

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

INTEGRATED ANNUAL REPORT 2023



INSIDE THIS REPORT



INNOVATING FOR TOMORROW: SUSTAINING EXCELLENCE BEYOND BOUNDARIES

COVER RATIONALE

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

Section 1

BASIS OF THIS REPORT 2

Section 2

WE ARE UEM EDGENTA

Overview of UEM Edgenta	4
• 2023 Key Highlights	6
• 2023 Key Significant Events	10
• Our Presence	12
• Our Corporate Structure	14
• What We Do	16
- Healthcare Support	16
- Property & Facility Solutions	17
- Infrastructure Services	18
- Asset Consultancy	19
What Differentiates Us: Our Strengths	20
• Awards and Recognitions	22
• Edgenta Digital Ecosystem Platform	24

Section 3

FROM OUR LEADERSHIP

Chairman's Statement	26
MD/CEO's Statement	32
Financial Review	40

Section 4

HOW WE CREATE VALUE

Our Operating Environment and Market Trends	46
Stakeholder Engagement	53
Our Material Matters	58
Value Creation Business Model	60
Edgenta of the Future 2025 (EoTF2025)	62
Risks and Mitigation	64

Section 5

STRATEGIC BUSINESS

Financial Performance	
- 5-Year Group Financial Summary	68
- 5-Year Group Financial Highlights	69
- Simplified Statements of Financial Position	70
- Segmental Analysis	71
- Value Added Statement and Value Distribution	72
- Group Quarterly Performance	73
Business Review	
- Healthcare Support	74
- Property & Facility Solutions	82
- Infrastructure Services	88
- Asset Consultancy	94

INSIDE THIS REPORT

Section 6

ENHANCING VALUE THROUGH SUSTAINABILITY

Sustainability At UEM Edgenta	
- UEM Edgenta's Sustainability Framework	98
- Leadership Commitments To Sustainability	99
- Prioritised UN SDGs	104
- Driving Sustainability Through Partnerships	106
- Sustainability Roadmap	108
- Sustainability Governance	109
- Enhanced Sustainability Policy	111
Governance	
- Business Ethics	112
Sustainable Economic Growth	
- Innovation and Technology-Based Operational Excellence	116
- Economic Development	121
- Supply Chain Management	125
Minimising Environmental Impact	
- Climate Change and Energy	130
- Environmental Management	138
Social Value Creation	
- Occupational Health and Safety	144
- Employment Culture	154
- Customer Satisfaction	173
- Human Rights Assessment	175
- Local Community	178

Section 7

GOVERNANCE

Corporate Information	183
Board of Directors	184
Board of Director's Profile	187
Company Secretary's Profile	197
Executive Leadership	198
Executive Leadership's Profile	200
Organisation Structure	210
Corporate Governance Overview Statement	212
Audit Committee Report	235
Statement on Risk Management and Internal Control	238
Corporate Integrity and Ethical Business Conduct	247
Additional Compliance Information	252

Section 8

FINANCIAL STATEMENTS

Directors' Responsibility Statement	254
Directors' Report	255
Statement by Directors	261
Statutory Declaration	261
Independent Auditors' Report	262
Statements of Comprehensive Income	268
Statements of Financial Position	270
Statements of Changes in Equity	273
Statements of Cash Flows	275
Notes to the Financial Statements	277

Section 9

SHAREHOLDERS' INFORMATION

Analysis of Shareholdings	394
Properties Held by Our Group	397
Recurrent Related Party Transactions	399
Sustainability Performance Data Table	415
GRI Content Index	417
FTSE4Good Content Index	421
Statement of Assurance	434
Glossary	435
Notice of the 61 st Annual General Meeting	438
Statement Accompanying Notice of 61 st Annual General Meeting	443

Form of Proxy
Group Directory



Scan QR code to view the microsite of
[UEM Edgenta Integrated Annual Report 2023.](#)

BASIS OF THIS REPORT

REPORTING THAT IS BUILT ON BENCHMARKED PRINCIPLES, FRAMEWORKS AND GUIDELINES

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

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

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

SCOPE AND BOUNDARIES

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

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

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

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

OUR TARGETED READERS

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












NAVIGATING OUR REPORT

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

OUR CAPITALS

-  Financial
-  Plants and Machineries
-  Intellectual
-  Human
-  Natural
-  Social and Relationship Resource

MATERIAL MATTERS

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

BASIS OF THIS REPORT

REPORTING GUIDELINES AND FRAMEWORKS

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

Corporate Section

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

Financial Section

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

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

FORWARD-LOOKING STATEMENTS

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

FEEDBACK

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

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

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

STAKEHOLDERS

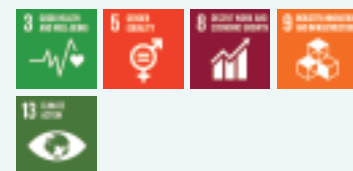
- | | |
|---|---------------------------------|
| S1 Board of Directors and Employees | S5 Supply Chain Partners |
| S2 Clients and Partners | S6 Media |
| S3 Shareholders and Investors | S7 Community |
| S4 Government and Regulators, Industry and Business Associates | |

RISKS AND MITIGATION

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

UN SDG

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



NAVIGATION ICONS

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

OVERVIEW OF UEM EDGENTA

VISION

Optimising

assets to improve lives

MISSION

Our services,

commitment to smarter thinking and improved solutions place us at the forefront of the industry

We create

opportunities for clients and assets that positively influence society

CORE VALUES

We stand by

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

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



F
FUTURE FOCUSED

we prepare for tomorrow's challenges, today

I
IMAGINE NEW WAYS

we imagine new ways to deliver better work

R
RESPECT FOR ALL

we treat our colleagues & stakeholders with respect

S
SOLUTIONING MINDSET

we solve challenges to deliver results

T
TRUE TO OUR WORD

we are guided by integrity to build trust

OVERVIEW OF UEM EDGENTA



WHAT WE DO

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

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

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

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



We are present in
6
countries

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

OVERVIEW OF UEM EDGENTA

2023 KEY HIGHLIGHTS

- BUSINESS HIGHLIGHTS
- FINANCIAL HIGHLIGHTS
- SUSTAINABILITY HIGHLIGHTS

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

BUSINESS HIGHLIGHTS

Repositioned
Opus Energy and Sustainability Solutions



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

(Earth Finance, Honeywell, and Yinson Green Technologies)



OVERVIEW OF UEM EDGENTA

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



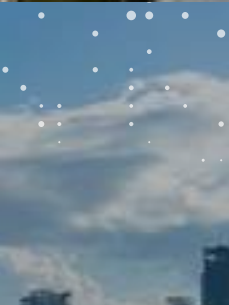
Secured Long Term State/Rural Road Contracts
(Continuation of the Selangor State Road concession and new contracts in new states)



Operationalisation and Integration in Middle East
(EAL-MEEM integration and KAIZEN Group acquisition)



UAE: New business beyond WASL
New contract from Abu Dhabi Equestrian Club and renewal of ENBD REIT



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



Rollout of Asseto to 15 Property and Facility Solutions ("PFS") sites including **3 KLCC sites** (35,000 assets managed in 2023)



OVERVIEW OF UEM EDGENTA

FINANCIAL HIGHLIGHTS

REVENUE

RM2,881.0 million

(2022: RM2,523.6 million)

EBITDA

RM157.9 million

(2022: RM179.9 million)

PBT

RM63.7 million

(2022: RM93.8 million)

PAT

RM30.1 million

(2022: RM45.7 million)

NORMALISED PAT

RM31.3 million

(2022: RM63.1 million)

NET ASSETS PER SHARE

RM1.95

(2022: RM1.90)

PATANCI

RM31.1 million

(2022: RM45.9 million)

EARNINGS PER SHARE

3.7 sen

(2022: 5.5 sen)

TOTAL ASSETS

RM2,954.3 million

(2022: RM2,868.7 million)

SHAREHOLDERS' FUNDS

RM1,619.3 million

(2022: RM1,580.9 million)

DIVIDEND PER SHARE

2.0 sen

(2022: 4.0 sen)

GROSS GEARING RATIO

0.30x

(2022: 0.29x)

TOTAL CASH, BANK BALANCES, DEPOSITS AND SHORT-TERM INVESTMENTS

RM642.4 million

(2022: RM706.7 million)

NET CASH POSITION

RM152.6 million

(2022: RM247.9 million)

OVERVIEW OF UEM EDGENTA

SUSTAINABILITY HIGHLIGHTS

GOVERNANCE

Sustainability Governance and Business Ethics

Enhanced Sustainability Policy

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

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

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

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

Integration of ESG targets into corporate scorecard

ECONOMIC

Sustainable Economic Growth

Responsible supply chain ecosystem

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

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

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

ENVIRONMENT

Minimising Environmental Impact

Launched Net Zero Targets for Scope 1 and 2

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

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

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

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

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

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

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

SOCIAL

Social Value Creation

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

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

Commenced Human Rights Impact Assessment ("HRIA")

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

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

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

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

OVERVIEW OF UEM EDGENTA

2023 KEY SIGNIFICANT EVENTS

PROMOTING EXCELLENCE AND IMPROVEMENT IN CORPORATE REPORTING



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

EXPANDING OUR GLOBAL FOOTPRINT



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

AMPLIFYING GROWTH AND INNOVATION



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



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



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



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

OVERVIEW OF UEM EDGENTA



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



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

ACCELERATING OUR COMMITMENT TO DRIVING A SUSTAINABLE FUTURE



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



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



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



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



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

OVERVIEW OF UEM EDGENTA

OUR PRESENCE

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

We operate in

6 countries
across the region

UNITED ARAB
EMIRATES

306
employees

SINGAPORE

2,944
employees

MALAYSIA

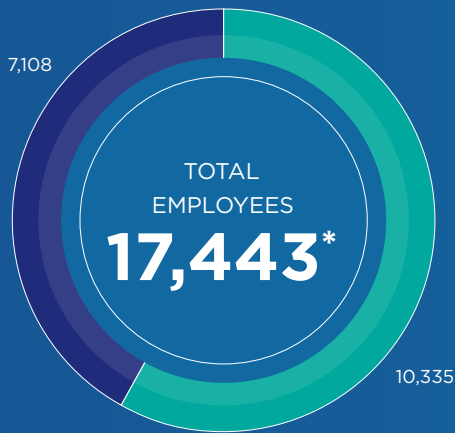
6,843
employees

THE KINGDOM OF
SAUDI ARABIA*

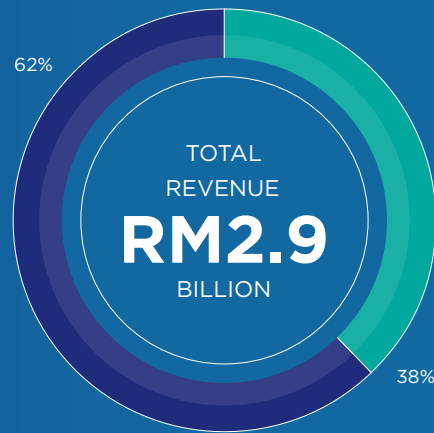
14
employees

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

OVERVIEW OF UEM EDGENTA



Malaysian Non-Malaysian



Malaysia Operations Non-Malaysian Operations

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



MALAYSIA
REVENUE
RM1,786.0
million

TAIWAN
REVENUE
RM520.8
million

SINGAPORE
REVENUE
RM428.5
million

INDONESIA
REVENUE
RM1.2
million



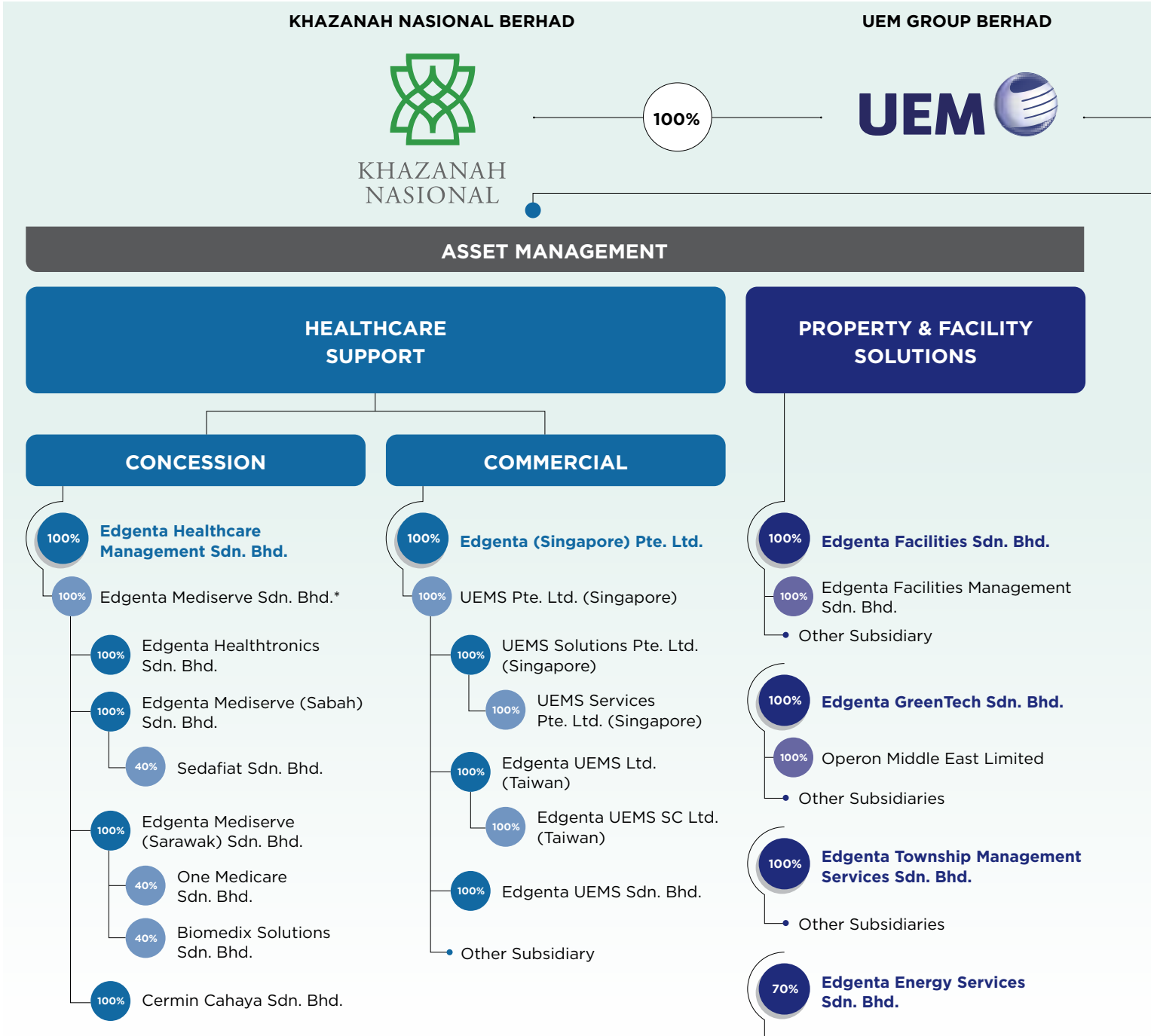
UNITED ARAB EMIRATES
REVENUE
RM112.8
million

THE KINGDOM OF SAUDI ARABIA
REVENUE
RM31.8
million

OVERVIEW OF UEM EDGENTA

OUR CORPORATE STRUCTURE

As at 20 March 2024



* Direct and indirect interest

Indirect interest via Edgenta (Singapore) Pte. Ltd.

OVERVIEW OF UEM EDGENTA

UEM EDGENTA BERHAD

69.14%



INFRASTRUCTURE SOLUTIONS

INFRASTRUCTURE SERVICES

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

ASSET CONSULTANCY

- 100% **Opus Group Berhad**
- 100% Opus International (M) Berhad
- 30% Opus Consultants (M) Sdn. Bhd.
- Other Subsidiaries
- Other Subsidiaries
- 100% **Opus Energy Sdn. Bhd.**
(formerly known as Edgenta Energy Projects Sdn. Bhd.)

TECHNOLOGY INNOVATION

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

OVERVIEW OF UEM EDGENTA

WHAT WE DO



HEALTHCARE SUPPORT

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

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

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

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

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

Maintaining over
1.7 million sqm²
of cleanable area daily

Processing over
19,500 tonnes
of soiled linen

Incinerate more than
8,500 metric tonnes
of clinical waste

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

OVERVIEW OF UEM EDGENTA



PROPERTY & FACILITY SOLUTIONS

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

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

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

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

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

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

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

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

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

OVERVIEW OF UEM EDGENTA

WHAT WE DO



INFRASTRUCTURE SERVICES

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

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

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

Manage infrastructure assets worth
>RM10 billion

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

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

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

OVERVIEW OF UEM EDGENTA



ASSET CONSULTANCY

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

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

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

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

Represented by



Over **RM100 billion**, value of projects delivered

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

- | | |
|----------|-------------------|
| Roadways | Bridges |
| Railways | Built Environment |

Over **400** Professionals

End-to-End Sustainability Solutions across diverse sectors

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

Key Offerings

- | | | | |
|-------------------------------------|--------------------------------|------------------------------|-------------------------------------|
| Engineering & Technical Consultancy | Project Management Consultancy | Asset Management Consultancy | End-to-End Sustainability Solutions |
|-------------------------------------|--------------------------------|------------------------------|-------------------------------------|

WHAT DIFFERENTIATES US: OUR STRENGTHS



STOCK EXCHANGE LISTING



CREDIT RATINGS



AA-
STABLE
MARC

WHAT DIFFERENTIATES US: OUR STRENGTHS

DIVERSIFICATION THROUGH GEOGRAPHIES AND PORTFOLIO

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

STRATEGIC PARTNERSHIP ECOSYSTEM

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

TECHNOLOGY DIFFERENTIATION

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

FINANCIAL STRENGTH

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

OPERATIONAL EXCELLENCE

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

FUTURE-READY WORKFORCE

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

SUSTAINABILITY

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

WHAT DIFFERENTIATES US: OUR STRENGTHS

AWARDS AND RECOGNITIONS

OVERALL CORPORATE



KSI STRATEGIC INSTITUTE FOR ASIA PACIFIC (KSI)

Outstanding World ESG Impact Award 2023



SUSTAINABILITY AND CSR MALAYSIA AWARDS

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



THE STAR

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



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

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

CORPORATE FINANCE



THE ASSET

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

WHAT DIFFERENTIATES US: OUR STRENGTHS

HEALTHCARE SUPPORT



MALAYSIAN BOOK OF RECORDS

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



THE GLOBAL ECONOMICS

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



THE BRANDLAUREATE

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

ASSET CONSULTANCY



THE INSTITUTION OF ENGINEERING AND TECHNOLOGY (IET)

IET Industry Excellence Gold Award 2022



MALAYSIAN SOCIETY FOR OCCUPATIONAL SAFETY AND HEALTH (MSOSH)

MSOSH OSH Gold Class 1 Award Winner for 2023

OTHERS



IRECMS DUBAI

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

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

WHAT DIFFERENTIATES US: OUR STRENGTHS

EDGENTA DIGITAL ECOSYSTEM PLATFORM

Edgenta

NXT

Transforming today.
Advancing tomorrow.

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

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

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

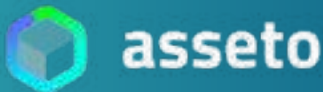
INNOVATION IN TODAY'S EVOLVING HEALTHCARE ENVIRONMENT

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

ASSETO FOR HEALTH

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

WHAT DIFFERENTIATES US: OUR STRENGTHS



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

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



SCALABLE

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



CONFIGURABLE

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



INTEROPERABLE

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



GROWING ECOSYSTEM

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

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



Over **35,000** assets under management



Across **20** buildings and facilities



Over **95,000** work orders generated per year



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



Over **1,000** active platform users

CHAIRMAN'S STATEMENT

DEAR VALUED
STAKEHOLDERS,

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

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



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

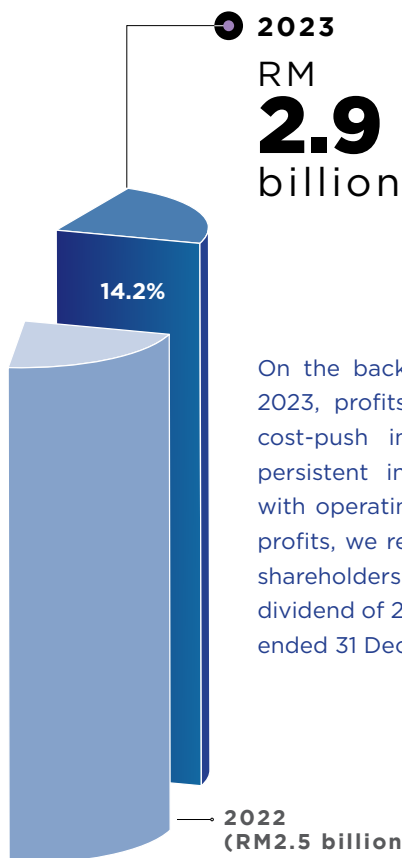


TAN SRI DR. AZMIL KHALID
Independent Non-Executive Chairman

CHAIRMAN'S STATEMENT

DELIVERING VALUE

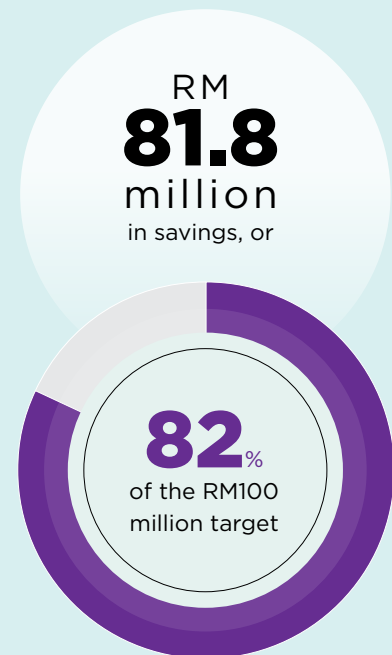
In the face of a challenging business landscape, UEM Edgenta demonstrated resilience in 2023, marking its best revenue growth in six years despite global economic uncertainties and competitive pressures. Our performance this year was bolstered by increased infrastructure projects and healthcare contracts,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



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

ADDRESSING OUR CHALLENGES WITH EoTF2025

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



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

CHAIRMAN'S STATEMENT

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

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

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

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

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

Sustainability

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

CHAIRMAN'S STATEMENT

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

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

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

Supporting Our Communities

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

- Edgenta Jalinan Kasih – Festive CSR Programme**
 Celebrations of major festivals like Chinese New Year, Ramadan, Hari Raya Aidilfitri, Deepavali and Christmas were shared with local communities, embodying the spirit of unity and cultural appreciation. In 2023, the programme has benefitted 1,330 beneficiaries including 430 asnaf recipients, 600 highway users and 300 UEM Edgenta employees.
- The Lost Food Project – Pet Food Project**
 This initiative rescued and distributed 7,225kg of surplus pet food, which in turn prevented 20,230kg of carbon dioxide (“CO₂”) emissions. It supported over 50 animal shelters and feeders in Klang Valley and Malacca, demonstrating a commitment to environmental sustainability and animal welfare.
- Zoo Negara Collaboration Programme**
 By sponsoring Aldabra Giant Tortoises and a giraffe, UEM Edgenta underscored our dedication to wildlife conservation. The transformation of Zoo Negara, facilitated by 60 volunteers and the organisation of an educational visit for students from SK Jenderam, Dengkil, enhanced both animal living conditions and the visitor experience.
- #EDGENTA ACT GREEN CAMPAIGN Tree Planting CSR Programme**
 The planting of 1,000 trees at Sabai Forest Reserve in Sarawak supported green initiatives and local economies. This effort aligns with Sarawak’s Greening Sarawak Programme and Malaysia’s five-year Greening Malaysia Programme, emphasising the importance of ecological preservation and sustainability.
- EDGENTA Back-To-School Riang Ria’s CSR Programme**
 This programme assisted underprivileged students from SK Bangsar, SK Jenderam and SMK Jenjarom by providing essential school supplies. Additionally, a donation was made to each school to further educational development, highlighting our investment in the future of education and community well-being.

CHAIRMAN'S STATEMENT



EMBODYING GOOD GOVERNANCE

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

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

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

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

CHAIRMAN'S STATEMENT

OUTLOOK

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

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

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

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

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

ACKNOWLEDGEMENTS

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

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

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

TAN SRI DR. AZMIL KHALID
Independent Non-Executive Chairman

MD/CEO'S STATEMENT

OVERVIEW

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

KEEPING THE MOMENTUM GOING STRONG

EoTF2025: OUR STRATEGIC PILLARS

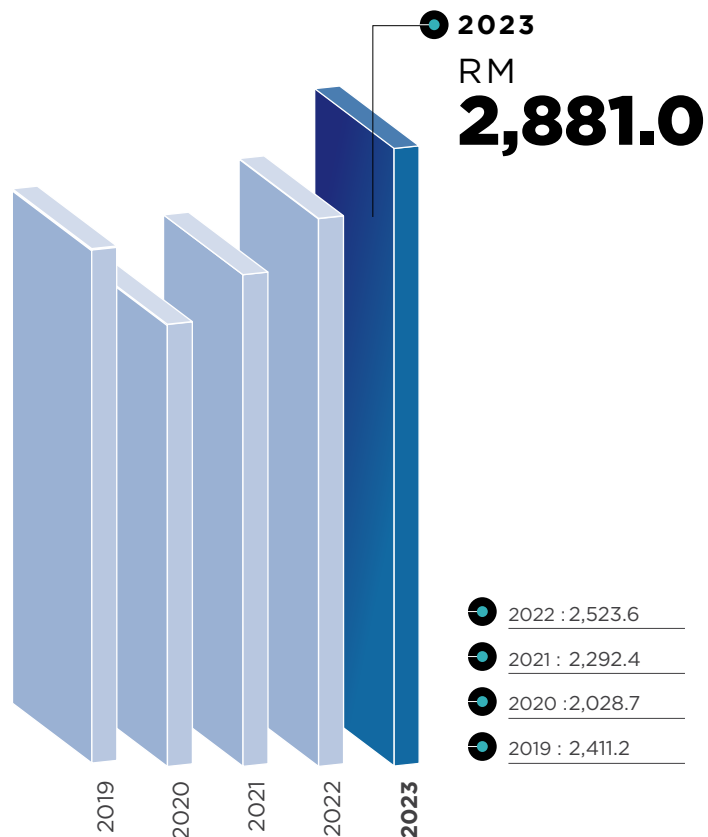
- Pillar 1**

EXPAND
Footprint And Deepen Solutions
- Pillar 2**

EXTRACT
Value From Core Businesses
- Pillar 3**

ENHANCE
Product And Technology Proposition

Revenue (RM million)



MD/CEO'S STATEMENT



SYAHRUNIZAM SAMSUDIN

Managing Director/Chief Executive Officer

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

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

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

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

MD/CEO'S STATEMENT

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

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

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

KEEPING THE MOMENTUM GOING STRONG



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

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

MD/CEO'S STATEMENT



2

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

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

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

3

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

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

MD/CEO'S STATEMENT

EoTF2025 – Our Strategic Progress

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

PILLAR 1

EXPAND FOOTPRINT AND DEEPEN SOLUTIONS

GOAL

12% Revenue Growth per Annum

Achievement to date:

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

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

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

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

MD/CEO'S STATEMENT



PILLAR 2 **EXTRACT VALUE FROM CORE BUSINESSES**

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

Achievement to date:
RM81.8 million in total cost savings since 2021

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

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

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

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

MD/CEO'S STATEMENT

PILLAR 3

ENHANCE PRODUCT AND TECHNOLOGY PROPOSITION

GOAL

Drive **differentiation** through technology-based solutions

Achievement to date:

RM2 billion in tech-enabled wins since 2021

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

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

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

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

CULTIVATING A UNIFIED CULTURE IN A DIVERSE WORKFORCE

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

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

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

MD/CEO'S STATEMENT

OUTLOOK

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

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

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

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

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

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

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

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

ACKNOWLEDGEMENTS

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

SYAHRUNIZAM SAMSUDIN
 Managing Director/
 Chief Executive Officer