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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015.

THE FIGURES HAVE NOT BEEN AUDITED.

I(A). CONDENSED CONSOLIDATED INCOME STATEMENT

			INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
			Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
			31/12/2015	**31/12/2014**	**31/12/2015**	**31/12/2014**
			RM'000	RM'000	RM'000	RM'000
1	(a)	**Revenue**	**895,246**	**904,399**	**3,123,033**	**3,089,287**
	(b)	Cost of sales	(590,785)	(601,615)	(2,101,259)	(2,107,991)
	(c)	Gross profit	304,461	302,784	1,021,774	981,296
	(d)	Other income	9,530	49,214	53,891	76,915
	(e)	Expenses	(271,557)	(219,926)	(759,818)	(719,035)
	(f)	Finance costs	(3,943)	(4,871)	(16,627)	(14,283)
	(g)	Share of results of associates	5,901	(1,045)	10,468	(488)
	(h)	Share of results of joint ventures	(1,742)	43	(4,269)	57
	(i)	**Profit before tax**	**42,650**	**126,199**	**305,419**	**324,462**
	(j)	Zakat	(1,494)	(3,490)	(1,494)	(3,490)
	(k)	Income tax	(25,442)	(33,179)	(94,392)	(79,063)
	(l)	**Profit for the period/year**	**15,714**	**89,530**	**209,533**	**241,909**
		Attributable to:				
	(m)	Owners of the parent	25,252	73,300	191,181	202,386
	(n)	Non-controlling interests	(9,538)	16,230	18,352	39,523
		Profit for the period/year	**15,714**	**89,530**	**209,533**	**241,909**
2		**Earnings per share based on 1(m) above (Note 26):-**				
	a)	Basic (based on 2015: 813,501,053 [2014: 813,501,053] ordinary shares)	3.10 sen	9.01 sen	23.50 sen	24.88 sen
	b)	Diluted (based on 2015: 813,501,053 [2014: 813,501,053] ordinary shares)	3.10 sen	8.97 sen	23.50 sen	24.80 sen

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

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I(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2015	**31/12/2014**	**31/12/2015**	**31/12/2014**
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year	15,714	89,530	209,533	241,909
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	17,216	23,223	47,646	10,632
Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods:				
Remeasurement gain/(loss) on Retirement Benefit Scheme	1,211	(19)	1,211	(19)
Remeasurement loss on Defined Benefit Pension Scheme	(2,212)	(1,886)	(2,212)	(1,886)
Tax impact on remeasurement loss	63	417	63	417
	(938)	(1,488)	(938)	(1,488)
Total other comprehensive income for the period/year, net of tax	16,278	21,735	46,708	9,144
Total comprehensive income for the period/year	31,992	111,265	256,241	251,053
Attributable to:				
Owners of the parent	37,075	87,750	223,495	208,822
Non-controlling interests	(5,083)	23,515	32,746	42,231
Total comprehensive income for the period/year	31,992	111,265	256,241	251,053

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.

Remarks to Condensed Consolidated Income Statement:

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
		31/12/2015	**31/12/2014**	**31/12/2015**	**31/12/2014**
		RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):					
Interest income		(4,732)	(4,290)	(17,240)	(20,581)
Interest expense		3,810	4,139	15,304	12,390
Dividend from investment securities		(1,952)	(5,824)	(7,605)	(11,802)
Depreciation and amortization		28,327	12,468	66,110	48,153
Net impairment of receivables		10,967	32,423	11,604	32,902
Write off/impairment of property, plant and equipment		4,090	6,567	4,090	6,567
Impairment loss on goodwill	(a)(i)	36,126	17,893	36,126	17,893
Foreign exchange (gain)/loss		(364)	31	(64)	(49)
Write down of inventories		56	705	56	705
Staff rationalisation cost via Mutual Separation Scheme		30,589	-	30,589	-
Reversal of deferred consideration arising from acquisition of a subsidiary	(a)(ii)	-	(30,752)	(21,326)	(30,752)
Fair value gain on investment securities		(211)	(238)	(211)	(238)

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

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

(i) Impairment loss on goodwill

The performance of Opus Stewart Weir Limited ("OSW") has been adversely affected by the weak global oil prices. Management assessed that an impairment loss on goodwill of RM36,126,000 be recognized in the income statement for the current financial year based on value in use calculation using projected cash flows.

In the preceding year, the performance of the Australian operations had not been growing as targeted due to the economic environment of the Australian market. Management assessed that the recoverable amount of the Australian segment (determined based on value in use calculation using projected cash flows) was lower than its carrying value. Accordingly, impairment loss on goodwill of RM17,893,000 was recognised in the income statement for the preceding financial year.

(ii) Reversal of deferred consideration arising from acquisition of a subsidiary

On 3 September 2013, OIC acquired 100% interest in a Canadian based company, 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 amount 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 and the fair value adjustment of RM21,326,000 (2014: RM30,752,000) was recognised in the income statement.

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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited As at end of current quarter	Audited As at preceding financial year end
		31/12/2015	**31/12/2014**
		RM'000	RM'000
	ASSETS		
1	Non-current assets		
	Property, plant and equipment	213,034	188,105
	Land held for property development	1,115	1,115
	Prepaid land lease payments	3,237	3,324
	Intangible assets	453,446	474,972
	Investment in associates	18,356	6,070
	Investment in joint ventures	5,814	12,985
	Other investments	272	272
	Trade and other receivables	30,367	21,110
	Derivative financial instruments	34	-
	Defined benefit pension plan	128	890
	Deferred tax assets	44,311	44,640
		770,114	753,483
2	Current assets		
	Property development costs	71,334	41,625
	Inventories	41,974	43,443
	Trade and other receivables	924,664	731,098
	Investment securities	184,345	256,924
	Derivative financial instruments	11,782	7,454
	Cash, bank balances and deposits*	613,160	812,001
		1,847,259	1,892,545
	Total assets	**2,617,373**	**2,646,028**

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

		Unaudited As at end of current quarter	Audited As at preceding financial year end
		31/12/2015	**31/12/2014**
		RM'000	RM'000
	EQUITY AND LIABILITIES		
3	Equity attributable to Owners of the Parent		
	Share capital	203,375	203,375
	Merger relief reserve	313,856	313,856
	Other reserves	69,157	36,949
	Retained earnings	753,481	605,206
		1,339,869	1,159,386
4	Non-controlling interests	188,222	201,740
	Total equity	1,528,091	1,361,126
5	Non-current liabilities		
	Retirement benefit obligations	3,851	6,404
	Provisions	19,935	21,280
	Borrowings	329,532	314,463
	Trade and other payables	4,941	48,685
	Derivative financial instruments	-	437
	Deferred tax liabilities	2,975	3,637
		361,234	394,906
6	Current liabilities		
	Retirement benefit obligations	189	106
	Provisions	16,408	17,410
	Borrowings	44,725	36,704
	Trade and other payables	651,913	675,757
	Derivative financial instruments	185	-
	Dividend payable	-	146,430
	Income tax payable	14,628	13,589
		728,048	889,996
	Total liabilities	1,089,282	1,284,902
	Total equity and liabilities	**2,617,373**	**2,646,028**
7	**Net assets per ordinary share attributable to Owners of the Parent (RM)**	**1.65**	**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 RM37,908,000 (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.

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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Unaudited Twelve months to 31/12/2015	Audited Twelve months to 31/12/2014
		RM'000	RM'000
Cash flows from operating activities			
Cash receipts from customers		2,929,598	3,207,400
Cash payments to suppliers		(2,437,853)	(2,463,524)
Cash payments to employees and for expenses		(394,450)	(316,165)
Cash generated from operations		97,295	427,711
Interest paid		(10,131)	(9,603)
Income tax paid		(86,077)	(81,073)
Net cash flow generated from operating activities		1,087	337,035
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		316	6,634
Payment of contingent consideration		(24,466)	(8,935)
Acquisition of subsidiaries, net of cash acquired		-	(259,327)
Acquisition of non-controlling interests		(10,000)	-
Investment in associates		(1,000)	(1,560)
Advances to an associate		-	(960)
Advances to joint venture		(12,320)	-
Placement of investment securities		(72,700)	(146,138)
Proceeds from withdrawal of investment securities		153,032	162,573
Proceeds from forward hedging contract		4,689	18,588
Interest received		19,947	19,099
Dividend received from an associate		93	-
Dividend received from joint ventures		3,090	1,904
Purchase of property, plant and equipment		(54,246)	(48,606)
Purchase of intangible assets		(215)	(9,166)
Net cash flow generated from/(used in) investing activities		**6,220**	**(265,894)**
Cash flows from financing activities			
Proceed from issuance of ordinary shares to non-controlling interest		1,470	1,646
Capital repayment to non-controlling shareholders of a subsidiary		-	(29,224)
Repayment of shareholders' loan		-	(176)
Repayment of finance lease		(6,055)	(5,303)
Drawdown of other secured bank loans		103,696	193,336
Repayment of other secured bank loans		(106,979)	(22,233)
Dividend paid		(187,105)	(36,300)
Dividend paid to non-controlling shareholders of subsidiaries		(39,680)	(37,190)
Withdrawal of fixed deposits which does not form part of cash and cash equivalents		5,792	4,345
Net cash flow (used in)/generated from financing activities		(228,861)	68,901
Net (decrease)/increase in cash and cash equivalents		**(221,554)**	**140,042**
Net foreign exchange difference		18,374	2,664
Cash and cash equivalents as at beginning of financial year		781,466	638,760
Cash and cash equivalents as at end of financial year	(a)	**578,286**	**781,466**

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

	Unaudited As at 31/12/2015 RM'000	Audited As at 31/12/2014 RM'000
(a) Cash and Cash Equivalents comprise the following amounts:		
Cash on hand and at banks	161,338	143,537
Fixed deposits with licensed banks	191,126	603,330
Fixed deposits with other financial institutions	260,696	65,134
Cash, bank balances and deposits	613,160	812,001
Less: Fixed deposits with maturity more than 3 months	(3,803)	(3,274)
Less: Fixed deposits pledged	(437)	(3,902)
Less: Fixed deposits on lien	(12,735)	(13,228)
Less: Bank overdrafts	(17,899)	(10,131)
	578,286	**781,466**

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.

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	Attributable to owners of the parent						
	Non-distributable						
	Share capital	Merger relief reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Twelve months to 31 December 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 year	-	-	-	191,181	191,181	18,352	209,533
Other comprehensive income/(loss)	-	-	32,531	(217)	32,314	14,394	46,708
Total comprehensive income for the year	-	-	32,531	190,964	223,495	32,746	256,241
Issuance of ordinary shares to non-controlling interests	-	-	-	-	-	1,470	1,470
Accretion of interest in a subsidiary	-	-	-	(2,026)	(2,026)	(7,974)	(10,000)
Dilution of interest in a subsidiary	-	-	-	12	12	122	134
Share-based payment of a subsidiary	-	-	(323)	-	(323)	(202)	(525)
Dividends	-	-	-	(40,675)	(40,675)	-	(40,675)
Dividend paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	(39,680)	(39,680)
Balance as at 31 December 2015	203,375	313,856	69,157	753,481	1,339,869	188,222	1,528,091

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

	Attributable to owners of the parent								
		Non-distributable							
	Share capital	Merger relief reserve	Merger reserve / (deficit)	Other merger reserves	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Twelve months to 31 December 2014 (audited)									
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 year	-	-	-	-	-	202,386	202,386	39,523	241,909
Other comprehensive income/(loss)	-	-	-	-	7,347	(911)	6,436	2,708	9,144
Total comprehensive income for the year	-	-	-	-	7,347	201,475	208,822	42,231	251,053
Effect of pooling-of-interest method									
- Issuance of ordinary share	112,625	788,375	-	482,035	-		1,383,035	-	1,383,035
- Fair value of purchase consideration	-	-	(1,633,031)	-	-	-	(1,633,031)	-	(1,633,031)
- Set off	-	(474,519)	956,554	(482,035)	-	-	-	-	-
- Effect of selective capital repayment	-	-	-	-	-	(8,996)	(8,996)	(20,228)	(29,224)
Dilution of interest in a subsidiary	-	-	-	-	-	426	426	1,891	2,317
Share-based payment issued by a subsidiary	-	-	-	-	43	-	43	(50)	(7)
Dividends	-	-	-	-	-	(182,730)	(182,730)	-	(182,730)
Dividend paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	(37,190)	(37,190)
Balance as at 31 December 2014	203,375	313,856	-	-	36,949	605,206	1,159,386	201,740	1,361,126

Note: In the preceding year, the Group adopted the pooling-of-interest method of accounting for the acquisition of Opus Group Berhad ("OPUS") and Edgenta PROPEL Berhad (formerly known as Projek Penyelenggaraan Lebuhraya Berhad) ("PROPEL")

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.

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.

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 earnings. 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.

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 year.

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 year.

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 year ended 31 December 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.

The Directors have proposed a single tier interim dividend of 15.00 sen per ordinary share, on 813,501,053 ordinary shares of RM0.25 each, amounting to RM122,025,158 in respect of financial year ended 31 December 2015.

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

8. Operating Segments

Operating Segment information for the current financial year ended 31 December 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	1,525,010	890,665	663,050	25,275	19,033	-	**3,123,033**
Inter-segment revenue	-	3,673	2,974	-	171,640	(178,287)	**-**
Total Revenue	1,525,010	894,338	666,024	25,275	190,673	(178,287)	**3,123,033**
Results							
Segment results	117,302	110,698	95,836	3,566	120,097	(131,652)	**315,847**
Finance costs	(11,368)	(353)	(133)	(20)	(4,753)	-	**(16,627)**
Share of results of associates	-	-	10,468	-	-	-	**10,468**
Share of results of joint ventures	(4,269)	-	-	-	-	-	**(4,269)**
Profit/(loss) before tax	101,665	110,345	106,171	3,546	115,344	(131,652)	**305,419**
Zakat	(113)	-	(1,000)	500	(881)	-	**(1,494)**
Income tax	(38,880)	(27,609)	(25,012)	67	(2,962)	4	**(94,392)**
Profit/(loss) for the year	62,672	82,736	80,159	4,113	111,501	(131,648)	**209,533**
Attributable to:							
Owners of the parent	46,663	82,736	78,224	3,363	111,501	(131,306)	**191,181**
Non-controlling interests	16,009	-	1,935	750	-	(342)	**18,352**
Profit/(loss) for the year	62,672	82,736	80,159	4,113	111,501	(131,648)	**209,533**

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

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

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature that have arisen since 31 December 2015 to the date of this announcement which would substantially affect the financial results of the Group for the twelve months ended 31 December 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 year 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 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 entered into a Members' Voluntary Liquidation.

c) On 17 August 2015, Opus International (M) Berhad 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 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 became a subsidiary of the Company.

e) On 30 November 2015, Edgenta Township Management Services Sdn Bhd ("ETMSSB"), a wholly-owned subsidiary of UEM Edgenta Berhad ("UEMEd"), entered into a Joint Venture Shareholders' Agreement with UEM Sunrise Berhad to establish and operate a joint venture company in Malaysia. Subsequently on 9 December 2015, ETMSSB subscribed 70% equity share capital in the joint venture company, ETMS Sdn Bhd. Following the transaction, ETMS Sdn Bhd became an indirect subsidiary of UEMEd. On 10 December 2015, ETMS Sdn Bhd changed its name to UEM Sunrise Edgenta TMS Sdn Bhd ("UEMSET").

f) On 11 January 2016, Edgenta Mediserve entered into a Shareholders' Agreement with Biocare Systems Sdn Bhd and Biomedix Solutions Sdn Bhd ("Biomedix") to jointly provide biomedical engineering maintenance services to hospitals operated by the Government in the state of Sarawak via Biomedix as the joint venture company. Subsequently on 27 January 2016, Edgenta Mediserve subscribed 400,000 ordinary shares of RM1.00 each in Biomedix which represents 40% of the issued and paid-up share capital of Biomedix. Hence, Biomedix is now an associate company of Edgenta Mediserve.

g) On 13 January 2016, UEMSET entered into a joint venture shareholders' agreement ("JVA") with Township Management Services Sdn Bhd to establish and operate a joint venture company in Malaysia. Subsequently on 12 February 2016, UEMSET subscribed 3,850,000 ordinary shares of RM1.00 each in the joint venture company, Edgenta TMS Sdn Bhd, representing 70% of the issued and paid-up share capital of Edgenta TMS Sdn Bhd. Following the transaction, Edgenta TMS Sdn Bhd is now a subsidiary of UEMSET, which in turn is a 70% owned subsidiary of ETMSSB.

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	16,032
Approved but not contracted for	20,507

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	Twelve months to	Twelve months to
	31/12/2015	**31/12/2014**	**31/12/2015**	**31/12/2014**
	RM'000	RM'000	RM'000	RM'000
Current income tax				
- Malaysian income tax	16,005	26,293	61,296	62,974
- Foreign tax	5,877	10,318	24,500	24,564
(Over)/under provision in prior years				
- Malaysian income tax	(2,369)	(1,982)	1,451	(8,580)
- Foreign tax	3,470	(1,147)	3,214	(1,517)
	22,983	33,482	90,461	77,441
Deferred tax				
- Relating to origination and reversal of temporary difference	1,788	(1,712)	2,517	(477)
- Relating to changes in tax rates	129	316	309	316
- Under provision in prior years	542	1,093	1,105	1,783
	2,459	(303)	3,931	1,622
	25,442	**33,179**	**94,392**	**79,063**

The Group's effective tax rate for both the current quarter/year are higher than the statutory tax rate mainly due to expenses disallowed for tax purposes.

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

On 15 December 2015, the Company entered into a Shares Sale Agreement with Nurolamin Abas and Fardan Abdul Majeed ("the Vendors") to acquire a total 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. The completion of the corporate proposal is subject to condition precedents as set out in the Shares Sale Agreement being fulfilled.

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

15. The new Concession Agreement of Edgenta Mediserve Sdn Bhd

On 11 March 2015, Edgenta Mediserve 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 31 December 2015 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other borrowings						
Domestic – Bank	60,000	-	60,000	20,722	-	20,722
Foreign – Bank						
- Australian Dollar	-	62,713	62,713	-	1,252	1,252
- New Zealand Dollar	5,277	-	5,277	4,320	4	4,324
- Euro	-	-	-	-	18	18
- Canadian Dollar	1,159	149,953	151,112	1,786	1,093	2,879
- British Pound	-	50,430	50,430	-	15,530	15,530
TOTAL	**66,436**	**263,096**	**329,532**	**26,828**	**17,897**	**44,725**

17. Derivatives

Details of outstanding derivatives as at 31 December 2015 are as follows:

	Contract/ Notional value	**Fair value Assets**	**Fair value Liabilities**
	RM'000	RM'000	RM'000
Types of derivatives			
Forward exchange rate contract:			
- due within 12 months (net settled)	174,236	11,782	-
Interest rate swap:			
- due within 12 months (net settled)	31,036	-	(185)
- due 12 to 24 months (net settled)	17,197	34	-

18. Fair value hierarchy

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

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	As at preceding financial year end
	31/12/2015	**31/12/2014**
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	814,140	687,262
- Unrealised	61,145	39,535
	875,285	726,797
Total share of retained earnings from associates - Realised	8,416	(2,052)
Total share of retained earnings from joint ventures - Realised	(6,441)	(2,172)
	877,260	722,573
Consolidation adjustments	(123,779)	(117,367)
Total group retained earnings as per consolidated financial statements	753,481	605,206

20. **Material litigation**

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

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	Immediate preceding quarter	Variance	Variance
	31/12/2015	**30/09/2015**		
	RM'000	RM'000	RM'000	%
Revenue:				
Asset Consultancy	400,496	373,863	26,633	7.1
Infra Services	315,386	182,285	133,101	73.0
Integrated Facilities Management	165,563	167,671	(2,108)	(1.3)
Property Development	8,969	5,083	3,886	76.5
Others	4,832	5,098	(266)	(5.2)
Group	**895,246**	**734,000**	**161,246**	**22.0**
Profit Before Tax:				
Asset Consultancy	(10,160)	51,939	(62,099)	>(100.0)
Infra Services	30,306	28,286	2,020	7.1
Integrated Facilities Management	24,651	31,795	(7,144)	(22.5)
Property Development	2,683	760	1,923	>100.0
Others/Elimination	(4,830)	(4,669)	(161)	(3.4)
Group	**42,650**	**108,111**	**(65,461)**	**(60.5)**

The Group's revenue for the current quarter of RM895.2 million was RM161.2 million or 22.0% higher than the preceding quarter of RM734.0 million.

- Infra Services ("IS") Division recorded higher revenue by RM133.1 million mainly attributable to the higher certifications for North-South Expressway fourth lane widening ("4LW") project and higher civil and pavements works carried out for the North-South Expressway.
- Asset Consultancy ("AC") Division recorded higher revenue by RM26.6 million mainly due to the strengthening of NZD against MYR, which contributed additional RM20 million to revenue.
- Property Development ("Property") Division recorded higher revenue by RM3.9 million due to higher property sales and higher work progress for Chymes @ Gurney, Kuala Lumpur.
- Integrated Facilities Management ("IFM") Division recorded lower revenue by RM2.1 million due to the reduction in HSS contribution from Sarawak operations.

The Group recorded lower profit before tax ("PBT") for the current quarter of RM42.7 million, as compared to RM108.1 million in the preceding quarter.

- AC Division recorded a loss of RM10.2 million mainly attributable to the impairment loss on goodwill recognised amounting to RM36.1 million, and one-off cost on Staff Rationalisation via Mutual Separation ("MSS") amounting to RM7.2 million.
- IFM Division registered lower PBT of RM7.1 million due to the lower revenue recorded and MSS cost of RM10.6 million.
- IS Division PBT was affected by MSS cost of RM10.8 million.
- Property Division recorded higher PBT by RM1.9 million mainly due to higher revenue as explained above.

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

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

	Current year quarter	Preceding year corresponding quarter	Variance	Variance	Twelve months to	Twelve months to	Variance	Variance
	31/12/2015	**31/12/2014**			**31/12/2015**	**31/12/2014**		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue:								
Asset Consultancy	400,496	432,454	(31,958)	(7.4)	1,525,010	1,612,262	(87,252)	(5.4)
Infra Services	315,386	263,358	52,028	19.8	890,665	762,244	128,421	16.8
Integrated Facilities Management	165,563	197,287	(31,724)	(16.1)	663,050	673,315	(10,265)	(1.5)
Property Development	8,969	5,395	3,574	66.2	25,275	18,789	6,486	34.5
Others	4,832	5,905	(1,073)	(18.2)	19,033	22,677	(3,644)	(16.1)
Group	**895,246**	**904,399**	**(9,153)**	**(1.0)**	**3,123,033**	**3,089,287**	**33,746**	**1.1**
Profit Before Tax:								
Asset Consultancy	(10,160)	63,790	(73,950)	>(100.0)	101,665	148,545	(46,880)	(31.6)
Infra Services	30,306	38,923	(8,617)	(22.1)	110,345	101,697	8,648	8.5
Integrated Facilities Management	24,651	19,583	5,068	25.9	106,171	78,144	28,027	35.9
Property Development	2,683	5,438	(2,755)	(50.7)	3,546	5,920	(2,374)	(40.1)
Others/Elimination	(4,830)	(1,535)	(3,295)	>(100.0)	(16,308)	(9,844)	(6,464)	(65.7)
Group	**42,650**	**126,199**	**(83,549)**	**(66.2)**	**305,419**	**324,462**	**(19,043)**	**(5.9)**

The Group's revenue for the current quarter of RM895.2 million was lower by RM9.2 million as compared to RM904.4 million in the corresponding quarter last year.

- Lower AC Division revenue mainly due to the overall weak economic condition in Australia, coupled with the evolving economic consequences of declining oil prices affecting the Group's Canadian operations.
- Lower IFM Division revenue mainly due to the reduction in HSS contribution from Sarawak operations.
- Higher IS Division revenue mainly due to the higher pavement structural overlay works carried out for the North-South Expressway.
- Higher Property Division revenue mainly due to higher work progress for Chymes @ Gurney, Kuala Lumpur.

For the current year, revenue of RM3,123.0 million was higher by RM33.7 million against RM3,089.3 million for the preceding year.

- Higher IS Division revenue mainly due to the higher work progress and certifications for the 4LW and Bayan Lepas Expressway project and higher civil and pavements works carried out for the North-South Expressway.
- Higher Property Division revenue mainly due to the higher work progress for Chymes @ Gurney, Kuala Lumpur.
- Lower AC Division revenue mainly due to the overall weak economic condition in Australia, coupled with the continued decline in oil and gas prices affecting the Group's Canadian operations.
- Lower IFM Division revenue mainly due to the reduction in HSS contribution from Sarawak operations.

The Group's current quarter PBT of RM42.7 million was lower by RM83.5 million as compared to RM126.2 million in the corresponding quarter last year.

- AC Division recorded a loss of RM10.2 million mainly attributable to the impairment loss on goodwill recognised for OSW business amounting to RM36.1 million and one-off cost on MSS amounting to RM7.2 million. AC Division's PBT for the preceding year corresponding quarter was higher as a result of the net positive impact of RM12.9 million arising from the reversal of deferred consideration arising on acquisition of OSW by OIC of RM30.8 million and the impairment loss on goodwill of the Australian operations of RM17.9 million.

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

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

- Lower IS Division PBT by RM8.6 million mainly due to one-off cost on MSS amounting to RM10.8 million.
- Lower Property Division PBT due to cost reversal from completed projects in the preceding year corresponding quarter,
- Higher IFM Division PBT due to the higher incineration and transportation costs incurred on management of clinical waste services and impairment loss on long outstanding receivables of RM5.8 million in the preceding year corresponding quarter.

The current year PBT of RM305.4 million was lower by RM19.0 million against RM324.5 million for the preceding year.

- Lower AC Division PBT as a result of the lower revenue as explained above
- Property Division recognised cost reversal from completed projects in the preceding year.
- IFM Division recorded higher gross margin during the year from higher rates under the new Concession and better efficiencies. For the preceding year, IFM Concession recorded higher incineration and transportation costs for treatment of healthcare waste in Sabah.

23. **Economic profit ("EP") statement**

	Individual Quarter		**Cumulative Quarter**	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2015	**31/12/2014**	**31/12/2015**	**31/12/2014**
	RM'000	RM'000	RM'000	RM'000
		(Restated)		**(Restated)**
Net operating profit after tax ("NOPAT") computation:				
Earnings before interest and tax ("EBIT")	37,569	127,050	297,284	316,702
Adjusted tax	(9,392)	(31,763)	(74,321)	(79,176)
NOPAT	**28,177**	**95,287**	**222,963**	**237,526**
Economic charge computation:				
Average invested capital	1,044,940	917,564	1,044,940	917,564
Weighted average cost of capital ("WACC")	9.3%	10.4%	9.3%	10.4%
Economic charge	**24,295**	**23,857**	**97,179**	**95,427**
Economic profit	**3,882**	**71,430**	**125,784**	**142,099**

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 31 December 2015 against the corresponding quarter last year :

EP of RM3.9 million is lower by RM67.5 million as compared to the preceding year corresponding quarter of RM71.4 million mainly due to lower EBIT.

(b) Performance of the current year ended 31 December 2015 against last year :

EP of RM125.8 million is lower by RM16.3 million as compared to the preceding year corresponding year of RM142.1 million mainly due to lower EBIT.

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

24. **Prospects for the 2016 financial year**

UEMEd's financial performance going forward will be affected by the following factors:

- reduced contribution from the HSS sector in Sabah and Sarawak, although the Group still retains a 40% share in the companies that are providing the services in these two states;
- Canadian operations that is closely related to oil and gas activities in that region;
- the expected lower economic growth projected in the other countries where UEMEd operates in; and will also affect new businesses to be secured; and
- the higher cost for services and supplies.

Notwithstanding the above, we will continue our efforts in growing our business. In the fourth quarter, we announced the proposed acquisition of KFM Holdings Sdn Bhd, a company that is involved in the provision of integrated facilities management services, green technology and sustainability services in both Malaysia and United Arab Emirates. We also entered into a Joint Venture ("JV") with UEM Sunrise to undertake property and township management services for assets developed by UEM Sunrise and third party developers, both in Malaysia and international markets. In addition, earlier this year we entered into another JV to also undertake property and management services on existing and future developments within both Medini and Iskandar Puteri (formerly known as Nusajaya) Townships.

Despite the challenging outlook, we are cautiously optimistic of sustaining our performance in 2016.

25. **Profit forecast**

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

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	Twelve months to	Twelve months to
	31/12/2015	**31/12/2014**	**31/12/2015**	**31/12/2014**
	RM'000	RM'000	RM'000	RM'000
a) Basic earnings per share				
Profit attributable to Owners of the Parent	25,252	73,300	191,181	202,386
Weighted average number of ordinary shares in issue ('000)	813,501	813,501	813,501	813,501
Basic earnings per share	3.10 sen	9.01 sen	23.50 sen	24.88 sen

b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the profit for the period/year 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	25,252	73,300	191,181	202,386
Profit net of tax of OIC attributable to non-controlling interests arising from potential dilution of equity shareholding in OIC upon exercise of options	-	(293)	-	(656)
Diluted profit attributable to Owners of the Parent	25,252	73,007	191,181	201,730
Weighted average number of ordinary shares in issue ('000)	813,501	813,501	813,501	813,501
Diluted earnings per share	3.10 sen	8.97 sen	23.50 sen	24.80 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.

By Order of the Board
Chiew Siew Yuen (MAICSA 7063781)
Company Secretary

Kuala Lumpur
29 February 2016