

DRIVING TECHNOLOGY, ADVANCING SUSTAINABILITY

CREATING A BETTER TOMORROW

EDGENTA OF THE FUTURE 2025

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



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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.



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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.

ABOUT THIS REPORT

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



▶ MATERIAL MATTERS



▶ 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



▶ RISKS AND MITIGATION



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

**FUTURE
FOCUSED**



we prepare for tomorrow's challenges, today

I

**IMAGINE
NEW WAYS**



we imagine new ways to deliver better work

R

**RESPECT
FOR ALL**



we treat our colleagues & stakeholders with respect

S

**SOLUTIONING
MINDSET**



we solve challenges to deliver results

T

**TRUE TO
OUR WORD**



we are guided by integrity to build trust

OVERVIEW OF UEM EDGENTA

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 Syahrudin 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 Syahrudin 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 m³ 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

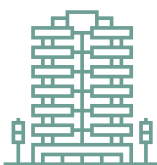
(2021: RM10.8 billion order book)



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
TCO₂**



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

MANAGING
19 GBI
AND LEED
CERTIFIED BUILDINGS
AT VARIOUS
CERTIFICATION LEVELS



TOTAL ENERGY
SAVINGS OF
38
MILLION
KWH IN 2022

(2021: 37)



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 & Health

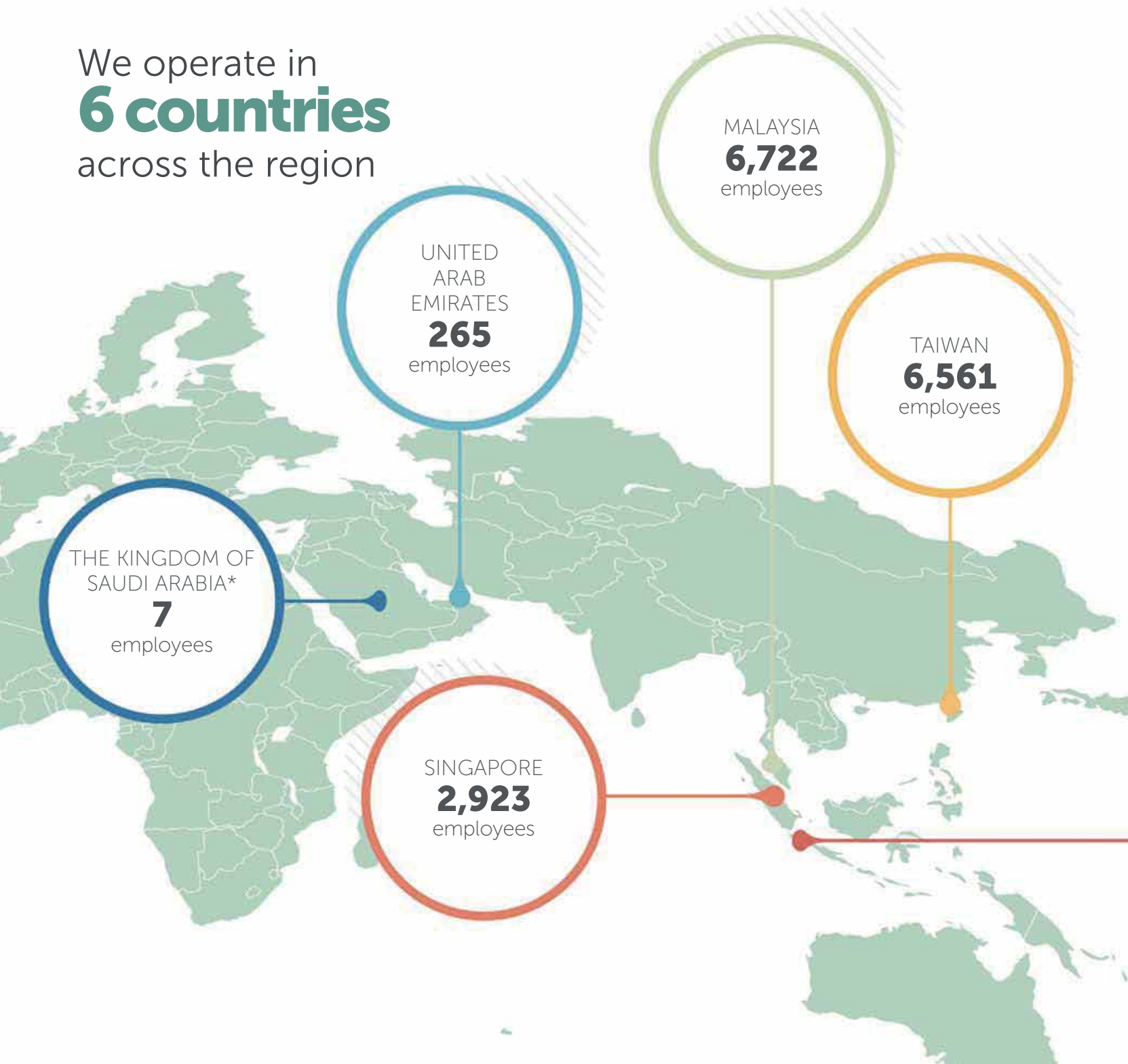
DEPARTMENT OF OCCUPATIONAL, SAFETY AND HEALTH (DOSHA), MINISTRY OF HUMAN RESOURCES

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

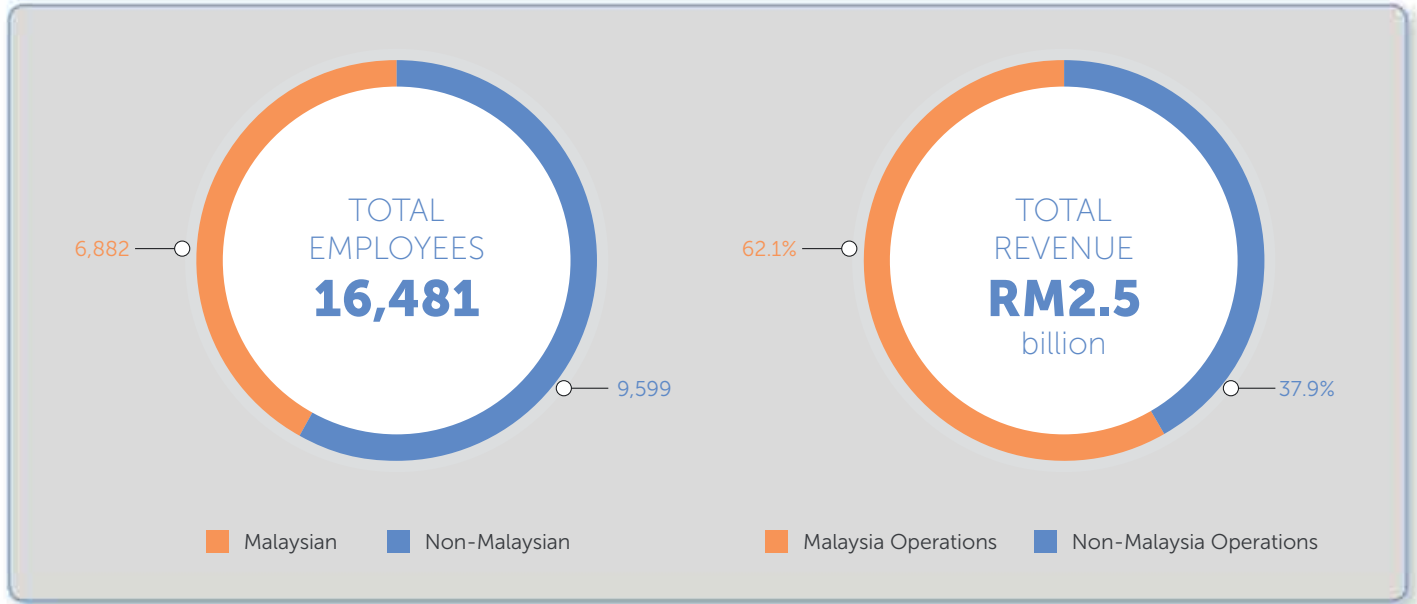
OUR PRESENCE

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

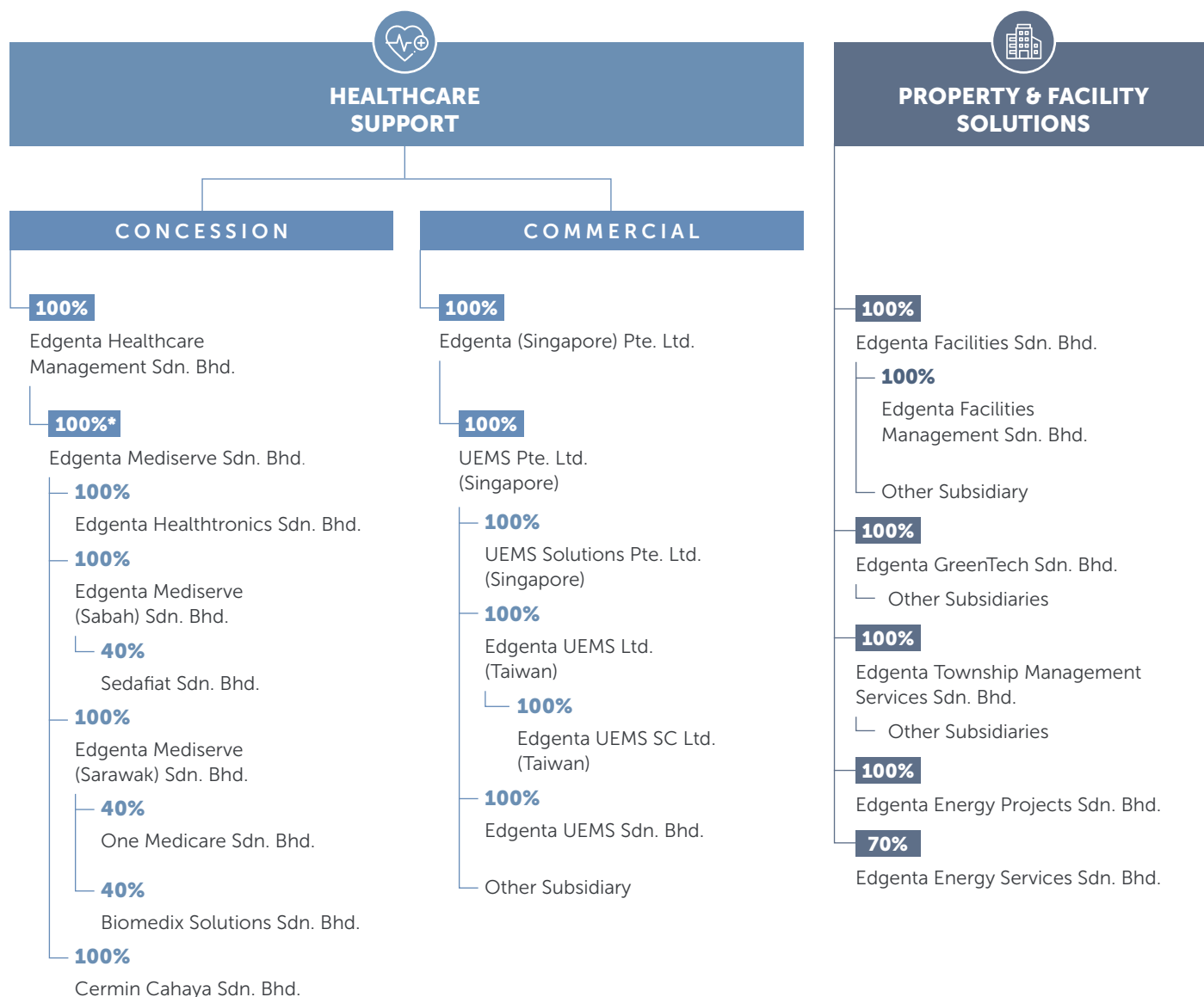
As at 31 March 2023

Khazanah Nasional Berhad

UEM Group Berhad



ASSET MANAGEMENT



*Direct and indirect interest.

OUR CORPORATE STRUCTURE

UEM Edgenta Berhad



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 *UETrack™* 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.



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.

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.

STOCK EXCHANGE LISTING



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.



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 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

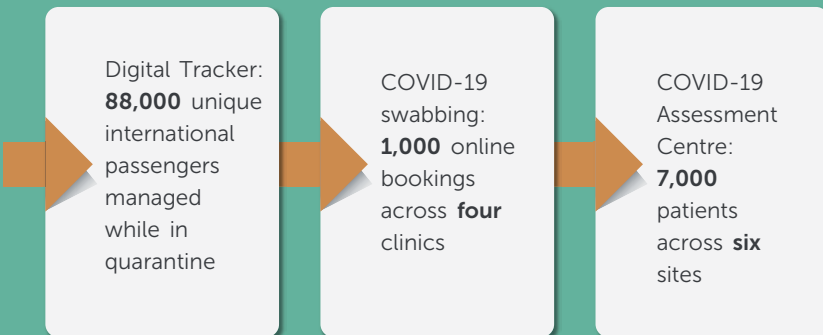
→ Easily integrates with third-party applications for extended value



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.

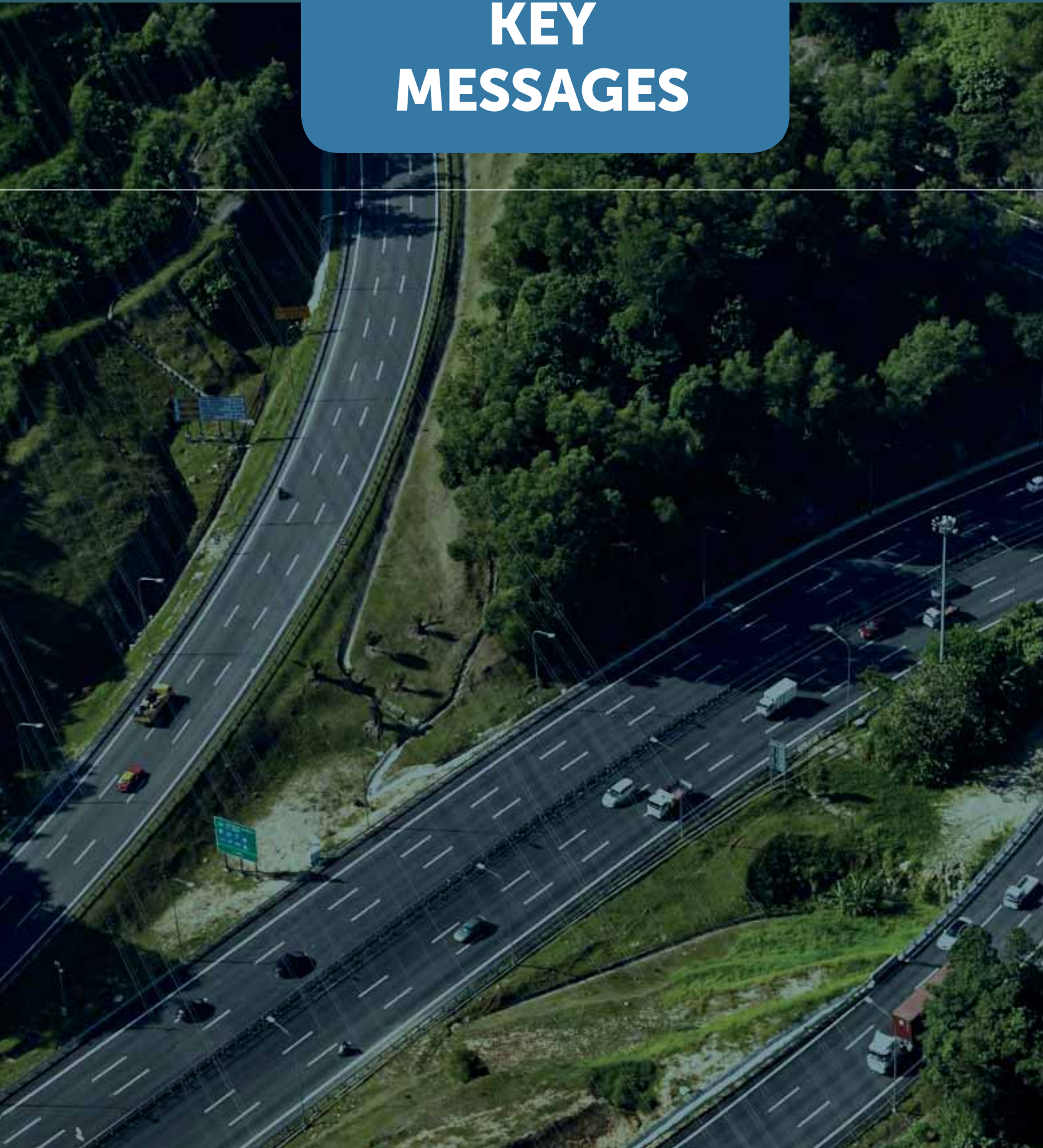


ASSETO FOR HEALTH

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.

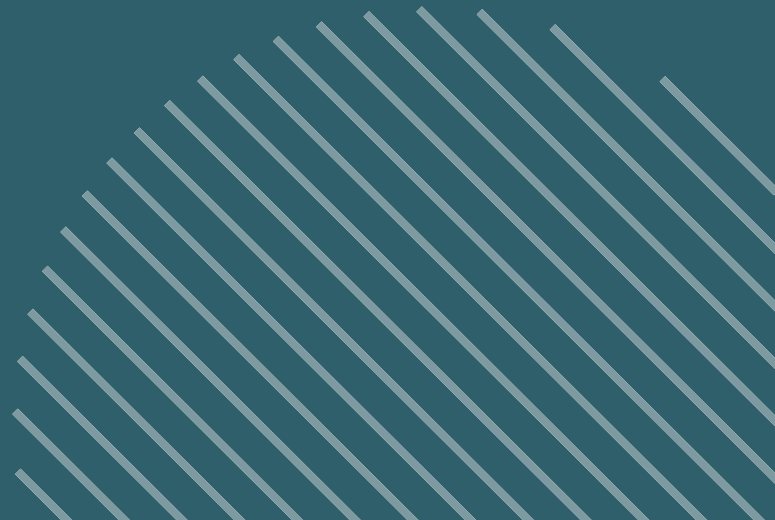


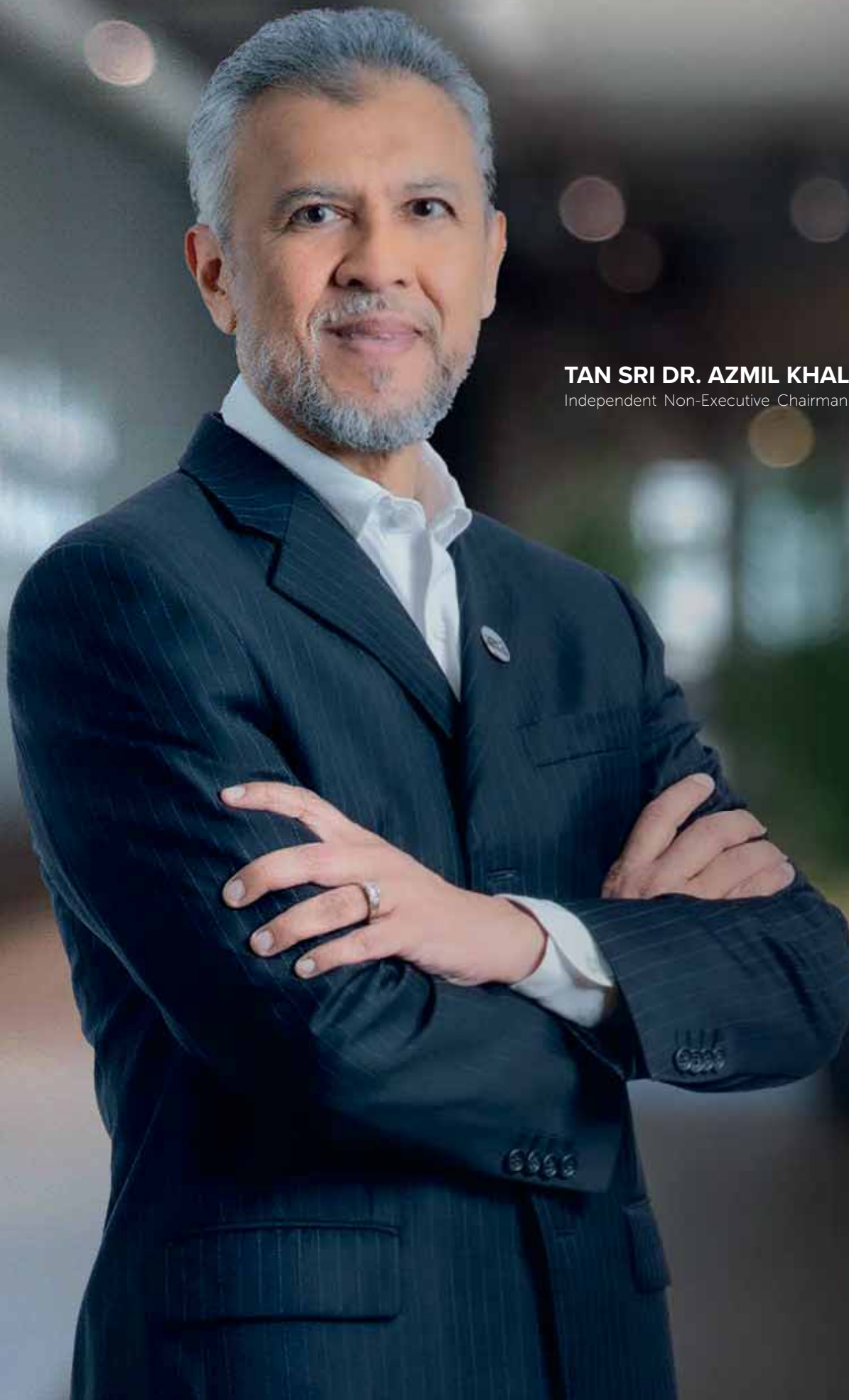
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TAN SRI DR. AZMIL KHALID

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.

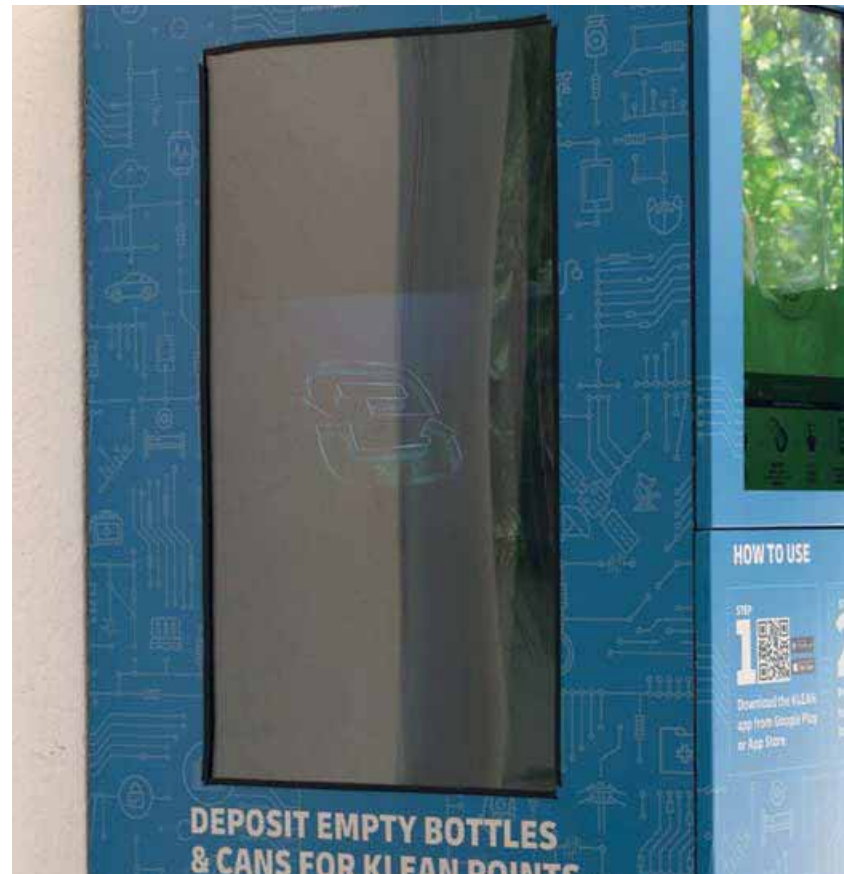
DEEPENING OUR ESG COMMITMENT

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 Aseto 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 CO₂ 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 Aseto 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-o-Y) 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

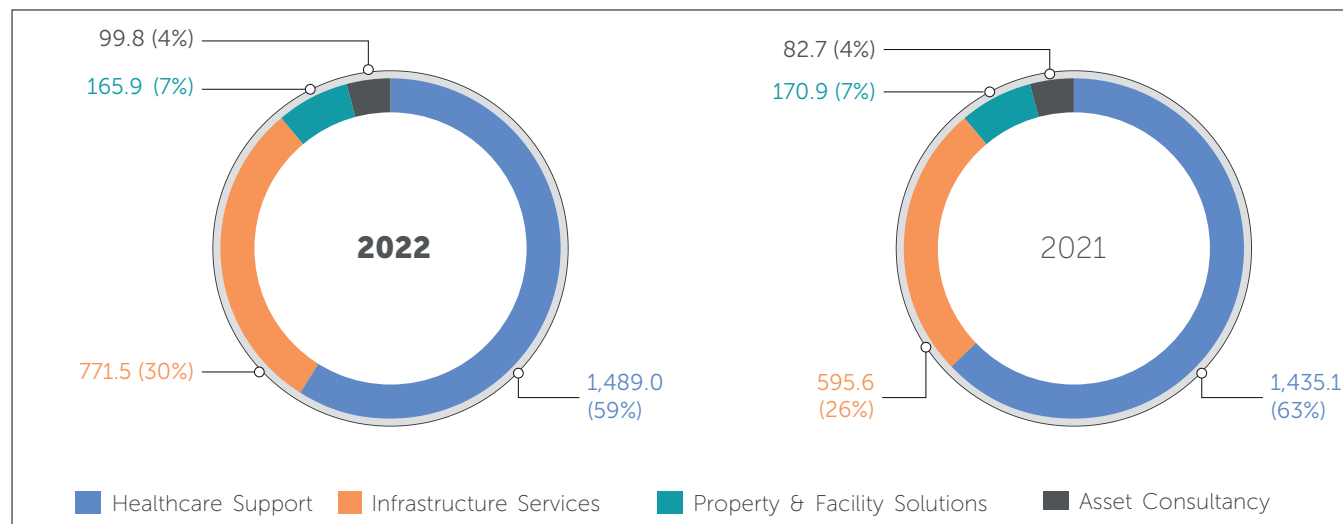
The division performed strongly, benefiting from increased pavement works on expressways from core clients, PLUS Malaysia Berhad and Jabatan Kerja Raya, as well as new wins in East Malaysia and Indonesia. This contributed to commendable increases of RM175.9 million (29.5% Y-o-Y) in revenue and RM24.3 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%

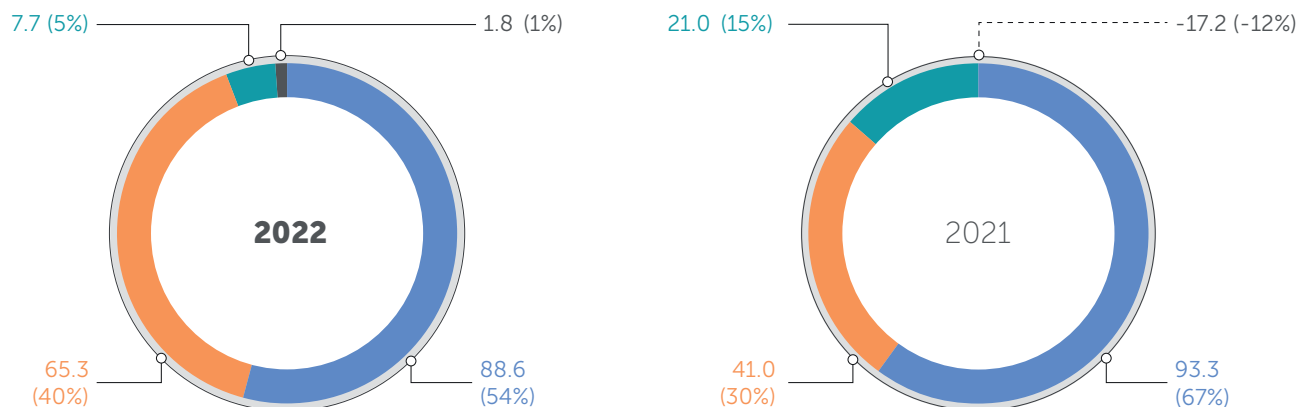
FINANCIAL POSITION

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.

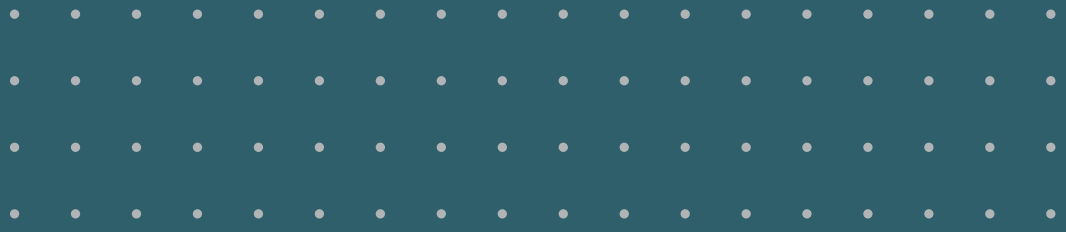
To support our growth and expansion, we will strive to ensure sufficient capital allocation of growth CAPEX for the development of technology-based solutions. Bolstered by our healthy cash position, we are also in an ideal position to invest in further strategic partnerships and inorganic growth opportunities,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

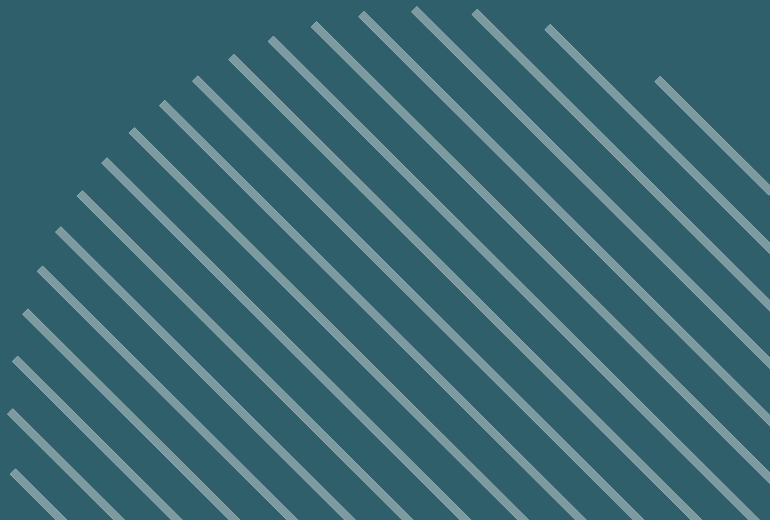
Hillary Chua Pei Sum
Chief Financial Officer

VALUE CREATION





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▶ 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 | S5 Supply Chain Partners |
| S2 Clients and Partners | S6 Media |
| S3 Shareholders and Investors | S7 Community |
| S4 Government and Regulators, Industry and Business Associates | |

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

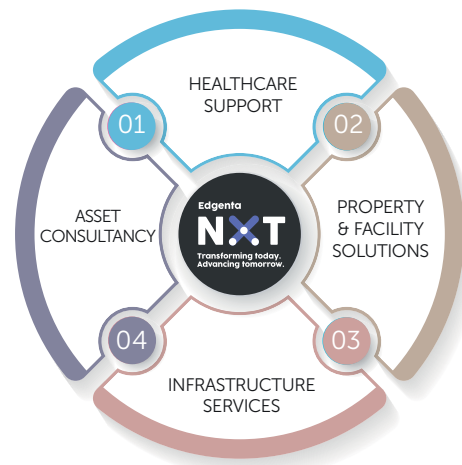
We formulate our strategies to maximise the productive use of our resources across the six capitals.



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:



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, UETrack™ 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 TCo₂**

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

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



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



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



VALUE FOR OUR STAKEHOLDERS

OUTPUTS

OUTCOMES

Transforming today. Advancing tomorrow.



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
- ▶ Assteto - **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**

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 tCO₂** 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