FSPL ceased to be associate to EFSB on 17 November 2022.

Further details of the associates are disclosed in Note 46.

19. INVESTMENT IN ASSOCIATES (CONTD.)

Summarised financial information of FSPL, 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

	FSPL		Biomedix		One Medicare		Sedafiat	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Non-current assets	**–**	21,139	**1,321**	1,648	**8,613**	9,647	**20,431**	18,213
Current assets	**–**	81,354	**78,718**	79,405	**162,293**	115,585	**106,664**	98,842
Total assets	**–**	102,493	**80,039**	81,053	**170,906**	125,232	**127,095**	117,055
Non-current liabilities	**–**	10,943	**9,034**	8,015	**–**	636	**467**	660
Current liabilities	**–**	16,830	**5,905**	19,445	**132,932**	88,186	**58,656**	50,921
Total liabilities	**–**	27,773	**14,939**	27,460	**132,932**	88,822	**59,123**	51,581
Net assets	**–**	74,720	**65,100**	53,593	**37,974**	36,410	**67,972**	65,474

(ii) Summarised statements of comprehensive income

	FSPL		Biomedix		One Medicare		Sedafiat	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Revenue	**–**	117,812	**56,841**	85,121	**211,279**	254,783	**251,987**	257,689
Profit before tax	**–**	17,451	**21,069**	22,391	**2,186**	9,520	**15,295**	22,652
Profit for the year, representing total comprehensive income	**–**	13,882	**15,507**	16,993	**1,564**	7,791	**10,498**	16,885
Dividend received from the associates during the year	**–**	1,418	**1,600**	1,600	**–**	600	**3,200**	2,800

19. INVESTMENT IN ASSOCIATES (CONTD.)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates

	FSPL		Biomedix		One Medicare		Sedafiat	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Net assets at 1 January	**–**	63,618	**53,593**	40,600	**36,410**	30,119	**65,474**	55,589
Profit for the year	**–**	13,882	**15,507**	16,993	**1,564**	7,791	**10,498**	16,885
Dividend from associate	**–**	(2,780)	**(4,000)**	(4,000)	**–**	(1,500)	**(8,000)**	(7,000)
Net assets at 31 December	**–**	74,720	**65,100**	53,593	**37,974**	36,410	**67,972**	65,474
Interest in associates	**–**	51%	**40%**	40%	**40%**	40%	**40%**	40%
Exchange differences	**–**	(884)	**–**	–	**–**	–	**–**	–
Carrying value of Group's interest in material associate	**–**	37,223	**26,040**	21,437	**15,190**	14,564	**27,189**	26,190

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

20. INVESTMENT IN A JOINT VENTURE

	Group	
	2022 RM'000	**2021 RM'000**
Unquoted shares, at cost		
In Malaysia	**122**	–
Share of post-acquisition reserves	**(6)**	–
	116	–

On 22 April 2022, 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	
	2022 RM'000	**2021 RM'000**
Equity instruments (unquoted shares in Malaysia)	**1,200**	1,200
Less: Accumulated impairment losses	**(1,200)**	(1,200)
Unquoted shares, net	**–**	–
Club memberships	**232**	232
	232	232

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

22. TRADE AND OTHER RECEIVABLES

	Group	
	2022 RM'000	**2021 RM'000**
Current		
Trade receivables (Note a)		
Third parties	**370,047**	388,101
Related companies	**46,291**	40,635
Associates	**11,995**	26,899
	428,333	455,635
Less: Allowance for expected credit losses ("ECL"):		
Third parties	**(34,829)**	(34,340)
Related companies	**(6,351)**	(6,377)
	(41,180)	(40,717)
Retention receivables:		
Third parties	**4,624**	10,243
Related companies	**7,495**	8,294
	12,119	18,537
Trade receivables, net	**399,272**	433,455
Concession receivable (Note c)	**22,600**	22,600
Other receivables (Note b)		
Amounts due from related parties:		
Associates	**7,221**	19,789
Joint venture	**11**	–
Related companies	**630**	2,290
	7,862	22,079
Deposits	**29,022**	43,752
Sundry receivables	**13,844**	14,996
	50,728	80,827
Less: Allowance for ECL:		
Sundry receivables	**(2,977)**	(2,730)
Other receivables, net	**47,751**	78,097
Other current assets		
Prepayments	**22,047**	52,242
Others	**–**	524
	22,047	52,766
Total	**491,670**	586,918

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

22. TRADE AND OTHER RECEIVABLES (CONTD.)

	Group	
	2022 RM'000	**2021 RM'000**
Non-current		
Trade receivables (Note a)		
Third parties	**686**	–
Retention receivables:		
Third parties	**7,370**	3,860
Related companies	**–**	3,522
Trade receivables, net	**8,056**	7,382
Concession receivable (Note c)	**99,310**	106,095
Total	**107,366**	113,477

	Company	
	2022 RM'000	**2021 RM'000**
Current		
Other receivables (Note b)		
Amounts due from subsidiaries	**118,876**	137,797
Amount due from related parties	**443**	200
Dividend receivable	**6,000**	–
Deposits	**1,987**	2,023
Sundry receivables	**507**	828
	127,813	140,848
Less: Allowance for ECL:		
Sundry receivables	**(216)**	(216)
Subsidiaries	**(12,521)**	(29,028)
	(12,737)	(29,244)
	115,076	111,604
Non-current		
Loan to a subsidiary (Note b)	**–**	107,082

22. TRADE AND OTHER RECEIVABLES (CONTD.)

Movements in allowance for ECL:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
At 1 January	**43,447**	46,362	**29,244**	27,660
Charge for the year (Note 7)	**5,375**	2,328	**–**	1,584
Reversal of allowance (Note 5)	**(3,812)**	(334)	**(16,507)**	–
Reclassification to asset held for sale	**(862)**	–	**–**	–
Written off	**–**	(4,924)	**–**	–
Exchange differences	**9**	15	**–**	–
At 31 December	**44,157**	43,447	**12,737**	29,244

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2021: 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	
	2022 RM'000	**2021 RM'000**
Neither past due nor impaired	**191,153**	99,951
1 to 30 days past due from the credit terms but not impaired	**101,349**	202,732
31 to 60 days past due from the credit terms but not impaired	**35,423**	31,121
61 to 90 days past due from the credit terms but not impaired	**23,988**	14,291
91 to 120 days past due from the credit terms but not impaired	**10,341**	6,832
More than 121 days past due from the credit terms but not impaired	**45,073**	85,910
	216,175	340,886
Impaired	**41,180**	40,717
	448,508	481,554

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 8% (2021: 7%) of the Group's trade receivables arose from current receivable balances with related companies, while approximately 19% (2021: 27%) 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 RM216.2 million (2021: RM340.9 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).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

22. TRADE AND OTHER RECEIVABLES (CONTD.)

(b) Other receivables

Amounts due from subsidiaries and related parties

As at 31 December 2022, amounts due from subsidiaries are non-trade related, repayable on demand and bears interest ranging between 3.76% to 3.83% per annum.

In the previous financial year, only amounts due from subsidiaries amounted to RM34.6 million bear interest ranging between 3.76% to 5.00% per annum, whilst the remaining amounts due from subsidiaries were non-interest bearing.

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.

Other receivables that are impaired

At the reporting date, the Group and the Company have provided an allowance of RM3.0 million (2021: RM2.7 million) and RM12.7 million (2021: RM29.2 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	
	2022 RM'000	**2021 RM'000**
Contract assets (a)		
Non-current	**73,109**	75,078
Current	**357,174**	309,551
	430,283	384,629
Contract liabilities (a)		
Current	**(30,777)**	(30,312)
Contract fulfillment asset (b)		
Non-current	**547**	2,616
Current	**2,230**	2,095
	2,777	4,711

23. CONTRACT RELATED ASSETS AND LIABILITIES (CONTD.)

(a) Contract assets and liabilities

Contract assets are initially recognised for revenue earned from services transferred which receipt of the consideration is conditional on the completion and final acceptance by customers. Upon final acceptance by the customers, the amounts recognised as contract assets becomes unconditional and are reclassified to trade receivables.

The increase in contract asset as at financial year ended 31 December 2022 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	
	2022 RM'000	**2021 RM'000**
Amounts included in contract liabilities at the beginning of the year	**14,235**	5,578

(b) Contract fulfillment asset

	Group	
	2022 RM'000	**2021 RM'000**
As at 1 January	**4,711**	9,402
Additions	**–**	2,128
Utilised during the year	**(1,934)**	(6,819)
As at 31 December	**2,777**	4,711

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 cost is between 4 to 5 years.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

24. DEFERRED TAX

	Group	
	2022 RM'000	**2021 RM'000**
At 1 January	**39,251**	35,166
Recognised in statement of comprehensive income (Note 10)	**(5,272)**	3,951
Exchange differences	**636**	134
At 31 December	**34,615**	39,251
Presented after appropriate offsetting as follows:		
Deferred tax assets	**(12,513)**	(8,141)
Deferred tax liabilities	**47,128**	47,392
	34,615	39,251

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 2022	**(9,119)**	**(8,830)**	**(17,949)**
Recognised in profit or loss	**(1,732)**	**(16,419)**	**(18,152)**
Exchange differences	**(38)**	**–**	**(38)**
	(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)**
At 1 January 2021	(16,767)	(1,900)	(18,667)
Recognised in profit or loss	7,717	(6,930)	787
Exchange differences	(69)	–	(69)
	(9,119)	(8,830)	(17,949)
Less: Set off with deferred tax liabilities	5,002	4,806	9,808
At 31 December 2021	(4,117)	(4,024)	(8,141)

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 2022	**5,615**	**22,256**	**29,329**	**57,200**
Recognised in profit or loss	**18,760**	**(5,810)**	**(71)**	**12,880**
Exchange differences	**93**	**581**	**–**	**674**
	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**
At 1 January 2021	1,650	24,950	27,233	53,833
Recognised in profit or loss	3,965	(2,897)	2,096	3,164
Exchange differences	–	203	–	203
	5,615	22,256	29,329	57,200
Less: Set off with deferred tax assets	(1,527)	–	(8,281)	(9,808)
At 31 December 2021	4,088	22,256	21,048	47,392

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred tax assets have not been recognised in respect of the following items:

Malaysian Companies

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unutilised tax losses	**174,820**	163,480	**23,715**	23,715
Unabsorbed capital allowances	**19,620**	20,747	**12,382**	12,382
Others	**38,546**	55,598	**15,185**	33,772
	232,986	239,825	**51,282**	69,868
Deferred tax benefit at 24%, if recognised	**55,917**	57,558	**12,308**	16,768

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

24. DEFERRED TAX (CONTD.)

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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Unutilised tax losses				
– Expires in 2028	**43,410**	52,337	**–**	–
– Expires in 2029	**36,596**	36,788	**23,715**	23,715
– Expires in 2030	**27,695**	27,900	**–**	–
– Expires in 2031	**43,692**	43,920	**–**	–
– Expires in 2032	**23,427**	2,535	**–**	–
	174,820	163,480	**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.

25. INVENTORIES

	Group	
	2022 RM'000	**2021 RM'000**
Consumables	**17,178**	15,224
Properties held for sale	**–**	51,548
	17,178	66,772

The amounts of inventories recognised as expenses in cost of sales of the Group is disclosed in Note 4.

Inventories amounted to RM12.8 million which was acquired during the financial year (2021: RM nil) was written off in the same year. These inventories were related to the COVID-19 business under the healthcare support segment.

As at 31 December 2022, properties held for sale with carrying amount of RM49.5 million has been reclassified to asset held for sale as disclosed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

26. SHORT-TERM INVESTMENTS

	Group	
	2022 RM'000	**2021 RM'000**
Financial asset at fair value through profit or loss:		
– unquoted unit trusts (money market funds)	**97,178**	28,310

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.

27. CASH, BANK BALANCES AND DEPOSITS

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Cash in hand and at banks	**478,242**	398,649	**53,289**	50,457
Deposits with licensed banks	**131,244**	201,742	**9,000**	–
	609,486	600,391	**62,289**	50,457

(a) Included in cash at bank of the Group are amounts of RM0.12 million (2021: RM26.4 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 RM3.2 million (2021: RM3.9 million) are on lien for bank guarantee facilities granted to certain subsidiaries. As at 31 December 2022, the subsidiaries have utilised guarantee facilities amounting to RM1.5 million (2021: RM0.9 million).

(c) Deposits with licensed banks amounting to RM2.0 million (2021: RM2.4 million) are pledged to secure certain facilities granted to the Group.

(d) Deposits with licensed banks of the Group amounting to RM22.9 million (2021: RM20.6 million) are pledged as securities for bank borrowing granted to a foreign subsidiary.

(e) Cash and fixed deposits of RM21.9 million (2021: RM18.1 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 RM0.7 million (2021: 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.

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 2022

28. NET ASSETS CLASSIFIED AS HELD FOR SALE

During the 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"). The sale of FUSB is expected to be completed within 12 months from the reporting date and accordingly, FUSB was classified as a disposal group held for sale as at 31 December 2022.

Summarised statement of financial position

The major classes of assets and liabilities of FUSB classified as held for sale as at 31 December 2022 are as follows:

	2022 RM'000
Assets	
Plant and equipment	**8**
Trade and other receivables	**1,823**
Inventories	**49,493**
Tax recoverable	**2,884**
Cash and short-term deposit	**35,840**
Assets held for sale	**90,048**
Liabilities	
Accruals, representing liability directly associated with assets held for sale	**(3,171)**
Net assets of disposal group	**86,877**

The assets are measured at the lower of their carrying amount and fair value less costs to sell.

FUSB has not been disclosed as discontinued operation as the Group considers its operation to be immaterial.

29. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2022 '000	2021 '000	2022 RM'000	2021 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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.

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 2021	279	(25,782)	9,163	(16,340)
Foreign currency translation	–	12,824	–	12,824
Exchange differences reclassified to profit or loss	–	3,679	–	3,679
Liquidation of a subsidiary	(279)	–	–	(279)
At 31 December 2021	**–**	**(9,279)**	**9,163**	**(116)**
Foreign currency translation	**–**	**23,182**	**–**	**23,182**
At 31 December 2022	**–**	**13,903**	**9,163**	**23,066**

(a) Statutory reserve

In accordance with the United Arab Emirates ("UAE") Commercial Companies Law, 10% of profit for each year from a Limited Liability Company incorporated in the UAE is transferred to a legal reserve until such time as the reserve equalled 50% of the paid-up capital. FLLC has resolved to discontinue such annual transfers since the reserve has equalled to 50% of its share capital. This reserve is not available for distribution except as stipulated by UAE law.

FLLC has been dissolved in prior year.

(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 2022

32. RETIREMENT BENEFIT OBLIGATIONS

Retirement benefit obligations recognised by the Group is analysed into:

	Group	
	2022 RM'000	**2021 RM'000**
Current	**1,036**	550
Non-current	**1,046**	2,140
	2,082	2,690

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees. The Scheme is closed to new employees. Under the Scheme, eligible employees are entitled to retirement benefits on attainment of the retirement age of 60 (2021: 60), on medical incapacity or on death. The present value of defined benefit obligation was based on the actuarial valuation report by independent actuarist dated 9 January 2023.

The details of the net employee benefits liability are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Present value of the defined benefit obligations ("PVDBO")		
At 1 January	**2,690**	3,395
Defined retirement benefit obligations (Note 8)	**411**	(121)
Actuarial gain	**(821)**	–
Contributions paid	**(198)**	(425)
Payable by associates	**–**	(159)
At 31 December	**2,082**	2,690

	Group	
	2022 RM'000	**2021 RM'000**
Analysis of funded and unfunded PVDBO		
Analysed as:		
Current	**1,036**	550
Non-current:		
Later than 1 year but not later than 2 years	**268**	487
Later than 2 years	**778**	1,653
	1,046	2,140
PVDBO from plans that are wholly unfunded	**2,082**	2,690

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

32. RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

The details of net employee benefits expense recognised in income statement are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Current service costs	**21**	49
Loss/(gain) on settlement	**209**	(293)
Interest cost	**181**	123
Net employee benefits expense (Note 8)	**411**	(121)

Total amount recognised in statement of comprehensive income

	Group	
	2022 RM'000	**2021 RM'000**
Cumulative amount of actuarial loss recognised in statement of comprehensive income:		
At 1 January	**963**	963
Actuarial gain recognised in other comprehensive income	**(821)**	–
At 31 December	**142**	963
Historical experience adjustments:		
PVDBO	**2,082**	2,690
Experience adjustment (value)	**(821)**	–
Experience adjustment (% of PVDBO)	**-39%**	0%

Principal actuarial assumptions used:

	2022 %	**2021 %**
Discount rate	**4.50**	4.90
Expected rate of salary increases	**4.00**	5.00

Assumptions regarding future mortality are based on published statistics and mortality tables.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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:

	Increase in one percentage		Decrease in one percentage	
Sensitivity Level	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Assumptions				
Discount rate	**42**	68	**(44)**	(72)
Salary increment rate	**(171)**	(419)	**132**	392

The average duration of the retirement benefit obligation at the end of the reporting period is 2 years (2021: 3 years).

33. DEFINED BENEFIT PENSION PLAN

Defined benefit pension plan is by a subsidiary, Edgenta UEMS Ltd. ("UEMS Taiwan").

UEMS Taiwan has a retirement plan covering all its regular employees who opted for defined benefits plan. Benefits under the plan are based on the length of service and estimated base pay at the time of retirement. The pension assets and liabilities are valued on annual basis by independent actuary, taking into account gains and losses.

The plan assets, comprising cash and cash equivalents, are deposited with the Bank of Taiwan and are managed by the government of Taiwan. The plan assets do not have quoted market prices in active market.

Amount recognised in the statement of comprehensive income:

	Group	
	2022 RM'000	**2021 RM'000**
Interest cost on benefit obligation	**10**	4
Employer's contribution	**(131)**	(127)
Interest income	**(3)**	(2)
Total included in employee benefits expense (Note 8)	**(124)**	(125)
Net actuarial (gain)/loss recognised for the year	**(121)**	127
	(245)	2

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

33. DEFINED BENEFIT PENSION PLAN (CONTD.)

Amount recognised in statement of financial position:

	Group	
	2022 RM'000	**2021 RM'000**
Present value of defined benefit obligation	**1,238**	1,675
Fair value of plan assets	**(529)**	(672)
Defined benefit obligation	**709**	1,003

Changes in present value of defined benefit obligation:

	Group	
	2022 RM'000	**2021 RM'000**
At 1 January	**1,675**	1,657
Interest cost	**10**	4
Benefit paid	**(281)**	(225)
Actuarial (gain)/loss	**(102)**	138
Exchange differences	**(64)**	101
At 31 December	**1,238**	1,675

Changes in fair value of plan assets:

	Group	
	2022 RM'000	**2021 RM'000**
At 1 January	**(672)**	(720)
Employer's contribution	**(131)**	(127)
Benefit paid	**281**	225
Actuarial gain	**(19)**	(11)
Interest income	**(3)**	(2)
Exchange differences	**15**	(37)
At 31 December	**(529)**	(672)

The principal assumptions used in determining defined benefit obligation of the Group are shown below:

	Group	
	2022	**2021**
Discount rate	**1.33%**	0.54%
Salary escalation	**3.00%**	2.06%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

33. DEFINED BENEFIT PENSION PLAN (CONTD.)

Actual return on plan assets:

	Group	
	2022 RM'000	**2021 RM'000**
Actual return of plan assets, representing actuarial gain recognised in the other comprehensive income	**(19)**	(11)

A quantitative sensitivity analysis for significant assumptions as at 31 December 2022 and 2021 are as shown below:

	Increase in one percentage		Decrease in one percentage	
Sensitivity Level	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Assumptions				
Discount rate	**(121)**	(174)	**129**	186
Salary increase	**126**	180	**(119)**	(171)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit obligation at the end of the reporting period is 10 years (2021: 11 years).

34. PROVISIONS

	Group	
	2022 RM'000	**2021 RM'000**
Non-current:		
Provision for employee service entitlements (Note a)	**4,280**	3,441
Current:		
Provision for long-term incentive plan (Note b)	**1,620**	1,620
Total	**5,900**	5,061

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

34. PROVISIONS (CONTD.)

(a) Provision for employee service entitlements

	Group	
	2022 RM'000	**2021 RM'000**
At 1 January	**3,441**	2,891
Charged to the statement of comprehensive income (Note 8)	**653**	621
Exchange differences	**186**	109
Payment	**–**	(180)
At 31 December	**4,280**	3,441

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	
	2022 RM'000	**2021 RM'000**
At 1 January/31 December	**1,620**	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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

35. BORROWINGS

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Current borrowings				
Secured:				
Term loans (Note a)	**25,379**	13,294	**–**	–
Revolving credit (Note c)	**49,732**	67,948	**–**	–
	75,111	81,242	**–**	–
Unsecured:				
Islamic Medium Term Notes (Note b)	**–**	252,184	**–**	252,184
Revolving credit (Note c)	**52,000**	52,000	**52,000**	52,000
Total short-term borrowings	**127,111**	385,426	**52,000**	304,184
Non-current borrowings				
Secured:				
Term loans (Note a)	**81,639**	58,095	**–**	–
Unsecured:				
Islamic Medium Term Notes (Note b)	**250,000**	–	**250,000**	–
Total long-term borrowings	**331,639**	58,095	**250,000**	–
Total borrowings				
Secured:				
Term loans (Note a)	**107,018**	71,389	**–**	–
Revolving credit (Note c)	**49,732**	67,948	**–**	–
	156,750	139,337	**–**	–
Unsecured:				
Islamic Medium Term Notes (Note b)	**250,000**	252,184	**250,000**	252,184
Revolving credit (Note c)	**52,000**	52,000	**52,000**	52,000
Total borrowings	**458,750**	443,521	**302,000**	304,184

The maturity profile of the loans and borrowings are as follows:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Within one year	**127,111**	385,426	**52,000**	304,184
More than 1 year and less than 2 years	**26,563**	11,115	**–**	–
More than 2 years and less than 5 years	**305,076**	34,821	**250,000**	–
More than 5 years	**–**	12,159	**–**	–
	331,639	58,095	**250,000**	–
	458,750	443,521	**302,000**	304,184

35. BORROWINGS (CONTD.)

(a) Term loans

Secure term loans bear interests which range from 3.66% to 3.99% per annum (2021: 3.20% to 4.30% 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.

(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.

The Company has issued the following:

(i) RM50.0 million in nominal value of ICPs with a tenure of 12 months issued on 24 April 2020; and

(ii) RM250.0 million in nominal value of IMTNs with a tenure of 5 years issued on 26 April 2017.

ICPs

On 23 April 2021, the Company has redeemed its outstanding ICPs amounting to RM50.0 million in nominal value upon its maturity. Prior to its redemption, the effective interest rate was 3.40%.

IMTNs

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 and as a result, the Company has reclassified the IMTNs from current liabilities to non-current liabilities.

The effective profit rates for IMTNs at the reporting date is 4.25% (2021: 4.85%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

35. BORROWINGS (CONTD.)

(c) Revolving credit

Unsecured revolving credit of the Company and the Group bear interest of 3.45% (2021: 2.45%).

Secured revolving credit of the Group bears interest rate of 1.74% (2021: 1.48%). The facility is secured by corporate guarantee from fellow subsidiaries.

Reconciliation of liabilities arising from financing activities

			Cash flows		Non-cash changes
Group	**2022 RM'000**	**2021 RM'000**	**Principal movement RM'000**	***Interest paid RM'000**	**Interest cost and others RM'000**
Term loan	**107,018**	71,389	35,629	(4,144)	4,144
IMTNs	**250,000**	252,184	–	(11,372)	9,188
Revolving credit	**101,732**	119,948	(15,806)	(990)	(1,420)
Lease liabilities	**40,954**	33,619	(7,251)	(2,715)	17,301
	499,704	477,140	12,572	(19,221)	29,213

			Cash flows		Non-cash changes
Company	**2022 RM'000**	**2021 RM'000**	**Principal movement RM'000**	***Interest paid RM'000**	**Interest cost and others RM'000**
IMTNs	**250,000**	252,184	–	(11,372)	9,188
Revolving credit	**52,000**	52,000	–	(1,523)	1,523
Lease liabilities	**30,601**	29,395	(7,073)	(958)	9,237
	332,601	333,579	(7,073)	(13,853)	19,948

* 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 2022

36. TRADE AND OTHER PAYABLES

	Group	
	2022 RM'000	**2021 RM'000**
Current		
Trade payables (Note a)		
Third parties	**142,507**	122,655
Accrued costs	**145,623**	224,720
Retention payables (Note b):		
Services:		
– Infrastructure	**39,852**	34,214
– Property facility solution	**2,701**	2,059
– Healthcare support	**2,455**	3,724
Due to related companies (Note d)	**8,936**	24,639
	342,074	412,011
Other payables		
Employee costs payable	**136,712**	128,336
Accruals	**95,689**	93,368
Refundable deposits	**2,239**	1,235
Sundry payables	**71,125**	72,936
Due to holding company (Note c)	**6,130**	16,986
Due to related companies (Note d)	**11,416**	2,868
	323,311	315,729
Total	**665,385**	727,740
Non-current		
Trade payables (Note a)		
Retention payables (Note b):		
Services:		
– Infrastructure	**10,538**	10,538
– Property development	**238**	227
	10,776	10,765

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

36. TRADE AND OTHER PAYABLES (CONTD.)

	Company	
	2022 RM'000	**2021 RM'000**
Current		
Other payables		
Accruals	**15,596**	20,048
Sundry payables	**1,310**	14,751
Due to holding company (Note b)	**1,465**	5,986
Due to related companies (Note d)	**4,738**	2,381
Due to subsidiary companies (Note b)	**3,296**	5,145
Total	**26,405**	48,311

(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 (2021: 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

Amount 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 2022

37. CAPITAL COMMITMENTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Capital expenditure				
Approved and contracted for purchase of:				
– intangible assets	**85**	–	**–**	–
– property, plant and equipment	**23,408**	10,794	**526**	216
Approved but not contracted for purchase of:				
– intangible assets	**19,935**	10,523	**–**	5,770
– property, plant and equipment	**72,878**	71,824	**–**	1,558

38. PERFORMANCE BONDS AND GUARANTEES

	Group	
	2022 RM'000	2021 RM'000
Secured:		
Performance bond extended to Government of Malaysia in respect of security for the due performance of the Hospital Support Services Concession Agreement dated 28 October 1996	**19,655**	20,048
Bank guarantee issued to authorities	**6,067**	7,792
Bank guarantees and performance bonds issued to others	**143,349**	120,516
Corporate guarantee for banking facilities utilised by fellow subsidiaries	**422,902**	402,677
	591,973	551,033
Unsecured:		
Bank guarantees extended to third parties - trade related	**25,320**	19,803

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 2022

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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Income received/receivable from				
Management fees from subsidiaries	**–**	–	**22,748**	82,458
Asset consultancy services fees received from:				
– immediate holding company	**–**	79	**–**	–
– related companies	**25,636**	24,952	**–**	–
– associates	**44,547**	41,518	**–**	–
Infrastructure maintenance fees received from:				
– related companies	**653,065**	501,431	**–**	–
Facilities management fees received from:				
– related companies	**79,895**	89,283	**–**	–
License and commission fees received from an associate	**1,197**	1,844	**–**	–
Rental received from:				
– a subsidiary	**–**	–	**9,821**	6,162
– an associate	**147**	147	**–**	–
Expenses paid/payable to				
Rendering of services by:				
– immediate holding company	**(10,000)**	(10,000)	**–**	–
– a subsidiary	**–**	–	**(17,138)**	(1,167)
– related companies	**(5,389)**	(3,143)	**–**	–
– associates	**(11,665)**	(9,937)	**–**	–
Rental paid to:				
– immediate holding company	**(1,373)**	(1,373)	**(1,373)**	(1,373)
– related company	**(9,219)**	(6,480)	**(9,219)**	(6,480)
– a subsidiary	**–**	–	**(515)**	(515)
Deferred consideration paid to non-controlling shareholder of a subsidiary	**–**	2,910	**–**	2,910

All other significant intercompany transactions have been disclosed in Note 22 and 36.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

39. RELATED PARTY DISCLOSURES (CONTD.)

(a) Sale and purchase of services (contd.)

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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Salaries and other emoluments	**14,258**	15,849	**1,779**	3,646
Contributions to defined contribution plans	**1,419**	1,366	**237**	507
	15,677	17,215	**2,016**	4,153

Included in total key management personnel compensation are:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Directors' remuneration excluding benefits-in-kind (Note 9)	**2,713**	2,641	**1,791**	2,641

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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
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**
2021			
Assets			
Trade receivables, net (Note 22)	–	440,837	440,837
Concession receivable (Note 22)	–	128,695	128,695
Other receivables, net (Note 22)	–	78,097	78,097
Cash, bank balances and deposits (Note 27)	–	600,391	600,391
Short-term investments (Note 26)	28,310	–	28,310
Total financial assets	28,310	1,248,020	1,276,330
Liabilities			
Trade payables (Note 36)		422,776	422,776
Other payables (Note 36)		315,729	315,729
Lease liabilities (Note 15)		33,619	33,619
Borrowings (Note 35)		443,521	443,521
Total financial liabilities		1,215,645	1,215,645

40. FINANCIAL INSTRUMENTS (CONTD.)

Classification of financial instruments (contd.)

Company	Amortised cost	
	2022 RM'000	2021 RM'000
Assets		
Other receivables, net (Note 22)	**115,076**	218,686
Cash, bank balances and deposits (Note 27)	**62,289**	50,457
Total financial assets	**177,365**	269,143
Liabilities		
Other payables (Note 36)	**26,405**	48,311
Lease liabilities (Note 15)	**30,601**	29,395
Borrowings (Note 35)	**302,000**	304,184
Total financial liabilities	**359,006**	381,890

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 2022

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:

	2022		2021	
	RM'000	**% of total**	**RM'000**	**% of total**
By country:				
Malaysia	**240,938**	**59**	268,859	61
United Arab Emirates	**19,168**	**5**	18,304	4
Indonesia	**–**	**–**	4,948	1
Singapore	**58,902**	**14**	66,691	15
Taiwan	**88,320**	**22**	82,035	19
	407,328	**100**	440,837	100

At the reporting date, the Group's ten largest customers account for approximately 37% (2021: 34%) 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.

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
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**
2021				
Financial liabilities:				
Trade and other payables	727,740	10,765	–	738,505
Lease liabilities	9,342	26,603	170	36,115
Loans and borrowings:				
– IMTNs	252,184	–	–	252,184
– Revolving credit	119,948	–	–	119,948
– Term loans	13,294	51,922	12,434	77,650
Total undiscounted financial liabilities	1,122,508	89,290	12,604	1,224,402

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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**
2021				
Financial liabilities:				
Other payables	48,311	–	–	48,311
Lease liabilities	7,773	23,992	–	31,765
Loans and borrowings:				
– ICPs	52,000	–	–	52,000
– IMTNs	252,184	–	–	252,184
Total undiscounted financial liabilities	360,268	23,992	–	384,260

(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.

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
2022	**6%**	**1,579**	**33,305**
	–6%	**(1,579)**	**(33,305)**
2021	2%	620	8,379
	–2%	(620)	(8,379)

	Change in TWD rate	Effect on profit before tax RM'000	Effect on equity RM'000
2022	**6%**	**–**	**7,230**
	–6%	**–**	**(7,230)**
2021	6%	–	5,158
	–6%	–	(5,158)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(d) Interest rate risk (contd.)

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 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)**

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 2021	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	1.61	201,742	–	–	–	201,742
IMTNs	35	4.85	(252,184)	–	–	–	(252,184)
Lease liabilities	15	3.55	(8,599)	(8,827)	(16,193)	–	(33,619)
Floating rate							
Revolving credit	35	1.90	(119,948)	–	–	–	(119,948)
Term loans	35	3.83	(13,294)	(11,238)	(34,698)	(12,159)	(71,389)
Company							
Fixed rate							
IMTNs	35	4.85	(252,184)	–	–	–	(252,184)
Lease liabilities	15	3.73	(6,818)	(7,052)	(15,525)	–	(29,395)
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.

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is not exposed to equity price risk arising from its investment in quoted equity instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(f) Fair value

Financial instruments that are not measured at fair value and whose carrying amounts are reasonable approximation of fair value

Included in these classes of financial instruments are certain financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	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	
Level 2 – significant observable input	**2022 RM'000**	**2021 RM'000**
Assets measured at fair value:		
Short-term investments	**97,178**	28,310

The valuation date of these financial instruments is 31 December 2022 and 2021, 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 2022

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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Term loans	**107,018**	71,389	**–**	–
Revolving credit	**101,732**	119,948	**52,000**	52,000
IMTNs	**250,000**	252,184	**250,000**	252,184
Total debt	**458,750**	443,521	**302,000**	304,184
Total assets	**2,868,671**	2,855,070	**1,891,693**	1,897,173
Debt to asset ratio	**16%**	16%	**16%**	16%

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

43. SEGMENT INFORMATION (CONTD.)

(a) Business unit segments (contd.)

Infrastructure Solutions

Infrastructure solutions segment provides strategic advisory services, design, development, maintenance and management of major transport projects and infrastructure assets.

(i) Asset consultancy

The asset consultancy division provides advisory and planning, engineering design and consultancy, property and community consultancy, research and development, procurement and construction planning, project and construction management, and asset and facilities management.

(ii) Infrastructure services

The infrastructure services division focuses on highway network maintenance and asset management, including innovative pavement works and solutions services; with expanded capabilities beyond roads, servicing multiple industries including rail, airports, ports, oil and gas, plantation roads and other commercial and industrial sectors.

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 operation in this area are principally integrated facilities management and asset management consultancy services.

(iv) Singapore – the operations in this area are principally integrated facilities management.

(v) Taiwan – the operations in this area are principally integrated facilities management.

(vi) India – the operations in this area are principally integrated facilities management.

43. SEGMENT INFORMATION (CONTD.)

At 31 December 2022	Note	Asset Management		Infrastructure Solutions		Others	Elimination	Group
		Healthcare Support RM'000	Property and Facility Solutions RM'000	Infrastructure Services RM'000	Asset Consultancy 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**	**2,158**	**2,504**	**255**	**156,601**	**(162,625)**	**–**
Total revenue		**1,488,977**	**165,925**	**771,500**	**99,775**	**160,076**	**(162,625)**	**2,523,629**
Results								
EBITDA*		**101,004**	**9,752**	**63,687**	**2,106**	**106,314**	**(102,918)**	**179,945**
Depreciation and amortisation		**(33,784)**	**(1,087)**	**(11,622)**	**(978)**	**(33,946)**	**(2,143)**	**(83,560)**
EBIT**		**67,220**	**8,665**	**52,065**	**1,128**	**72,368**	**(105,061)**	**96,385**
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 expense		**(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

43. SEGMENT INFORMATION (CONTD.)

At 31 December 2022 (contd.)	Note	Asset Management		Infrastructure Solutions		Others	Elimination	Group
		Healthcare Support RM'000	Property and Facility Solutions RM'000	Infrastructure Services RM'000	Asset Consultancy RM'000	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**

43. SEGMENT INFORMATION (CONTD.)

At 31 December 2021	Note	Asset Management		Infrastructure Solutions		Others RM'000	Elimination RM'000	Group RM'000
		Healthcare Support RM'000	Property and Facility Solutions RM'000	Infrastructure Services RM'000	Asset Consultancy RM'000			
Revenue								
External revenue		1,432,534	162,974	594,405	82,475	20,034	–	2,292,422
Inter-segment revenue	A	2,536	7,935	1,234	269	189,906	(201,880)	–
Total revenue		1,435,070	170,909	595,639	82,744	209,940	(201,880)	2,292,422
Results								
EBITDA*		115,899	17,300	40,688	(18,887)	108,901	(106,759)	157,142
Depreciation and amortisation		(38,155)	(1,043)	(11,804)	(1,346)	(32,355)	(2,549)	(87,252)
EBIT**		77,744	16,257	28,884	(20,233)	76,546	(109,308)	69,890
Interest income		771	960	1,812	426	468	–	4,437
Interest expense		(1,880)	(3,265)	(30)	(17)	(16,320)	1,596	(19,916)
Share of results of associates		16,671	7,079	–	409	–	–	24,159
Profit/(loss) before tax and zakat		93,307	21,031	30,665	(19,416)	60,694	(107,712)	78,569
Zakat		–	–	(623)	(84)	–	–	(707)
Income tax (expense)/benefit		(15,858)	(3,161)	(12,712)	(1,415)	2,917	(4,273)	(34,502)
Profit/(loss) after tax and zakat		77,449	17,870	17,330	(20,915)	63,611	(111,986)	43,360
Assets								
Segment assets	B	1,439,695	459,040	555,053	525,502	463,231	(587,451)	2,855,070
Liabilities								
Segment liabilities	B	568,621	309,822	256,781	75,285	893,804	(788,598)	1,315,715

* Earnings before interest, taxes, depreciation and amortisation

**Earnings before interest and taxes

43. SEGMENT INFORMATION (CONTD.)

At 31 December 2021 (contd.)	Note	Asset Management		Infrastructure Solutions		Others RM'000	Elimination RM'000	Group RM'000
		Healthcare Support RM'000	Property and Facility Solutions RM'000	Infrastructure Services RM'000	Asset Consultancy RM'000			
Other segment information								
Capital expenditure	C	20,182	1,589	3,170	459	8,083	–	33,483
Investments in associates		62,191	37,223	–	3,508	–	–	102,922
Staff rationalisation cost		–	–	10,354	2,265	–	–	12,619
Accretion of interest on								
- concession receivables		–	(18,883)	–	–	–	–	(18,883)
- loans and receivables		(975)	–	–	–	–	–	(975)
Dividend income		–	–	(522)	(134)	–	–	(656)
Depreciation (Note 7)		37,954	1,025	10,173	1,314	10,088	–	60,554
Amortisation (Note 7)	D	200	18	1,632	32	22,267	2,549	26,698
Non-cash expenses/(income) other than impairment, depreciation, and amortisation	E	170	1,681	650	16	1,849	(1,593)	2,773

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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:

	2022 RM'000	2021 RM'000
Inter-segment assets	**(437,717)**	(587,451)

The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2022 RM'000	2021 RM'000
Inter-segment liabilities	**(663,487)**	(788,598)

C Capital expenditure consist of:

	2022 RM'000	2021 RM'000
Property, plant and equipment	**25,465**	22,815
Intangible assets – software and other development cost	**1,384**	1,111
Right-of-use assets	**21,076**	9,557
	47,925	33,483

D Amortisation consist of:

	2022 RM'000	2021 RM'000
Intangible assets	**25,693**	26,698

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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	2022 RM'000	2021 RM'000
Net gain on disposal of plant and equipment	7	**340**	283
Property, plant and equipment written off	7	**1,365**	363
Impairment on financial assets:			
– Trade and other receivables	7	**5,375**	2,328
Reversal of impairment on financial assets:			
– Trade and other receivables	5	**(3,812)**	(334)
Bad debts written off	7	**1,025**	8
Defined retirement benefit obligations	8	**411**	(121)
Intangible assets written off	7	**–**	246
		4,704	2,773

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue	
	2022 RM'000	2021 RM'000
Malaysia	**1,567,650**	1,374,803
United Arab Emirates	**75,057**	78,697
Indonesia	**12,092**	28,237
Singapore	**401,867**	381,221
Taiwan	**466,964**	429,464
Consolidated	**2,523,629**	2,292,422

	Non-current assets	
	2022 RM'000	2021 RM'000
Malaysia	**572,106**	596,734
United Arab Emirates	**849**	1,141
India	**–**	37,223
Indonesia	**–**	213
Singapore	**472,557**	442,153
Taiwan	**6,132**	6,848
Consolidated	**1,051,644**	1,084,312

43. SEGMENT INFORMATION (CONTD.)

Geographical information (contd.)

Non-current assets information presented above consist of the followings items as presented in the consolidated statement of financial position:

	2022 RM'000	2021 RM'000
Property, plant and equipment	**146,355**	166,502
Investment properties	**13,800**	–
Right-of-use assets	**44,246**	37,281
Land held for property development	**–**	477
Intangible assets	**700,893**	699,204
Investment in associates	**72,346**	102,922
Investment in a joint venture	**116**	–
Other investments	**232**	232
Contract assets	**73,109**	75,078
Contract fulfillment asset	**547**	2,616
	1,051,644	1,084,312

Information about major customers

Revenue from two (2021: two) major customers amounted to RM450.2 million and RM635.1 million (2021: RM455.7 million and RM532.6 million) respectively, arising from services rendered in the Infrastructure Services and Healthcare Support segment.

44. SIGNIFICANT CONTINGENT LIABILITIES

As at 31 December 2022, there is no significant contingent liabilities.

The development of material litigation disclosed as contingent liabilities in the financial year ended 31 December 2021 are as follows:

(a) Ahmad Zaki Sdn. Bhd. ("AZSB") vs Edgenta PROPEL Berhad ("EPB")

On 15 April 2021, AZSB commenced an action against EPB on the claim that EPB has breached the terms of contract, mainly due to the EPB's failure to meet completion date. Consequently, AZSB had to engage third parties to complete some of the works under the contract. AZSB is therefore seeking reliefs amounting to RM30.9 million from EPB.

As at 31 December 2021, no provision was recognised and AZSB's claim was disclosed as contingent liability as EPB has been advised by its legal counsel that it has a good defence against the claim.

On 12 July 2022, AZSB and EPB has reached a settlement and recorded consent judgement before the judge on 27 July 2022. The terms of the Consent Judgement include withdrawal of all the claims against EPB amounting to RM30.9 million with no liberty to file afresh and AZSB is to pay EPB's counter-claim of RM10.6 million, by way of 10 monthly instalments from 30 November 2022 to 31 August 2023.

As a result of AZSB's failure to meet the instalment plan per consent judgement, EPB has filed a winding-up petition against AZSB on 3 January 2023. On 27 January 2023, EPB's winding up petition against AZSB was withdrawn with a liberty to start afresh and EPB allowed the payment of outstanding amounts via 11 monthly instalments from 31 March 2023 to 31 January 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

44. SIGNIFICANT CONTINGENT LIABILITIES (CONTD.)

The development of material litigation disclosed as contingent liabilities in the financial year ended 31 December 2021 are as follows: (contd.)

(b) Magna Meditech Sdn. Bhd. ("MMSB") vs Edgenta Mediserve Sdn. Bhd. ("EMS")

On 25 March 2021, MMSB commenced an action against EMS on the claim that EMS has breached the terms of contract, by prematurely and unlawfully terminating the contract. MMSB seeks reinstatement of the contract by way of a new term of 3 years with an extension of further 2 years damages amounting to RM22.0 million.

As at 31 December 2021, no provision was recognised and MMSB's claim was disclosed as contingent liability as EMS has been advised by its legal counsel that it has a good defence against the claim.

On 29 December 2022, EMS entered into a settlement agreement with MMSB. Pursuant to the settlement agreement, EMS will pay a settlement sum of RM1.2 million and MMSB withdrew the claim against EMSB without liberty to file afresh. The settlement sum, which also inclusive of claim of assets and equipment purchased by MMSB had been recorded by EMS in the financial year ended 31 December 2022.

(c) UEM Edgenta Berhad ("UEM Edgenta" or "the Company") and DGIR

On 30 April 2021, the DGIR served UEM Edgenta with additional tax assessment for the years of assessment 2015 to 2018 for additional income taxes and penalty of RM18.7 million. The additional income tax was imposed by DGIR mainly pursuant to the dispute on the status of the Company as a Management Service Company and shall be taxed as an Investment Holding Company under Section 60FA of the Income Tax Act, 1967.

At 31 December 2021, no provision was recognised and the additional tax assessment was disclosed as contingent liability as the Company has been advised by its legal counsel that it has a valid legal claim to challenge the basis of assessment.

On 8 December 2022, the Company reached an out of court settlement with DGIR, on the Company's treatment of its taxable income, which resulted in the downward revision of additional tax assessments and penalty from RM18.7 million to RM6.9 million. The Company had recorded additional tax assessments and penalty totalling to RM6.9 million, disclosed in Note 7 and Note 10.

(d) Edgenta PROPEL Berhad ("EPB") and DGIR

On 29 June 2021, DGIR served EPB with additional tax assessment for the years of assessment 2016 to 2018 for additional income taxes of RM9.4 million. The additional income taxes are consequent to the DGIR's view that EPB ought to not have deducted the adjusted losses surrendered to it by UEM Edgenta Berhad, flowing from DGIR's position that UEM Edgenta is not a management services company as described in Note 44(c).

On 8 December 2022, EPB reached an out of court settlement with DGIR. As the losses surrendered by UEM Edgenta are now allowed for deduction by EPB, there is no additional tax charges imposed for the years of assessment 2016 to 2018. Consequently, DGIR discharged all the notices of additional assessments.

45. SIGNIFICANT EVENTS

(a) On 10 March 2022, OIMB, a wholly-owned subsidiary of OGB which in turn is a wholly-owned subsidiary of UEM Edgenta Berhad entered into a Shareholders Agreement with PPES and OCS to jointly provide project management services and engineering design consultancy services, relating to the engineering and construction projects.

On 22 April 2022, OCS issued 175,000 new ordinary shares, in which 47,500 and 127,500 were subscribed by OIMB and PPES, respectively. As a result, OIMB's equity interest were diluted to 49% and OCS became a JV to OIMB as disclosed in Note 20.

(b) On 29 September 2022, Edgenta Arabia Limited ("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 for Facilities Management Company, through a 60% equity interest buy-in by EAL.

The transaction is expected to be completed in the first quarter of financial year ending 31 December 2023. As at 31 December 2022, the transaction has no financial impact to the Group and the Company.

(c) On 9 November 2022, Edgenta Facilities Sdn Bhd ("EFSB"), a wholly-owned subsidiary of UEM Edgenta entered into a Share Purchase Agreement for the disposal of its entire 47,113 equity shares in FSPL, representing 51% of the paid-up share capital of FSPL for a sale consideration of INR700 million (approximately RM39.1 million).

The disposal has been completed on 17 November 2022. Further details are disclosed in Note 19.

(d) Malaysia transitioned into an endemic phase of Covid-19 on 1 April 2022. Accordingly, the Group has also been able to resume its operations at full capacity while still maintaining necessary precautionary measures in our day-to-day operation.

46. 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 2022 %	Effective proportion of ownership interest 2021 %	Principal activities
Subsidiary of the Company:					
Edgenta FIRST Sdn. Bhd.	Malaysia	100,000	**100**	100	Provision of management services
Edgenta Arabia Limited (a)	The Kingdom of Saudi Arabia	SAR 500,000	**100**	–	Investment holding, 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	2	**100**	100	Provision of hospital support services

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

46. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2022 %	Effective proportion of ownership interest 2021 %	Principal activities
Subsidiary of the Company: (contd.)					
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
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
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
Edgenta Energy Projects Sdn. Bhd.	Malaysia	750,000	**100**	100	Providing energy performance management services and renewable energy services
Edgenta (Singapore) Pte. Ltd.	Singapore	SGD40,748,425	**100**	100	Investment holding
Subsidiary of Edgenta Healthcare Management Sdn. Bhd.:					
Edgenta Mediserve Sdn. Bhd. (c)	Malaysia	43,170,010	**100**	100	Provision of hospital support services

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

46. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2022 %	Effective proportion of ownership interest 2021 %	Principal activities
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
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 (Sabah) Sdn. Bhd.	Malaysia	4,500,000	**100**	100	Property development
Faber Heights Management Sdn. Bhd.	Malaysia	2	**100**	100	Property management
Country View Development Sdn. Bhd.	Malaysia	11,200,000	**100**	100	Property development and provision of facilities management services

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

46. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2022 %	Effective proportion of ownership interest 2021 %	Principal activities
Subsidiary of Edgenta Facilities Sdn. Bhd.:					
Edgenta Facilities Management Sdn. Bhd.	Malaysia	5,000,000	**100**	100	Facilities management services
Faber Star Facilities Management Limited. (b)	India	Rs3,57,10,770	**100**	100	Facilities management services
Associate of Edgenta Facilities Sdn. Bhd.:					
Faber Sindoori Management Services Private Limited (b)	India	Rs9,23,780	**–**	51	Facilities management in India
Subsidiary of Edgenta PROPEL Berhad:					
Edgenta Infrastructure Services Sdn. Bhd.	Malaysia	49,798,206	**100**	100	Maintenance and repair of civil, mechanical and electrical works on roads, infrastructure and expressways and industrial cleaning services
PT Edgenta PROPEL Indonesia (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. (f)	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
Jointly Controlled Operation of PT Edgenta PROPEL Indonesia					
PT Edgenta PROPEL PT Astra Nusantara – Astra Infra Solutions JO	Unincorporated	–	**–**	50	Providing highway maintenance services

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

46. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2022 %	Effective proportion of ownership interest 2021 %	Principal activities
Subsidiary of Opus Group Berhad:					
Builders Credit & Leasing Sdn. Bhd.	Malaysia	600,000	**100**	100	Investment holding
Opus International (NZ) Limited (a)	New Zealand	NZD200	**100**	100	Investment holding
Opus International (M) Berhad	Malaysia	15,000,000	**100**	100	Management of the planning, design and construction of infrastructure projects and provision of facilities management services
Subsidiary of Opus International (M) Berhad:					
Opus Management Sdn. Bhd.	Malaysia	1,000,000	**100**	100	Management of the planning, design and construction of infrastructure projects and provision of facilities management services
Opus Consultants (Sarawak) Sdn. Bhd.	Malaysia	250,000	**–**	100	Provision of project management and engineering consultancy services
Pengurusan Lantas Berhad	Malaysia	5,000,000	**100**	100	Provision of technical management support services for the planning, design and construction of projects
Pengurusan LRT Sdn. Bhd.	Malaysia	2	**–**	100	Dissolved
Opus International India Private Limited (b)	India	Rs4,60,000	**100**	100	Provision of asset development and asset management services
Opus Al-Dauliyyah L.L.C. (b)(d)	The Kingdom of Saudi Arabia	SAR 500,000	**100**	100	Engineering consultancy services
Associate of Opus International (M) Berhad:					
Opus Consultants (M) Sdn. Bhd.	Malaysia	250,531	**30**	30	Engineering consultancy services

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

46. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2022 %	Effective proportion of ownership interest 2021 %	Principal activities
Joint Venture of Opus International (M) Berhad:					
Opus Consultants (Sarawak) Sdn. Bhd.	Malaysia	250,000	**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
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	USD1,503,200	**100**	100	Facilities management and building cleaning services

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

46. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2022 %	Effective proportion of ownership interest 2021 %	Principal activities
Subsidiary of Edgenta GreenTech Sdn. Bhd.: (contd.)					
Operon Malaysia Sdn. Bhd.	Malaysia	100,000	**100**	100	Provision of supervising officer for activities related to Green Technology and other solutions for the built environment
KFM Middle East Limited (b)	British Virgin Island	USD1,000	**70**	70	Dormant
Subsidiary of Edgenta (Singapore) Pte. Ltd.:					
UEMS Pte. Ltd. (a)	Singapore	SGD8,300,000	**100**	100	Investment holding
Subsidiary of UEMS Pte. Ltd.:					
UEMS Solutions Pte. Ltd. (a)	Singapore	SGD2,000,000	**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
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	TWD25,000,000	**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	HKD20,360,000	**100**	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

46. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

Name of Companies	Country of incorporation	Issued and paid-up share capital RM	Effective proportion of ownership interest 2022 %	Effective proportion of ownership interest 2021 %	Principal activities
Subsidiary of Edgenta UEMS Ltd.:					
Edgenta UEMS SC Ltd. (a)	Taiwan	TWD25,000,000	**100**	100	Provision of cleaning, portering and consulting services for hospitals, medical care institutes, commercial, high-tech companies, education centre, transportation and shopping mall

(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) Edgenta Mediserve Sdn. Bhd. is 43% owned by UEM Edgenta Berhad and 57% owned by Edgenta Healthcare Management Sdn. Bhd.

(d) Opus Al-Dauliyyah L.L.C. is 95% owned by Opus International (M) Berhad and 5% owned by Opus Management Sdn. Bhd.

(e) Classified as disposal group held for sale during the current financial year (Note 28).

(f) 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.

SHAREHOLDERS' INFORMATION



- Analysis of Shareholdings 384
- Properties Held by Our Group 387
- Recurrent Related Party Transactions 388
- GRI Content Index 399
- FTSE4Good Content Index 405
- Glossary 427
- Notice of the 60th Annual General Meeting 432
- Statement Accompanying Notice of 60th Annual General Meeting 436
  - Form of Proxy
  - Group Directory

ANALYSIS OF SHAREHOLDINGS

As at 20 March 2023

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	1,109	6.69	34,858	0.00
100 - 1,000	9,493	57.23	3,502,440	0.42
1,001 - 10,000	4,483	27.02	19,524,395	2.35
10,001 - 100,000	1,334	8.04	39,468,864	4.75
100,001 - 41,581,200 (*)	168	1.01	145,812,248	17.53
41,581,201 and above (**)	2	0.01	623,281,225	74.95
Total	**16,589**	**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 2023

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
1	UEM GROUP BERHAD	574,967,925	69.14
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (1)	48,313,300	5.81
3	AMANAHRAYA TRUSTEES BERHAD PUBLIC ITTIKAL SEQUEL FUND	16,337,000	1.96
4	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	10,825,500	1.30
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	9,577,100	1.15
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR PRINCIPAL DALI EQUITY GROWTH FUND (UT-CIMB-DALI) (419455)	7,887,200	0.95
7	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC TREASURES GROWTH FUND	7,267,700	0.87
8	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	6,114,298	0.74

ANALYSIS OF SHAREHOLDINGS

As at 20 March 2023

30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

As at 20 March 2023

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	5,356,300	0.64
10	CARTABAN NOMINEES (ASING) SDN BHD STATE STREET LONDON FUND MJEM FOR MERCER INVESTMENT FUND 1 (MERCER QIF FUND)	4,821,500	0.58
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	4,363,200	0.52
12	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	3,986,683	0.48
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	3,035,400	0.36
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	2,692,900	0.32
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)	2,135,000	0.26
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ARIM)	2,065,500	0.25
17	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	1,879,800	0.23
18	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC SELECT TREASURES FUND	1,839,300	0.22
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANDREW LIM ENG GUAN	1,799,000	0.22
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	1,588,700	0.19
21	CIMSEC NOMINEES (ASING) SDN BHD CIMB FOR TOSHIHIKO SAITO (PB)	1,500,000	0.18
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUNG KEAT ANN	1,500,000	0.18
23	CARTABAN NOMINEES (ASING) SDN BHD STATE STREET MUNICH FUND SGZL FOR GAM INVESTMENT MANAGEMENT (SWITZERLAND) AG ON BEHALF OF REUSS-ASIA SMALL CAP	1,490,200	0.18
24	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD PRINCIPAL ISLAMIC ASSET MANAGEMENT SDN BHD FOR LEMBAGA TABUNG HAJI	1,485,900	0.18
25	NG CHEONG BING	1,477,800	0.18
26	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN TAKAFUL BERHAD (MEKAR)	1,305,800	0.16

ANALYSIS OF SHAREHOLDINGS

As at 20 March 2023

30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

As at 20 March 2023

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
27	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND J724 FOR SPDR S&P EMERGING MARKETS ETF	1,242,700	0.15
28	SYARIKAT PEMASARAN SEJATI SDN BHD	1,227,951	0.15
29	LIM CHEE MENG	1,215,000	0.15
30	DING HUONG KAI	1,210,000	0.15
TOTAL		**730,508,657**	**87.85**

SUBSTANTIAL SHAREHOLDERS

As per the Register of Substantial Shareholders
As at 20 March 2023

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
UEM Group Berhad	574,967,925	69.14	–	–
Khazanah Nasional Berhad#	–	–	574,967,925	69.14
Urusharta Jamaah Sdn Bhd	48,313,300	5.81	–	–

Note:
#Deemed interested pursuant to Section 8(4) of the Companies Act 2016.

DIRECTORS' INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

As at 20 March 2023

Directors' Interests in Ordinary Shares of UEM Edgenta Berhad

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Tan Sri Dr. Azmil Khalid	–	–	–	–
Syahrunizam Samsudin	–	–	–	–
Dato' Mohd Izani Ghani	–	–	–	–
Dato' Noorazman Abd Aziz	–	–	–	–
Dato' George Stewart LaBrooy	–	–	–	–
Rowina Ghazali Seth	–	–	–	–
Shirley Goh	–	–	–	–
Jenifer Thien Bit Leong	–	–	–	–
Mohd Asrul Ab Rahim	–	–	–	–

PROPERTIES HELD BY THE GROUP

Location & Address	Description Of Properties	Approx. Land Area	Gross Built-Up Area (Sq. Meters)	Existing Use	Land Tenure (Expire Date)	Building Approx. Age (Years)	Net Book Value As At 31.12.2022 (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)	8	7,681	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)	26	860	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)	19	688	31.12.2022
Lot No. 131 (CL215359890) & Lot No. 132 (CL215359907) SEDCO Industrial Estate Lok Kawi, Sabah	Incineration plant with single-storey detached factory with mezzanine office	0.51 acres	2,060	Incinerator for clinical waste	Leasehold (13.12.2042)	17	297	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	11	1,160	31.12.2022
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	9	308	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	17	2,274	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	12	213	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 (29.9.2086)	32	2,091	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)	–	13,800	31.12.2022

RECURRENT RELATED PARTY TRANSACTIONS

The shareholders of UEM Edgenta Berhad ("UEM Edgenta" or "the Company"), at the 59th Annual General Meeting held on 16 June 2022, 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 2022 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 2022 to 16 June 2022 RM'000	Value Incurred from 17 June 2022 to 31 December 2022 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
1.	UEM Edgenta Group	UEM Group Berhad ("UEMG") and its subsidiaries ("UEMG Group")	Khazanah Nasional Berhad ("Khazanah") is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. Dato' Mohd Izani Ghani is a director of UEM Edgenta and UEMG. Dato' Mohd Izani Ghani does not have any equity interest in UEMG.	Provision of directors and staff training and development by UEMG Group.	–	–	–
				Provision of administrative and audit and tax services by UEMG Group.	–	–	–
				Rental of office space in Tower 1, Avenue 7, Bangsar South and ancillary facilities from UEMG Group.	3,737	5,232	8,969
				Rental of archive store at Taman Desa and ancillary facilities from UEMG Group.	113	137	250
				Rental of training space at UEM Learning Centre, Petaling Jaya from UEMG Group.	374	524	898
				Payment of annual nomination fee to UEMG.	4,167	5,833	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.	–	–	–
				Rental of office area at Petaling Jaya from UEMG Group.	198	277	475

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 2022 to 16 June 2022 RM'000	Value Incurred from 17 June 2022 to 31 December 2022 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
2.	UEM Edgenta Group	PLUS Malaysia Berhad and its subsidiaries ("PLUS Malaysia Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. PLUS Malaysia is a 51% subsidiary of UEMG. Dato' Mohd Izani Ghani and Dato' Noorazman Abd Aziz are directors of UEM Edgenta and PLUS Malaysia. Dato' Mohd Izani Ghani and Dato' Noorazman Abd Aziz do not have any equity interest in PLUS Malaysia.	Provision of facilities maintenance services to PLUS Malaysia Group.	10	–	10
				Provision of highway operations and maintenance services through Performance Based Contract ("PBC") concept to PLUS Malaysia Group.	–	–	–
				Provision of design, consultancy services, maintenance management & technical services to PLUS Malaysia Group; project management fees and development & proposed network maintenance fee from PLUS Malaysia Group.	10,713	14,923	25,635
				Provision of highway maintenance services to PLUS Malaysia Group.	207,694	443,836	651,531
				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. UEM Edgenta is a 69.14% subsidiary of UEMG. UEM Sunrise is a 69.56% subsidiary of UEMG. Dato' Mohd Izani Ghani and Dato' Noorazman Abd Aziz are directors of UEM Edgenta and UEM Sunrise. Dato' Mohd Izani Ghani and Dato' Noorazman Abd Aziz do not have any equity interest in UEM Sunrise.	Provision of facilities maintenance services to UEM Sunrise Group.	2,941	4,176	7,117
				Provision of services to UEM Sunrise Group as follows: (i) pavement, MEE works, utilities relocation and traffic management works; (ii) project management consultancy services for commercial development; (iii) proposed soil investigation works, instrumentation, material testing, environmental services and pavement works for projects development; (iv) provision of energy management services; and/or (v) provision of Strata and Building Facilities Management software - User License Fee.	–	–	–
				Provision of energy management service, operate and maintain the district 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 2022 to 16 June 2022 RM'000	Value Incurred from 17 June 2022 to 31 December 2022 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
4.	UEM Edgenta Group	Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARH")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. TARH is a wholly-owned subsidiary of Khazanah.	Provision of services to TARH as follows: (i) pavement, MEE works, utilities relocation and traffic management works; (ii) proposed soil investigation works, instrumentation, material testing, environmental services for hotels and resorts; and/or (iii) buildings and facilities audit exercise at Desaru Adventure Water Park.	95	–	95
5.	UEM Edgenta Group	First Impact Sdn. Bhd. ("First Impact")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. First Impact is a wholly-owned subsidiary of UEMG.	Provision of asset management services for office buildings of First Impact.	3,441	5,912	9,353
				Installation and upgrading of building equipment and assets for First Impact.	–	–	–
6.	UEM Edgenta Group	Telekom Malaysia Berhad ("TM") and its subsidiaries ("TM Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. Khazanah holds 21.11% 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.	–	–	–
7.	UEM Edgenta Group	Malaysia Airports Holdings Berhad ("MAHB") and its subsidiaries ("MAHB Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. MAHB is a 33.21% associated company of Khazanah.	Provision of services to MAHB Group as follows: (i) pavement, civil, MEE works, utilities relocation works and traffic management services; and/or (ii) proposed soil investigation works, instrumentation, material testing, environmental services and pavement works for airports.	–	–	–

RECURRENT RELATED PARTY TRANSACTIONS

Item	Company in UEM Edgenta Group Involved	Transacting Party	Nature of Relationship as at the Last Practicable Date ("LPD")	Nature of Transaction	Value Incurred from 1 January 2022 to 16 June 2022 RM'000	Value Incurred from 17 June 2022 to 31 December 2022 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
8.	UEM Edgenta Group	Tenaga Nasional Berhad ("TNB") and its subsidiaries ("TNB Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. TNB is a 25.28% associated company of Khazanah.	Provision of services to TNB Group as follows: (i) project management consultancy services for office building; (ii) provision of pavement, MEE works, utilities relocation and traffic management works; (iii) proposed soil investigation works, instrumentation, material testing, environmental services; and/or (iv) provision of integrated facilities management and energy services for TNB buildings.	–	–	–
9.	UEM Edgenta Group	Borneo Highway PDP Sdn. Bhd. ("BHP")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. BHP is a 40% associated company of UEM MMC Joint Venture Sdn. Bhd., which in turn is a 50% joint venture of UEMG.	Provision of services to BHP as follows: (i) pavement, MEE works, utilities relocation and traffic management works; (ii) payment of project management fees for highway project; and/or (iii) proposed soil investigation works, instrumentation, material testing, environmental services and pavement works.	–	–	–
10.	UEM Edgenta Group	Cenviro Sdn. Bhd. and its subsidiaries ("Cenviro Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. Cenviro is a wholly-owned subsidiary of Khazanah. Tan Sri Dr. Azmil Khalid is a director of UEM Edgenta and Cenviro. Tan Sri Dr. Azmil Khalid does not have any equity interest in Cenviro.	Provision of services to Cenviro Group as follows: (i) provision of office services; and/or (ii) proposed soil investigation works, instrumentation, material testing, environmental services.	19	37	56
				Provision of healthcare waste management services to Cenviro 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 2022 to 16 June 2022 RM'000	Value Incurred from 17 June 2022 to 31 December 2022 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
11.	UEM Edgenta Group	Konsortium ProHAWK Sdn. Bhd. ("ProHAWK")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. 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 management, operations and maintenance of parking facilities, café, medical hotel and retail business at Women & Children Hospital ("WACH") to ProHAWK.	–	–	–
				Provision of asset management services for WACH to ProHAWK.	18,283	12,076	30,358
12.	UEM Edgenta Group	Teras Teknologi Sdn. Bhd. ("TERAS")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. TERAS is a wholly-owned subsidiary of PLUS Malaysia, which in turn is a 51% subsidiary of UEMG.	Provision of MEE works to TERAS by Edgenta PROPEL Berhad ("Edgenta PROPEL").	–	–	–
13.	UEM Edgenta Group	Kualiti Alam Sdn. Bhd. ("Kualiti Alam")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. Kualiti Alam is a wholly-owned subsidiary of Cenviro, which in turn is a wholly-owned subsidiary of Khazanah.	Provision of waste collection services by Kualiti Alam.	40	–	40
14.	UEM Edgenta Group	Kuad Sdn. Bhd. ("Kuad")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. Cement Industries of Malaysia Berhad ("CIMA"), a wholly-owned subsidiary of UEMG, has disposed its 70% interest in Kuad.	Purchase of material and provision of pavement works from Kuad.	–	–	–

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 2022 to 16 June 2022 RM'000	Value Incurred from 17 June 2022 to 31 December 2022 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
15.	UEM Edgenta Group	Kuari Pati Sdn. Bhd. ("Kuari Pati")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. Kuari Pati is a wholly-owned subsidiary of CIMA, which in turn is a wholly-owned subsidiary of UEMG.	Purchases of materials for pavement works from Kuari Pati.	–	–	–
16.	UEM Edgenta Group	TT dotCom Sdn. Bhd. ("TT dotCom")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. TT dotCom Sdn. Bhd. is a wholly-owned subsidiary of TIME dotCom Berhad ("TdC"). TdC is a 10.73% associated company of Khazanah. TdC is a 29.11% associated company of Pulau Kapas Ventures Sdn. Bhd., which in turn is a 30.0% associated company of Khazanah.	Provision of fiber optic maintenance on highway by TT dotCom.	501	1,026	1,527
				Provision of integrated facilities maintenance services and energy management services to TT dotCom.	–	–	–
17.	UEM Edgenta Group	IHH Healthcare Berhad and its subsidiaries ("IHH Healthcare Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEM Edgenta is a 69.14% subsidiary of UEMG. IHH Healthcare is a 25.95% 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.	425	442	867

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 2022 to 16 June 2022 RM'000	Value Incurred from 17 June 2022 to 31 December 2022 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
18.	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 10.6% associated company of Mount Bintang Ventures Sdn. Bhd., which in turn is a wholly-owned subsidiary of Khazanah.	Provision of integrated facilities maintenance services and energy management services to edotco Group.	–	–	–
19.	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.	–	–	–
20.	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 wholly-owned subsidiary of Khazanah.	Provision of healthcare waste management services by Cenviro Group.	1,071	4,278	5,349

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 2022 to 16 June 2022 RM'000	Value Incurred from 17 June 2022 to 31 December 2022 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
21.	Edgenta Facilities Sdn. Bhd. and its subsidiaries ("EFSB Group")	Symphony Hills Sdn. Bhd. ("Symphony Hills")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. EFSB is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG. Symphony Hills is a wholly-owned subsidiary of Bandar Nusajaya Development Sdn. Bhd., which in turn is a wholly-owned subsidiary of UEM Land Berhad ("UEM Land"), which in turn is a wholly-owned subsidiary of UEM Sunrise, which in turn is a 69.56% subsidiary of UEMG.	Provision of cleaning services at sales gallery, office and unit show houses for Symphony Hills.	–	–	–
22.	EFSB Group	UEM Builders Berhad ("UEM Builders")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. EFSB is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG. UEM Builders is a wholly-owned subsidiary of UEMG.	Provision of cleaning services and mechanical and electrical ("M&E") maintenance to UEM Builders.	8	15	23
23.	EFSB Group	CIMB Group Holdings Berhad and its subsidiaries ("CIMB Group")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. EFSB is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG. CIMB is a 25.72% associated company of Khazanah.	Provision of facilities maintenance services to CIMB Group.	5,677	10,030	15,707
24.	Edgenta PROPEL	UEM Construction Sdn. Bhd. ("UEM Construction")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. Edgenta PROPEL is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG. UEM Construction is a wholly-owned subsidiary of UEM Builders, which in turn is a wholly-owned subsidiary of UEMG.	Provision of fourth lane widening ("FLW") civil works, MEE works and street lighting and traffic management services to UEM Construction.	–	7	7

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 2022 to 16 June 2022 RM'000	Value Incurred from 17 June 2022 to 31 December 2022 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
25.	Edgenta UEMS Sdn. Bhd. ("UEMS Malaysia")	IMU Education Sdn. Bhd. ("IMU")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. UEMS Malaysia is a wholly-owned subsidiary of UEMS Pte. Ltd., which in turn is a wholly-owned subsidiary of Edgenta (Singapore) Pte. Ltd. ("Edgenta Singapore"), which in turn is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG. IMU is a wholly-owned subsidiary of IMU Health Sdn. Bhd., which in turn is a wholly-owned subsidiary of IHH Healthcare, which in turn is a 25.95% associated company of Pulau Memutik Ventures Sdn. Bhd., which in turn is a wholly-owned subsidiary of Khazanah.	Provision of facilities maintenance services to IMU.	349	756	1,104
26.	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 25.95% 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.	4,769	7,884	12,653

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 2022 to 16 June 2022 RM'000	Value Incurred from 17 June 2022 to 31 December 2022 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
27.	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.	159	260	419
28.	UEMS Malaysia	MAHB	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. MAHB is a 33.21% associated company of Khazanah.	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.	1,124	–	1,124
29.	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 25.95% 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.	455	554	1,009

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 2022 to 16 June 2022 RM'000	Value Incurred from 17 June 2022 to 31 December 2022 RM'000	Aggregate Value of Transactions during the Financial Year RM'000
30.	Edgenta GreenTech Sdn. Bhd. ("EGT")	Putrajaya Holdings Sdn. Bhd. ("PHSB")	Khazanah is the holding company of UEMG by virtue of its 100% interest in UEMG. EGT is a wholly-owned subsidiary of UEM Edgenta, which in turn is a 69.14% subsidiary of UEMG. PHSB is a 15.59% associated company of Khazanah.	Provision of integrated facilities maintenance services and energy management services to PHSB.	–	–	–
31.	Edgenta PROPEL	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. PHSB is a 15.59% associated company of Khazanah.	Provision of bridge maintenance services, pavement, civil, MEE works, utilities relocation works and traffic management services to PHSB.	–	–	–
32.	Edgenta PROPEL	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.	–	–	–

GRI CONTENT INDEX

Statement of use	UEM Edgenta Berhad has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022, with reference to the GRI Standards.
GRI Version	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE		LOCATION
GRI 2: General Disclosures 2021	2-1	Organisational details	Who We are, Page 5
	2-2	Entities included in the organisation's sustainability reporting	Sustainability at UEM Edgenta, About This Report, Page 102
	2-3	Reporting period, frequency and contact point	
	2-4	Restatements of information	Minimising Environment Impact, Page 138 and 140
	2-5	External assurance	Sustainability at UEM Edgenta, About This Report, Page 102
	2-6	Activities, value chain and other business relationships	What We Do, Page 18
	2-7	Employees	Social Value Creation, Page 176-177
	2-8	Workers who are not employees	
	2-9	Governance structure and composition	Sustainability at UEM Edgenta, Governance Structure, Page 111
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability at UEM Edgenta, Governance Structure, Page 111
	2-13	Delegation of responsibility for managing impacts	Sustainability at UEM Edgenta, Governance Structure, Page 111
	2-14	Role of the highest governance body in sustainability reporting	Sustainability at UEM Edgenta, Governance Structure, Page 111
	2-15	Conflicts of Interest	
	2-16	Communication of critical concerns	Sustainability at UEM Edgenta, Governance Structure, Page 111
	2-17	Collective knowledge of the highest governance body	Minimising Environment Impact, Climate Change and Energy, Addressing Climate Change and Exploring Energy Efficiency, Page 133
	2-18	Evaluation of the performance of the highest governance body	Governance, Corporate Governance Overview Statement, Page 214
	2-19	Remuneration policies	Governance, Corporate Governance Overview Statement, Page 214
	2-20	Process to determine remuneration	Corporate Governance Overview Statement
	2-21	Annual total compensation ratio	Information unavailable. Steps are being taken to include the information in the next Report
	2-22	Statement on sustainable development strategy	Information unavailable. Steps are being taken to include the information in the next Report
	2-23	Policy commitments	Information unavailable. Steps are being taken to include the information in the next Report
	2-24	Embedding policy commitments	Information unavailable. Steps are being taken to include the information in the next Report
	2-25	Processes to remediate negative impacts	Corporate Integrity and Ethical Business Conduct, Page 246

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE		LOCATION
	2-26	Mechanisms for seeking advice and raising concerns	Social Value Creation, Diversity and Inclusion, Page 175
	2-27	Compliance with laws and regulations	Social Value Creation, Human Rights Assessment, Aligning Our Stance on Human Rights, Page 181
	2-28	Membership associations	Minimising Environment Impact, Climate Change and Energy, Addressing Climate Change and Exploring Energy Efficiency, Page 133
	2-29	Approach to stakeholder engagement	Information unavailable. Steps are being taken to include the information in the next Report
	2-30	Collective bargaining agreements	Information unavailable. Steps are being taken to include the information in the next Report
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Our Material Matters, Page 70 Sustainability at UEM Edgenta, Stakeholder Engagement, Page 116 Stakeholder Engagement Page 56 - 61
	3-2	List of material topics	Our Material Matters, Page 70-71
	3-3	Management of material topics	Sustainability at UEM Edgenta, Business Ethics, Page 117 Social Value Creation Occupational Health and Safety, Page 150 Social Value Creation, Employment Culture, Page 163 Social Value Creation, Employment Culture, Diversity and Inclusion, Page 175 Social Value Creation, Employment Culture, Skills and Career Development, Page 163 Social Value Creation, Customer Satisfaction, Management Approach and Initiatives, Page 180 Social Value Creation, Local Community, Contributing to our Local Communities, Page 183 Social Value Creation, Human rights Assessment, Page 161 Minimising Environment Impact, Climate Change and Energy, Addressing Climate Change and Exploring Energy Efficiency, Page 132 Minimising Environment Impact, Climate Change and Energy, Page 133 Minimising Environment Impact, Decarbonisation, Page 138
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Sustainable Economic Growth, Economic Development, Expand Footprint and Deepen Solutions Base, Page 121
	201-2	Financial implications and other risks and opportunities due to climate change	Information unavailable. Steps are being taken to include the information in the next Report
	201-3	Defined benefit plan obligations and other retirement plans	Sustainable Economic Growth, Economic Development, Expand Footprint and Deepen Solutions Base, Page 123
	201-4	Financial assistance received from government	Sustainable Economic Growth, Economic Development, Expand Footprint and Deepen Solutions Base, Page 123

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Sustainable Economic Growth, Economic Development, Page 124
	202-2 Proportion of senior management hired from the local community	Sustainable Economic Growth, Economic Development, Page 124
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Minimising Environment Impact, Decarbonization, Page 138 Minimising Environment Impact, Maintaining our Environmental Stewardship, Page 142
	203-2 Significant indirect economic impacts	Sustainable Economic Growth, Environment and Social Sections
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainable Economic Growth, Supply Chain Management, Page 129
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Information unavailable. Steps are being taken to include the information in the next Report
	205-2 Communication and training about anti-corruption policies and procedures	Information unavailable. Steps are being taken to include the information in the next Report
	205-3 Confirmed incidents of corruption and actions taken	Information unavailable. Steps are being taken to include the information in the next Report
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Information unavailable. Steps are being taken to include the information in the next Report
GRI 207: Tax 2019	207-1 Approach to tax	Information unavailable. Steps are being taken to include the information in the next Report
	207-2 Tax governance, control, and risk management	Information unavailable. Steps are being taken to include the information in the next Report
	207-3 Stakeholder engagement and management of concerns related to tax	Information unavailable. Steps are being taken to include the information in the next Report
	207-4 Country-by-country reporting	Segmental financial information
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Minimising Environment Impact, Maintaining our Environmental Stewardship, Material Utilisation, Page 146
	301-2 Recycled input materials used	Minimising Environment Impact, Maintaining our Environmental Stewardship, Material Utilisation, Page 146
	301-3 Reclaimed products and their packaging materials	Information unavailable. Steps are being taken to include the information in the next Report
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Minimising Environment Impact, Scope 3 Emission data, page 36
	302-2 Energy consumption outside of the organisation	Information unavailable. Steps are being taken to include the information in the next Report
	302-3 Energy intensity	Information unavailable. Steps are being taken to include the information in the next Report
	302-4 Reduction of energy consumption – not disclosed	Minimising Environment Impact, Decarbonisation, Page 138
	302-5 Reductions in energy requirements of products and services – not disclosed	Minimising Environment Impact, Page 135-136 Minimising Environment Impact, Decarbonisation, Page 138

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Information unavailable. Steps are being taken to include the information in the next Report
	304-2 Significant impacts of activities, products and services on biodiversity	Information unavailable. Steps are being taken to include the information in the next Report
	304-3 Habitats protected or restored	Information unavailable. Steps are being taken to include the information in the next Report
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Information unavailable. Steps are being taken to include the information in the next Report
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Minimising Environment Impact, Page 137-141
	305-2 Energy indirect (Scope 2) GHG emissions	Minimising Environment Impact, Page 137-141
	305-3 Other indirect (Scope 3) GHG emissions	Minimising Environment Impact, Page 137-141
	305-4 GHG emissions intensity	Minimising Environment Impact, Page 137-141
	305-5 Reduction of GHG emissions	Information unavailable. Steps are being taken to include the information in the next Report
	305-6 Emissions of ozone-depleting substances (ODS)	Information unavailable. Steps are being taken to include the information in the next Report
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Information unavailable. Steps are being taken to include the information in the next Report
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Information unavailable. Steps are being taken to include the information in the next Report.
	306-2 Management of significant waste-related impacts	Minimising Environment Impact, Maintaining our Environmental Stewardship, Waste Management, Page 143-145
	306-3 Waste generated	Minimising Environment Impact, Maintaining our Environmental Stewardship, Waste Management, Page 143-145
	306-4 Waste diverted from disposal	Minimising Environment Impact, Maintaining our Environmental Stewardship, Waste Management, Page 143-145
	306-5 Waste directed to disposal	Minimising Environment Impact, Maintaining our Environmental Stewardship, Waste Management, Page 143-145
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management, Responsible Supply Chain Management, Page 127
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Management, Responsible Supply Chain Management, Page 127
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employment Culture, Talent Attraction and Retention, Performance Data, Page 168
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment Culture, Talent Attraction and Retention, Performance Data, Page 168
	401-3 Parental leave	Employment Culture, Talent Attraction and Retention, Performance Data, Page 168

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Information unavailable. Steps are being taken to include the information in the next Report
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Social Value Creation, Occupational Health and Safety, Occupational Health and Safety Management System, Page 151
	403-2 Hazard identification, risk assessment, and incident investigation	Social Value Creation, Occupational Health and Safety, Risk Assessment and Hazard Identification, Page 153
	403-3 Occupational health services	Social Value Creation, Promoting the health and wellbeing of employees, Page 157
	403-4 Worker participation, consultation, and communication on occupational health and safety	Social Value Creation, HSSE Governance Structure, Page 153
	403-5 Worker training on occupational health and safety	Social Value Creation, Promoting the health and wellbeing of employees, Page 157
	403-6 Promotion of worker health	Social Value Creation, Promoting the health and wellbeing of employees, Page 157
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Social Value Creation, Page 160
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, Occupational Health and Safety Management System, Page 151
	403-9 Work-related injuries	Occupational Health and Safety, Occupational Health and Safety Management System, Page 151
	403-10 Work-related ill health	Information unavailable. Steps are being taken to include the information in the next Report
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Social Value Creation, Occupational Health and Safety, Skills and Career Development, Performance Data, Page 166-167
	404-2 Programs for upgrading employee skills and transition assistance programs	Social Value Creation, Occupational Health and Safety, Skills and Career Development, Performance Data, Page 166-167
	404-3 Percentage of employees receiving regular performance and career development reviews	Social Value Creation, Occupational Health and Safety, Skills and Career Development, Performance Data, Page 166-167
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Social Value Creation, Diversity and Inclusion, Performance Data, Page 175
	405-2 Ratio of basic salary and remuneration of women to men	Information unavailable. Steps are being taken to include the information in the next Report
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Social Value Creation, Diversity and Inclusion, Performance Data, Page 175

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Social Value Creation, Human Rights Assessment, Initiatives, Page 181
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Social Value Creation, Human Rights Assessment, Aligning Our Stance on Human Rights, Page 181
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Social Value Creation, Human Rights Assessment, Aligning Our Stance on Human Rights, Page 181
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Information unavailable. Steps are being taken to include the information in the next Report
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Information unavailable. Steps are being taken to include the information in the next Report
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Value Creation, Local Community, Contributing to our Local Communities, Page 183
	413-2 Operations with significant actual and potential negative impacts on local communities	Information unavailable. Steps are being taken to include the information in the next Report
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social Value Creation, Occupational Health and Safety, Advocating Health and Safety within Our Value Chain, Key Initiatives, Page 159
	414-2 Negative social impacts in the supply chain and actions taken	Social Value Creation, Occupational Health and Safety, Advocating Health and Safety within Our Value Chain, Key Initiatives, Page 159
GRI 415: Public Policy 2016	415-1 Political contributions	Information unavailable. Steps are being taken to include the information in the next Report
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Social Value Creation, Occupational Health and Safety, Advocating Health and Safety within Our Value Chain, Key Initiatives, Page 159
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Social Value Creation, Occupational Health and Safety, Advocating Health and Safety within Our Value Chain, Key Initiatives, Page 160
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labeling	Information unavailable. Steps are being taken to include the information in the next Report
	417-2 Incidents of non-compliance concerning product and service information and labeling	Information unavailable. Steps are being taken to include the information in the next Report
	417-3 Incidents of non-compliance concerning marketing communications	Information unavailable. Steps are being taken to include the information in the next Report
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information unavailable. Steps are being taken to include the information in the next Report

FTSE4GOOD CONTENT INDEX

UEM Edgenta Berhad has reported the information cited in this FTSE4Good content index for the period 1 January 2022 to 31 December 2022, with reference to FTSE4Good Bursa Malaysia (F4GBM) Indicators.

FTSE4Good Content Index			Location
CLIMATE CHANGE			
ECC01	Climate change impact including CO2/GHG emissions - Policy or commitment statement to:	a) Address the issue	Minimising Environment Impact, Climate Change and Energy, Addressing Climate Change and Exploring Energy Efficiency, Page 132
		b) Reduce or avoid the impact or improve efficiency	Minimising Environment Impact, Decarbonization, Page 138
ECC03	Demonstrating support for mitigating climate change through:	a) Membership of business associations	Minimising Environment Impact, Climate Change and Energy, Page 133
		b) Company position on public policy and regulation	Minimising Environment Impact, Climate Change and, Page 132
ECC05	Initiatives in place include measures to address climate change through adaptation:	a) Company mentions addressing adaptation	Minimising Environment Impact, Climate Change and Energy, Addressing Climate Change and Exploring Energy Efficiency, Page 132
	Initiatives in place include measures to address climate change through adaptation:	b) Company explains specific actions taken	Minimising Environment Impact, Climate Change and Energy, Addressing Climate Change and Exploring Energy Efficiency, Page 132
ECC08	Board oversight of climate change:	a) Evidence of board or board committee oversight of the management of climate change risks	Minimising Environment Impact, Climate Change and Energy, Addressing Climate Change and Exploring Energy Efficiency, Page 132
	Board oversight of climate change:	b) Named position responsible at Board level	Minimising Environment Impact, Climate Change and Energy, Addressing Climate Change and Exploring Energy Efficiency, Page 132
ECC75	Does the company's remuneration for senior executives incorporate climate change performance?	a) the CEO's remuneration incorporates climate change performance	Information unavailable. Steps are being taken to include the information in the next Report
		b) At least one other senior executive's remuneration incorporates climate change performance	Information unavailable. Steps are being taken to include the information in the next Report
		c) the company's CEO and/or at least one other senior executive's remuneration arrangements incorporate progress towards achieving the company's GHG reduction targets as a KPI determining performance-linked compensation	Information unavailable. Steps are being taken to include the information in the next Report
ECC74	The company has a stated policy or commitment to ensuring	a) Consistency between its climate change policy and the positions taken by the trade associations of which they are members	Information unavailable. Steps are being taken to include the information in the next Report.
		b) For responding appropriately in those instances where the trade association position is significantly weaker than or contradicts that of the company	Information unavailable. Steps are being taken to include the information in the next Report

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
CLIMATE CHANGE (CONTINUE)			
ECC14	Three years of total operational GHG emissions data (Scope 1 & 2) is disclosed Three years of total	Coverage (%)	Information unavailable. Steps are being taken to include the information in the next Report
		Scope 1 data	Minimising Environment Impact, Scope 1 Mobile Combustion and Stationary Combustion Emission Data, Page 138
		Scope 2 data	Minimising Environment Impact, Scope 2 Emission Data (Purchased Electricity) (tonnes CO2), Page 139
		Scope 3 data	Minimising Environment Impact, Scope 3 Emission data, Page 140-141
		Latest Year	
		T minus 1 Year	
		T minus 2 Year	
		Consolidation Method	Information unavailable. Steps are being taken to include the information in the next Report
		Organisational Boundary	Information unavailable. Steps are being taken to include the information in the next Report
		REITs data coverage	Information unavailable. Steps are being taken to include the information in the next Report
ECC15	Three years of total energy consumption data is disclosed	Coverage	Minimising Environment Impact, Total electricity consumption, Page 136 Minimising Environment Impact, Total Energy consumption (Petrol and Diesel) (GJ), Page 138
		Current Year	
		Current Year Energy Consumption	
		T minus 1 Year	
		T minus 1 Energy Consumption	
		T minus 2 Year	
		T minus 2 Energy Consumption	
ECC49	Scope 3 emissions	Current Year	Minimising Environment Impact, Page 136
		Purchased goods and services	Minimising Environment Impact, Scope 3 Emission data, Page 141
		Capital goods	Information unavailable. Steps are being taken to include the information in the next Report
		Fuel-and-energy-related activities (not included in scope 1 or 2)	Information unavailable. Steps are being taken to include the information in the next Report
		Upstream transportation and distribution	Information unavailable. Steps are being taken to include the information in the next Report
		Waste generated in operations	Information unavailable. Steps are being taken to include the information in the next Report
		Business travel	Minimising Environment Impact, Scope 3 Emission data, Page 140
		Employee commuting	Minimising Environment Impact, Scope 3 Emission data, Page 141
		Upstream leased assets	Minimising Environment Impact, Scope 3 Emission data, Page 141
		Investments	Information unavailable. Steps are being taken to include the information in the next Report
		Downstream transportation and distribution	Information unavailable. Steps are being taken to include the information in the next Report

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
CLIMATE CHANGE (CONTINUE)			
ECC49	Scope 3 emissions (continue)	Processing of sold products	Information unavailable. Steps are being taken to include the information in the next Report
		Use of sold products	Information unavailable. Steps are being taken to include the information in the next Report
		End of life treatment of sold products	Information unavailable. Steps are being taken to include the information in the next Report
		Downstream leased assets	Information unavailable. Steps are being taken to include the information in the next Report
		Franchises	Information unavailable. Steps are being taken to include the information in the next Report
		Other (upstream)	Information unavailable. Steps are being taken to include the information in the next Report
		Other (downstream)	Information unavailable. Steps are being taken to include the information in the next Report
		Total/no breakdown	Information unavailable. Steps are being taken to include the information in the next Report
ECC38	Short-term (up to 5 years) GHG emissions reduction targets - this could include scope 1 and/or scope 2 and/or scope 3:	a) Unquantified, process targets	Minimising Environment Impact, Decarbonization, Page 138
		b) Quantified targets	Information unavailable. Steps are being taken to include the information in the next Report
		Percentage reduction targeted (%)	Information unavailable. Steps are being taken to include the information in the next Report
		Scope	Information unavailable. Steps are being taken to include the information in the next Report
		Percentage of emissions covered by target	Information unavailable. Steps are being taken to include the information in the next Report
		Base year	Sustainability at UEM Edgenta, About This Report, Page 102
		Base year emissions	Information unavailable. Steps are being taken to include the information in the next Report
		Year in which target was set	Information unavailable. Steps are being taken to include the information in the next Report
		Target year	Information unavailable. Steps are being taken to include the information in the next Report
		Net zero target	Information unavailable. Steps are being taken to include the information in the next Report
		Scope	Information unavailable. Steps are being taken to include the information in the next Report
		Percentage of emissions covered by target	Information unavailable. Steps are being taken to include the information in the next Report
		Base year	Information unavailable. Steps are being taken to include the information in the next Report
		Base year emissions	Information unavailable. Steps are being taken to include the information in the next Report
		Year in which target was set	Information unavailable. Steps are being taken to include the information in the next Report

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
CLIMATE CHANGE (CONTINUE)			
		Target year	Information unavailable. Steps are being taken to include the information in the next Report
		Percentage reduction targeted (%)	Information unavailable. Steps are being taken to include the information in the next Report
		Net zero target	Information unavailable. Steps are being taken to include the information in the next Report
		Scope 3 category covered	Information unavailable. Steps are being taken to include the information in the next Report
		Scope 3 category covered	Information unavailable. Steps are being taken to include the information in the next Report
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	Minimising Environment Impact, Decarbonisation, Page 138
		b) Quantified targets	Information unavailable. Steps are being taken to include the information in the next Report
		Scope	Information unavailable. Steps are being taken to include the information in the next Report
		Base year	Information unavailable. Steps are being taken to include the information in the next Report
		Base year emissions	Information unavailable. Steps are being taken to include the information in the next Report
		Year in which target was set	Information unavailable. Steps are being taken to include the information in the next Report
		Target year	Information unavailable. Steps are being taken to include the information in the next Report
		Percentage reduction targeted (%)	Information unavailable. Steps are being taken to include the information in the next Report
		Percentage of emissions covered by target	Information unavailable. Steps are being taken to include the information in the next Report
		Net zero target	Minimising Environment Impact, Decarbonisation, Page 138
		Scope 3 category covered	Information unavailable. Steps are being taken to include the information in the next Report
		Scope	Information unavailable. Steps are being taken to include the information in the next Report
		Percentage of emissions covered by target	Information unavailable. Steps are being taken to include the information in the next Report
		Base year	Information unavailable. Steps are being taken to include the information in the next Report.
		Base year emissions	Information unavailable. Steps are being taken to include the information in the next Report
		Year in which target was set	Information unavailable. Steps are being taken to include the information in the next Report
		Target year	Information unavailable. Steps are being taken to include the information in the next Report
		Percentage reduction targeted (%)	Information unavailable. Steps are being taken to include the information in the next Report
		Scope 3 category covered	Information unavailable. Steps are being taken to include the information in the next Report

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
CLIMATE CHANGE (CONTINUE)			
		Scope	Information unavailable. Steps are being taken to include the information in the next Report
		Percentage of emissions covered by target	Information unavailable. Steps are being taken to include the information in the next Report
ECC31	Energy use - Policy or commitment statement to:	a) Address the issue	Minimising Environment Impact, Energy Efficiency and Green Building Solutions, Page 133
		b) Reduce or avoid the impact or improve efficiency	Minimising Environment Impact, Energy Efficiency and Green Building Solutions, Page 133
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	Information unavailable. Steps are being taken to include the information in the next Report
		The company is a listed TCFD Supporter	Information unavailable. Steps are being taken to include the information in the next Report
		The company explicitly sign-posts TCFD-aligned disclosures in its annual reporting OR publishes them in a TCFD report.	Information unavailable. Steps are being taken to include the information in the next Report
ECC43	Recognition of climate change:	a) As a relevant risk and/or opportunity to the business	Minimising Environment Impact, Climate Change and Energy, Addressing Climate Change and Exploring Energy Efficiency, Page 132
		b) Discloses time horizon (short/medium/ long term) of risk and/or opportunity	Information unavailable. Steps are being taken to include the information in the next Report
ECC51	Internal carbon price:	a) Company has an internal price of carbon	Information unavailable. Steps are being taken to include the information in the next Report
		b) Company discloses the price of carbon	Information unavailable. Steps are being taken to include the information in the next Report
ECC41	Independent verification of operational GHG emissions data:	a) Independent Verification by third party	Minimising Environment Impact, Page 140
		b) International assurance standard used and level of assurance declared	Information unavailable. Steps are being taken to include the information in the next Report
ECC42	Independent verification of operational energy consumption data:	a) Independent Verification by third party	Minimising Environment Impact, Page 140
		b) International assurance standard used and level of assurance declared	Information unavailable. Steps are being taken to include the information in the next Report
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.)	Minimising Environment Impact, Page 146
		b) Discloses the impact of climate change risks and opportunities on financial planning (OPEX, CAPEX, M&A, debt)	Information unavailable. Steps are being taken to include the information in the next Report
ECC45	Climate scenario planning:	Information unavailable. Steps are being taken to include the information in the next Report.	Information unavailable. Steps are being taken to include the information in the next Report
		b) The company describes the business impact of one or more climate scenario analysis	Information unavailable. Steps are being taken to include the information in the next Report

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
CLIMATE CHANGE (CONTINUE)			
ECC73	The company discloses involvement in organisations dedicated specifically to climate-related issues:	(a) Its memberships of any organisations dedicated to climate-related issues	Minimising Environment Impact, Addressing Climate Change and Exploring Energy Efficiency, Page 132
		(b) Its involvement in these organisations	Minimising Environment Impact, Addressing Climate Change and Exploring Energy Efficiency, Page 132
ECC50	Climate-related risk management procedures:	a) Integrated into multi-disciplinary company-wide risk management	Information unavailable. Steps are being taken to include the information in the next Report
		b) Specific climate-related risk management process	Information unavailable. Steps are being taken to include the information in the next Report
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.	Information unavailable. Steps are being taken to include the information in the next Report
		The company quantifies key elements of this strategy with respect to the major sources of its emissions, including scope 3 emissions where applicable (e.g. changing technology or product mix, supply chain measures, research and development spending).	Information unavailable. Steps are being taken to include the information in the next Report
		The company discloses the quantified contribution of each action in terms of the approximate proportion of the overall GHG target that the action will account for.	Information unavailable. Steps are being taken to include the information in the next Report
ECC78	The company is working to decarbonise its future capital expenditures:	The company explicitly commits to align all future capital expenditures with its long-term GHG target(s) OR with the Paris Agreement's objective of limiting global warming to 1.5° Celsius.	Information unavailable. Steps are being taken to include the information in the next Report
		The company explicitly commits to phase out investments in carbon intensive assets or products.	Information unavailable. Steps are being taken to include the information in the next Report
		The company discloses the methodology it uses to align its future capex with its decarbonisation goals	Information unavailable. Steps are being taken to include the information in the next Report
ENVIRONMENT			
Pollution & Resources			
EPR01	Pollution - policy or commitment statement to:	a) Address the issue	Information unavailable. Steps are being taken to include the information in the next Report
		b) Reduce or avoid the impact or improve efficiency	Information unavailable. Steps are being taken to include the information in the next Report
EPR02	Waste - policy or commitment statement to:	a) Address the issue	Minimising Environment Impact, Maintaining our Environmental Stewardship, Page 142
		b) Reduce or avoid the impact or improve efficiency	Minimising Environment Impact, Maintaining our Environmental Stewardship, Waste Management, Page 143

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
ENVIRONMENT (CONTINUE)			
Pollution & Resources (continue)			
EPR03	Resource use - policy or commitment statement to:	a) Address the issue	Minimising Environment Impact, Maintaining our Environmental Stewardship, Material Utilisation, Page 146
		b) Reduce or avoid the impact or improve efficiency	Minimising Environment Impact, Maintaining our Environmental Stewardship, Material Utilisation, Page 146
EPR04	Time-specific targets, beyond regulatory requirements, to reduce or avoid pollution:	a) Unquantified, process targets	Information unavailable. Steps are being taken to include the information in the next Report
		b) Quantified targets	Information unavailable. Steps are being taken to include the information in the next Report
EPR05	Time-specific targets, beyond regulatory requirements, to reduce or avoid waste:	a) Unquantified, process targets	Minimising Environment Impact, Maintaining our Environmental Stewardship, Page 142 Minimising Environment Impact, Maintaining our Environmental Stewardship, Waste Management, Page 143
		b) Quantified targets	Information unavailable. Steps are being taken to include the information in the next Report
EPR06	Time-specific targets, beyond regulatory requirements, to reduce or avoid resource use:	a) Unquantified, process targets	Minimising Environment Impact, Maintaining our Environmental Stewardship, Material Utilisation, Page 146
		b) Quantified targets	Information unavailable. Steps are being taken to include the information in the next Report
EPR07	Progress against previously set targets to reduce or avoid pollution:	a) Unquantified, process targets	Information unavailable. Steps are being taken to include the information in the next Report
		b) Quantified targets	Information unavailable. Steps are being taken to include the information in the next Report
EPR08	Progress against previously set targets to reduce or avoid waste:	a) Unquantified, process targets	Information unavailable. Steps are being taken to include the information in the next Report
		b) Quantified targets	Information unavailable. Steps are being taken to include the information in the next Report
EPR09	Progress against previously set targets to reduce or avoid resource use:	a) Unquantified, process targets	Information unavailable. Steps are being taken to include the information in the next Report
		b) Quantified targets	Information unavailable. Steps are being taken to include the information in the next Report
EPR10	Disclosure of three years of water (effluent) discharge:	a) Total amount	Information unavailable. Steps are being taken to include the information in the next Report
		b) Quality and destination	Information unavailable. Steps are being taken to include the information in the next Report
EPR11	Disclosure of three years of raw material used (tonnes):	a) Total	Information unavailable. Steps are being taken to include the information in the next Report
		b) Total by type	Information unavailable. Steps are being taken to include the information in the next Report
EPR12	Independent verification of operational environmental data:	a) Independent verification by third party	Minimising Environment Impact, Page 133
		b) International assurance standard used and level of assurance declared	Information unavailable. Steps are being taken to include the information in the next Report

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
ENVIRONMENT (CONTINUE)			
Pollution & Resources (continue)			
EPR13	Disclosure of working with others to reduce pollution, waste, or resource use by:	a) Participation in specific local or global Initiatives	Information unavailable. Steps are being taken to include the information in the next Report
		b) Collaboration with other companies such as making use of the same waste streams as inputs (such as industrial ecology)	Minimising Environment Impact, Maintaining our Environmental Stewardship, Waste Management, Page 143
EPR15	Financial quantification of pollution, waste or resource use specifying:	a) Costs associated with their impacts (including shadow costing)	Information unavailable. Steps are being taken to include the information in the next Report
		b) Investment in R&D on reducing or avoiding their impacts (including funding of R&D organisations)	Information unavailable. Steps are being taken to include the information in the next Report
EPR16	Use of LCA (LifeCycle Analysis) in product or system design:	a) Report of analysis	Information unavailable. Steps are being taken to include the information in the next Report
		b) Use in planning	Information unavailable. Steps are being taken to include the information in the next Report
EPR18	Disclosure of three years of NOX emissions (tonnes)	Coverage	Information unavailable. Steps are being taken to include the information in the next Report
		Current Year	Information unavailable. Steps are being taken to include the information in the next Report
		Current Year NOx emissions	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 1 Year	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 1 NOx emissions	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 2 Year	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 2 NOx emissions	Information unavailable. Steps are being taken to include the information in the next Report
EPR19	Disclosure of three years of SOX emissions (tonnes)	Coverage	Information unavailable. Steps are being taken to include the information in the next Report
		Current Year	Information unavailable. Steps are being taken to include the information in the next Report
		Current Year SOx emissions	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 1 Year	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 1 Year SOx emissions	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 2 Year	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 2 Year SOx emissions	Information unavailable. Steps are being taken to include the information in the next Report

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
ENVIRONMENT (CONTINUE)			
Pollution & Resources (continue)			
EPR21	Disclosure of three years of volatile organic compounds (VOC) emissions (kilograms)	Coverage	Information unavailable. Steps are being taken to include the information in the next Report
		Current Year	Information unavailable. Steps are being taken to include the information in the next Report
		Current Year VOC Emissions	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 1 Year	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 1 Year VOC Emissions	Information unavailable. Steps are being taken to include the information in the next Report
		C minus 2 Year	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 2 Year VOC Emissions	Information unavailable. Steps are being taken to include the information in the next Report
EPR24	Disclosure of three years of hazardous waste generation (tonnes)	Coverage	Information unavailable. Steps are being taken to include the information in the next Report
		Current Year	Minimising Environment Impact, Maintaining our Environmental Stewardship, Waste Management, Page 145
		Current Year Hazardous Waste Generation	Minimising Environment Impact, Maintaining our Environmental Stewardship, Waste Management, Page 145
		T minus 1 Year	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 1 Year Hazardous Waste Generation	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 2 Year	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 2 Year Hazardous Waste Generation	Information unavailable. Steps are being taken to include the information in the next Report
EPR25	Disclosure of three years of non-recycled waste generation (tonnes)	Coverage	Information unavailable. Steps are being taken to include the information in the next Report
		Current Year	Minimising Environment Impact, Maintaining our Environmental Stewardship, Waste Management, Page 145
		Current Year non-recycled waste generation	Minimising Environment Impact, Maintaining our Environmental Stewardship, Waste Management, Page 145
		T minus 1 Year	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 1 Year non-recycled waste generation	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 2 Year	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 2 Year non-recycled waste generation	Information unavailable. Steps are being taken to include the information in the next Report

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
ENVIRONMENT (CONTINUE)			
Pollution & Resources (continue)			
EPR26	Disclosure of three years of waste recycled (tonnes)	Coverage	Information unavailable. Steps are being taken to include the information in the next Report
		Current Year	Minimising Environment Impact, Maintaining our Environmental Stewardship, Waste Management, Page 145
		Current Year waste recycled	Minimising Environment Impact, Maintaining our Environmental Stewardship, Waste Management, Page 145
		T minus 1 Year	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 1 Year waste recycled	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 2 Year	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 2 Year waste recycled	Information unavailable. Steps are being taken to include the information in the next Report
EPR27	Total costs of environmental fines and penalties during financial year	Year	Information unavailable. Steps are being taken to include the information in the next Report
		Currency	Information unavailable. Steps are being taken to include the information in the next Report
EPR28	Percentage of sites covered by recognised environmental management systems such as ISO14001 or EMAS	Year	Information unavailable. Steps are being taken to include the information in the next Report
		Coverage of certification (percentage of sites)	Minimising Environment Impact, Maintaining our Environmental Stewardship, Page 142
		Name of the system (ISO14001, EMAS, OR Others)	Minimising Environment Impact, Maintaining our Environmental Stewardship, Page 142
Supply Chain			
ESC02	Supplier/sourcing policy or commitment statement that addresses:	a) Energy use	Sustainable Economic Growth, Supply chain management, Page 126
		b) Climate change impact including CO2/ GHG emissions	Sustainable Economic Growth, Supply chain management, Page 126
ESC03		a) Water use	Information unavailable. Steps are being taken to include the information in the next Report
		b) Biodiversity impacts	Information unavailable. Steps are being taken to include the information in the next Report
ESC04		a) Environmental issues	Sustainable Economic Growth, Supply chain management, Page 126-127
		b) Pollution	Information unavailable. Steps are being taken to include the information in the next Report
ESC05		a) Waste reduction	Sustainable Economic Growth, Supply chain management, Page 126-127
		b) Resource use	Information unavailable. Steps are being taken to include the information in the next Report
ESC08	Environmental policy/ policies integrated with suppliers through:	a) Communication	Sustainable Economic Growth, Supply chain management, Page 126
		b) Training of relevant supplier staff	Information unavailable. Steps are being taken to include the information in the next Report

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
ENVIRONMENT (CONTINUE)			
Supply Chain (continue)			
ESC09	Risk Assessment carried out regarding environmental issues for:	a) Potential new suppliers (due diligence)	Information unavailable. Steps are being taken to include the information in the next Report
		b) Existing suppliers to identify those that are high risk	Information unavailable. Steps are being taken to include the information in the next Report
ESC10	Action taken to manage the environmental impact of suppliers through encouraging: Action taken to manage the environmental impact of suppliers through encouraging:	a) Reporting	Information unavailable. Steps are being taken to include the information in the next Report
		b) Impact reduction	Information unavailable. Steps are being taken to include the information in the next Report
ESC11	Monitoring of suppliers including disclosure of:	a) Physical inspection audits, or reporting on number or proportion of suppliers monitored or audited	Information unavailable. Steps are being taken to include the information in the next Report
		b) Results and specific action taken on any non-compliance by suppliers	Information unavailable. Steps are being taken to include the information in the next Report
ESC12	Company involvemnet 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	Sustainable Economic Growth, Supply chain management, Page 126-127
		b) Member of an industry or topic-specific initiative	Information unavailable. Steps are being taken to include the information in the next Report
Water Security			
EWT06	Detailed disclosure of action(s) taken to reduce water use:	a) Applied to specific sites	Sustainable Economic Growth, Supply chain management, Page 126-127
		b) Applied throughout the company	Minimising Environment Impact, Water Consumption, Page 147
EWT07	Independent verification of water use data:	a) Independent verification by third party	Minimising Environment Impact, Page 140
		b) International assurance standard used and level of assurance declared	Information unavailable. Steps are being taken to include the information in the next Report
EWT08	Works with others to reduce water use by:	a) Participation in specific local or global Initiatives	Minimising Environment Impact, Water Consumption, Page 147
		b) Collaboration with other companies operating at same sites such as making use of water waste streams as inputs (industrial ecology)	Minimising Environment Impact, Water Consumption, Page 147
EWT09	Progress against quantified targets to reduce water use:	a) Applied at specific sites	Information unavailable. Steps are being taken to include the information in the next Report
		b) Applied throughout the company	Information unavailable. Steps are being taken to include the information in the next Report
EWT13	Policy or commitment on water use reduction which:	a) Addresses the issue	Minimising Environment Impact, Water Consumption, Page 147
		b) Includes commitment to reduce water use or improve efficiency	Minimising Environment Impact, Water Consumption, Page 147

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
ENVIRONMENT (CONTINUE)			
Water Security (continue)			
EWT24	Water management plan (including water recycling system):	a) Company discloses and details its water management plan at the company level/ site specific	Minimising Environment Impact, Water Consumption, Page 147
		b) Company discloses the number and/or proportion of sites with a water management plan	Information unavailable. Steps are being taken to include the information in the next Report
EWT25	Does the company engage with its stakeholders at water stressed sites:	Does the company engage with its stakeholders at water stressed sites	Information unavailable. Steps are being taken to include the information in the next Report
EWT26	Water-stressed/scarce regions:	a) Company has identified it operates in water-stressed regions	Information unavailable. Steps are being taken to include the information in the next Report
		b) Company discloses the number and/or proportion of facilities, assets, production, revenue in water-stressed regions	Information unavailable. Steps are being taken to include the information in the next Report
EWT27	Water withdrawals/ consumption in water stressed regions	Water withdrawals/consumption in water stressed regions	Information unavailable. Steps are being taken to include the information in the next Report
		Water withdrawals/consumption in water stressed regions - % if absolute value is no disclosed	Information unavailable. Steps are being taken to include the information in the next Report
		Year	Information unavailable. Steps are being taken to include the information in the next Report
EWT28	Financial quantification of:	a) Costs associated with water-related risks	Information unavailable. Steps are being taken to include the information in the next Report
		b) Investment in R&D to mitigate water-related risks	Information unavailable. Steps are being taken to include the information in the next Report
EWT29	Does the company disclose the number of incidents of non-compliance with water quality/quantity permits, standards and regulations	Does the company disclose the number of incidents of non-compliance with water quality/quantity permits, standards and regulations	Information unavailable. Steps are being taken to include the information in the next Report
EWT30		Latest Year	Information unavailable. Steps are being taken to include the information in the next Report
	Three years of total water discharge data is disclosed by destination	Ocean total discharge	Information unavailable. Steps are being taken to include the information in the next Report
		Surface Water total discharge	Information unavailable. Steps are being taken to include the information in the next Report
		Subsurface/well total discharge	Information unavailable. Steps are being taken to include the information in the next Report
	Three years of total water discharge data is disclosed by destination	Off-site water treatment total discharge	Information unavailable. Steps are being taken to include the information in the next Report
		Beneficial/other use total discharge	Information unavailable. Steps are being taken to include the information in the next Report
		Total discharge	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 1 year	Information unavailable. Steps are being taken to include the information in the next Report

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
ENVIRONMENT (CONTINUE)			
Water Security (continue)			
EWT30	Three years of total water discharge data is disclosed by destination (continue)	Ocean total discharge	Information unavailable. Steps are being taken to include the information in the next Report
		Surface Water total discharge	Information unavailable. Steps are being taken to include the information in the next Report
		Subsurface/well total discharge	Information unavailable. Steps are being taken to include the information in the next Report
		Off-site water treatment total discharge	Information unavailable. Steps are being taken to include the information in the next Report
		Beneficial/other use total discharge	Information unavailable. Steps are being taken to include the information in the next Report
		Total Discharge	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 2 year	Information unavailable. Steps are being taken to include the information in the next Report
		Ocean total discharge	Information unavailable. Steps are being taken to include the information in the next Report
		Surface Water total discharge	Information unavailable. Steps are being taken to include the information in the next Report
		Subsurface/well total discharge	Information unavailable. Steps are being taken to include the information in the next Report
		Off-site wate treatment total discharge	Information unavailable. Steps are being taken to include the information in the next Report
		Beneficial/other use total discharge	Information unavailable. Steps are being taken to include the information in the next Report
		Total Discharge	Information unavailable. Steps are being taken to include the information in the next Report
EWT31	Three years of total water withdrawal data is disclosed by source:	Latest Year	Information unavailable. Steps are being taken to include the information in the next Report
		Surface water from rivers, lakes, natural ponds	Information unavailable. Steps are being taken to include the information in the next Report
		Groundwater from wells, boreholes	Information unavailable. Steps are being taken to include the information in the next Report
		Used quarry water collected in the quarry	Information unavailable. Steps are being taken to include the information in the next Report
		Municipal potable water	Information unavailable. Steps are being taken to include the information in the next Report
		External wastewater	Information unavailable. Steps are being taken to include the information in the next Report
		Harvested rainwater	Information unavailable. Steps are being taken to include the information in the next Report
		Sea water, water extracted from the sea or the ocean	Information unavailable. Steps are being taken to include the information in the next Report
		Total	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 1 year	Information unavailable. Steps are being taken to include the information in the next Report
		Surface water from rivers, lakes, natural ponds	Information unavailable. Steps are being taken to include the information in the next Report

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
ENVIRONMENT (CONTINUE)			
Water Security (continue)			
EWT31	Three years of total water withdrawal data is disclosed by source: (continue)	Groundwater from wells, boreholes	Information unavailable. Steps are being taken to include the information in the next Report
		Used quarry water collected in the quarry	Information unavailable. Steps are being taken to include the information in the next Report
		Municipal potable water	Information unavailable. Steps are being taken to include the information in the next Report
		External wastewater	Information unavailable. Steps are being taken to include the information in the next Report
		Harvested rainwater	Information unavailable. Steps are being taken to include the information in the next Report
		Sea water, water extracted from the sea or the ocean	Information unavailable. Steps are being taken to include the information in the next Report
		Total	
		T minus 2 years	Information unavailable. Steps are being taken to include the information in the next Report
		Surface water from rivers, lakes, natural ponds	Information unavailable. Steps are being taken to include the information in the next Report
		Groundwater from wells, boreholes	Information unavailable. Steps are being taken to include the information in the next Report
		Used quarry water collected in the quarry	Information unavailable. Steps are being taken to include the information in the next Report
		Municipal potable water	Information unavailable. Steps are being taken to include the information in the next Report
		External wastewater	Information unavailable. Steps are being taken to include the information in the next Report
		Harvested rainwater	Information unavailable. Steps are being taken to include the information in the next Report
		Sea water, water extracted from the sea or the ocean	Information unavailable. Steps are being taken to include the information in the next Report
		Total	Information unavailable. Steps are being taken to include the information in the next Report
EWT32	Three years of facilities' water withdrawal data – for companies not disclosing company's overall data	Latest Year	Information unavailable. Steps are being taken to include the information in the next Report
		Facilities' water withdrawl total	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 1 year	Information unavailable. Steps are being taken to include the information in the next Report
		Facilities water withdrawl total	Information unavailable. Steps are being taken to include the information in the next Report
		T minus 2 years	Information unavailable. Steps are being taken to include the information in the next Report
		Facilities water withdrawal total	Information unavailable. Steps are being taken to include the information in the next Report

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
ENVIRONMENT (CONTINUE)			
Water Security (continue)			
EWT33	Three years of facilities' water discharge data – for companies not disclosing company's overall data	Latest Year	Minimising Environment Impact, Water Consumption, Page 147
		Facilities' water discharge total	Minimising Environment Impact, Water Consumption, Page 147
		T minus 1 year	Minimising Environment Impact, Water Consumption, Page 147
		Facilities' water discharge total	Minimising Environment Impact, Water Consumption, Page 147
		T minus 2 year	Minimising Environment Impact, Water Consumption, Page 147
		Facilities' water discharge total	Minimising Environment Impact, Water Consumption, Page 147
EXT34	Time-specific target(s) to reduce water consumption/withdrawal at the company level:	a. Unquantified targets	Minimising Environment Impact, Water Consumption, Page 147
		b. Quantified targets	Information unavailable. Steps are being taken to include the information in the next Report
		Base Year	Information unavailable. Steps are being taken to include the information in the next Report
		Target Year	Information unavailable. Steps are being taken to include the information in the next Report
		Percentage reduction target	Information unavailable. Steps are being taken to include the information in the next Report
		Type	Information unavailable. Steps are being taken to include the information in the next Report
EWT25	Time-specific target(s) to reduce water consumption/withdrawal at the specific sites impacted by water stress:	a. Unquantified targets	Information unavailable. Steps are being taken to include the information in the next Report
		b. Quantified targets	Information unavailable. Steps are being taken to include the information in the next Report
		Base Year	Information unavailable. Steps are being taken to include the information in the next Report
		Target Year	Information unavailable. Steps are being taken to include the information in the next Report
		Percentage reduction target	Information unavailable. Steps are being taken to include the information in the next Report
		Type	Information unavailable. Steps are being taken to include the information in the next Report

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
SOCIAL			
Human Rights & Community			
SHR03	Statement of principles or process by which community investments are made:	a) Covering defined focus areas	Social Value Creation, Local community, contributing to our local communities, Page 183
		b) Community investment focus area(s) linked to the company's business strategy	Social Value Creation, Local community, contributing to our local communities, Page 183
SHR04	Policy addresses children's rights, other than child labour through:	a) Evidence of support for children's rights in company operations or through programmes	Social Value Creation, Local community, contributing to our local communities, Page 184
		b) Policy or commitment statement on children's rights, such as commitment to the Children's Rights and Business Principles	Social Value Creation, Human rights assessment, aligning our stance on human rights, Page 181
SHR05	Commitment to local employment and/or sourcing:	a) Comment on local employment/ sourcing	Sustainable Economic Growth, Economic development, committing to responsible economic development, Page 120 Sustainable Economic Growth, Economic development, extract value from core business, Page 124
		b) Clear commitment	Information unavailable. Steps are being taken to include the information in the next Report
SHR11	Stakeholder engagement on human rights issues:	a) Evidence of consultation taking place	Information unavailable. Steps are being taken to include the information in the next Report
		b) Documented meetings OR reports of how results have been used	Information unavailable. Steps are being taken to include the information in the next Report
SHR15	Output/outcome of specific results, achievements or benefits of community investments:	a) Details of output/outcome including non-quantified	Social Value Creation, Local community, contributing to our local communities, Page 183
		b) Quantification of output/outcome	
SHR16	Mechanisms to facilitate employee engagement and involvement with charitable partners:	a) Evidence of recognising volunteering	
		b) Specific targets or structures set up to facilitate employee engagement	Information unavailable. Steps are being taken to include the information in the next Report
SHR17	Total Amount of corporate or group donations/community investments made to registered not-for-profit organisations:	Current Year	Social Value Creation, Local community, contributing to our local communities, Page 184
		Currency	
SHR21	Public commitment to respect and support the protection of internationally proclaimed human rights:	The company's commitment includes reference to international human rights instruments, including those contained within the International Bill of Human Rights	Information unavailable. Steps are being taken to include the information in the next Report
		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	Information unavailable. Steps are being taken to include the information in the next Report

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
SOCIAL (CONTINUE)			
Human Rights & Community (continue)			
SHR23	Identification of salient human rights issues specific to the business:	Salient, industry or business-specific human rights issues are identified	Information unavailable. Steps are being taken to include the information in the next Report
		Commitment to engage with stakeholders to identify these issues	Information unavailable. Steps are being taken to include the information in the next Report
SHR23	Oversight responsibility and resources to ensure respect for human rights:	Oversight responsibility assigned to member or committee of the Board	Information unavailable. Steps are being taken to include the information in the next Report
		Day-to-day responsibilities and resources for relevant functions have been clearly allocated	Information unavailable. Steps are being taken to include the information in the next Report
SHR24	Embedding human rights commitments into corporate practice:	Human rights expectations are clearly communicated to all stakeholders, including business partners	Information unavailable. Steps are being taken to include the information in the next Report
		All staff or specific staff/departments are trained on human rights policy	Information unavailable. Steps are being taken to include the information in the next Report
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	Information unavailable. Steps are being taken to include the information in the next Report
		Disclosure of actions implemented for avoidance, prevention and mitigation of human rights issues	Social Value Creation, Human rights assessment, aligning our stance on human rights, Page 181
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	Social Value Creation, Human rights assessment, aligning our stance on human rights, Page 181
		The company commits to remedy affected parties where it has been identified that it has caused or contributed to human rights impacts	Social Value Creation, Human rights assessment, aligning our stance on human rights, Page 181
SHR27	Disclosure of incidents of human rights violations	Incidents are disclosed, or the company states no incidents occurred in the reporting period	Social Value Creation, Human rights assessment, aligning our stance on human rights, Page 181
		Incident responses or learnings are disclosed, or the company states no incidents occurred in the reporting period	

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
GOVERNANCE			
Anti-Corruption			
GAC01	Bribery - Policy or commitment statement:	a) Addresses countering bribery	Statement on Risk Management and Internal Control, Anti-Bribery & Anti-Corruption ("ABAC") Policy Statement, Page 241
		b) Specifies countering at least 2 different forms of bribery related activities	Refer to Bribery & Anti-Corruption ("ABAC") Policy Statement
GAC02	Anti-corruption - Policy or commitment statement:	a) Addresses anti-corruption	Statement on Risk Management and Internal Control, Anti-Bribery & Anti-Corruption ("ABAC") Policy Statement, Page 241
		b) Specifies countering relevant forms of corruption (e.g. money laundering, obstruction of justice, etc.)	Refer to Bribery & Anti-Corruption ("ABAC") Policy Statement
GAC03	Board has oversight of anti-corruption policy that:	a) Covers elements/types of corruption including bribery	Corporate Governance Overview Statement, Page 219 Refer to Bribery & Anti-Corruption ("ABAC") Policy Statement
		b) Covers anti-corruption comprehensively	Corporate Governance Overview Statement, Page 219 Refer to Bribery & Anti-Corruption ("ABAC") Policy Statement
GAC04	Due diligence of new business partners addresses corruption by:	a) Covering elements/types of corruption including bribery	Supply Chain Management, Responsible Supply Chain Management, Page 127 Refer to Code of Conduct for Business Partner
		b) Covering anti-corruption comprehensively	Supply Chain Management, Responsible Supply Chain Management, Page 127 Refer to Code of Conduct for Business Partner
GAC05	Confidential or anonymous whistle-blowing mechanism for staff covers:	a) Elements/types of corruption including bribery	Corporate Governance Overview Statement, Page 218-219
		b) Anti-corruption comprehensively	Information unavailable. Steps are being taken to include the information in the next Report
GAC07	Communication of anti-corruption policy to all employees covers:	a) Elements/types of corruption including bribery	Statement on Risk Management and Internal Control, Anti-Bribery & Anti-Corruption ("ABAC") Policy Statement, Page 241
		b) Anti-corruption comprehensively	Information unavailable. Steps are being taken to include the information in the next Report.
GAC08	Training for staff on the anti-corruption policy covers:	a) Elements/types of corruption including bribery	Statement on Risk Management and Internal Control, Anti-Bribery & Anti-Corruption ("ABAC") Policy Statement, Page 240
		b) Anti-corruption comprehensively	Information unavailable. Steps are being taken to include the information in the next Report
GAC09	Corruption risk assessment for company operations covers:	a) Elements/types of corruption including bribery	Corporate Governance Overview Statement, Page 218
		b) Anti-corruption comprehensively	Information unavailable. Steps are being taken to include the information in the next Report
GAC10	Procedures are in place to address corruption in operations that are assessed to be "high risk" covering:	a) Elements/types of corruption including bribery	Information unavailable. Steps are being taken to include the information in the next Report
		b) Anti-corruption comprehensively	Information unavailable. Steps are being taken to include the information in the next Report

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
GOVERNANCE (CONTINUE)			
Anti-Corruption (continue)			
GAC11	Process for intermediaries (including contractors or agents):	a) Corruption risk assessment or procedures to address corruption for intermediaries	Information unavailable. Steps are being taken to include the information in the next Report
		b) Anti-corruption policy is communicated to intermediaries	Supply Chain Management, Responsible Supply Chain Management, Page 127 Refer to Code of Conduct for Business Partner
GAC13	Disclosure of number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/ policies	Current Year	Information unavailable. Steps are being taken to include the information in the next Report
		Staff disciplined (Number)	Information unavailable. Steps are being taken to include the information in the next Report
GAC14	Disclosure of cost of fines, penalties or settlements in relation to corruption	Current Year	Embedding Sustainability Into Our Business, Sustainability Performance in FY 2022, Page 9
		Currency	Embedding Sustainability Into Our Business, Sustainability Performance in FY 2022, Page 9
Corporate Governance			
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	Information unavailable. Steps are being taken to include the information in the next Report
		b) Separate Non-Executive Chair and CEO, where Chair is independent	Yes
GCG02	Disclosure of details about Directors:	a) Expertise	Board of Directors, page 192-200
		b) Other Directorships	Board of Directors, page 192-200
GCG03	Number of Board Directors	Number	Corporate Governance Overview Statement, Board Composition, Page 228
GCG04	Number of independent Directors on the board	Number	Corporate Governance Overview Statement, Board Composition, Page 228
GCG05	Number of women on the board	Number	Corporate Governance Overview Statement, Board Composition, Page 228
GCG06	Commitment to gender diversity on the board:	a) Statement of support	Information unavailable. Steps are being taken to include the information in the next Report
		b) Targets in place to improve gender ratio	Information unavailable. Steps are being taken to include the information in the next Report
GCG07	Board addresses:	a) Conflicts of interest	Board of Directors, Board of Directors' Profile, Page 200
		b) Related party transactions	Corporate Governance Overview Statement, Effective Audit and Risk Management, Page 232
GCG08	Periodic evaluation of board effectiveness:	a) Review (can have no clear timeframe)	Corporate Governance Overview Statement, Effective Audit and Risk Management, Page 227
		b) Evaluation with a clear timeframe (e.g. annually or other set period)	Information unavailable. Steps are being taken to include the information in the next Report
GCG09	Disclosure of:	a) Board Committee(s)	Sustainability at UEM Edgenta, Governance structure, Page 111 – only for sustainability-related governance structure
		b) Their Charters, terms of reference or equivalent	

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
GOVERNANCE (CONTINUE)			
Corporate Governance (continued)			
GCG10	Disclosure of number of times the board/each committee have/has met per annum:	a) The Board	Information unavailable. Steps are being taken to include the information in the next Report
		b) Each Committee	Information unavailable. Steps are being taken to include the information in the next Report
GCG11	Disclosure of the attendance rate	a) For some individual board/committee members, or average attendance rates	Corporate Governance Overview Statement, Page 222
		b) Of all individual directors at both board and committee level	Corporate Governance Overview Statement, Page 222
GCG14	Disclosure of fixed and variable remuneration for:	a) Senior executives included in the company's remuneration disclosures	Corporate Governance Overview Statement, Remuneration Page 231
		b) Non-executive board members	Corporate Governance Overview Statement, Remuneration Page 231
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, Integrity in Corporate Reporting and Meaningful Relationship With Stakeholders, Conduct Of General Meetings, Page 231
		AGM Date (DD-MMM-YYYY)	Corporate Governance Overview Statement, Integrity in Corporate Reporting and Meaningful Relationship With Stakeholders, Conduct Of General Meetings, Page 231
GCG21	Shareholders have the right to vote on executive remuneration:	a) Evidence of shareholders voting in the AGM	Corporate Governance Overview Statement, Integrity in Corporate Reporting and Meaningful Relationship With Stakeholders, Conduct Of General Meetings, Page 231
		b) The right to vote annually is explicitly covered in a company policy	Information unavailable. Steps are being taken to include the information in the next Report
GCG22	Shareholders have the right to vote on Director appointments and dismissals:	a) Evidence of shareholders voting in the AGM	Yes, https://edgenta.irplc.com/investor-relations/New/pdf/2021/Summary-of-Minutes-59th-agm.pdf
		b) The right to vote annually for election/re-election of all directors is explicitly covered in a company policy	Information unavailable. Steps are being taken to include the information in the next Report
GCG26	Disclosure of voting results	a) In at least a limited manner	Information unavailable. Steps are being taken to include the information in the next Report
		b) In a detailed manner	Information unavailable. Steps are being taken to include the information in the next Report
GCG27	Remuneration for senior executives included in the company's remuneration disclosures:	a) Includes long-term incentives or mechanisms	Information unavailable. Steps are being taken to include the information in the next Report
		b) Incorporates ESG performance	Information unavailable. Steps are being taken to include the information in the next Report
GCG40	Claw-back or malus provision exists for remuneration	a) Applies to CEO	Information unavailable. Steps are being taken to include the information in the next Report
		b) Applies to CEO and to one or more senior executives included in the company's remuneration disclosures	Information unavailable. Steps are being taken to include the information in the next Report
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	Yes

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
GOVERNANCE (CONTINUE)			
Corporate Governance (continued)			
GCG43	If the company does not have a separate Non-Executive Chair and CEO, does it have a Lead Director or Senior Independent Director?	a) Yes; the Company has a Lead Director/ Senior Independent Director	N/A
GCG44	Financial expertise on the audit committee:	a) At least one independent financial expert on the audit committee	Corporate Governance Overview Statement, Effective Audit and Risk Management, Page 232
		b) A majority of independent financial experts on the audit committee	Board of Directors, Page 192-200
GCG46	There is a fully non-executive Audit Committee or Audit Board with:	a) At least half independent members	Corporate Governance Overview Statement, Board Composition, Page 228
		b) All independent members	Information unavailable. Steps are being taken to include the information in the next Report
GCG47	There is a fully non-executive Remuneration Committee with:	a) At least half independent members	Corporate Governance Overview Statement, Board Composition, Page 228
		b) All independent members	Information unavailable. Steps are being taken to include the information in the next Report
GCG48	In relation to executive remuneration, the company discloses:	a) High level principles	Information unavailable. Steps are being taken to include the information in the next Report
		b) A detailed process for setting remuneration	Information unavailable. Steps are being taken to include the information in the next Report
GCG49	Disclosure and Nature of fees paid to the auditor:	a) Audit and non-audit fees are separately disclosed	Corporate Integrity and Ethical Business Conduct, Additional Compliance Information, Audit and Non-Audit Fees, Page 249
		b) ›Amount of audit fees exceeds the amount of non-audit fees in the last fiscal year	Corporate Integrity and Ethical Business Conduct, Additional Compliance Information, Audit and Non-Audit Fees, Page 249
GCG50	Percentage of women on the Executive committee or equivalent	Percentage of women on the Executive committee or equivalent	Corporate Governance Overview Statement, Board Composition, Page 228
		Year	Corporate Governance Overview Statement, Board Composition, Page 228
Risk Management			
GRM01	The Board:	a) Has oversight of risk management	Sustainability at UEM Edgenta, Sustainability Governance, Page 112
		b) Reviews the effectiveness of the risk management process	
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, Risk Management Committee, Page 238
		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, Risk Management Committee, Page 238

FTSE4GOOD CONTENT INDEX

FTSE4Good Content Index			Location
GOVERNANCE (CONTINUE)			
Risk Management (continued)			
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	Sustainability at UEM Edgenta, Risk Management, Page 112
		b) Company reports using standards such as GRI, Integrated Reporting ("IIRC"), SASB	Sustainability at UEM Edgenta, About this report, Reporting Framework, Page 110
		c) Company uses GRI	
		d) Company uses Integrated Reporting ("IIRC")	
		e) Company uses SASB	Information unavailable. Steps are being taken to include the information in the next Report
		f) Company uses another system	Information unavailable. Steps are being taken to include the information in the next Report
GRM05	Board specifically oversees:	a) Code of Conduct, Code of Ethics or equivalent	Corporate Governance Overview Statement, UEM Edgenta's Corporate Governance Framework, Page 216
		b) ESG risks	Sustainability at UEM Edgenta, Sustainability Governance, Page 111
GRM07	The company's Codes/ charters/policy documents or equivalent:	a) Describe the company's risk management framework	Sustainability at UEM Edgenta, Risk Management, Page 112
		b) This risk management framework specifically covers ESG risks	Sustainability at UEM Edgenta, Sustainability Governance, Page 112
GRM08	The company has a corporate-wide approach to non-compliance including:	a) Procedures to investigate and follow up on any non-compliance identified	Social Value Creation, Advocating health and safety within our value chain, Page 160
		b) Reporting the number of claims or incidents of non-compliance	Social Value Creation, Advocating health and safety within our value chain, Page 160
GRM10	The company commits to:	a) The regular rotation of auditors/audit partner	Information unavailable. Steps are being taken to include the information in the next Report
		b) Tender for a new audit firm on a regular basis	Information unavailable. Steps are being taken to include the information in the next Report
GRM11	The company prepares for major ESG catastrophic events and incidents through:	a) Scenario planning	Information unavailable. Steps are being taken to include the information in the next Report
		b) Having in place response plans	Information unavailable. Steps are being taken to include the information in the next Report
GRM12	The company:	a) Reviews compliance with its Code of Conduct/Code of Ethics and identifies any non-compliance	Statement on Risk Management and Internal Control, Integrity & Compliance, Page 241
		b) Periodically reviews the effectiveness of its Code of Conduct/Code of Ethics	Information unavailable. Steps are being taken to include the information in the next Report
GRM14	Provisions for fines and settlements specified for ESG issues in audited accounts	Year	Information unavailable. Steps are being taken to include the information in the next Report
		Currency	Information unavailable. Steps are being taken to include the information in the next Report
GRM20	There is a confidential or anonymous whistle-blowing or equivalent mechanism to notify breaches of company codes or policies for:	a) Staff which can include contractors, joint ventures, or other parties working with the company	Human rights assessment, Aligning our stance on human rights, Page 182
		b) Other external stakeholders and members of the public	

GLOSSARY

Abbreviation	Full Form
ABAC	Anti-Bribery & Anti-Corruption
ABMS	Anti-Bribery Management System
AC	Audit Committee
ACMV	Air-Conditioning and Mechanical Ventilation
AGM	Annual General Meeting
AI	Artificial Intelligence
AOP	Annual Operating Plan
AQIF	Associate Qualification in Islamic Finance
BCM	Business Continuity Management
BEA	Board Effectiveness Assessment
BEM	Board of Engineers Malaysia
BEMS	Biomedical Engineering Maintenance Services
BGRC	Board Governance and Risk Committee
BIC	Board Investment Committee
BOD	Board of Directors
BPLOD	Business Partner's Letter of Declaration
BTC	Board Tender Committee
BIC	Board Investment Committee
BVDP	Bumiputera Vendor Development Programme
Byte Blanket	Byte Blanket FZE
BCA	Building Condition Assessment

Abbreviation	Full Form
CAC	COVID-19 Assessment Centre
CAN	CEO Action Network
CAPAs	Corrective and Preventive Actions
CG Report	Corporate Governance Report
CHRA	Chemical Health Risk Assessment
CIDB	Construction Industry Development Board
CIMA	Cement Industries Malaysia Berhad
CLS	Cleansing Services
CMMS	Computerised Maintenance Management System
CnC	Command & Contact Centre
COC	Code of Conduct
COCBP	Code of Conduct for Business Partners
CSR	Corporate Social Responsibility
CSS	Customer Satisfaction Survey
CTOS	Credit Tip Off System
DAL	Discretionary Authority Limits
DASS	Depression Anxiety Stress Scale
Disrupt-X	Disrupt-X DMCC
DEI	Diversity, Equity and Inclusion
DOE	Department of Environment
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation

GLOSSARY

Abbreviation	Full Form
EDR	EndPoint Detection & Response
ERM	Enterprise Risk Management
EES	Economic, Environmental & Social
ELITE	North-South Expressway Central Link
EESG	Economic, Environmental, Social, and Governance
EMGS	Energy Management Gold Standard
EMR	Electronic Medical Record
EMS	Energy Management System
EoTF2025	Edgenta of the Future 2025
EOT	Extension of Time
EPB	Edgenta Propel Berhad
EPC	Energy Performance Contracting
EPF	Employees Provident Fund
EPS	Edgenta PROPEL (Sarawak) Sdn. Bhd.
ERA	Ergonomic Risk Assessment
ERP	Enterprise Resource Planning
ESCO	Energy Service Company
ESG	Environmental, Social and Governance
EVP	Employee Value Proposition
E-Waste	Electronic Waste
FEMS	Facilities Engineering Maintenance Services

Abbreviation	Full Form
FM	Facilities Manager
FMCG	Fast-Moving Consumer Goods
FMS	Facilities Management Services
FTSE4Good	FTSE4Good
FWA	Flexible Working Hours
FY2022	Financial Year 2022
GBI	Green Building Index
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GMC	General Management Committee
GRI	Global Reporting Initiative
GPCM	Group Procurement and Contract Management
GPC	Green Performance Contracting
HA	Health Attendant Services
HCA	HSSE Capability Assessment
HCM	HSSE Consequence Management
HCM	Human Capital Management
HIRARC	Hazard Identification, Risk Assessment and Risk Control
HQMS	Home Quarantine Monitoring Systems
HSBC AMANAH	HSBC Amanah Malaysia Berhad
HSE	Health, Security and Environment

GLOSSARY

Abbreviation	Full Form
HSS	Hospital Support Services
HSSE	Health, Safety, Security & Environment
HWMS	Healthcare Waste Management Services
IAD	Internal Audit Department
IET	The Institution of Engineering and Technology
IBFIM	Islamic Banking & Finance Institute Malaysia
ICP	Islamic Commercial Papers
IFM	Integrated Facilities Management
IFRS	International Financial Reporting Standards
IIA	Institute of Internal Auditors
IIRC	International Integrated Reporting Council
IMTN	Islamic Medium Term Notes
IoT	Internet of Things
IPPF	International Professional Practice Framework
ITIL	Information Technology Infrastructure Library
JHA	Job Hazard Analysis
JKR	Public Works Department
Khazanah	Khazanah Nasional Berhad
KPI	Key Performance Indicators
KSI	KSI Strategic Institute for Asia Pacific
KLIA	Kuala Lumpur International Airport

Abbreviation	Full Form
KSA	Kingdom of Saudi Arabia
LEED	Leadership in Energy and Environmental Design
LLS	Linen and Laundry Services
LOTG	LEARN-on-the-GO
LSE	London School of Economics & Political Science
MAC	Management Audit Committee
MACC	Malaysian Anti-Corruption Commission
MCCG	Malaysian Code on Corporate Governance 2021
MCO	Movement Control Order
MD/CEO	Managing Director/Chief Executive Officer
MFRS	Malaysia Financial Reporting Standards
MIA	Malaysian Institute of Accountants
MICPA	Malaysian Institute of Certified Public Accountants
MIS	Management Information System
MOSTFac	Mobile On-Site Testing Facility
MoBE	Memorandum of Business Exploration
MoH	Ministry of Health
MoU	Memorandum of Understanding
HMS	HSSE Management System
MSD	Muscular Skeletal Disorder
MSOSH	Malaysian Society for Occupational Safety & Health

GLOSSARY

Abbreviation	Full Form
MSWG	Minority Shareholder Watch Group
MSME	Micro Small-to-Medium Enterprises
MyCREST	Malaysia's Carbon Reduction and Environmental Sustainability Tool
NDA	Non-Disclosure Agreement
NRA	Noise Risk Assessment
NRC	Nomination and Remuneration Committee
NSE	North-South Expressway
OE	Operational Excellence
OGB	Opus Group Berhad
OHD	Occupational Health Doctor
OHSMS	Occupational Health and Safety Management System
OME	Operon Middle East
PAT	Profit After Tax and Zakat
PATANCI	Profit After Tax and Non-Controlling Interest
PBC	Performance Based Contracting
PBT	Profit Before Tax and Zakat
PIF	Public Investment Fund
PLUS	PLUS Malaysia Berhad
PMO	Prime Minister's Office
PMS	Performance Management System
PPV	Private Vaccination Centre
PRC	Pavement Research Centre
PRINCE2	PRojects IN Controlled Environments
PTR	Portering Services
PTP	Procure-to-Pay
QHSSE	Quality, Health, Safety, Security & Environment
RMF	Risk Management Framework
RAP	Reclaimed Asphalt Pavement
RFID	Radio Frequency Identification
RICD	Risk, Integrity & Compliance Department
RMC	Risk Management Committee
RMF	Risk Management Framework
Report	Annual Report 2022
RAMS	Road Asset Management System
RSA	Rest and Service Areas
RTK	Rapid Test Kit
RTM	Replacement Through Maintenance
SaaS	Software as a Service
SEDC	Sarawak Economic Development Corporation
SDGs	Sustainable Development Goals
SFP	Supplier Financing Programme
Statement	Sustainability Statement 2022

GLOSSARY

Abbreviation	Full Form
SME	Small and Medium-Sized Enterprises
SOPs	Standard Operating Procedure
SP	Sustainability Programme
SSS	Site Safety Supervisor
SUKE	Sungai Besi – Ulu Kelang Expressway
The Code	Malaysian Code on Corporate Governance 2021
TnG	Touch 'n Go Sdn. Bhd.
TMA	Truck Mounted Attenuator
TNB	Tenaga Nasional Berhad
TOR	Terms of Reference
TCFD	Task Force on Climate-Related Financial Disclosures
UAE	United Arab Emirates

Abbreviation	Full Form
UELC	UEM Edgenta Learning Centre
UEM Edgenta	UEM Edgenta Berhad
UEM Group	UEM Group Berhad
UNSDGs	United Nations' Sustainable Development Goals
USGBC	US Green Building Council
WACH	Women & Children Hospital
WAEIR	Weighted Average Effective Interest Rates
WBP&P	Whistleblowing Policy and Procedure
WoW	Edgenta Workplace Wellness
WFH	Work from Home
Y-o-Y	Year-on-Year

NOTICE OF THE 60TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 60th Annual General Meeting ("60th AGM") of UEM Edgenta Berhad ("UEM Edgenta" or the "Company") will be conducted virtually for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice.

Meeting Platform : https://meeting.boardroomlimited.my

Day and Date : Thursday, 15 June 2023

Time : 3.00 p.m.

Broadcast Venue : The Grounds, Level 12, Menara UEM, Tower 1, Avenue 7, The Horizon, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

Mode of Communication : Shareholders may submit questions to the Board of Directors in advance, prior to the 60th AGM electronically by email to ir@edgenta.com no later than **Tuesday, 13 June 2023** at **3.00 p.m**. or via real time submission of typed texts via Lumi AGM meeting platform at https://meeting.boardroomlimited.my during the live streaming.

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Directors' and Auditors' reports thereon.

2. 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:-

   - Tan Sri Dr. Azmil Khalid — **Ordinary Resolution 1**
   - Dato' Mohd Izani Ghani — **Ordinary Resolution 2**

   Dato' Noorazman Abd Aziz who retires in accordance with Article 91 of the Company's Constitution, has expressed his intention not to seek re-election. Hence, he will retain office until the conclusion of the 60th AGM.

3. To approve the Directors' fees and the payment thereof to the Directors for the period from the 60th AGM until the next Annual General Meeting ("AGM") of the Company, to be payable on a quarterly basis. — **Ordinary Resolution 3**

4. 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 60th AGM until the next AGM of the Company:- — **Ordinary Resolution 4**

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

5. To re-appoint Messrs Ernst & Young PLT as Auditors and to authorise the Board of Directors to fix their remuneration. — **Ordinary Resolution 5**

NOTICE OF THE 60TH ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without modifications:-

6. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** — **Ordinary Resolution 6**

"**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 28 April 2023 **AND THAT** such approval shall continue to be in force until:-

(a) the conclusion of the next AGM of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed;

(b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier,

AND FURTHER THAT the Directors of the Company and/or any of them be and are/is (as the case may be) hereby authorised to complete and do all such acts and things (including executing all such documents under the common seal in accordance with the provisions of the Constitution of the Company, as may be required) as they may consider expedient or necessary to give full effect to the Proposed Renewal of Shareholders' Mandate."

7. **Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature** — **Ordinary Resolution 7**

"**THAT** pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the 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 28 April 2023 **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,

NOTICE OF THE 60TH 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 New Shareholders' Mandate."

8. 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
28 April 2023

NOTES:

1. The 60th AGM would be held entirely via Remote Participation and Electronic Voting ("RPEV") facilities through Lumi AGM meeting platform at https://meeting.boardroomlimited.my. Kindly refer to the Administrative Notes for the 60th AGM in order to register, participate and vote remotely via the RPEV facilities.

2. The venue of the 60th 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 60th 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 the Share Registrar's Office, Boardroom Share Registrars Sdn. Bhd., at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

NOTICE OF THE 60TH ANNUAL GENERAL MEETING

(ii) By electronic form

The Proxy Form can be electronically submitted through the Share Registrar's website, Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please refer to the Administrative Notes for the procedures on electronic lodgement of proxy form.

8. For the purpose of determining a member who shall be entitled to attend this 60th 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 8 June 2023. Only a depositor whose name appears on the ROD as at 8 June 2023 shall be entitled to attend this 60th AGM or appoint a proxy(ies) to attend, participate, speak and vote on his behalf.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

9. Explanatory Notes on Ordinary Businesses:-

(i) To receive the Audited Financial Statements

Agenda Item No. 1 is meant for discussion only as the provisions of Sections 248(2) and 340(1) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item of the Agenda is not put forward for voting.

(ii) Ordinary Resolutions 1 & 2: Re-election of Directors

The Nomination and Remuneration Committee ("NRC") has considered the performance and contribution of each of the retiring Directors under Agenda Item No. 2 and has also assessed the independence of the Independent Non-Executive Director ("INED") seeking re-election.

Based on the results of the Board Effectiveness Assessment conducted for the financial year ended 31 December 2022, the performance of each of the retiring Directors was found to be satisfactory.

The retiring INED has 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 60th AGM are provided in the Board of Directors' section on pages 192 to 200 of Company's Annual Report 2022.

(iii) Ordinary Resolution 3: Payment of Directors' Fees

The Directors' fees under Agenda Item No. 3 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 60TH ANNUAL GENERAL MEETING

10. Explanatory Notes on Special Businesses:-

(i) Ordinary Resolution 6: Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 6, if passed, will allow 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 28 April 2023.

(ii) Ordinary Resolution 7 – Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

Ordinary Resolution 7 is to seek 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 28 April 2023.

STATEMENT ACCOMPANYING NOTICE OF 60TH 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 60th AGM

The details of the Directors who are standing for re-election at the 60th AGM are provided in the Board of Directors' section on pages 192 to 200 of the Company's Annual Report 2022. None of the Directors have any interest in the securities of the Company and its subsidiaries.

FORM OF PROXY

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

A member of **UEM Group**

Total number of ordinary share(s) held		
CDS Account No.		
Proportion of holdings to be represented by each proxy	Proxy 1 %	Proxy 2 %

I/We (Full Name) _____
(block letters)

NRIC/Passport/Company No. _____ of _____
(full address)

being a member of UEM EDGENTA BERHAD ("the Company") hereby appoint:-

Proxy 1

Full Name (block letters)	Email Address	Contact No.	NRIC/Passport No.
Full Address			

and/or failing him/her (delete as appropriate)

Proxy 2

Full Name (block letters)	Email Address	Contact No.	NRIC/Passport No.
Full Address			

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 60th Annual General Meeting of the Company to be held entirely through live streaming from the Broadcast venue at **The Grounds, Level 12, Menara UEM, Tower 1, Avenue 7, The Horizon, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur** on **Thursday, 15 June 2023** 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 Tan Sri Dr. Azmil Khalid who is retiring in accordance with Article 91 of the Company's Constitution	1		
To re-elect Dato' Mohd Izani Ghani who is retiring in accordance with Article 91 of the Company's Constitution	2		
To approve the payment of Directors' fees for the period from the 60th Annual General Meeting until the next Annual General Meeting of the Company, to be payable on a quarterly basis	3		
To approve the payment of Directors' benefits to the Non-Executive Chairman and Non-Executive Directors for the period from the 60th Annual General Meeting until the next Annual General Meeting of the Company	4		
To re-appoint Messrs Ernst & Young PLT as Auditors and to authorise the Board of Directors to fix their remuneration	5		
To approve the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	6		
To approve the Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature	7		

_____
Signature of Shareholder(s)/Common Seal
Date:
Contact No.:

NOTES:

1. The 60th Annual General Meeting ("60th AGM") would be held entirely via Remote Participation and Electronic Voting ("RPEV") facilities through Lumi AGM meeting platform at https://meeting.boardroomlimited.my. Kindly refer to the Administrative Notes for the 60th AGM in order to register, participate and vote remotely via the RPEV facilities.

2. The venue of the 60th 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 60th 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 the Share Registrar's Office, Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

   (ii) By electronic form

   The Proxy Form can be electronically submitted through the Share Registrar's website, Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please refer to the Administrative Notes for the procedures on electronic lodgement of proxy form.

8. For the purpose of determining a member who shall be entitled to attend this 60th 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 8 June 2023. Only a depositor whose name appears on the ROD as at 8 June 2023 shall be entitled to attend this 60th 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 28 April 2023.

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STAMP

The Share Registrar's Office
Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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GROUP DIRECTORY

CORPORATE OFFICE

UEM Edgenta Berhad
196301000166 (5067-M)
Level 17, Menara UEM, Tower 1, Avenue 7, The Horizon, Bangsar South City
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
Tel: +603 2725 6688 Fax: +603 2725 6888
uemedgenta.com

ASSET MANAGEMENT

HEALTHCARE SUPPORT

CONCESSION

Edgenta Healthcare Management Sdn. Bhd.
199501035976 (365178-M)

Edgenta Mediserve Sdn. Bhd.
198301014425 (109818-H)

Edgenta Healthtronics Sdn. Bhd.
199601042834 (415187-M)

Level 3, Menara UEM
Tower 1, Avenue 7
The Horizon
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Tel : +603 2725 6688
Fax : +603 2725 7158

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.

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 Projects Sdn. Bhd.
201601035054 (1205995-W)

Edgenta Energy Services Sdn. Bhd.
201501029633 (1154954-U)

Edgenta GreenTech Sdn. Bhd.
200301032366 (634787-U)

Level 10, Menara UEM
Tower 1, Avenue 7
The Horizon
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2725 6688
Fax : +603 2725 6888

INFRASTRUCTURE SOLUTIONS

INFRASTRUCTURE SERVICES

Edgenta PROPEL Berhad
198801004310 (171667-P)

Edgenta Infrastructure Services Sdn. Bhd.
200501000568 (677613-A)

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

Edgenta Environmental & Material Testing Sdn. Bhd.
198801006043 (173400-U)

No. 3, Jalan P/8
Kawasan Perindustrian MIEL
Seksyen 13
43650 Bandar Baru Bangi
Selangor Darul Ehsan

Tel : +603 8925 9370
Fax : +603 8925 9373

ASSET CONSULTANCY

Opus Group Berhad
199401005489 (291168-K)

Opus International (M) Berhad
198601004999 (154159-T)

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

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 11 207 4052/4053/4054
Fax : +966 11 207 4155

TECHNOLOGY INNOVATION

Edgenta NXT Sdn. Bhd.
201101016290 (944424-V)
Level 1, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
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UEM Edgenta Berhad

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