

UEM EDGENTA BERHAD
(5067-M)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016.

THE FIGURES HAVE NOT BEEN AUDITED.

I(A). CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	RM'000	RM'000	RM'000	RM'000
1 (a) Revenue	651,816	699,286	651,816	699,286
(b) Cost of sales	<u>(447,724)</u>	<u>(489,402)</u>	<u>(447,724)</u>	<u>(489,402)</u>
(c) Gross profit	204,092	209,884	204,092	209,884
(d) Other income	9,569	7,626	9,569	7,626
(e) Expenses	(188,847)	(159,218)	(188,847)	(159,218)
(f) Finance costs	(4,008)	(4,130)	(4,008)	(4,130)
(g) Share of results of associates	5,857	767	5,857	767
(h) Share of results of joint ventures	<u>(120)</u>	<u>(1,623)</u>	<u>(120)</u>	<u>(1,623)</u>
(i) Profit before tax	26,543	53,306	26,543	53,306
(j) Income tax	<u>(7,018)</u>	<u>(14,974)</u>	<u>(7,018)</u>	<u>(14,974)</u>
(k) Profit for the period	<u>19,525</u>	<u>38,332</u>	<u>19,525</u>	<u>38,332</u>
Attributable to:				
(l) Owners of the parent	20,494	37,174	20,494	37,174
(m) Non-controlling interests	<u>(969)</u>	<u>1,158</u>	<u>(969)</u>	<u>1,158</u>
Profit for the period	<u>19,525</u>	<u>38,332</u>	<u>19,525</u>	<u>38,332</u>
2 Earnings per share based on 1(l) above (Note 25):-				
Basic (based on 2016: 813,501,053 [2015: 813,501,053] ordinary shares)	2.52 sen	4.57 sen	2.52 sen	4.57 sen

The condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2015.

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I(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/2016 RM'000	Preceding year corresponding quarter 31/03/2015 RM'000	Three months to 31/03/2016 RM'000	Three months to 31/03/2015 RM'000
Profit for the period	19,525	38,332	19,525	38,332
<i>Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	(22,737)	2,876	(22,737)	2,876
Tax impact on translation of foreign operations	(2,383)	964	(2,383)	964
Net (loss)/gain on hedge of net investment	(15,403)	8,962	(15,403)	8,962
Tax impact on hedge of net investment	4,313	(2,509)	4,313	(2,509)
Total other comprehensive (loss)/income for the period, net of tax	(36,210)	10,293	(36,210)	10,293
Total comprehensive (loss)/income for the period	(16,685)	48,625	(16,685)	48,625
Attributable to:				
Owners of the parent	(3,531)	44,011	(3,531)	44,011
Non-controlling interests	(13,154)	4,614	(13,154)	4,614
Total comprehensive (loss)/income for the period	(16,685)	48,625	(16,685)	48,625

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2015.

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Remarks to Condensed Consolidated Income Statement:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	Note 31/03/2016 RM'000	31/03/2015 RM'000	31/03/2016 RM'000	31/03/2015 RM'000
Profit before tax is arrived at after charging/(crediting):				
Interest income	(4,092)	(3,991)	(4,092)	(3,991)
Interest expense	3,463	3,832	3,463	3,832
Dividend from investment securities	(1,288)	(975)	(1,288)	(975)
Depreciation and amortization	15,652	12,351	15,652	12,351
Net impairment of receivables	176	1,093	176	1,093
Foreign exchange gain	(2,345)	(59)	(2,345)	(59)

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.

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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As at end of current	As at preceding
	quarter	financial year end
	31/03/2016	31/12/2015
	RM'000	RM'000
ASSETS		
1	Non-current assets	
	204,621	213,034
	1,115	1,115
	3,215	3,237
	442,615	453,446
	5,588	5,814
	24,213	18,356
	272	272
	27,739	30,367
	-	34
	456	128
	43,596	44,311
	753,430	770,114
2	Current assets	
	84,012	71,334
	44,835	41,974
	919,748	924,664
	113,994	244,891
	6,888	11,782
	395,876	552,614
	1,565,353	1,847,259
	2,318,783	2,617,373
	2,318,783	2,617,373
	2,318,783	2,617,373

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

	Unaudited	Audited
	As at end of current	As at preceding
	quarter	financial year end
	31/03/2016	31/12/2015
	RM'000	RM'000
EQUITY AND LIABILITIES		
3	Equity attributable to Owners of the Parent	
	Share capital	203,375
	Merger relief reserve	313,856
	Other reserves	45,234
	Retained earnings	651,848
		1,214,313
4	Non-controlling interests	176,718
	Total equity	1,391,031
5	Non-current liabilities	
	Retirement benefit obligations	3,851
	Provisions	12,442
	Borrowings	308,636
	Trade and other payables	6,573
	Deferred tax liabilities	3,413
		334,915
6	Current liabilities	
	Retirement benefit obligations	189
	Provisions	10,160
	Borrowings	36,146
	Trade and other payables	542,441
	Derivative financial instruments	355
	Income tax payable	3,546
		592,837
	Total liabilities	927,752
	Total equity and liabilities	2,318,783
7	Net assets per ordinary share attributable to Owners of the Parent (RM)	1.49
		1.65

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2015.

* Cash, bank balances and deposits

Included in the cash, bank balances and deposits of the Group is an amount of RM40,851,000 (2015 : RM37,908,000) 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

	Unaudited Three months to 31/03/2016 RM'000	Unaudited Three months to 31/03/2015 RM'000
Cash flows from operating activities		
Cash receipts from customers	666,510	605,571
Cash payments to suppliers	(440,842)	(382,498)
Cash payments to employees and for expenses	(338,659)	(257,906)
Cash used in operations	(112,991)	(34,833)
Interest paid	(1,789)	(2,181)
Income tax paid	(18,677)	(16,589)
Net cash flow used in operating activities	(133,457)	(53,603)
Cash flows from investing activities		
(Net settlement)/proceeds from forward hedging contract	(15)	2,733
Acquisition of non-controlling interests	-	(10,000)
Investment in associates	(400)	(1,000)
Placement of short term investments	-	(19,410)
Proceeds from withdrawal of short term investments	142,960	-
Interest received	3,882	3,946
Purchase of property, plant and equipment	(11,825)	(8,369)
Net cash flow generated from/(used in) investing activities	134,602	(32,100)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares to non-controlling interests	1,650	-
Repayment of finance lease	(1,894)	(1,703)
Drawdown of other secured bank loans	3,084	-
Repayment of other secured bank loans	(13,498)	(20,391)
Dividend paid	(122,025)	(146,430)
Dividend paid to non-controlling shareholders of subsidiaries	-	(22,000)
(Placement)/withdrawal of fixed deposits	(7)	2,913
Net cash flow used in financing activities	(132,690)	(187,611)
Net decrease in cash and cash equivalents	(131,545)	(273,314)
Net foreign exchange difference	(15,695)	4,706
Cash and cash equivalents as at beginning of financial period	517,742	781,466
Cash and cash equivalents as at end of financial period	370,502	512,858

(a)

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

	Unaudited As at 31/03/2016 RM'000	Unaudited As at 31/03/2015 RM'000
(a) Cash and Cash Equivalents comprise the following amounts:		
Cash on hand and at banks	158,974	111,746
Fixed deposits with licensed banks	236,902	360,740
Fixed deposits with other financial institutions	-	65,434
Cash, bank balances and deposits	395,876	537,920
Less: Fixed deposits on lien	(15,803)	(17,061)
Less: Fixed deposits pledged	(440)	(430)
Less: Bank overdrafts	(9,131)	(7,571)
	370,502	512,858

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2015.

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	← Attributable to owners of the parent →				Total	Non-controlling interests	Total equity
	Non-distributable						
	Share capital	Merger relief reserve	Other reserves	Retained earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Three months to 31 March 2016 (unaudited)							
Balance as at 1 January 2016	203,375	313,856	69,259	753,379	1,339,869	188,222	1,528,091
Profit for the period	-	-	-	20,494	20,494	(969)	19,525
Other comprehensive loss	-	-	(24,025)	-	(24,025)	(12,185)	(36,210)
Total comprehensive (loss)/income for the period	-	-	(24,025)	20,494	(3,531)	(13,154)	(16,685)
Issuance of ordinary shares to non-controlling interests	-	-	-	-	-	1,650	1,650
Dividends	-	-	-	(122,025)	(122,025)	-	(122,025)
Balance as at 31 March 2016	<u>203,375</u>	<u>313,856</u>	<u>45,234</u>	<u>651,848</u>	<u>1,214,313</u>	<u>176,718</u>	<u>1,391,031</u>

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

	← Attributable to owners of the parent →				Total	Non-controlling interests	Total equity
	Non-distributable						
	Share capital	Merger relief reserve	Other reserves	Retained earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Three months to 31 March 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	-	-	-	37,174	37,174	1,158	38,332
Other comprehensive income	-	-	6,837	-	6,837	3,456	10,293
Total comprehensive income for the period	-	-	6,837	37,174	44,011	4,614	48,625
Accretion of interest in a subsidiary	-	-	-	(2,026)	(2,026)	(7,974)	(10,000)
Share-based payment of a subsidiary	-	-	20	-	20	13	33
Dividend paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	(22,000)	(22,000)
Balance as at 31 March 2015	<u>203,375</u>	<u>313,856</u>	<u>43,806</u>	<u>640,354</u>	<u>1,201,391</u>	<u>176,393</u>	<u>1,377,784</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 2015.

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 2015.

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 amendments to Financial Reporting Standards ("FRSs") which are mandatory for annual financial periods beginning on or after 1 January 2016, as disclosed below:

	Effective for the financial period beginning on or after
Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 : Investment Entities : Applying the Consolidation Exception	1 January 2016
Amendments to FRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 101 : Disclosure Initiative	1 January 2016
Amendments to FRS 116 and FRS 138 : Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127 : Equity Method in Separate Financial Statements	1 January 2016

The adoption of the above amendments 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 and IC Interpretation 15 Agreements for the Construction of Real Estate, including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities are 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 2015 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2015 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 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 31 March 2016.

7. Dividend

The single tier interim dividend of 15.00 sen on 813,501,053 ordinary shares of RM0.25 each, amounting to RM122,025,158 in respect of the financial year ended 31 December 2015 was paid on 31 March 2016.

No interim dividend is declared for the current period ended 31 March 2016 (2015: nil).

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

8. **Operating Segments**

Operating Segment information for the current financial period ended 31 March 2016 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	365,489	167,880	105,632	7,889	4,926	-	651,816
Inter-segment revenue	-	946	635	-	11,042	(12,623)	-
Total Revenue	365,489	168,826	106,267	7,889	15,968	(12,623)	651,816
Results							
Segment results	5,750	9,636	11,456	1,651	(3,712)	33	24,814
Finance costs	(2,614)	(195)	(86)	-	(1,113)	-	(4,008)
Share of results of associates	-	-	5,857	-	-	-	5,857
Share of results of joint ventures	(120)	-	-	-	-	-	(120)
Profit/(loss) before tax	3,016	9,441	17,227	1,651	(4,825)	33	26,543
Income tax	(724)	(2,400)	(3,384)	(328)	(182)	-	(7,018)
Profit/(loss) for the period	2,292	7,041	13,843	1,323	(5,007)	33	19,525
Attributable to:							
Owners of the parent	3,366	7,041	13,506	1,300	(5,007)	288	20,494
Non-controlling interests	(1,074)	-	337	23	-	(255)	(969)
Profit/(loss) for the period	2,292	7,041	13,843	1,323	(5,007)	33	19,525

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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 31 March 2016 to the date of this announcement which would substantially affect the financial results of the Group for the three months ended 31 March 2016 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 11 January 2016, Edgenta Mediserve (Sarawak) Sdn Bhd ("EMSS"), a wholly-owned subsidiary of Edgenta Mediserve Sdn Bhd, 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, EMSS subscribed 400,000 ordinary shares of RM1.00 each in Biomedix which represents 40% of the issued and paid-up share capital of Biomedix. Following the transaction, Biomedix is now an associate of EMSS.
- b) On 13 January 2016, UEM Sunrise Edgenta TMS Sdn Bhd (formerly known as ETMS Sdn Bhd) ("UEMSET") entered into a joint venture shareholders' agreement 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 Edgenta Township Management Services Sdn Bhd.
- c) On 6 April 2016, the Company has acquired 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. Following the transaction, KFM is now 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 2015.

12. Capital commitments

There are no material capital commitments except as disclosed below:

	RM'000
Approved and contracted for	22,271
Approved but not contracted for	8,811

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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	Three months to	Three months to
	31/03/2016 RM'000	31/03/2015 RM'000	31/03/2016 RM'000	31/03/2015 RM'000
Current income tax				
- Malaysian income tax	5,346	15,723	5,346	15,723
- Foreign tax	3,036	4,230	3,036	4,230
	<u>8,382</u>	<u>19,953</u>	<u>8,382</u>	<u>19,953</u>
Deferred tax				
- Relating to origination and reversal of temporary difference	(1,413)	(4,979)	(1,413)	(4,979)
- Under provision in prior years	49	-	49	-
	<u>(1,364)</u>	<u>(4,979)</u>	<u>(1,364)</u>	<u>(4,979)</u>
	<u>7,018</u>	<u>14,974</u>	<u>7,018</u>	<u>14,974</u>

The Group's effective tax rate for both the current quarter/period 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.

15. Borrowings and debt securities

Details of Group borrowings and debt securities as at 31 March 2016 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
<u>Bank borrowings</u>						
Domestic bank	60,000	-	60,000	21,835	-	21,835
Foreign bank						
- Australian Dollar	-	63,467	63,467	-	1,750	1,750
- New Zealand Dollar	4,598	-	4,598	3,688	8	3,696
- Euro	-	-	-	-	235	235
- Canadian Dollar	732	134,410	135,142	1,492	2,251	3,743
- British Pound	-	45,429	45,429	-	4,887	4,887
TOTAL	<u>65,330</u>	<u>243,306</u>	<u>308,636</u>	<u>27,015</u>	<u>9,131</u>	<u>36,146</u>

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

16. **Derivatives**

Details of outstanding derivatives as at 31 March 2016 are as follows:

	Contract/ Notional value	Fair value	
		Assets	Liabilities
	RM'000	RM'000	RM'000
Types of derivatives			
Forward exchange rate contract:			
- due within 12 months (net settled)	82,976	6,888	-
Interest rate swap:			
- due within 12 months (net settled)	30,385	-	(355)

17. **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.

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

18. Breakdown of realized and unrealized profits or losses

	As at end of current quarter 31/03/2016	As at preceding financial year end 31/12/2015
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	711,876	814,038
- Unrealised	50,412	61,145
	762,288	875,183
Total share of retained earnings from associates - Realised	14,273	8,416
Total share of retained earnings from joint ventures - Realised	(6,561)	(6,441)
	770,000	877,158
Consolidation adjustments	(118,152)	(123,779)
Total group retained earnings as per consolidated financial statements	651,848	753,379

19. Material litigation

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

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

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

	Current quarter 31/03/2016 RM'000	Immediate preceding quarter 31/12/2015 RM'000	Variance RM'000	Variance %
Revenue:				
Asset Consultancy	365,489	400,496	(35,007)	(8.7)
Infra Services	167,880	315,386	(147,506)	(46.8)
Integrated Facilities Management	105,632	165,563	(59,931)	(36.2)
Property Development	7,889	8,969	(1,080)	(12.0)
Others	4,926	4,832	94	1.9
Group	651,816	895,246	(243,430)	(27.2)

Profit Before Tax:

Asset Consultancy	3,016	(10,160)	13,176	>100.0
Infra Services	9,441	30,306	(20,865)	(68.8)
Integrated Facilities Management	17,227	24,651	(7,424)	(30.1)
Property Development	1,651	2,683	(1,032)	(38.5)
Others/Elimination	(4,792)	(4,830)	38	0.8
Group	26,543	42,650	(16,107)	(37.8)

The Group's revenue for the current quarter of RM651.8 million was RM243.4 million or 27.2% lower than the preceding quarter of RM895.2 million.

- Infra Services ("IS") Division recorded lower revenue by RM147.5 million mainly due to the completion of North-South Expressway fourth lane widening ("4LW") project towards the end of last year and lower civil and pavements works carried out for the North-South Expressway.
- Integrated Facilities Management ("IFM") Division recognised lower revenue by RM59.9 million as a result of the loss in Hospital Support Services ("HSS") contribution from East Malaysia operations.
- Asset Consultancy ("AC") Division recorded lower revenue by RM35.0 million mainly due to the evolving economic consequences of declining oil prices affecting the Group's Canadian operations. In the preceding quarter, the Division recognized variation orders for 4LW works of RM12.2 million.
- Property Development ("Property") Division registered lower revenue due to lower sales.

The Group recorded lower profit before tax ("PBT") for the current quarter of RM26.5 million, as compared to RM42.7 million in the preceding quarter.

- IS, IFM and Property Division recorded lower PBT by RM20.9 million, RM7.4 million and RM1.0 million respectively mainly due to the lower revenue as explained above.
- AC Division recorded higher PBT by RM13.2 million. In the preceding quarter, the Division recognized an impairment loss on goodwill amounting to RM36.1 million.

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

21. Detailed analysis of the performance for the current quarter

	Current year quarter 31/03/2016 RM'000	Preceding year corresponding quarter 31/03/2015 RM'000	Variance RM'000	Variance %
<u>Revenue:</u>				
Asset Consultancy	365,489	333,605	31,884	9.6
Infra Services	167,880	191,396	(23,516)	(12.3)
Integrated Facilities Management	105,632	165,569	(59,937)	(36.2)
Property Development	7,889	3,986	3,903	97.9
Others	4,926	4,730	196	4.1
Group	651,816	699,286	(47,470)	(6.8)

Profit Before Tax:

Asset Consultancy	3,016	2,226	790	35.5
Infra Services	9,441	27,833	(18,392)	(66.1)
Integrated Facilities Management	17,227	26,280	(9,053)	(34.4)
Property Development	1,651	(1,322)	2,973	>100.0
Others/Elimination	(4,792)	(1,711)	(3,081)	>(100.0)
Group	26,543	53,306	(26,763)	(50.2)

The Group's revenue for the current quarter of RM651.8 million was lower by RM47.5 million as compared to RM699.3 million in the corresponding quarter last year.

- IFM Division recorded lower revenue by RM59.9 million mainly due to the loss in HSS contribution from East Malaysia operations. The revenue from East Malaysia HSS operations in the preceding quarter was RM83.8 million.
- IS Division recognised lower revenue by RM23.5 million with the completion of 4LW works in 2015.
- AC Division registered higher revenue from the Group's New Zealand based subsidiary, with growth of business in the region and its United Kingdom operation. In addition, the strengthening of NZD against MYR resulted in a favourable impact to revenue by RM10.0 million.
- Higher Property Division revenue by RM3.9 million was due to higher work progress for Chymes @ Gurney, Kuala Lumpur.

The Group's current quarter PBT of RM26.5 million was lower by RM26.8 million as compared to RM53.3 million in the corresponding quarter last year.

- IS and IFM Division recorded lower PBT by RM18.4 million and RM9.1 million respectively mainly due to the lower revenue as explained above.
- For AC Division, the strengthening of NZD against MYR gave rise to higher costs by RM10.2 million that affected the PBT.
- Higher Property Division PBT by RM3.0 million due to higher revenue as explained above.

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

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

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31/03/2016 RM'000	Preceding year corresponding quarter 31/03/2015 RM'000	Three months to 31/03/2016 RM'000	Three months to 31/03/2015 RM'000
<u>Net operating profit after tax ("NOPAT") computation:</u>				
Earnings before interest and tax ("EBIT")	20,177	54,003	20,177	54,003
Adjusted tax	(4,842)	(13,501)	(4,842)	(13,501)
NOPAT	15,335	40,502	15,335	40,502
<u>Economic charge computation:</u>				
Average invested capital	1,141,936	1,032,726	1,141,936	1,032,726
Weighted average cost of capital ("WACC")	9.5%	10.2%	9.5%	10.2%
Economic charge	27,121	26,335	27,121	26,335
Economic (loss)/profit	(11,786)	14,167	(11,786)	14,167

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.

Economic loss of RM11.8 million is lower by RM26.0 million as compared to the preceding year corresponding quarter EP of RM14.2 million mainly due to lower EBIT and higher economic charge.

23. **Prospects for the current financial year**

UEM Edgenta Berhad's ("UEMEd") performance for the year will be affected by the lower contribution from the HSS sector in Sabah and Sarawak due to the reduction in equity stake from 100% to 40% in the respective HSS companies providing the services in these two states. However, the impact will be partially offset by the following:

- 3-year Bio-Medical Engineering Maintenance Services ("BEMS") contract valued at RM91.8 million (or RM30.6 million per annum) recently secured from Sedafiat Sdn Bhd, the associate company in Sabah, to provide the services to hospitals operated by Ministry of Health ("MOH") in the state of Sabah.
- Opportunities for both IS and AC divisions to participate in upcoming rollout of infrastructure projects. Some of the major infrastructure projects announced late last year and early this year are the Pan Borneo Sarawak and Sabah highways.
- The acquisition of 80% equity interest in KFM on 6 April 2016 which is expected to contribute positively to UEMEd.

UEMEd will continue its efforts to grow the business and with the foregoing, is cautiously optimistic of being able to sustain the results in 2016.

24. **Profit forecast**

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

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/03/2016 RM'000	31/03/2015 RM'000	31/03/2016 RM'000	31/03/2015 RM'000
Basic earnings per share				
Profit attributable to Owners of the Parent	20,494	37,174	20,494	37,174
Weighted average number of ordinary shares in issue ('000)	813,501	813,501	813,501	813,501
Basic earnings per share	2.52 sen	4.57 sen	2.52 sen	4.57 sen

Kuala Lumpur
27 May 2016

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