

UEM EDGENTA BERHAD
Company No. 196301000166 (5067-M)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

THE FIGURES HAVE NOT BEEN AUDITED.

I(A). CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2022 RM'000	Preceding year corresponding quarter 31/3/2021 RM'000	Three months to 31/3/2022 RM'000	Three months to 31/3/2021 RM'000
1 (a) Revenue	539,209	483,552	539,209	483,552
(b) Cost of sales	(462,582)	(416,975)	(462,582)	(416,975)
(c) Gross profit	76,627	66,577	76,627	66,577
(d) Other income	7,622	7,905	7,622	7,905
(e) Expenses	(65,592)	(58,590)	(65,592)	(58,590)
(f) Finance costs	(4,930)	(5,322)	(4,930)	(5,322)
(g) Share of results of associates	3,523	5,344	3,523	5,344
(h) Profit before tax	17,250	15,914	17,250	15,914
(i) Income tax	(7,884)	(7,804)	(7,884)	(7,804)
(j) Profit for the period	9,366	8,110	9,366	8,110
Attributable to:				
(k) Owners of the parent	9,403	6,694	9,403	6,694
(l) Non-controlling interests	(37)	1,416	(37)	1,416
Profit for the period	9,366	8,110	9,366	8,110
2 Earnings per share based on 1(k) above (Note 26):				
Basic	1.13 sen	0.80 sen	1.13 sen	0.80 sen

The condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2021.

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I(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2022 RM'000	Preceding year corresponding quarter 31/3/2021 RM'000	Three months to 31/3/2022 RM'000	Three months to 31/3/2021 RM'000
Profit for the period	9,366	8,110	9,366	8,110
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations, representing total other comprehensive income	<u>3,714</u>	<u>5,285</u>	<u>3,714</u>	<u>5,285</u>
Total comprehensive income for the period	<u>13,080</u>	<u>13,395</u>	<u>13,080</u>	<u>13,395</u>
Attributable to:				
Owners of the parent	13,118	13,027	13,118	13,027
Non-controlling interests	<u>(36)</u>	<u>368</u>	<u>(36)</u>	<u>368</u>
	<u>13,080</u>	<u>13,395</u>	<u>13,080</u>	<u>13,395</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 2021.

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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
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after (crediting)/charging:				
Interest income	(819)	(968)	(819)	(968)
Accretion of interest on concession receivable	(4,379)	(4,720)	(4,379)	(4,720)
Dividend from short term investment	(61)	(213)	(61)	(213)
(Gain)/loss on disposal of property, plant and equipment	(15)	7	(15)	7
Net foreign exchange loss/(gain)	173	446	173	446
Net impairment/(reversal) of ECL on trade receivables	1,562	(12)	1,562	(12)
Interest expense	4,618	4,884	4,618	4,884
Depreciation and amortisation	22,839	18,522	22,839	18,522

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

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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at end of current quarter	As at preceding financial year end
	31/3/2022	31/12/2021
	RM'000	RM'000
ASSETS		
1 Non-current assets		
Property, plant and equipment	156,335	166,502
Right-of-use assets	47,643	37,281
Land held for property development	477	477
Intangible assets	695,539	699,204
Investment in associates	106,425	102,922
Other investments	232	232
Trade and other receivables	115,214	113,477
Contract related assets	51,488	77,694
Deferred tax assets	7,026	8,141
	1,180,379	1,205,930
2 Current assets		
Inventories	66,585	66,772
Trade and other receivables	723,371	586,918
Contract related assets	297,082	311,646
Tax recoverable	43,000	55,103
Short term investments	28,387	28,310
Cash, bank balances and deposits	593,868	600,391
	1,752,293	1,649,140
Total assets	2,932,672	2,855,070

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

	As at end of current quarter 31/3/2022 RM'000	As at preceding financial year end 31/12/2021 RM'000
EQUITY AND LIABILITIES		
3	Equity attributable to Owners of the Parent	
	268,074	268,074
	313,856	313,856
	3,599	(116)
	938,476	954,022
	1,524,005	1,535,836
4	3,482	3,519
	1,527,487	1,539,355
5	Non-current liabilities	
	2,140	2,140
	909	1,003
	3,865	3,441
	55,351	58,095
	30,627	25,020
	1,307	10,765
	46,357	47,392
	140,556	147,856
6	Current liabilities	
	550	550
	1,620	1,620
	445,542	385,426
	13,468	8,599
	755,030	727,740
	31,900	30,312
	16,519	13,612
	1,264,629	1,167,859
	1,405,185	1,315,715
	2,932,672	2,855,070
7	Net assets per ordinary share attributable to Owners of the Parent (RM)	
	1.83	1.85

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2021.

* Cash, bank balances and deposits

Included in the cash, bank balances and deposits of the Group is an amount of RM8,730,347 (2021: RM26,579,348) 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.

III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Three months to 31/3/2022 RM'000	Three months to 31/3/2021 RM'000
Cash flows from operating activities		
Cash receipts from customers	575,257	482,393
Cash payments to suppliers	(293,778)	(247,858)
Cash payments to employees and for expenses	(344,497)	(289,237)
Cash used in operations	(63,018)	(54,702)
Interest paid	(1,903)	(1,621)
Income tax and zakat paid	8,029	(6,774)
Net cash flows used in operating activities	(56,892)	(63,097)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	37	130
Net withdrawal from short term investments	-	(24,979)
Interest received	1,096	1,048
Dividend received from associates	-	692
Payment of deferred consideration	-	(2,912)
Purchase of property, plant and equipment	(3,738)	(11,773)
Net cash flows used in investing activities	(2,605)	(37,794)
Cash flows from financing activities		
Draw down of borrowings	62,573	3,332
Repayment of borrowings	(8,550)	(2,479)
Repayment of lease liabilities	(2,293)	(2,169)
Dividend paid to non-controlling shareholders of subsidiaries	-	(1,099)
Net placement of pledged fixed deposits	(719)	(349)
Net cash flows generated from/(used in) financing activities	51,011	(2,764)
Net decrease in cash and cash equivalents	(8,486)	(103,655)
Net foreign exchange difference	1,079	2,847
Cash and cash equivalents as at beginning of financial period	554,760	638,806
Cash and cash equivalents as at end of financial period (a)	547,353	537,998
	As at 31/3/2022 RM'000	As at 31/3/2021 RM'000
(a) Cash and Cash Equivalents comprise the following amounts:		
Cash on hand and at banks	477,421	416,770
Fixed deposits with licensed banks	116,447	161,114
Cash, bank balances and deposits	593,868	577,884
Less: Cash, bank and fixed deposits pledged and on lien	(46,515)	(39,886)
	547,353	537,998

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2021.

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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 →		→ Distributable				
	Share capital	Capital reserve	Other reserves	Retained earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Three months to 31 March 2022							
Balance as at 1 January 2022	268,074	313,856	(116)	954,022	1,535,836	3,519	1,539,355
Profit for the period	-	-	-	9,403	9,403	(37)	9,366
Other comprehensive income	-	-	3,715	-	3,715	-	3,715
Total comprehensive income for the period	-	-	3,715	9,403	13,118	(37)	13,081
Dividends payable to shareholders of the Company	-	-	-	(24,949)	(24,949)	-	(24,949)
Balance as at 31 March 2022	268,074	313,856	3,599	938,476	1,524,005	3,482	1,527,487

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

	← Attributable to owners of the parent →			Retained earnings	Total	Non-controlling interests	Total equity
	Share capital	Non-distributable Capital reserve	Other reserves				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Three months to 31 March 2021							
Balance as at 1 January 2021	268,074	313,856	(16,340)	935,082	1,500,672	8,590	1,509,262
Profit for the period	-	-	-	6,694	6,694	1,416	8,110
Other comprehensive income	-	-	5,264	-	5,264	21	5,285
Total comprehensive income for the period	-	-	5,264	6,694	11,958	1,437	13,395
Dividends paid to:							
- Non-controlling shareholders of shareholders of the subsidiaries	-	-	-	-	-	(1,099)	(1,099)
Balance as at 31 March 2021	268,074	313,856	(11,076)	941,776	1,512,630	8,928	1,521,558

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 2021.

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 2021.

1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134 Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

These financial statements have also been prepared on a historical cost basis except as disclosed in the audited financial statements for the year ended 31 December 2021.

2. Significant accounting policies

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2021 except for standards effective for financial periods beginning on or after 1 January 2022 below:

	Effective for annual periods beginning on or after
Annual improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 Business Combinations: Reference to conceptual framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment: Property, plant and equipment - proceeds before intended use	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous contracts - cost of fulfilling a contract	1 January 2022

The adoption of the above do not have any significant impact to the Group.

3. Standards issued but not yet effective

The standards that are issued but not yet effective up to the date of authorisation of these financial statements are disclosed below. The Group intends to adopt these standards if applicable when they become effective.

	Effective for annual periods beginning on or after
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of liabilities as current or non-current	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

These standards are not expected to have a significant impact on the financial statements in the period of initial application.

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

4. Audit report in respect of the 2021 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2021 was not qualified.

5. Seasonal or cyclical factors

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

6. 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.

7. 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.

8. 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 2022.

9. Dividend

For the financial year ended 31 December 2021, the Board of Directors has declared single-tier interim dividend of 3.00 sen per ordinary share, on 831,624,030 ordinary shares, amounting to RM24,948,721 paid on 19 May 2022. The entitlement date is 21 April 2022.

No interim dividend is declared for the current financial period of 31 March 2022.

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

10. **Operating Segments**

Operating Segment information for the financial period ended 31 March 2022 is as follows:

By operating segment

	Asset Management		Infrastructure Solutions			Elimination	Group
	Healthcare Support	Property and Facility Solutions	Infrastructure Services	Asset Consultancy	Others		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	351,551	28,969	133,069	25,538	82	-	539,209
Inter-segment revenue	420	3,876	221	-	21,109	(25,626)	-
Total Revenue	351,971	32,845	133,290	25,538	21,191	(25,626)	539,209
Results							
EBITDA	32,699	2,395	6,797	(1,457)	(8,475)	8,406	40,365
Depreciation and amortisation	(9,737)	(203)	(2,855)	(266)	(9,246)	(532)	(22,839)
EBIT	22,962	2,192	3,942	(1,723)	(17,721)	7,874	17,526
Interest income	173	178	357	31	80	-	819
Interest expense	(362)	(819)	(8)	-	(3,804)	375	(4,618)
Share of results of associates	2,976	237	-	310	-	-	3,523
Profit/(loss) before tax	25,749	1,788	4,291	(1,382)	(21,445)	8,249	17,250
Income tax	(4,584)	(1,029)	(1,662)	(357)	-	(252)	(7,884)
Profit/(loss) for the period	21,165	759	2,629	(1,739)	(21,445)	7,997	9,366

Notes:

- a. EBITDA – Earnings Before Interest, Tax, Depreciation and Amortisation
- b. EBIT – Earnings Before Interest and Tax

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

10. **Operating Segments (cont'd)**

Operating Segment information for the financial period ended 31 March 2021 is as follows:

By operating segment

	Asset Management		Infrastructure Solutions			Elimination	Group
	Healthcare Support	Property and Facility Solutions	Infrastructure Services	Asset Consultancy	Others		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	309,522	42,647	109,349	19,600	2,434	-	483,552
Inter-segment revenue	935	2,305	78	65	19,857	(23,240)	-
Total Revenue	310,457	44,952	109,427	19,665	22,291	(23,240)	483,552
Results							
EBITDA	23,074	6,494	8,303	(3,720)	8,630	(9,773)	33,008
Depreciation and amortisation	(6,266)	(187)	(2,661)	(335)	(8,187)	(886)	(18,522)
EBIT	16,808	6,307	5,642	(4,055)	443	(10,659)	14,486
Interest income	359	23	446	70	70	-	968
Interest expense	(257)	(816)	(8)	(2)	(3,919)	118	(4,884)
Share of results of associates	2,922	2,264	-	158	-	-	5,344
Profit/(loss) before tax	19,832	7,778	6,080	(3,829)	(3,406)	(10,541)	15,914
Income tax	(3,905)	(909)	(1,912)	(104)	-	(974)	(7,804)
Profit/(loss) for the period	15,927	6,869	4,168	(3,933)	(3,406)	(11,515)	8,110

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

11. 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 2022 to the date of this announcement which would substantially affect the financial results of the Group for the period ended 31 March 2022 that have not been reflected in the condensed financial statements.

12. 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 Pengurusan LRT Sdn. Bhd. On 17 January 2022, Pengurusan LRT Sdn. Bhd., an indirect wholly-owned subsidiary of the Company, which was under Members' Voluntary Liquidation, has been dissolved and ceased to be a subsidiary of the Company.

13. Capital commitments

There are no material capital commitments except as disclosed below:

	As at 31/3/2022	As at 31/12/2021
	RM'000	RM'000
Approved and contracted for	7,394	10,794
Approved but not contracted for	74,953	82,347

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

14. **Income tax**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	RM'000	RM'000	RM'000	RM'000
Current income tax				
- Malaysian income tax	3,311	2,934	3,311	2,934
- Foreign tax	4,628	4,892	4,628	4,892
	<u>7,939</u>	<u>7,826</u>	<u>7,939</u>	<u>7,826</u>
Deferred tax				
- Relating to origination and reversal of temporary difference	(55)	(22)	(55)	(22)
Income tax expense	<u>7,884</u>	<u>7,804</u>	<u>7,884</u>	<u>7,804</u>

The Group's effective tax rate excluding share of results of associates for the current period was higher than the statutory tax rate of 24% mainly due to deferred tax assets not recognised for tax losses at certain subsidiaries.

15. **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.

16. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 31 March 2022 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>Borrowings</u>						
Domestic	55,351	-	55,351	66,967	307,206	374,173
Foreign						
- Singapore Dollar	-	-	-	-	-	-
- Taiwan Dollar	-	-	-	71,369	-	71,369
TOTAL	<u>55,351</u>	<u>-</u>	<u>55,351</u>	<u>138,336</u>	<u>307,206</u>	<u>445,542</u>

Details of Group borrowings and debt securities as at 31 December 2021 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>Borrowings</u>						
Domestic	58,095	-	58,095	13,294	304,185	317,479
Foreign						
- Singapore Dollar	-	-	-	-	-	-
- Taiwan Dollar	-	-	-	67,947	-	67,947
TOTAL	<u>58,095</u>	<u>-</u>	<u>58,095</u>	<u>81,241</u>	<u>304,185</u>	<u>385,426</u>

17. **Derivatives**

There are no outstanding derivatives as at 31 March 2022 (31 December 2021: RM Nil).

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

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.

19. Material litigation

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement except as disclosed below:

a) Rimbunan Melati Sdn Bhd (“RMSB”) vs. EK Integrated Construction Sdn Bhd (“EKICSB”)

RMSB appointed EKICSB as the main contractor for the piling and building works for Phase 3, mixed development of 191 units of 3 storey houses at Lot H.S.(D) 107003, PT 21706, Jalan Kepong, Mukim Batu, Daerah & Wilayah Persekutuan, Kuala Lumpur (“Project”) under two separate contracts i.e. Piling Contract (Letter of Award dated 3 October 2007 for original contract sum of RM5,808,790.34) and Building Contract (Letter of Award dated 29 April 2008 for original contract sum of RM50,195,455.70).

On 26 January 2017, RMSB sued EKICSB alleging breach of EKICSB’s obligation as the main contractor for the Project (“Main Suit”). RMSB claimed that EKICSB breached its obligations by refusing/neglecting/defaulting in carrying out the rectification works and claimed the amount of RM10,954,030.06 (plus costs and interests thereon) which RMSB had incurred as in January 2017.

Given that on 2 December 2016, EKICSB had earlier served a Notice to Arbitrate against RMSB claiming RM4,018,030.02 for the Building Contract, EKICSB filed its application for stay of application on the Main Suit pending conclusion of its arbitration claim for the Building Contract. RMSB replied to the Notice to Arbitrate, requesting for the consolidation of the disputes arising from the Piling Contract and Building Contract to be heard before a single arbitrator.

After several applications by RMSB to consolidate the two contracts and be heard by a single arbitrator failed, the arbitration proceeding for the Piling Contract arbitration continued to take place. Eventually, on 15 March 2019 the arbitrator for the Building Contract allowed EKICSB’s claim in the sum of RM5,104,567.02 together with interest and cost (“Award”).

Given the conclusion of the Building Contract arbitration, RMSB commenced an arbitration proceeding for the Piling Contract on 24 August 2018 and therefore had applied for a stay of execution of the said Award pending disposal of the arbitration proceeding as commenced by them. The Piling Contract arbitration was fixed for hearing on 2, 3, 30 and 31 May 2019 and 25 to 27 June 2019. However, the hearing on 2 and 3 May 2019 were vacated by the arbitrator to allow the parties to file further documents.

On 8 May 2019, EKICSB filed an enforcement application at Kuala Lumpur High Court to enforce the Award, which was contested by RMSB where they filed an application to set aside the Award at Kuala Lumpur High Court on 17 June 2019 on the basis that it is in conflict with the public policy of Malaysia and not in line with the principle of natural justice.

Both enforcement of Award and setting aside applications were fixed for hearing on 1 November 2019. The judge dismissed RMSB’s setting aside application but allowed the EKICSB’s enforcement application. The judge proceeded to request for both parties to reach an agreement regarding the Award. EKICSB proposed for RMSB to release 50% of the Award to EKICSB and the remaining 50% to be deposited into a stakeholder’s account pending conclusion of the Piling Contract arbitration. The payment was made to EKICSB on 31 December 2019.

The parties continue with the Piling Dispute arbitration, fixed for further hearings on 23, 24 and 26 March 2020.

Meanwhile, EKICSB contested that RMSB’s Piling Contract arbitration is time barred and requested to refer the issue to the High Court for its determination with RMSB reserving its rights to oppose. The hearing for the application was rescheduled a few times due to Movement Control Order (MCO). A few attempts were made to resolve the dispute amicably via a settlement route but to no avail.

On 11 September 2020, the Court decided that RMSB’s claim is not time-barred and therefore, EKICSB’s application is dismissed, with cost of RM10,000. Therefore, the Piling Contract Arbitration will continue.

However, on 8 October 2020, EKICSB served RMSB a Notice of Appeal on the time-barred decision as granted by the High Court in favour of RMSB. Due to the appeal, the Piling Contract arbitration is being put on hold, pending the outcome of the appeal. The new hearing dates for arbitration will be fixed once the hearing date for the appeal is fixed by the Court of Appeal.

On 25 January 2021, the Court has rescheduled the case management to be on 8 April 2021 to fix for the hearing of the Appeal.

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

19. Material litigation (Contd.)

a) Rimbunan Melati Sdn Bhd (“RMSB”) vs. EK Integrated Construction Sdn Bhd (“EKICSB”)(Contd.)

On 8 April 2021, the Court has fixed for further case management on 6 July 2021 pending release of the grounds of judgment by the High Court and further informed the parties that the hearing date will be fixed upon receiving the grounds of judgment from the High Court. On 7 September 2021, the Court fixed the hearing for the appeal on 25 April 2022 despite no judgment issued.

On 25 April 2022, Court dismissed EKICSB's appeal and accordingly the arbitrator resumed the arbitration proceeding and fixed the hearings from 17 to 19 May 2022. However, on 17 May 2022, the arbitrator vacated the hearing to 15 July 2022, and from 16 to 17 August 2022 as the arbitrator requires further technical details from the experts together with an overview of the whole housing project.

b) Edgenta PROPEL Berhad (“EPB”) vs. Hartajaya-Benteng Timur-Amr Jeli JV Sdn Bhd (“HBT”) vs. Government of Malaysia (Jabatan Kerja Raya/JKR/Third Party)

On 23 March 2012, EPB sued HBT for the payments of RM22,527,038.18 in respect of works done by EPB for HBT for the construction of a new road from Seremban-Port Dickson Highway to FR5 (Exit 5) and pavement works from Pasir Panjang to Linggi, Negeri Sembilan. The payments of RM22,527,038.18 consisted of RM16,117,148.72 as certified and unpaid (“Certified Work”), and RM6,409,889.46 as uncertified and unpaid.

EPB's claim to recover the Certified Work was granted but was later reversed by the Court of Appeal on 13 May 2013 upon an appeal by HBT. Accordingly, HBT proceeded to serve a third-party notice to JKR (its employer) on 4 March 2014 who failed to pay HBT for the same project. On 26 February 2015, HBT proposed a settlement with EPB for a payment of RM4,000,000.00 but subject to conclusion of third party proceeding against JKR and allowed for RM17,472,961.82 (the Certified Work plus cost and interest) to be subjected to assessment of damages. The payment for RM4,000,000.00 was agreed and recorded as a “Consent Order” on 2 April 2015.

The assessment of damages application was filed on 13 August 2015 and on 29 August 2017, the court decided that HBT shall pay EPB RM17,472,961.82 (“Assessed Damages”) with interest of 5% per annum calculated from 2 April 2015 until full realisation and costs of RM15,000.00.

On 22 November 2017, HBT again filed a set aside application to set aside the decision on the Assessed Damages to High Court but was dismissed by the court on 15 March 2018 with cost of RM5,000.00. Thereafter, HBT appealed to the Court of Appeal on 5 April 2018 (“Setting Aside of Appeal”) but the appeal will only proceed upon receipt of the grounds of judgment from the High Court.

Separately in a different proceeding, HBT's assessment of damages against JKR was concluded in the high court on 27 September 2019. It was decided that the assessment of damages and delivered its decision on the amount to be approximately RM10,000,000.00. JKR had paid this amount to HBT.

On 7 March 2019, the Setting Aside Appeal was heard, and the Court of Appeal allowed HBT's appeal on a condition that HBT pays the sum of RM10,000,000.00 to the court or a stakeholder's account within 14 days. The Assessed Damages would then be set aside, and a fresh assessment of damages shall be conducted by the High Court. In the event HBT fails to pay the sum of RM10,000,000.00 within 14 days, the Assessed Damages decision will remain valid (“Appeal Order”). At the lapse of the 14 days, HBT failed to deposit the sum of RM10,000,000.00 to the court or a stakeholder's account.

On 21 March 2019, HBT filed a motion in the Court of Appeal for a stay of execution and filed another motion in the Federal Court for leave to appeal to Federal Court on the Appeal Order. During the hearing on 21 May 2020, HBT's motion for leave to appeal to the Federal Court was dismissed with cost of RM30,000.00. In this regard, the Assessed Damages of RM17,472,961.82 in addition to the Consent Order of RM4,000,000.00 shall be payable by HBT to EPB, both amounting RM21,472,961.82.

EPB has initiated recovery actions in stages, starting with a judgment debtor summon and may be followed by garnishee proceedings and winding up actions against HBT to recover the total amount of RM21,472,961.82 plus cost and interest (“Recovery Amount”).

On 29 July 2020, EPB has filed Examination of Judgement Debtor (“Examination of JD”) at Kuala Lumpur High Court. The hearing was fixed on 3 September 2020, where the Court has ordered for HBT's director, Sri Ram Sarma to appear in Court on 23 October 2020 at 9.00 am to examine HBT's asset(s) and its inability to pay EPB. However, due to the Movement Control Order (“MCO”) enforced by the Government, the Court has rescheduled the hearing of Examination of JD on 30 March 2021.

Earlier on 5 February 2021, EPB has filed a Judgement Debtor Summons against one of HBT's officers as an additional action to recover the Recovery Amount. During the hearing on 20 April 2021, the Court directed our solicitors to issue a letter to the company secretary and HBT, specifying documents to be produced in Court on the said next hearing date, which is now fixed on 15 June 2021.

Meanwhile, on 30 March 2021, EPB has withdrawn its Examination of JD application against the HBT's director, with liberty to file afresh, due to extensive but unsuccessful attempts to physically serve the legal papers to the director, as required by law. Thereafter, EPB, via its solicitors has issued a Notice of Winding Up against HBT on 2 April 2021 which HBT has failed to respond within 21 days.

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

19. Material litigation (Contd.)

b) Edgenta PROPEL Berhad (“EPB”) vs. Hartajaya-Benteng Timur-Amr Jeli JV Sdn Bhd (“HBT”) vs. Government of Malaysia (Jabatan Kerja Raya/JKR/Third Party)(Contd.)

Due to the Further Movement Control Order imposed by the government, the Court has rescheduled the Judgment Debtor Summons hearing multiple times. During the hearing on 27 January 2022, the Court directed the matter to be postponed pending the conclusion of the Judicial Management Application.

The Winding Up Petition was filed against HBT on 9 July 2021. The Court has fixed the first case management on 16 August 2021 and also fixed a hearing on 13 October 2021. However, the matter is postponed pending the conclusion of the Judicial Management Application.

On 29 September 2021, HBT filed a Judicial Management Application to Court and EPB filed an Intervener Application to HBT’s Judicial Management Application on 13 October 2021. HBT further filed Preliminary Objection Application to oppose EPB’s Intervener Application on 3 November 2021.

HBT also filed a Stay Application to the Winding Up Petition on 1 October 2021, which was later dismissed by Court on 8 December 2021.

On 10 March 2022, the Court decided to allow EPB to intervene in HBT Judicial Management Application and dismissed HBT Preliminary Objection Application. The Court fixed the hearing on 8 June 2022 for the Judicial Management Application.

c) Magna Meditech Sdn Bhd (“MMSB”) vs Edgenta Mediserve Sdn Bhd (“EMS”)

By way of a Letter of Acceptance dated 8 November 2019, EMS and MMSB entered a contract described as the “Provision of Comprehensive Maintenance Services for Radiology, Radiotherapy, Imaging and Ultrasound Equipment at Northern Region Hospitals under the Ministry of Health Malaysia (MOH) for Edgenta Mediserve Sdn Bhd with a contract value of RM53,665,958.88 (“Contract”).

On 18 May 2020, EMS served a Notice of Rescission of the Contract on MMSB (“Notice”). Since then, the parties had attempted to resolve the issues surrounding the Notice of Rescission via several communications and a dispute resolution committee as provided under the Contract but failed to reach any amicable solution.

Eventually on 30 March 2021, EMS was served with a Writ and a Statement of Claim (“Claim”) both dated 25 March 2021. Amongst others, MMSB claims that EMS has breached the Contract by, prematurely and unlawfully terminating the Contract by way of the Notice of Rescission and seeks reinstatement of the Contract for a new term of 3 years with an extension of a further 2 years or damages amounting to RM22,023,999.53.

Based on the foregoing, EMS filed the defence to MMSB’s claims on 3 May 2021. The judge later set for the next case management on 3 June 2021.

On 3 June 2021, the direction given by the court is for the next case management to be held on 17 December 2021 and the trial for this case is fixed from 17 to 20 May 2022 and 23 May 2022.

On 17 December 2021, the Court informed that matter has been transferred to a new court and the trial dates in May 2022 are vacated. The next case management is on 27 January 2022.

The Court via letter dated 20 January 2022, directed that the case management on 27 January 2022 is vacated and re-scheduled to 22 February 2022.

At the case management on 22 February 2022, the Deputy Registrar fixed another online case management before herself on 8 March 2022 for parties to provide further directions on the pre-trial documents.

At the case management on 8 March 2022, the Deputy Registrar fixed another case management on 8 April 2022.

At the case management on 8 April 2022, the Court had directed the parties to file the bundle of pleadings, statement of agreed facts, issues to be tried, summary of case and list of witnesses by 9 May 2022. The next case management is fixed on 10 May 2022.

At the case management on 10 May 2022, Parties updated the Court on the documents filed and the Court fixed 17 May 2022 for the next case management. At the case management on 17 May 2022, the Court directed the parties to file the Common Bundle of Documents by 7 June 2022 and the next case management is fixed on 9 June 2022.

We have been advised by our solicitors that the termination of the Contract is valid and lawful; and the Notice was properly and lawfully issued by EMSB under the Contract and/or in law. The solicitors have opined that EMS has a good chance of successfully defending the claim.

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

19. Material litigation (cont'd)

d) Ahmad Zaki Sdn Bhd ("AZSB") vs Edgenta PROPEL Berhad ("EPB")

By way of a Letter of Award dated 5 August 2016, AZSB appointed EPB as a sub-contractor to carry out and complete the works in respect of the "Projek Mass Rapid Transit Laluan 2: Sungai Buloh-Serdang-Putrajaya (SSP) Package V202: Construction and Completion of Viaduct Guideway and other associated works from Persiaran Dagang to Jinjang, Subcontract: Protection & Relocation of Utilities (Relocation of Telecommunication Works) for the contract sum of RM87,000,000.00 ("Contract").

On 15 April 2021, EPB received a Writ and Statement of Claim dated 12 April 2021 from AZSB. AZSB claims that EPB has breached the terms of the Contract, mainly on grounds that due to EPB's delay, EPB failed to meet the completion date. Therefore, AZSB had to engage third parties to complete some of the works under the Contract. AZSB is therefore seeking reliefs amounting to RM30,882,307.58 from EPB. This consist largely of claims for Liquidated Ascertained Damages ("LAD") for the alleged delays caused by EPB.

EPB strongly denies the claims and has engaged solicitor to represent and defend the suit. The basis of EPB's defence is that various events that contributed to the delay and these were not within the control and responsibility of EPB ("Delay Events"). Furthermore, extension of time applications was made by EPB, notifying AZSB of the Delay Events. These were unreasonably rejected by AZSB, hence causing the completion date to be at large. EPB also contends that it had no knowledge on the engagement of third parties to carry out the omitted scope of works. The omissions were made wrongly and unlawfully by AZSB.

EPB has also filed a counter claim against AZSB for RM10,597,351.90 on the basis that AZSB has breached the Sub-Contract. EPB contends that AZSB failed, neglected and/or refused to make full payment for Payment Certificates and under certified EPB's claims for work done. AZSB also failed to certify the Progress Claims that were duly submitted to AZSB for works done by EPB in accordance with the Sub-Contract.

EPB filed its defence and counter claim on 25 May 2021. On 16 August 2021, the court has granted a two (2) week extension from 16 August 2021 i.e. until 30 August 2021 for EPB to file and serve its Reply to Defence to Counterclaim. The Court has vacated the case management that was to be held 18 August 2021 and set for the next case management to be held on 1 September 2021.

On 30 August 2021, EPB filed its Reply to Defence to Counterclaim. On 1 September 2021, the Court has fixed trial dates to be held on 9 May 2022 to 13 May 2022.

During the case management on 24 November 2021, the Judge directed for the expert reports to be filed by 24 January 2022 together with an affidavit affirmed by the expert. The next case management has been fixed on 26 January 2022.

On 26 January 2022, the Judge directed for the List of Witnesses to be filed on 14 February 2022, along with the expert reports. The next case management has been fixed on 1 March 2022.

On 1 March 2022, the Judge directed for the experts of both parties to prepare Joint Statement reports by 14 March 2022. Joint Statement reports has been filed on 29 March 2022.

On 8 April 2022, the Judge has vacated the trial dates: 9 May 2022 to 13 May 2022. The next case management has been set on 25 April 2022 to fix new trial dates.

On 25 April 2022, the Court asked parties to email its common free dates for trial by the week of 9 May 2022. As to date, trial dates has yet to be determined. The next case management has been fixed for 7 June 2022.

Our solicitors are of the view that EPB has a good defence to AZSB's claims. Furthermore, our solicitors have opined that EPB also has a good chance in succeeding in its counterclaim against AZSB.

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

20. Contingent liabilities

Other than disclosed in Note 19 (c) and (d), other contingent liabilities are as follows:

(a) UEM Edgenta and Inland Revenue Board of Malaysia

On 30 April 2021, the Director General of Inland Revenue Board of Malaysia ("DGIR") had served UEM Edgenta Berhad ("UEM Edgenta" or "the Company"), with additional tax assessments for the years of assessment ("YAs") 2015,2016,2017 and 2018 for additional income taxes of RM18,697,845.29 ("2021 Notice").

The abovementioned additional income tax was imposed by DGIR mainly pursuant to the dispute on the status of UEM Edgenta as a Management Service Company and shall be taxed as an Investment Holding Company under Section 60FA of the Income Tax Act, 1967.

The Company filed in an appeal to the Special Commissioner of Income Tax (SCIT) on 25 May 2021. The next Mention is fixed on 14 June 2022.

Concurrently the Company also applied for judicial review to quash the decision of the DGIR to raise the additional tax assessments on 27 May 2021. On 6 July 2021, the High Court allowed UEM Edgenta's application for leave to commence judicial review proceedings against the Inland Revenue Board of Malaysia ("IRB") and granted a Stay against any proceedings or enforcement actions to recover the taxes and penalties purportedly payable under the notices of assessment, and any other proceedings and actions, until the disposal of the judicial review.

On 20 July 2021, the IRB filed a notice of appeal against the High Court's decision (for grant of leave).

Subsequently on 18 August 2021, IRB filed in an application to the High Court for stay of the substantive proceedings, pending the disposal of the IRB's appeal to the Court of Appeal (against the decision of the High Court to grant leave). The High Court denied the application on 20 October 2021. The IRB then applied to the Court of Appeal for a stay. The Court of Appeal allowed IRB's application for stay on 28 January 2022, therefore the judicial review will only commence upon disposal of IRB's appeal.

The next case management for IRB's appeal in Court of Appeal against the High Court's decision for grant of leave is fixed on 1 June 2022 where the Court will fix the hearing dates.

Based on our tax solicitor's opinion, the Company is of the view that there are valid legal grounds to challenge the basis of assessment.

(b) Edgenta PROPEL Berhad and Inland Revenue Board of Malaysia

On 29 June 2021, the DGIR had served Edgenta PROPEL Berhad ("EPB"), a wholly-owned subsidiary of UEM Edgenta, with additional tax assessment for the year of assessment 2016 to 2018 amounting to RM9,387,158.88 ("2021 EPB Notices").

The 2021 EPB Notices are consequent to the DGIR's view that EPB ought not to have deducted the adjusted losses surrendered to it by UEM Edgenta, flowing from the DGIR's position that UEM Edgenta is not a management services company as described in Note 20(a).

EPB filed in an appeal against the 2021 EPB Notices raised by DGIR to the Special Commissioner of Income Tax (SCIT) on 26 July 2021. The next case mention date is fixed on 24 May 2022.

Concurrently, EPB on 23 July 2021 made an application to the High Court for leave to commence judicial review proceedings against the IRB and request for stay against any proceedings or enforcement actions to recover the taxes and penalties purportedly payable under the notices of assessment, and any other proceedings and actions, until the disposal of the judicial review. On 14 February 2022, the High Court allowed EPB's application for leave and granted stay as applied. Next case management is fixed on 31 May 2022.

Based on our tax solicitor's opinion, EPB is of the view that there are valid legal grounds to challenge the basis of assessment.

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 31/3/2022 RM'000	Immediate preceding quarter 31/12/2021 RM'000	Variance RM'000	Variance %
<u>Revenue:</u>				
Asset Management				
- Healthcare Support	351,551	429,151	(77,600)	(18.1)
- Property and Facility Solutions	28,969	48,202	(19,233)	(39.9)
Infrastructure Solutions				
- Infrastructure Services	133,069	194,270	(61,201)	(31.5)
- Asset Consultancy	25,538	23,977	1,561	6.5
Others	82	3,616	(3,534)	(97.7)
	539,209	699,216	(160,007)	(22.9)

Profit/(Loss) Before Tax:

Asset Management				
- Healthcare Support	25,749	28,842	(3,093)	(10.7)
- Property and Facility Solutions	1,788	7,857	(6,069)	(77.2)
Infrastructure Solutions				
- Infrastructure Services	4,291	10,343	(6,052)	(58.5)
- Asset Consultancy	(1,382)	(4,754)	3,372	70.9
Others/Elimination	(13,196)	(8,222)	(4,974)	(60.5)
	17,250	34,066	(16,816)	(49.4)

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 (cont'd)

The Group's revenue for the current quarter of RM539.2 million was RM160.0 million lower than the immediate preceding quarter's revenue of RM699.2 million. This is in-line with the seasonality trend for the business divisions, consistent to prior years. The detailed analysis are as follows:

- Asset Management
Revenue from Asset Management Segment dropped by RM96.8 million mainly due to lower revenue generated from the healthcare support operations in Malaysia and lesser ongoing projects for the Property and Facility Solutions ("PFS") division.
- Infrastructure Solutions
Infrastructure Solutions segment recorded lower revenue by RM59.6 million, which is due to lesser maintenance work performed for expressways by Infrastructure Services ("IS") division, in-line with the seasonality trend of the business. This is mitigated by the increase in revenue generated by Asset Consultancy ("AC") from higher consultancy works performed in the current quarter as compared to immediate preceding quarter.
- Others
The decrease was due to no properties were sold in the current quarter.

The Group's profit before tax ("PBT") for the current quarter of RM17.3 million deteriorated by RM16.8 million compared to the immediate preceding quarter's PBT of RM34.1 million, contributed by the below:

- Asset Management
Asset management's PBT recorded a decrease of RM9.2 million, mainly driven by the reduction in revenue for both Healthcare Support ("HS") and PFS division.
- Infrastructure Solutions
PBT for Infrastructure Solutions results deteriorated by RM2.7 million, resulted from the decrease of PBT for IS division of RM6.0 million, due to lower revenue generated in the current quarter mitigated with the increase of PBT for AC, contributed by higher consultancy works performed.

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

22. Detailed analysis of the performance for the current quarter

	Current quarter 31/3/2022 RM'000	Preceding year corresponding quarter 31/3/2021 RM'000	Variance RM'000	Variance %
Revenue:				
Asset Management:				
- Healthcare Support	351,551	309,522	42,029	13.6
- Property and Facility Solutions	28,969	42,647	(13,678)	(32.1)
Infrastructure Solutions:				
- Infrastructure Services	133,069	109,349	23,720	21.7
- Asset Consultancy	25,538	19,600	5,938	30.3
Others	82	2,434	(2,352)	(96.6)
	539,209	483,552	55,657	11.5

Profit/(Loss) Before Tax:

Asset Management:				
- Healthcare Support	25,749	19,832	5,917	29.8
- Property and Facility Solutions	1,788	7,778	(5,990)	(77.0)
Infrastructure Solutions:				
- Infrastructure Services	4,291	6,080	(1,789)	(29.4)
- Asset Consultancy	(1,382)	(3,829)	2,447	63.9
Others/Elimination	(13,196)	(13,947)	751	5.4
	17,250	15,914	1,336	8.4

The Group's revenue for the current quarter of RM539.2 million was higher by RM55.7 million as compared to RM483.6 million in the corresponding quarter last year.

- **Asset Management**
Revenue from Asset Management increased by RM28.3 million mainly resulting from healthcare support contracts secured in Malaysia, Taiwan, and Singapore. The improvement in this segment is mitigated by lower revenue generated by PFS due to lesser ongoing contracts.
- **Infrastructure Solutions**
Revenue from Infrastructure Solutions increased by RM29.7 million mainly due to higher maintenance work and consultancy works performed for expressways, by IS and AC, respectively due to the ease of movement control order imposed by the Government in the current quarter as compared to the corresponding quarter last year.

The Group recorded PBT for the current quarter of RM17.3 million, an increase of RM1.3 million as compared to RM15.9 million profit before tax in the corresponding quarter last year.

- **Asset Management**
The result of Asset Management segment show a net decrease of RM0.07 million, resulted from higher PBT for HS from new contracts which is mitigated by lower PBT for PFS due to lesser ongoing contracts.
- **Infrastructure Solutions**
Infrastructure Solutions posted better results of RM2.9 million, an increase of RM0.7 million comparing to the preceding year corresponding quarter. The increase mainly due to higher revenue generated.

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

23. Economic profit ("EP") statement

	Individual Quarter		Cumulative Quarter	
	Current year	Preceding year	Three	Three
	quarter	corresponding	months to	months to
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	RM'000	RM'000	RM'000	RM'000
<u>Net operating profit after tax computation:</u>				
Earnings before interest and tax	17,526	14,486	17,526	14,486
Adjusted tax	(4,206)	(3,477)	(4,206)	(3,477)
Net operating profit after tax	13,320	11,009	13,320	11,009
<u>Economic charge computation:</u>				
Average invested capital	1,276,233	1,281,417	1,276,233	1,281,417
Weighted average cost of capital ("WACC")	6.0%	5.7%	6.0%	5.7%
Economic charge	19,143	18,260	19,143	18,260
Economic loss	(5,823)	(7,251)	(5,823)	(7,251)

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 in the current quarter has decreased to RM5.8 million as compared to economic loss for the preceding year corresponding quarter of RM7.3 million mainly contributed by the higher economic charge.

24. Prospects for the financial year

Overall Prospects

2022 has seen nations across the globe embracing "Living with COVID-19" as international borders re-open, followed by the relaxation of international travel restrictions. This endemic phase symbolizes positive prospect as global economic and social activities pick up, en route to pre-pandemic levels. However, there are various headwinds such as the Russian-Ukraine war, global inflationary pressure, risk of the emergence of new variants of COVID-19 and the implementation of minimum wage in Malaysia. The Company remains cautiously optimistic on the outlook for 2022 while maintaining the agility to take the necessary measures in responding to these uncertainties.

Guided by the Edgenta of the Future 2025 ("EoTF2025") vision, UEM Edgenta Berhad ("Edgenta" or the "Company") is proactively positioning itself to deliver long-term sustainable growth to its stakeholders. The Company's multi-pronged diversification strategy will continue to support growth in both existing markets (through new business verticals and adjacent sectors) and new markets (e.g. East Malaysia and Middle East), and to enhance product/service offerings with technology and ESG positioning.

In the Company's pursuit for growth, cost optimization remains high on the agenda as global inflation present challenges to all businesses. Re-thinking of delivery models in improving operational efficiency through structural cost transformation and cost synergy initiatives will help the Company to achieve long term competitive advantage and drive long term sustainability.

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

24. Prospects for the financial year (cont'd)

Prospects by Segment

i. Asset Management

As nations transition into the endemic phase of Covid-19, Healthcare Support division will continue to provide essential services, while striving to move up the value chain in existing markets through enhanced capabilities and expansion of integrated healthcare solutions offerings. The Company is leveraging on its experience in the provision of healthcare support services, consultancy and non-clinical services with the deployment of proprietary software solutions to be adapted to the local requirements in the growth markets, namely Saudi Arabia and other Gulf Cooperation Countries ("GCC") countries.

Property and Facility Solutions ("PFS") division continues to integrate technology and sustainability with facilities management, enabled by Internet of Things ("IOT")-driven real-time analytics and energy efficiency solutions such as Energy Performance Contracting and Green Building audit services in Malaysia as well as key growth markets such as Middle East by leveraging on the Company's and partners' capabilities.

ii. Infrastructure Solutions

Infrastructure Services division saw traffic recovery in Q1 FY22 and this will potentially lead to the increase in maintenance and repair works for the major expressways. In addition, with travel restrictions lifted, Asset Consultancy division will be able to mobilise its resources more efficiently for projects in East Malaysia. Pan Malaysia strategy will remain as the key growth area for the Company's Infra Solutions business.

25. Profit forecast

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

26. Earnings per share ("EPS")

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2022 RM'000	Preceding year corresponding quarter 31/3/2021 RM'000	Three months to 31/3/2022 RM'000	Three months to 31/3/2021 RM'000
Profit attributable to Owners of the Parent	9,403	6,694	9,403	6,694
Weighted average number of ordinary shares in issue ('000)	831,624	831,624	831,624	831,624
Basic earnings per share	1.13 sen	0.80 sen	1.13 sen	0.80 sen

Kuala Lumpur
26 May 2022

By Order of the Board
Chiew Siew Yuen
Company Secretary
(SSM PC No. 201908001259)
(MAICSA 7063781)