

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015.

THE FIGURES HAVE NOT BEEN AUDITED.

I(A). CONDENSED CONSOLIDATED INCOME STATEMENT

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|---|--|--|
| | Current year quarter 30/09/2015 | Preceding year corresponding quarter 30/09/2014 | Nine months to 30/09/2015 | Nine months to 30/09/2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| | | (Restated) | | (Restated) |
| 1 (a) Revenue | 734,000 | 788,793 | 2,227,787 | 2,184,888 |
| (b) Cost of sales | (479,396) | (546,760) | (1,510,474) | (1,506,375) |
| (c) Gross profit | 254,604 | 242,033 | 717,313 | 678,513 |
| (d) Other income | 7,450 | 9,064 | 44,361 | 27,701 |
| (e) Expenses | (151,716) | (168,073) | (488,261) | (499,111) |
| (f) Finance costs | (3,920) | (3,504) | (12,684) | (9,411) |
| (g) Share of results of associates | 1,844 | 324 | 4,567 | 557 |
| (h) Share of results of joint ventures | (151) | 23 | (2,527) | 14 |
| (i) Profit before tax | 108,111 | 79,867 | 262,769 | 198,263 |
| (j) Income tax | (28,358) | (16,329) | (68,950) | (45,884) |
| (k) Profit for the period | 79,753 | 63,538 | 193,819 | 152,379 |
| Attributable to: | | | | |
| (l) Owners of the parent | 69,903 | 52,411 | 165,929 | 129,086 |
| (m) Non-controlling interests | 9,850 | 11,127 | 27,890 | 23,293 |
| Profit for the period | 79,753 | 63,538 | 193,819 | 152,379 |
| 2 Earnings per share based on 1(l) above (Note 26):- | | | | |
| a) Basic (based on 2015: 813,501,053 [2014: 813,501,053] ordinary shares) | 8.59 sen | 6.44 sen | 20.40 sen | 15.87 sen |
| b) Diluted (based on 2015: 813,501,053 [2014: 813,501,053] ordinary shares) | 8.57 sen | 6.41 sen | 20.33 sen | 15.82 sen |

The condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

I(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---------------------------|--|---------------------------|-----------------------------|
| | Current year quarter | Preceding year corresponding quarter | Nine months to | Nine months to |
| | 30/09/2015 | 30/09/2014 | 30/09/2015 | 30/09/2014 |
| | RM'000 | RM'000 (Restated) | RM'000 | RM'000 (Restated) |
| Profit for the period | 79,753 | 63,538 | 193,819 | 152,379 |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | | |
| Exchange differences on translation of foreign operations | 31,419 | (32,630) | 30,430 | (12,591) |
| Total comprehensive income for the period | <u>111,172</u> | <u>30,908</u> | <u>224,249</u> | <u>139,788</u> |
| Attributable to: | | | | |
| Owners of the parent | 91,089 | 31,219 | 186,420 | 121,072 |
| Non-controlling interests | 20,083 | (311) | 37,829 | 18,716 |
| Total comprehensive income for the period | <u>111,172</u> | <u>30,908</u> | <u>224,249</u> | <u>139,788</u> |

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

Remarks to Condensed Consolidated Income Statement:

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | | |
|--|--------------------|-------------------------|--|-------------------|-----------------------------|
| | | Current year quarter | Preceding year corresponding quarter | Nine months to | Nine months to |
| | Note | 30/09/2015 | 30/09/2014 | 30/09/2015 | 30/09/2014 |
| | | RM'000 | RM'000 (Restated) | RM'000 | RM'000 (Restated) |
| Profit before tax is arrived at after charging/(crediting): | | | | | |
| Interest income | | (4,660) | (5,829) | (12,508) | (16,291) |
| Interest expense | | 3,502 | 3,143 | 11,494 | 8,251 |
| Dividend from investment securities | | (1,487) | (2,797) | (5,653) | (5,978) |
| Depreciation and amortization | | 13,616 | 11,305 | 37,783 | 35,685 |
| (Reversal of impairment)/Impairment of receivables | | (510) | (206) | 637 | 479 |
| Foreign exchange (gain)/loss | | (653) | 217 | 300 | (80) |
| Reversal of deferred consideration arising from acquisition of a subsidiary | (a) | - | - | (21,326) | - |

Other than the above, there were no other impairment/(write back of impairment) of assets, (gain)/loss on derivatives and investments, write down of inventories and/or reversal of write down, reversal of provision for costs of restructuring or exceptional items.

(a) Opus International Consultants Limited ("OIC")

On 3 September 2013, OIC acquired 100% interest in a Canadian based company, Opus Stewart Weir Limited ("OSW"). The total consideration of RM237,088,000 includes RM86,897,000 which was deferred and payable depending on OSW meeting certain earnings and performance targets over the future three years.

At the reporting date, management re-measured the fair value of the deferred consideration payable to be lower than the estimated at the acquisition date due to lower probability of OSW meeting the performance targets based on OSW's actual performance since the acquisition date. Accordingly, the fair value of deferred consideration payable has decreased by RM21,326,000 with the fair value adjustment recognised in the income statement for the current financial period.

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | Unaudited | Audited |
|---------------|------------------------------------|------------------------|---------------------------|
| | | As at end of | As at preceding |
| | | current quarter | financial year end |
| | | 30/09/2015 | 31/12/2014 |
| | | RM'000 | RM'000 |
| ASSETS | | | |
| 1 | Non-current assets | | |
| | Property, plant and equipment | 195,600 | 188,105 |
| | Land held for property development | 1,115 | 1,115 |
| | Prepaid land lease payments | 3,259 | 3,324 |
| | Intangible assets | 506,043 | 474,972 |
| | Investment in associates | 12,454 | 6,070 |
| | Investment in joint ventures | 9,514 | 12,985 |
| | Other investments | 272 | 272 |
| | Trade and other receivables | 20,145 | 21,110 |
| | Defined benefit pension plan | 2,310 | 890 |
| | Deferred tax assets | 43,707 | 44,640 |
| | | 794,419 | 753,483 |
| 2 | Current assets | | |
| | Property development costs | 60,532 | 41,625 |
| | Inventories | 41,302 | 43,443 |
| | Trade and other receivables | 941,932 | 731,098 |
| | Investment securities | 148,465 | 256,924 |
| | Derivative financial instruments | - | 7,454 |
| | Cash, bank balances and deposits* | 575,555 | 812,001 |
| | | 1,767,786 | 1,892,545 |
| | Total assets | 2,562,205 | 2,646,028 |

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

| | Unaudited As at end of current quarter 30/09/2015 RM'000 | Audited As at preceding financial year end 31/12/2014 RM'000 |
|-------------------------------|--|--|
| EQUITY AND LIABILITIES | | |
| 3 | Equity attributable to Owners of the Parent | |
| | Share capital | 203,375 |
| | Merger relief reserve | 313,856 |
| | Other reserves | 57,471 |
| | Retained earnings | 728,440 |
| | 1,303,142 | 1,159,386 |
| 4 | Non-controlling interests | |
| | 201,839 | 201,740 |
| | 1,504,981 | 1,361,126 |
| 5 | Non-current liabilities | |
| | Retirement benefit obligations | 6,404 |
| | Provisions | 13,697 |
| | Trade and other payables | 3,109 |
| | Borrowings | 314,556 |
| | Derivative financial instruments | - |
| | Deferred tax liabilities | 862 |
| | 338,628 | 394,906 |
| 6 | Current liabilities | |
| | Retirement benefit obligations | 115 |
| | Provisions | 16,107 |
| | Trade and other payables | 621,645 |
| | Borrowings | 62,662 |
| | Derivative financial instruments | 8,298 |
| | Dividend payable | - |
| | Income tax payable | 9,769 |
| | 718,596 | 889,996 |
| | 1,057,224 | 1,284,902 |
| | Total liabilities | |
| | 2,562,205 | 2,646,028 |
| | Total equity and liabilities | |
| 7 | Net assets per ordinary share attributable to Owners of the Parent (RM) | |
| | 1.60 | 1.43 |

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.

* Cash, bank balances and deposits

Included in the cash, bank balances and deposits of the Group is an amount of RM49,262,000 (2014 : RM40,182,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and Section 8A of the Housing Development Account (Control and Licensing) Sabah Act, 1978.

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Note | Unaudited Nine months to 30/09/2015 | Unaudited Nine months to 30/09/2014 |
|--|------|--|--|
| | | RM'000 | RM'000 |
| | | | (Restated) |
| Cash flows from operating activities | | | |
| Cash receipts from customers | | 2,083,908 | 2,200,678 |
| Cash payments to suppliers | | (1,177,068) | (834,096) |
| Cash payments to employees and for expenses | | (944,409) | (1,189,006) |
| Cash (used in)/generated from operations | | (37,569) | 177,576 |
| Interest paid | | (7,551) | (136) |
| Income tax paid | | (58,446) | (60,075) |
| Net cash flow (used in)/generated from operating activities | | (103,566) | 117,365 |
| Cash flows from investing activities | | | |
| Proceeds from disposal of property, plant and equipment | | 53 | 36 |
| Proceeds on settlement of derivative contracts | | 5,024 | 10,519 |
| Acquisition of subsidiaries, net of cash acquired | | - | (7,820) |
| Acquisition of non-controlling interests | | (10,000) | - |
| Investment in associates | | (1,000) | (1,560) |
| Placement of investment securities | | (41,700) | (116,497) |
| Proceeds from withdrawal of investment securities | | 156,286 | 74,116 |
| Interest received | | 11,248 | 15,829 |
| Dividend received from joint ventures | | 1,761 | 1,092 |
| Purchase of property, plant and equipment | | (41,028) | (42,368) |
| Capital distribution to a non-controlling shareholder upon liquidation of a subsidiary | | - | (2) |
| Net cash flow generated from/(used in) investing activities | | 80,644 | (66,655) |
| Cash flows from financing activities | | | |
| Proceed from issuance of ordinary shares to non-controlling interest | | 300 | 593 |
| Capital repayment to non-controlling shareholders of a subsidiary | | - | (29,224) |
| Repayment of loan from corporate shareholder of a subsidiary | | - | (176) |
| Repayment of finance lease | | (4,851) | (3,048) |
| Draw down of other secured bank loans | | 48,314 | 81,741 |
| Repayment of other secured bank loans | | (74,977) | (13,911) |
| Dividend paid | | (187,105) | (36,300) |
| Dividend paid to non-controlling shareholders of subsidiaries | | (29,776) | (29,621) |
| Withdrawal of fixed deposits | | 3,372 | 4,708 |
| Net cash flow used in financing activities | | (244,723) | (25,238) |
| Net (decrease)/increase in cash and cash equivalents | | (267,645) | 25,472 |
| Net foreign exchange difference | | 9,498 | (7,091) |
| Cash and cash equivalents as at beginning of financial period | | 781,466 | 638,760 |
| Cash and cash equivalents as at end of financial period | (a) | 523,319 | 657,141 |

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

| | Unaudited As at 30/09/2015 RM'000 | Unaudited As at 30/09/2014 RM'000 (Restated) |
|--|--|---|
| (a) Cash and Cash Equivalents comprise the following amounts: | | |
| Cash on hand and at banks | 140,626 | 128,910 |
| Fixed deposits w ith licensed banks | 362,427 | 469,179 |
| Fixed deposits w ith other financial institutions | 72,502 | 85,375 |
| Less: Fixed deposits w ith maturity more than 3 months | (3,726) | (3,208) |
| Less: Fixed deposits pledged | (437) | (3,489) |
| Less: Fixed deposits on lien | (12,869) | (13,344) |
| Less: Bank overdrafts | (35,204) | (6,282) |
| | 523,319 | 657,141 |

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial statements for the year ended 31 December 2014.

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

| | ← Attributable to owners of the parent → | | | | Total | Non-controlling interests | Total equity |
|---|--|-----------------------|----------------|-------------------|------------------|---------------------------|------------------|
| | Share capital | Merger relief reserve | Other reserves | Retained earnings | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Nine months to 30 September 2015 (unaudited) | | | | | | | |
| Balance as at 1 January 2015 | 203,375 | 313,856 | 36,949 | 605,206 | 1,159,386 | 201,740 | 1,361,126 |
| Profit for the period | - | - | - | 165,929 | 165,929 | 27,890 | 193,819 |
| Other comprehensive income | - | - | 20,491 | - | 20,491 | 9,939 | 30,430 |
| Total comprehensive income for the period | - | - | 20,491 | 165,929 | 186,420 | 37,829 | 224,249 |
| Accretion of interest in a subsidiary | - | - | - | (2,026) | (2,026) | (7,974) | (10,000) |
| Dilution of interest in a subsidiary | - | - | - | 6 | 6 | - | 6 |
| Share-based payment of a subsidiary | - | - | 31 | - | 31 | 20 | 51 |
| Dividends | - | - | - | (40,675) | (40,675) | - | (40,675) |
| Dividend paid to non-controlling shareholders of a subsidiary | - | - | - | - | - | (29,776) | (29,776) |
| Balance as at 30 September 2015 | <u>203,375</u> | <u>313,856</u> | <u>57,471</u> | <u>728,440</u> | <u>1,303,142</u> | <u>201,839</u> | <u>1,504,981</u> |

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY (CONT'D)

| | ← Attributable to owners of the parent → | | | | Total RM'000 | Non- controlling interests RM'000 | Total equity RM'000 |
|--|--|--|-----------------------------|--------------------------------|------------------|--|---------------------------|
| | Non- distributable | | | Retained earnings RM'000 | | | |
| | Share capital RM'000 | Merger reserve / (deficit) RM'000 | Other reserves RM'000 | | | | |
| Nine months to 30 September 2014 (unaudited) | | | | | | | |
| Balance as at 1 January 2014 | 90,750 | 676,477 | 29,559 | 595,031 | 1,391,817 | 215,086 | 1,606,903 |
| Profit for the period | - | - | - | 129,086 | 129,086 | 23,293 | 152,379 |
| Other comprehensive loss | - | - | (8,014) | - | (8,014) | (4,577) | (12,591) |
| Total comprehensive (loss)/income for the period | - | - | (8,014) | 129,086 | 121,072 | 18,716 | 139,788 |
| Effect of selective capital repayment | - | - | - | (8,996) | (8,996) | (20,228) | (29,224) |
| Dilution of interest in a subsidiary | - | - | - | 235 | 235 | 626 | 861 |
| Share-based payment of a subsidiary | - | - | 137 | - | 137 | (7) | 130 |
| Capital distribution to a non-controlling shareholder upon liquidation | - | - | - | - | - | (2) | (2) |
| Dividends | - | - | - | (36,300) | (36,300) | - | (36,300) |
| Dividend paid to non-controlling shareholders of subsidiaries | - | - | - | - | - | (29,621) | (29,621) |
| Balance as at 30 September 2014 | <u>90,750</u> | <u>676,477</u> | <u>21,682</u> | <u>679,056</u> | <u>1,467,965</u> | <u>184,570</u> | <u>1,652,535</u> |

The condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The notes to the condensed consolidated interim financial statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.

1. Accounting policies and methods of computation

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), except for the adoption of the following amendment to Financial Reporting Standards ("FRSs") which are mandatory for annual financial periods beginning on or after 1 July 2014, as disclosed below:

| | Effective for the financial period beginning on or after |
|--|---|
| Amendments to FRS 119 : Defined Benefit Plans (Employee Contributions) | 1 July 2014 |
| Annual Improvements to FRSs 2010-2012 Cycle | 1 July 2014 |
| Annual Improvements to FRSs 2011-2013 Cycle | 1 July 2014 |

The adoption of the above amendment to FRSs does not have any significant impact to the Group.

Restatement of comparative

The Group completed the acquisition of Opus Group Berhad ("OPUS") and Edgenta PROPEL Berhad (formerly known as Projek Penyelenggaraan Lebuh raya Berhad) ("PROPEL") on 29 October 2014.

The Group's financial statements have been prepared based on the pooling-of-interest method of accounting for the acquisitions of OPUS and PROPEL for the year ended 2014. Accordingly, the financial statements for the preceding period have been presented as if the Group Structure immediately after the acquisitions has been in existence since the earliest financial period presented.

Malaysian Financial Reporting Standards ("MFRS Framework")

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework has been applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for the Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework. The adoption will be mandatory for Transitioning Entities for annual periods beginning on or after 1 January 2018.

The Group falls within the scope of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018.

In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The financial statements could be different if prepared under the MFRS Framework.

2. Audit report in respect of the 2014 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2014 was not qualified.

3. Seasonal or cyclical factors

The Group's operations are not materially affected by any seasonal or cyclical factors.

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

4. Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence in the current period.

5. Material changes in estimates used

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

6. Debt and equity securities

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 30 September 2015.

7. Dividend

The single tier special interim dividend of 18.00 sen on 813,501,053 ordinary shares of RM0.25 each, amounting to RM146,430,190 in respect of the financial year ended 31 December 2014 was paid on 22 January 2015.

The single tier final dividend of 5.00 sen on 813,501,053 ordinary shares of RM0.25 each, amounting to RM40,675,053 in respect of the financial year ended 31 December 2014 was paid on 24 June 2015.

No interim dividend is declared for the current period ended 30 September 2015 (2014: nil).

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

V. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**

8. **Operating Segments**

Operating Segment information for the current financial period ended 30 September 2015 is as follows:

By operating segment

| | Asset Consultancy ("AC") | Infra Services ("IS") | Integrated Facilities Management ("IFM") | Property Development ("Property") | Others | Elimination | Group |
|-------------------------------------|-------------------------------------|----------------------------------|---|--|----------------|--------------------|------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | | | | |
| External revenue | 1,124,514 | 575,279 | 497,487 | 16,306 | 14,201 | - | 2,227,787 |
| Inter-segment revenue | - | 2,797 | 1,879 | - | 150,052 | (154,728) | - |
| Total Revenue | 1,124,514 | 578,076 | 499,366 | 16,306 | 164,253 | (154,728) | 2,227,787 |
| Results | | | | | | | |
| Segment results | 122,739 | 80,334 | 77,303 | 871 | 122,075 | (129,909) | 273,413 |
| Finance costs | (8,387) | (295) | (350) | (8) | (3,644) | - | (12,684) |
| Share of results of associates | - | - | 4,567 | - | - | - | 4,567 |
| Share of results of joint ventures | (2,527) | - | - | - | - | - | (2,527) |
| Profit/(loss) before tax | 111,825 | 80,039 | 81,520 | 863 | 118,431 | (129,909) | 262,769 |
| Income tax | (28,560) | (20,162) | (19,030) | (46) | (1,152) | - | (68,950) |
| Profit/(loss) for the period | 83,265 | 59,877 | 62,490 | 817 | 117,279 | (129,909) | 193,819 |
| Attributable to: | | | | | | | |
| Owners of the parent | 57,669 | 59,877 | 60,035 | 718 | 117,279 | (129,649) | 165,929 |
| Non-controlling interests | 25,596 | - | 2,455 | 99 | - | (260) | 27,890 |
| Profit/(loss) for the period | 83,265 | 59,877 | 62,490 | 817 | 117,279 | (129,909) | 193,819 |

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

9. Material events subsequent to the end of the current financial period

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature that have arisen since 30 September 2015 to the date of this announcement which would substantially affect the financial results of the Group for the nine months ended 30 September 2015 that have not been reflected in the condensed financial statements.

10. Changes in the composition of the Group

There were no significant changes in the composition of the Group for the current period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations except for the following:

- a) On 26 February 2015, Edgenta Mediserve Sdn Bhd (formerly known as Faber Medi-Serve Sdn Bhd) ("Edgenta Mediserve"), a 100% subsidiary of the Company had entered into a sale of shares agreement with SSP Medical Technologies Sdn Bhd ("SSP") for the acquisition of 1,200,000 ordinary shares of RM1.00 each in Edgenta Healthtronics Sdn Bhd (formerly known as Healthtronics (M) Sdn Bhd) ("Healthtronics"), representing the remaining 40% of the total issued and paid-up share capital of Healthtronics from SSP for a total cash consideration of RM10,000,000. The acquisition was completed on 27 February 2015 and Healthtronics became a wholly-owned subsidiary of Edgenta Mediserve.
- b) On 3 August 2015, Opus International Limited, a company incorporated in the United Kingdom which is a wholly-owned subsidiary of Opus Group Berhad, which is in turn a wholly-owned subsidiary of the Company has entered into a Members' Voluntary Liquidation.
- c) On 17 August 2015, Opus International (M) Berhad had disposed its entire equity interest in Soil Centralab Sdn Bhd (now known as Edgenta Environmental & Material Testing Sdn Bhd) ("EEMT") to the Company. Hence, EEMT is now a direct wholly-owned subsidiary of the Company.
- d) On 26 August 2015, the Company has acquired 700,000 ordinary shares of RM1.00 each in Edgenta Energy Services Sdn Bhd ("EES"), a joint venture company with Resource Data Management Asia Sdn Bhd, representing 70% of the issued and paid-up capital of the joint venture company. Following the transaction, EES has become a subsidiary of the Company.

11. Contingent liabilities

There are no changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2014.

12. Capital commitments

There are no material capital commitments except as disclosed below:

| | RM'000 |
|---------------------------------|---------------|
| Approved and contracted for | 5,139 |
| Approved but not contracted for | 24,411 |

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

13. Income tax

| | Individual Quarter | | Cumulative Quarter | |
|--|----------------------------|---|----------------------------|---|
| | Current year quarter | Preceding year corresponding quarter | Nine months to | Nine months to |
| | 30/09/2015 RM000 | 30/09/2014 RM000 (Restated) | 30/09/2015 RM000 | 30/09/2014 RM000 (Restated) |
| Current income tax | | | | |
| - Malaysian income tax | 17,974 | 9,127 | 45,291 | 36,681 |
| - Foreign Tax | 7,690 | 8,842 | 18,623 | 14,246 |
| Under/(over) provision in prior years | | | | |
| - Malaysian income tax | (176) | - | 3,820 | (6,598) |
| - Foreign Tax | (7) | (100) | (256) | (370) |
| | <u>25,481</u> | <u>17,869</u> | <u>67,478</u> | <u>43,959</u> |
| Deferred tax | | | | |
| - Relating to origination and reversal of temporary difference | 2,418 | (1,544) | 729 | 1,235 |
| - Relating to changes in tax rates | (22) | - | 180 | - |
| - Under provision in prior years | 481 | 4 | 563 | 690 |
| | <u>2,877</u> | <u>(1,540)</u> | <u>1,472</u> | <u>1,925</u> |
| | <u>28,358</u> | <u>16,329</u> | <u>68,950</u> | <u>45,884</u> |

There is no significant difference between the Group's effective tax rate and statutory tax rate for the current quarter/period. The Group's effective tax rate for the corresponding period last year was lower compared to the statutory tax rate mainly due to overprovision of tax in prior years.

14. Status of corporate proposals announced but not completed as at the date of this announcement

There is no corporate proposal announced but not completed as at the date of this announcement except as stated below:

a) Proposed acquisition of KFM Holdings Sdn Bhd

The Company had on 23 November 2015 entered into a binding term sheet with Nurolamin Abas and Fardan Abdul Majeed (collectively known as the "Vendors") in relation to the proposed acquisition of 12,000,000 ordinary shares of RM1.00 each in KFM Holdings Sdn Bhd ("KFM") representing 80% of the total issued and paid up share capital of KFM from the Vendors for a total consideration of up to RM128.0 million to be satisfied by a combination of the following:

- 1) Upfront payment of RM 92.0 million upon completion of the Sales and Purchase Agreement as follows;
 - i) cash payment of RM36.0 million, and
 - ii) RM56.0 million from the issuance and allotment of 18,122,977 new ordinary share of RM0.25 each in UEM Edgenta Berhad at an issuance price of RM3.09 per share,
- 2) The balance of the RM36.0 million will be disbursed over the next three financial years subject to achievement of key financial targets as follows;
 - i) deferred cash payment of RM20.0 million upon achievement of targets for financial years ending 2016, 2017 and 2018, and
 - ii) incremental value payment of RM16.0 million upon achievement of specific financial milestones.

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

15. Status of the new Concession Agreement of Edgenta Mediserve Sdn Bhd

On 11 March 2015, Edgenta Mediserve had entered into a New Concession Agreement ("NCA") with the Government of Malaysia ("Government") for the provision of Hospital Support Service ("HSS") at contract hospitals in the states of Perak, Pulau Pinang, Kedah and Perlis, the development of an asset and services information system and the implementation of the Sustainability Programme for a period of ten (10) years in accordance with the terms and conditions of the NCA.

Meanwhile, One Medicare Sdn Bhd and Sedafiat Sdn Bhd, associates of the Company had also on 11 March 2015 entered into NCA with the Government for the provision of HSS at contract hospitals in the states of Sabah and Sarawak respectively.

16. Borrowings and debt securities

Details of Group borrowings and debt securities as at 30 September 2015 are as follows:

| | Long term borrowings | | | Short term borrowings | | |
|--------------------------------|----------------------|----------------|----------------|-----------------------|---------------|---------------|
| | Secured | Unsecured | Total | Secured | Unsecured | Total |
| | RM000 | RM000 | RM000 | RM000 | RM000 | RM000 |
| <u>Other borrowings</u> | | | | | | |
| Domestic – Bank | 70,000 | - | 70,000 | 21,969 | - | 21,969 |
| Foreign – Bank | | | | | | |
| - US Dollar | - | - | - | - | 1,007 | 1,007 |
| - Australian Dollar | - | 34,287 | 34,287 | - | 30,045 | 30,045 |
| - New Zealand Dollar | 4,219 | - | 4,219 | 3,824 | - | 3,824 |
| - Euro | - | - | - | - | 212 | 212 |
| - Canadian Dollar | 1,742 | 150,910 | 152,652 | 1,665 | - | 1,665 |
| - British Pound | - | 53,398 | 53,398 | - | 3,940 | 3,940 |
| TOTAL | 75,961 | 238,595 | 314,556 | 27,458 | 35,204 | 62,662 |

17. Derivatives

Details of outstanding derivatives as at 30 September 2015 are as follows:

| | Contract/ Notional value | Fair value | |
|--|-----------------------------|------------|-------------|
| | | Assets | Liabilities |
| | RM000 | RM000 | RM000 |
| Types of derivatives | | | |
| Forward exchange rate contract: | | | |
| - due within 12 months (net settled) | 109,547 | - | (8,000) |
| Interest rate swap: | | | |
| - due within 12 months (net settled) | 30,661 | - | (298) |

18. Fair value hierarchy

There were no transfers between any levels of the fair value hierarchy that took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

V. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**

19. **Breakdown of realized and unrealized profits or losses**

| | As at end of current quarter 30/09/2015 | As at preceding financial year end 31/12/2014 |
|--|--|--|
| | RM'000 | RM'000 |
| Total retained earnings of the Company and its subsidiaries: | | |
| - Realised | 816,805 | 687,248 |
| - Unrealised | 49,197 | 39,535 |
| | 866,002 | 726,783 |
| Total share of retained earnings from associates - Realised | 2,515 | (2,052) |
| Total share of retained earnings from joint ventures - Realised | (4,708) | (2,158) |
| | 863,809 | 722,573 |
| Consolidation adjustments | (135,369) | (117,367) |
| Total group retained earnings as per consolidated financial statements | 728,440 | 605,206 |

20. **Material litigation**

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement.

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

V. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**

21. **Detailed analysis of the performance between the current quarter and the immediate preceding quarter**

| | Current quarter 30/09/2015 RM'000 | Immediate preceding quarter 30/06/2015 RM'000 | Variance RM'000 | Variance % |
|----------------------------------|--|--|------------------------|-------------------|
| <u>Revenue:</u> | | | | |
| Asset Consultancy | 373,863 | 417,046 | (43,183) | (10.4) |
| Infra Services | 182,285 | 201,598 | (19,313) | (9.6) |
| Integrated Facilities Management | 167,671 | 164,247 | 3,424 | 2.1 |
| Property Development | 5,083 | 7,237 | (2,154) | (29.8) |
| Others | 5,098 | 4,373 | 725 | 16.6 |
| Group | 734,000 | 794,501 | (60,501) | (7.6) |

Profit Before Tax:

| | | | | |
|----------------------------------|----------------|----------------|--------------|------------|
| Asset Consultancy | 51,939 | 57,660 | (5,721) | (9.9) |
| Infra Services | 28,286 | 23,920 | 4,366 | 18.3 |
| Integrated Facilities Management | 31,795 | 23,445 | 8,350 | 35.6 |
| Property Development | 760 | 1,425 | (665) | (46.7) |
| Others/Elimination | (4,669) | (5,098) | 429 | 8.4 |
| Group | 108,111 | 101,352 | 6,759 | 6.7 |

The Group's revenue for the current quarter of RM734.0 million was RM60.5 million or 7.6% lower than the preceding quarter of RM794.5 million. The Asset Consultancy ("AC") Division recorded lower revenue by RM43.2 million mainly due to overall weak economic condition in Australia resulting in lower works in hand, coupled with the downturn in oil prices affecting project commencement in the Group's Canadian based subsidiary. The Infra Services ("IS") Division recorded lower revenue by RM19.3 million. This is mainly attributable to the North-South Expressway fourth lane widening works as the project is near completion and pending final work certification. The Property Development ("Property") Division recorded lower revenue by RM2.2 million mainly due to lower property sales.

The lower Group revenue was partially mitigated by higher revenue from the Integrated Facilities Management ("IFM") Division by RM3.4 million. The IFM Division recognised higher revenue mainly from services rendered at the National Cancer Institute post warranty.

The Group recorded higher profit before tax ("PBT") for the current quarter of RM108.1 million, as compared to RM101.4 million in the preceding quarter. The IFM Division recorded higher PBT by RM8.4 million in line with the higher revenue recognised. The IS Division registered higher PBT by RM4.4 million despite lower revenue mainly due to higher pavement work orders and claimable works on mechanical, electrical and electronic works that contribute higher margins.

The higher PBT recorded was partially offset by lower PBT registered by AC Division and Property Division. The AC Division and Property Division recorded lower PBT by RM5.7 million and RM0.7 million respectively, mainly due to lower revenue as explained above.

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

V. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**

22. **Detailed analysis of the performance for the current quarter and period**

| | Current year quarter 30/09/2015 RM'000 | Preceding year corresponding quarter 30/09/2014 RM'000 (Restated) | Variance RM'000 | Variance % | Nine months to 30/09/2015 RM'000 | Nine months to 30/09/2014 RM'000 (Restated) | Variance RM'000 | Variance % |
|-------------------------------------|---|--|--------------------|---------------|--|---|--------------------|---------------|
| Revenue: | | | | | | | | |
| Asset Consultancy | 373,863 | 410,816 | (36,953) | (9.0) | 1,124,514 | 1,179,808 | (55,294) | (4.7) |
| Infra Services | 182,285 | 206,361 | (24,076) | (11.7) | 575,279 | 498,886 | 76,393 | 15.3 |
| Integrated Facilities Management | 167,671 | 157,578 | 10,093 | 6.4 | 497,487 | 476,028 | 21,459 | 4.5 |
| Property Development | 5,083 | 8,544 | (3,461) | (40.5) | 16,306 | 13,394 | 2,912 | 21.7 |
| Others | 5,098 | 5,494 | (396) | (7.2) | 14,201 | 16,772 | (2,571) | (15.3) |
| Group | 734,000 | 788,793 | (54,793) | (6.9) | 2,227,787 | 2,184,888 | 42,899 | 2.0 |
| Profit Before Tax: | | | | | | | | |
| Asset Consultancy | 51,939 | 38,135 | 13,804 | 36.2 | 111,825 | 84,755 | 27,070 | 31.9 |
| Infra Services | 28,286 | 25,946 | 2,340 | 9.0 | 80,039 | 62,774 | 17,265 | 27.5 |
| Integrated Facilities Management | 31,795 | 17,776 | 14,019 | 78.9 | 81,520 | 58,561 | 22,959 | 39.2 |
| Property Development | 760 | 1,784 | (1,024) | (57.4) | 863 | 482 | 381 | 79.0 |
| Others/Elimination | (4,669) | (3,774) | (895) | (23.7) | (11,478) | (8,309) | (3,169) | (38.1) |
| Group | 108,111 | 79,867 | 28,244 | 35.4 | 262,769 | 198,263 | 64,506 | 32.5 |

The Group's revenue for the current quarter of RM734.0 million was lower by RM54.8 million as compared to RM788.8 million in the corresponding quarter last year. The AC Division recorded lower revenue mainly due to the overall weak economic condition in Australia, coupled with the downturn in oil prices affecting project commencement in the Group's Canadian based subsidiary. The IS Division recorded lower revenue mainly due the North-South Expressway fourth lane widening works as the project is near completion and pending final work certification. The Property Division recorded lower revenue mainly due to lower sales for Prima Villa, Kuala Lumpur.

The lower revenue was partially mitigated by higher revenue registered by IFM Division. The IFM Division recorded higher fees from the higher rates under the new Concession. In addition, the Division recognised higher revenue from National Cancer Institute which commenced services in September 2014.

For the year-to-date, revenue of RM2,227.8 million was higher by RM42.9 million against RM2,184.9 million for the preceding year. The IS Division recorded higher revenue mainly due to the higher work progress and certifications for the North-South Expressway fourth lane widening and Bayan Lepas Expressway project. The IFM Division recorded higher revenue due to higher fees from the higher rates under the new Concession, and revenue from National Cancer Institute which commenced services in September 2014. The Property Division recorded higher revenue mainly due to the higher work progress for Chymes @ Gurney, Kuala Lumpur.

The higher revenue was partially offset by lower revenue recorded by AC Division. The AC Division recorded lower revenue mainly due to the overall weak economic condition in Australia, coupled with the downturn in oil prices affecting project commencement in the Group's Canadian based subsidiary.

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

22. Detailed analysis of the performance for the current quarter and period (cont'd)

The Group's current quarter PBT of RM108.1 million was higher by RM28.2 million as compared to RM79.9 million in the corresponding quarter last year. The AC Division registered improved margins driven by staff efficiency especially in OIC where staff strength has been trimmed in line with the lower revenue from Australia and Canada. The IS Division recorded a higher PBT despite lower revenue, mainly due to higher pavement work orders and claimable works on mechanical, electrical and electronic works that contribute higher margins. Further, IFM Division registered higher PBT due to the higher rates under the new Concession and better efficiencies. In addition, for the preceding year corresponding quarter, IFM Concession recorded higher incineration and transportation costs for treatment of healthcare waste in Sabah.

The year-to-date PBT of RM262.8 million was higher by RM64.5 million against RM198.3 million for the preceding year. This was mainly due to the higher PBT recorded by the AC Division arising from the re-measurement of the deferred consideration payable by OIC of RM21.3 million. In addition, the higher PBT for the other divisions are in line with the higher revenue as explained above.

23. Economic profit ("EP") statement

| | Individual Quarter | | Cumulative Quarter | |
|---|--|--|--|---|
| | Current year quarter 30/09/2015 RM'000 | Preceding year corresponding quarter 30/09/2014 RM'000 (Restated) | Nine months to 30/09/2015 RM'000 | Nine months to 30/09/2014 RM'000 (Restated) |
| <u>Net operating profit after tax ("NOPAT") computation:</u> | | | | |
| Earnings before interest and tax ("EBIT") | 105,260 | 76,834 | 259,715 | 189,652 |
| Adjusted tax | (26,315) | (19,209) | (64,929) | (47,413) |
| NOPAT | 78,945 | 57,625 | 194,786 | 142,239 |
| <u>Economic charge computation:</u> | | | | |
| Average invested capital | 1,082,564 | 942,737 | 1,082,564 | 942,737 |
| Weighted average cost of capital ("WACC") | 9.9% | 10.8% | 9.9% | 10.8% |
| Economic charge | 26,793 | 25,454 | 80,380 | 76,362 |
| Economic profit | 52,152 | 32,171 | 114,406 | 65,877 |

The EP statement is as prescribed under the Government Linked Companies transformation program, and is disclosed on a voluntary basis. EP measures the value created by a business during a single period reflecting how much return a business makes over its cost of capital.

(a) Performance of the current quarter ended 30 September 2015 against the corresponding quarter last year :

EP of RM52.2 million is higher by RM20.0 million as compared to the preceding year corresponding quarter of RM32.2 million mainly due to higher EBIT.

(b) Performance of the current period ended 30 September 2015 against last year :

EP of RM114.4 million is higher by RM48.5 million as compared to the preceding year corresponding period of RM65.9 million mainly due to higher EBIT.

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

24. Prospects for the current financial year

In its first full year following the merger, the main focus has been on harnessing the synergies and to be leaner and more efficient. The Group recently completed the staff rationalisation plan via a Mutual Separation Scheme and the cost of the exercise of approximately RM30 million will be reflected in the last quarter of 2015.

The growth in the AC Division will continue to be affected by the ongoing weak economic condition in Australia and prevailing low oil prices affecting the project commencement in the Group's Canadian based subsidiary. The growth from the Hospital Support Services sector will be affected by the reduction in contribution from Sarawak operations with effect from fourth quarter this year. We also foresee that the depreciating Ringgit will have an impact on the financial performance moving forward due to the expected higher cost for services rendered and supplies consumed.

Notwithstanding the above mentioned impact, the Group will continue its efforts to grow the business and to derive synergies from its integration. Performance for the year is expected to remain satisfactory.

25. Profit forecast

The Group did not issue any profit forecast in the current quarter.

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

V. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**

26. **Earnings per share ("EPS")**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|-----------------------------|--|-----------------------------|-----------------------------|
| | Current year quarter | Preceding year corresponding quarter | Nine months to | Nine months to |
| | 30/09/2015 RM'000 | 30/09/2014 RM'000 | 30/09/2015 RM'000 | 30/09/2014 RM'000 |
| a) Basic earnings per share | | | | |
| Profit attributable to Owners of the Parent | 69,903 | 52,411 | 165,929 | 129,086 |
| Weighted average number of ordinary shares in issue ('000) | 813,501 | 813,501 | 813,501 | 813,501 |
| Basic earnings per share | 8.59 sen | 6.44 sen | 20.40 sen | 15.87 sen |
| b) Diluted earnings per share | | | | |
| For the purpose of calculating diluted earnings per share, the profit for the period attributable to owners of the parent has been adjusted for the dilutive effects of the potential ordinary shares of a subsidiary, Opus International Consultants Limited ("OIC"). | | | | |
| Profit attributable to Owners of the Parent | 69,903 | 52,411 | 165,929 | 129,086 |
| Profit net of tax of OIC attributable to non-controlling interests arising from potential dilution of equity shareholding in OIC upon exercise of options | <u>(199)</u> | <u>(229)</u> | <u>(534)</u> | <u>(426)</u> |
| Diluted profit attributable to Owners of the Parent | 69,704 | 52,182 | 165,395 | 128,660 |
| Weighted average number of ordinary shares in issue ('000) | 813,501 | 813,501 | 813,501 | 813,501 |
| Diluted earnings per share | 8.57 sen | 6.41 sen | 20.33 sen | 15.82 sen |

The acquisition of OPUS and PROPEL in the preceding year was accounted for using the pooling of interest method where the income statement of the Group reflects the results of the combining entities, irrespective of when the combination took place. In this regard, for the computation of earnings per share, the shares issued to acquire the combining entities are assumed to have been issued since the earliest financial period presented.

Kuala Lumpur
25 November 2015

By Order of the Board
Chiew Siew Yuen (MAICSA No. 7063781)
Company Secretary