

MD/CEO'S STATEMENT



DATO' AZMIR MERICAN
Managing Director/Chief Executive Officer

FY2018 KEY PERFORMANCE HIGHLIGHTS

Revenue

RM2,182.6 million

▲ 3.3% year-on-year

Earnings Before Interest, Tax,
Depreciation & Amortisation

RM266.5 million

▲ 9.4% year-on-year

Profit After Tax

RM152.4 million

▲ 21.8% year-on-year

THE STREAMLINING OF OUR BUSINESS AND COMMITMENT OF OUR PEOPLE TO IMPROVE OPERATIONAL EXCELLENCE IN 2017 LAID THE FOUNDATION FOR OUR PERFORMANCE IN 2018. IT WAS THIS DETERMINATION TO CREATE VALUE WHICH HAS PAVED NEW WAYS ON HOW WE WORK, AND NEW SERVICES TO PROVIDE TO OUR CLIENTS. ADOPTING TECHNOLOGY & INNOVATION AND THE INTRODUCTION OF A MANUFACTURING MINDSET FOR OPERATIONAL EXCELLENCE HAS BEEN PIVOTAL, AND I AM PLEASED TO REPORT THAT NOT ONLY HAS THIS CONTRIBUTED TO THE GROWTH OF OUR EXISTING BUSINESSES BUT ALSO TO THE SUSTAINABILITY OF THE GROUP THROUGH NEW BUSINESS WINS.

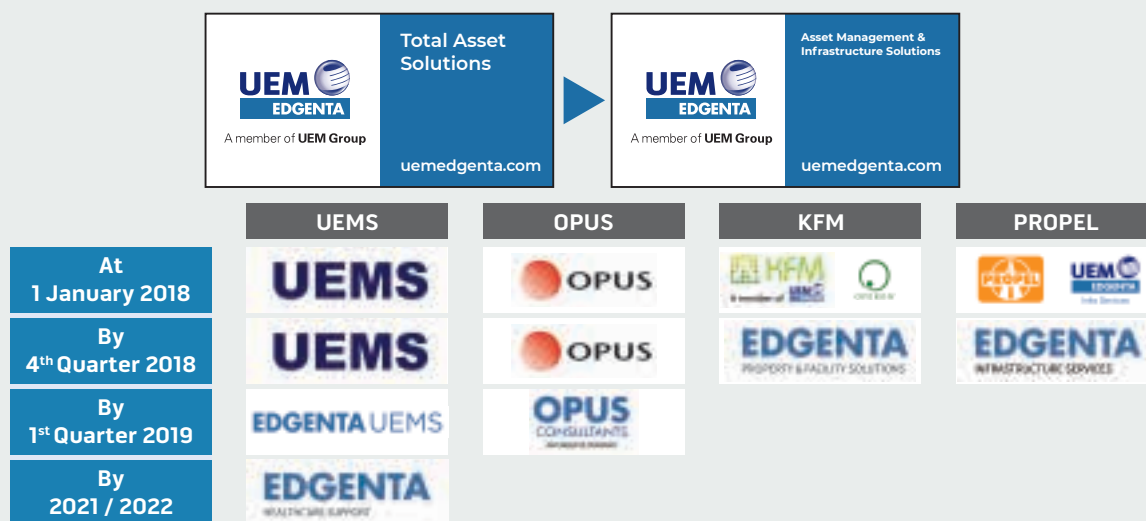
I am happy to report that we have once again delivered another year of growth, and sincerely thank you for your trust as a shareholder. We approached the 2018 Financial Year (FY 2018) confidently but with caution, as we were well aware of the challenges that a volatile global economy could pose. While the Malaysian economy recorded strong growth in the first half of 2018, the second half of the year was atypical, with developments in the macroeconomic sphere unearthing headwinds which brought about changes for many businesses. We readjusted our approach to the new normal but kept on track with our strategy which was 'mission-critical' to deliver our promise as a public listed entity.

BUSINESS OVERVIEW

As mentioned in the Chairman’s Statement, our strategic business model is heavily reliant on operational efficiency and calls for the integration of new technologies and innovation to ensure continuous improvement in the six (6) strategic focus areas of Operational Excellence; Health, Safety, Security and Environment (“HSSE”); Client Solutions; Technology; and Communications and Stakeholder Management.

During the year under review, we embarked on a rebranding and repositioning exercise to simplify and streamline UEM Edgenta and its subsidiaries. Branding is absolutely critical because of the overall impact it has on the Company. It influences how people perceive us, allows customers and clients to know what to expect from us and help drive new businesses.

Apart from the visual elements of the brand where we aim to present a consistent look in redefining the Group as an “Asset Management and Infrastructure Solutions” Company which simply describes what we do, the exercise also involves the development of our people to instil a culture of change and innovation throughout the Company.



Where We Are Today

UEM Edgenta is in a healthy state. Revenue has grown to RM2.18 billion in FY2018 while PAT increased 21.8% year-on-year to RM152.4 million. We have a healthy balance sheet with a net cash position of RM71.0 million, net asset per share of RM1.81 and a gross gearing ratio of 0.35x. Total shareholder returns for 2018 was an impressive 24.1% with a dividend payout of 14 sen representing a 79% payout ratio on the back of earnings per share (“EPS”) of 17.8 sen.

The overall positive financial results present a snapshot of where we are today. However, from an investment point of view, what is more important is what we did to get there, and what we will be doing to sustainably grow in the future.

What We Did to Get There

Leading up to 2018, we identified several key areas in which we needed to address in order to sustain our growth and be the clear market leader in markets we operate.

Safety was identified as a material component of our journey, and a detailed and focused roadmap to deliver Behavioural Safety was introduced. This resulted in the development of a comprehensive HSSE Master Plan to optimise safety in our operations. The plan is being implemented in stages, and while there is still a long way to go, we have seen significant improvements in our HSSE performance.

We have also formally activated Continuous Improvement (“CI”) initiatives in our operations such as the LEAN programme, which inculcates manufacturing mindset, discipline and accountability for operational excellence, notwithstanding the non-manufacturing nature of our service provision business. The LEAN framework encompasses innovation programmes, training and process improvements, all of which are expected to improve operational efficiencies and cost savings. Additionally, we have also set up the Innovation Garage as a new department to institutionalise the learnings from Khazanah’s TIDE programme to tackle high-impact problem statements by harnessing technology & innovation. Both of these programmes have started to deliver commendable results in FY2018.

MD/CEO'S STATEMENT

2018 PERFORMANCE OVERVIEW

The commendable performance in 2018 is a demonstration of the strategies in place, as well as the required resilience and professionalism of our people in sustaining the business. Our business approach calls for the rethinking of our existing approach and adoption of new technologies and innovation in shaping an operationally excellent environment to drive growth - with a philosophy to continuously improve our operations. Bolstered by our wealth of experience, we continued to give our best and delivered on our promises.

The Healthcare Support division completed an impressive year, contributing 45% in Revenue and PAT for the Group. Revenue was up 8.9% year-on-year while PAT grew to RM86.5 million from RM80.7 million in 2017. The division's performance is largely attributable to the strategic move to secure new contracts in Taiwan and Singapore for the Commercial business, and the continued automation and mechanisation efforts in the Concession business. I am pleased that our acquisition of UEMS in 2016 has delivered value we promised shareholders.

The performance of the Infrastructure Services division was moderate and sustained as some key infrastructure projects which we had targeted did not materialise. Nevertheless, its contribution to the Group remained strong (4.1% of Revenue and 42% of PAT). I am pleased that we made several steps in improving our operations and delivery such as:

- 1) The rolling out of **Performance-Based Contracting ("PBC")** for pavement works sets in motion UEM Edgenta's revamped service delivery model to drive efficiency and innovate towards recording improved margins in the future;
- 2) Investment in **Pavement Research Centre ("PRC")** which is part of UEM Edgenta's strategy to develop new and better products to be used in road pavement;
- 3) The commencement of CI initiatives such as LEAN programmes and the Innovation Garage;
- 4) The development and adoption of software-based applications such as **Road Asset Management System ("RAMS")** integrated with Building Information Modelling (BIM) to enable 3D modelling, resulting in a comprehensive realtime integrated enterprise system to improve efficiency and effective service delivery; and
- 5) Investment in technology and innovation such as the introduction of the **MULAG Grass Cutter** to improve safety and productivity.



Dato' Azmir Merican's briefing and site visit to enhance work safety in our operations

The Property & Facility Solutions division also performed well with 19.0% year-on-year Revenue growth and PAT growth of 50.5%. Key projects secured during the year include integrated facilities management for additional CIMB buildings, bringing the total to 9 sites as well as for Bank Negara Malaysia (BNM), and energy performance contracting (EPC) for PROTON facilities.

The Asset Consultancy business, however, saw a downturn during the year, largely due to the deferment of key infrastructure projects that did not materialise, as well as delays in the awarding of new consultancy work packages for the Pan Borneo Highway project in Sabah and Sarawak.

Gearing Up for Future Growth

We remain optimistic about our prospects, especially in the healthcare and infrastructure sectors. As the industry leader in these sectors, we will focus on protecting our market share, as well as expand and deepen our value chain offerings.

The Malaysian Government's 7.8% year-on-year increase in the budget allocation for public healthcare spending to RM28.7 billion in 2019 augurs well for the Company as we look to partner with the Malaysian Government on more initiatives in this segment. In Singapore, the Ministry of Health is restructuring the public healthcare sector into three (3) integrated clusters which opens up opportunities for us to expand the healthcare business, while In Taiwan, we are looking to upsell more services to our existing customers.

For Infrastructure Services, we plan to invest more in technology and innovation on top of the RM100 million in CAPEX incurred in the past three years. We will continue with the roll-out of operational excellence initiatives, including LEAN programmes for process improvements and the Innovation Garage to tackle high-impact problem statements; continue with the development of new and more durable products to be used in road pavement through PRC; and optimise the ongoing implementation of PBC which sets in motion our revamped service delivery model to drive efficiency and innovation. Our improved offerings will simplify processes in our effort to develop more durable material and ultimately minimise inconveniences from road closures to the public.

The Property & Facility Solutions division will see the Company focused on maintaining its growth trajectory as we look to differentiate our service offerings with a focus on customers' asset enhancement via technology applications and platforms. This will also improve our own efficiency and profitability within the division.

Despite the underperformance of the Asset Consultancy division in 2018, we are optimistic of the long-term prospects of the infrastructure sector, on the back of the Government's commitment towards implementing the Pan Borneo Highway, the Klang Valley Double Tracking projects and Sarawak Coastal Road Network & Second Trunk Road project, as well as significant funding set aside in the federal and state government budgets of Sabah and Sarawak for development and infrastructure projects such as roads, bridges, railways and public transportation.

With strong fundamentals and sound strategies in place, I am confident that we will continue to sustain our growth potential and create value for all our stakeholders.

LEADERSHIP BENCH

Leadership is an important factor in driving organisational success, to set direction and motivate employees to do the right thing as we move forward. While we will continue to prioritise the upskilling of our workforce, we need to also build a strong leadership team to champion the growth agenda at every level of the Company.

During the course of the year, we strengthened our leadership bench with the appointments of Ir. Dr. Tony Chan as Chief Operating Officer (COO) of Asset Consultancy and Shariman Yusuf Mohamed Zain as Head of Client Solutions.

Dr. Tony will be leading and driving the OPUS operations, including securing and delivering major road, rail and built environment projects. Shariman will be responsible for leading the Client Solutions team to ensure aggressive top line growth as we aim to achieve our revenue targets for 2019.

As we gear up for an exciting year ahead, the role of Chief Strategy & Transformation Officer (CSTO) has been created to look at our strategic direction and organisational transformation. Shahazwan Harris has been appointed to the position and will be responsible for Corporate Development, Planning & Strategy (CDPS) as well as drive key organisational transformation initiatives.

In addition to that, I am also pleased to announce senior leadership transition at UEMS Pte. Ltd. (UEMS Group). Ms. Low Chee Yen has been appointed Chief Executive Officer (CEO) of UEMS Group, succeeding Mr. Chan Cheow Hong, who will continue to serve UEMS Group as a Senior Advisor & Director.

I am confident they will surpass our expectations in discharging their duties and look forward to their contributions to the growth of the Group.



A view of our Command and Contact Centre located in Menara UEM

ACKNOWLEDGEMENTS

We have made excellent progress in 2018, and I would like to acknowledge the efforts of each and every member of the UEM Edgenta Group, as well as our wide network of local and regional clients, supply chain partners, shareholders and the Government, who have trusted us as their partner. Thank you for the support and involvement in creating an ecosystem that motivates high performance.

I would like to take this opportunity to extend my appreciation to Dato' Izzaddin Idris, who stepped down from the Board of Directors on 2 October 2018. Dato' Izzaddin was first appointed to the Board in 2010 and has effectively contributed to the growth of the Company throughout his tenure.

Lastly, I would also like to convey my sincere gratitude and appreciation towards our Board of Directors, UEM Group and Khazanah Nasional Berhad, the Government and our clients who were instrumental in guiding us with their insights and providing the benefit of their counsel.

I am confident that UEM Edgenta will continue to lead the way in breaking new ground as we drive new growth through continuous improvements and innovation.

DATO' AZMIR MERICAN

Managing Director/Chief Executive Officer



Numerous awards won throughout 2018 cemented our position as the leader in Asset Management & Infrastructure Solutions in the markets we operate

CFO'S REVIEW

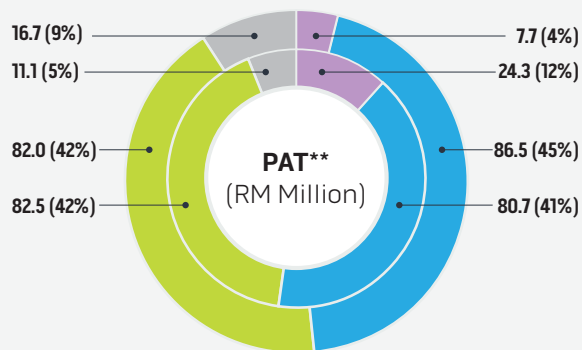
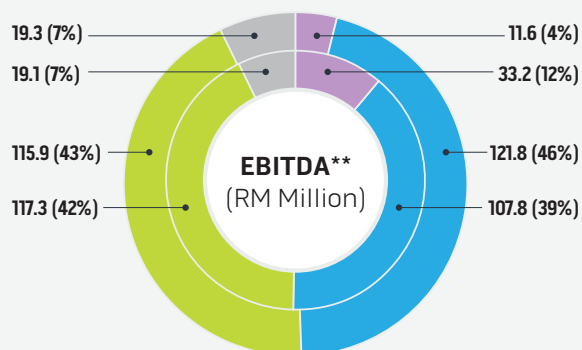
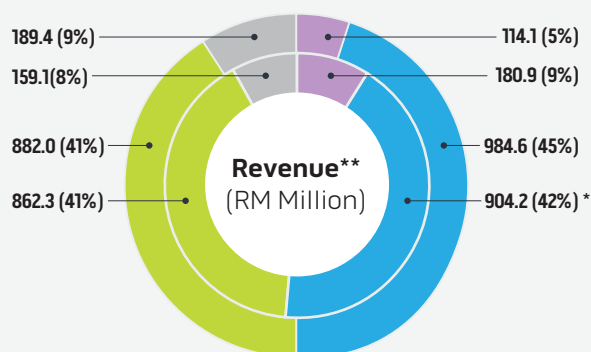


MUHAMMAD NOOR BIN ABD AZIZ @ HASHIM
Chief Financial Officer

UEM EDGENTA CLOSED THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 ("FY2018") WITH REVENUE FROM CONTINUING OPERATIONS AT RM2.18 BILLION, REFLECTING A GROWTH OF 3.3% FROM THE PREVIOUS FINANCIAL YEAR. THIS WAS GENERALLY ATTRIBUTED TO NEW BUSINESS WINS WHICH CONSIST OF ENVIRONMENTAL AND PORTERING SERVICES FOR VARIOUS HOSPITALS IN SINGAPORE AND TAIWAN, GENERAL FACILITY MANAGEMENT & ENERGY PERFORMANCE CONTRACTING FOR NEW CLIENTS AND PAVEMENT DESIGN & BUILD WITH PLUS.

Profit After Tax ("PAT") from continuing operations grew by 2.1.8% from RM 125.1 million to RM 152.4 million, contributed by the higher revenue achieved, savings from interest expenses arising from loan settlements in FY2017 and increased profitability in the Healthcare Support division.

Consistent with the performance in previous years, Healthcare Support and Infrastructure Services divisions remained the largest contributors at 45% and 41% of full-year revenue respectively.

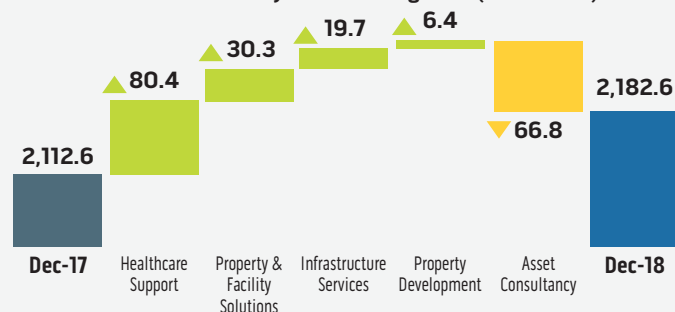


Healthcare Support Property & Facility Solutions Infrastructure Services Asset Consultancy

FY2018 FY2017

* Includes MFRS 15 prior year adjustment of RM8.2 million
** Continuing operations only, exclude property development, intercompany revenue and others

Overview of Performance by Business Segment (RM million)



Healthcare Support recorded higher revenue of RM80.4 million attributable to the new contracts secured in Taiwan and Singapore and RM8.2 million arising from MFRS 15 prior year adjustment. Earnings before interest, tax, depreciation and amortisation ("EBITDA") and PAT increased by RM 14.0 million and RM5.8 million respectively on the back of these contracts, as well as from increased profitability in the concession business, offset by lower share of results from associates during the year.

Property & Facility Solutions also recorded higher revenue of RM30.3 million, as well as PAT of RM5.6 million, arising from new contracts secured for facilities management, township management, energy performance contracting services, and higher share of profit from associates as well as recognition of deferred tax asset during the year. The transition to the Smart Connect Platform improved operational efficiency while the implementation of TIDE and CI initiatives resulted in savings which further contributed to the margins improvement achieved by the division.

Infrastructure Services registered growth in revenue of RM 19.7 million resulting from higher pavement and civil works carried out for expressways. EBITDA and PAT showed marginal movements as the revenue growth offset the costs incurred for the commencement of the Pavement Research Centre.

Key highlights during the year include securing competitive tenders for upgrading of Sewage Treatment Plants and ancillary facilities along the North-South Expressway, as well as Design & Build contracts for Pavement Structural Overlay from PLUS. Additionally, we also generated revenue from other clients for pavement and traffic management works, such as JKR for Selangor State Roads, MRT2 and LRT3, as well as environmental testing and services for various external clients.

The **Asset Consultancy** division saw a downturn due to the delay of consultancy works for the Pan Borneo Highway and several targeted key infrastructure projects that did not materialise.

FY2018 SEGMENTAL PERFORMANCE AT A GLANCE			
Healthcare Support Revenue RM984.6 million ▲ 8.9% year-on-year Profit After Tax RM86.5 million ▲ 7.2% year-on-year	Property & Facility Solutions Revenue RM189.4 million ▲ 19.0% year-on-year Profit After Tax RM16.7 million ▲ 50.5% year-on-year	Infrastructure Services Revenue RM882.0 million ▲ 2.3% year-on-year Profit After Tax RM82.0 million ▼ 0.6% year-on-year	Asset Consultancy Revenue RM114.1 million ▼ 36.9% year-on-year Profit After Tax RM7.7 million ▼ 68.3% year-on-year

Financial Position

As has been mentioned by both the Chairman and the MD/CEO in their respective statements, the Company is in a healthy financial position with net assets of RM1.5 billion as at 31 December 2018 to achieve further growth. PAT margin grew to 7% from 5.9% on the back of lower financing costs and operational excellence initiatives starting to bear fruit, while gross gearing ratio has been maintained at 0.35x and net cash position at RM71.0 million. Return on equity increased to 9.6% and the dividend payout was 14 sen for 2018, representing a 79% dividend payout ratio.

Moving Forward

We expect to see similar growth for Healthcare Services in 2019 with the commercial side expected to secure more business in Singapore and expand its scope of services in Taiwan. In Malaysia, we see strong growth potential with the Government's commitment towards improving public healthcare services. Additionally, there will be an upside on revenue with the newly completed Women and Children's Hospital in Kuala Lumpur and from the cross-selling and sharing of best practices between the concession and commercial business segments.

Property & Facility Solutions is expected to maintain its growth trajectory in 2019 as it continues to differentiate its service offerings with a focus on customer asset enhancement via technology applications and platforms, which will also improve our own efficiency and profitability.

Infrastructure Services will continue to roll-out operational excellence initiatives, including LEAN programmes for process improvements. We expect to see improved margins for the year ahead with further improvements in efficiency and innovation with the ongoing roll-out of the Performance-Based Contracting ("PBC") model, and the potential of new and better products developed through the Pavement Research Centre.

The Consultancy business currently contributes about 5% to the Company's financial position, but we envision long-term growth potential on the back of the Government's commitment to proceed with the Pan Borneo Highway in East Malaysia. This will be further supported by the Klang Valley Double Tracking and Sarawak Coastal Network and Second Trunk Road projects, as well as the potential of new projects with the significant funds set aside by the Federal and State Governments of Sabah and Sarawak for development and infrastructure projects.

We are confident that we will continue to grow the business - Healthcare Support and Infrastructure Services divisions represent our core resilient sectors, and collectively they contribute close to 90% of our revenue and profit. We will continue to focus in sustaining the growth momentum within these divisions, as well as push further across the board to spur organic revenue growth.

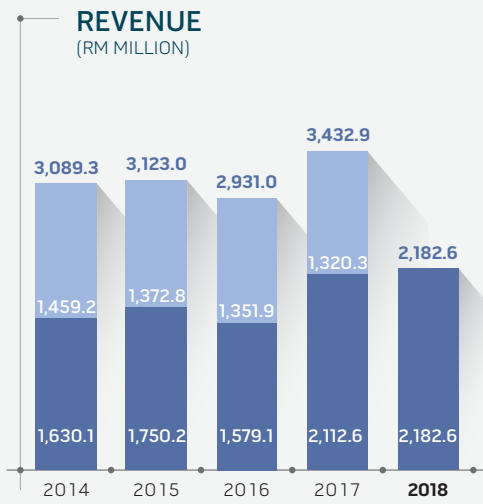
Work-in-Hand is equally healthy at RM13.4 billion, and the RM118.8 million capital expenditure will be allocated for automation and technology-related activities to further improve efficiency and reduce costs to drive margin expansion.

MUHAMMAD NOOR BIN ABD AZIZ @ HASHIM
Chief Financial Officer

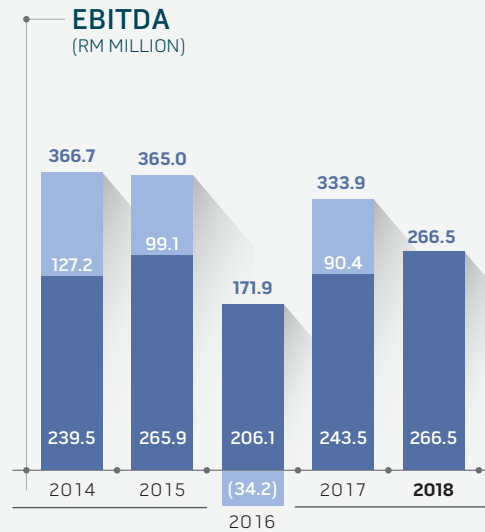
KEY PERFORMANCE INDICATORS

5-YEAR GROUP FINANCIAL HIGHLIGHTS

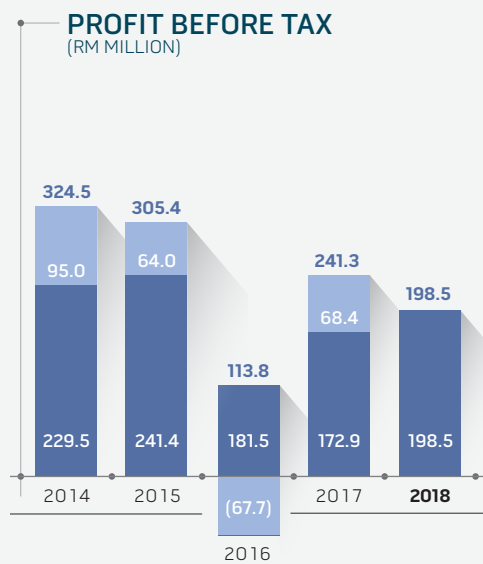
THE BOARD AND THE GENERAL MANAGEMENT COMMITTEE MONITOR A RANGE OF FINANCIAL KEY PERFORMANCE INDICATORS (KPIs), REPORTED ON A MONTHLY AND QUARTERLY BASIS, TO MEASURE PERFORMANCE OVER TIME.



■ OIC
■ Continuing Operations



■ OIC
■ Continuing Operations

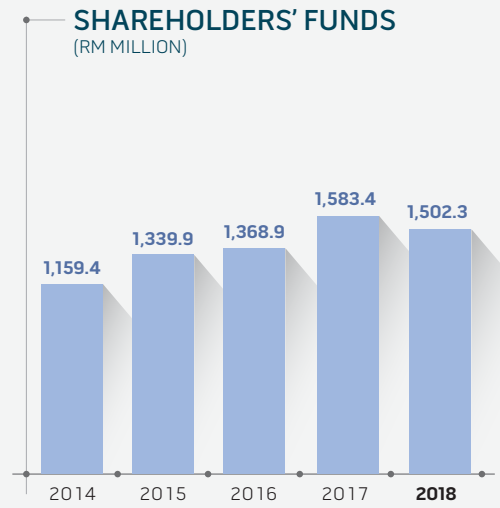
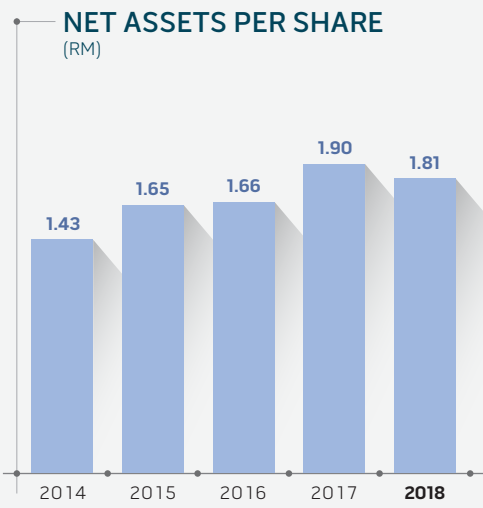
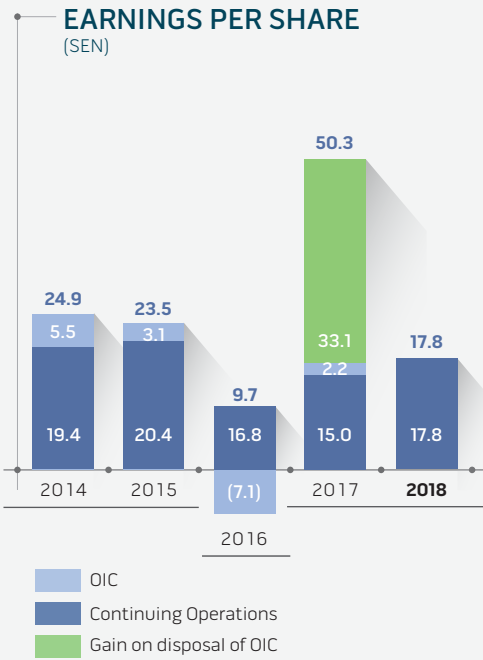


■ OIC
■ Continuing Operations



■ OIC
■ Continuing Operations
■ Gain on disposal of OIC

Note:
Discontinued operation, i.e. Opus International Consultants Limited ("OIC")



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5-YEAR GROUP FINANCIAL SUMMARY

STATEMENTS OF FINANCIAL POSITION

In RM Million	2014	2015	2016	2017	2018
ASSETS					
Non-current assets	753.5	770.1	1,425.2	1,139.2	1,143.3
Current assets	1,892.5	1,847.3	2,104.1	1,866.8	1,731.3
Assets held for sale	–	–	–	–	3.1
TOTAL ASSETS	2,646.0	2,617.4	3,529.3	3,006.0	2,877.7
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	203.4	203.4	207.9	268.1	268.1
Share premium	–	–	60.2	–	–
Reserves	350.8	383.1	392.0	301.1	312.8
Retained earnings	605.2	753.4	708.8	1,014.2	921.4
	1,159.4	1,339.9	1,368.9	1,583.4	1,502.3
Non-controlling interests	201.7	188.2	168.9	18.5	14.5
Total equity	1,361.1	1,528.1	1,537.8	1,601.9	1,516.8
Non-current liabilities	394.9	361.2	876.2	549.8	468.2
Current liabilities	890.0	728.1	1,115.3	854.3	892.7
Total liabilities	1,284.9	1,089.3	1,991.5	1,404.1	1,360.9
TOTAL EQUITY AND LIABILITIES	2,646.0	2,617.4	3,529.3	3,006.0	2,877.7
Net assets per share attributable to owners of					
the parent (RM)	1.43	1.65	1.66	1.90	1.81
Net tangible assets per share (RM)	0.84	1.09	0.49	1.03	0.93
Current ratio (times)	2.1	2.5	1.9	2.2	1.9
Liquidity ratio (times)	0.9	0.8	0.6	0.6	0.6
Gearing ratio (times)	0.3	0.2	0.6	0.3	0.3

INCOME STATEMENTS

In RM Million	2014	2015	2016	2017	2018
REVENUE					
– continuing operations	1,630.1	1,750.2	1,579.1	2,112.6	2,182.6
– discontinued operation	1,459.2	1,372.8	1,351.9	1,320.3	–
TOTAL REVENUE	3,089.3	3,123.0	2,931.0	3,432.9	2,182.6
EBITDA					
– continuing operations	239.5	265.9	206.1	243.5	266.5
– discontinued operation	127.2	99.1	(34.2)	90.4	–
TOTAL EBITDA	366.7	365.0	171.9	333.9	266.5

INCOME STATEMENTS (CONT'D)

In RM Million	2014	2015	2016	2017	2018
PROFIT BEFORE TAX					
– continuing operations	229.5	241.4	181.5	172.9	198.5
– discontinued operation	95.0	64.0	(67.7)	68.4	–
TOTAL PROFIT BEFORE TAX	324.5	305.4	113.8	241.3	198.5
PROFIT AFTER TAX					
– continuing operations	170.2	168.1	140.0	125.1	152.4
– discontinued operation	71.7	41.4	(93.4)	34.8	–
Sub-total	241.9	209.5	46.6	159.9	152.4
– gain on disposal of OIC	–	–	–	274.9	–
TOTAL PROFIT AFTER TAX	241.9	209.5	46.6	434.8	152.4
Attributable to:					
Owners of the parent (PATANCI)					
– continuing operations	157.9	166.2	139.0	124.6	148.4
– discontinued operation	44.5	25.0	(58.9)	18.7	–
Sub-total	202.4	191.2	80.1	143.3	148.4
– gain on disposal of OIC	–	–	–	274.9	–
Total PATANCI	202.4	191.2	80.1	418.2	148.4
Non-controlling interests	39.5	18.3	(33.5)	16.6	4.0
	241.9	209.5	46.6	434.8	152.4
EARNINGS PER SHARE (SEN)					
– continuing operations	19.4	20.4	16.8	15.0	17.8
– discontinued operation	5.5	3.1	(7.1)	2.2	–
Sub-total	24.9	23.5	9.7	17.2	17.8
– gain on disposal of OIC	–	–	–	33.1	–
	24.9	23.5	9.7	50.3	17.8
Dividend per share – gross (sen)	23	15	7	31	14
For continuing operations:					
Earnings before interest, taxation, depreciation and amortisation as a percentage of revenue (%)	15	15	13	12	12
Profit before tax as a percentage of revenue (%)	14	14	11	8	9
Profit before tax as a percentage of total equity at year end (%)	17	16	12	11	13

2018 GROUP QUARTERLY PERFORMANCE

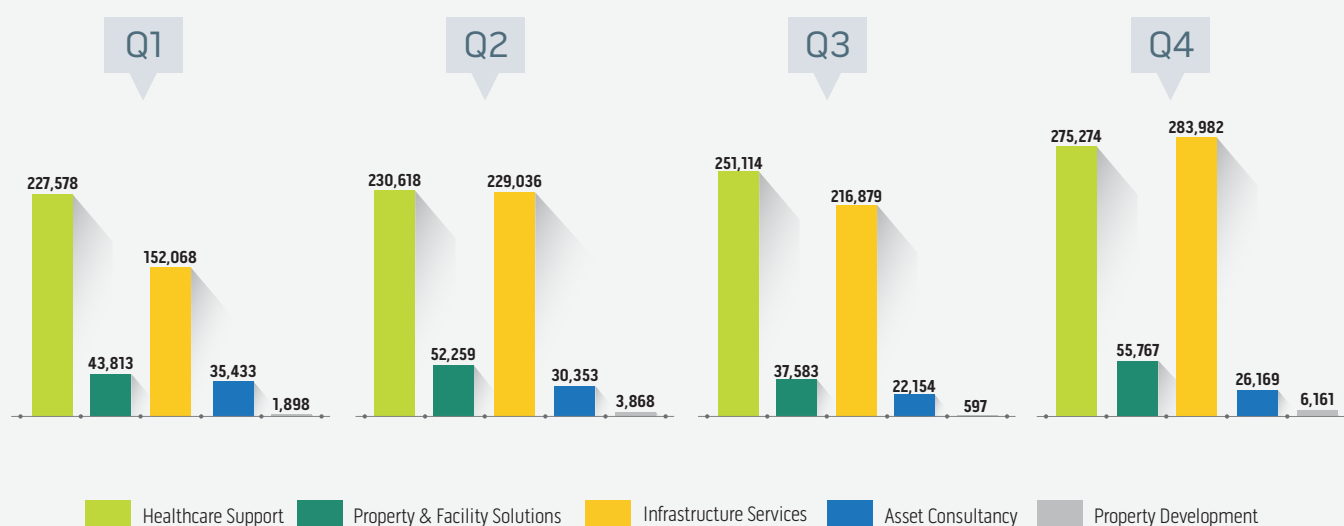
Statement of profit and loss for the financial year ended 31 December 2018 - Simplified

	Qtr 1 RM'000	Qtr 2 RM'000	Qtr 3 RM'000	Qtr 4 RM'000	Total RM'000
From continuing operations					
Revenue	460,790	546,134	528,327	647,353	2,182,604
Gross profit	87,951	103,674	79,407	138,835	409,867
Other income	9,452	11,649	9,801	18,923	49,825
Operating expenses	(54,633)	(65,093)	(60,361)	(69,220)	(249,307)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	56,878	64,090	43,630	101,861	266,459
Profit before tax	42,508	47,729	25,092	83,142	198,471
Profit after tax	30,503	34,630	17,947	69,281	152,361
Profit attributable to owners of the parent	29,551	33,405	17,555	67,919	148,430
Earning per share (sen)	3.5	4.0	2.1	8.2	17.8

Revenue by segment

	Qtr 1 RM'000	Qtr 2 RM'000	Qtr 3 RM'000	Qtr 4 RM'000	Total RM'000
Continuing operations					
Healthcare Support	227,578	230,618	251,114	275,274	984,584
Property & Facility Solutions	43,813	52,259	37,583	55,767	189,422
Infrastructure Services	152,068	229,036	216,879	283,982	881,965
Asset Consultancy	35,433	30,353	22,154	26,169	114,109
Property Development	1,898	3,868	597	6,161	12,524
	460,790	546,134	528,327	647,353	2,182,604

REVENUE BY SEGMENT (RM'000)



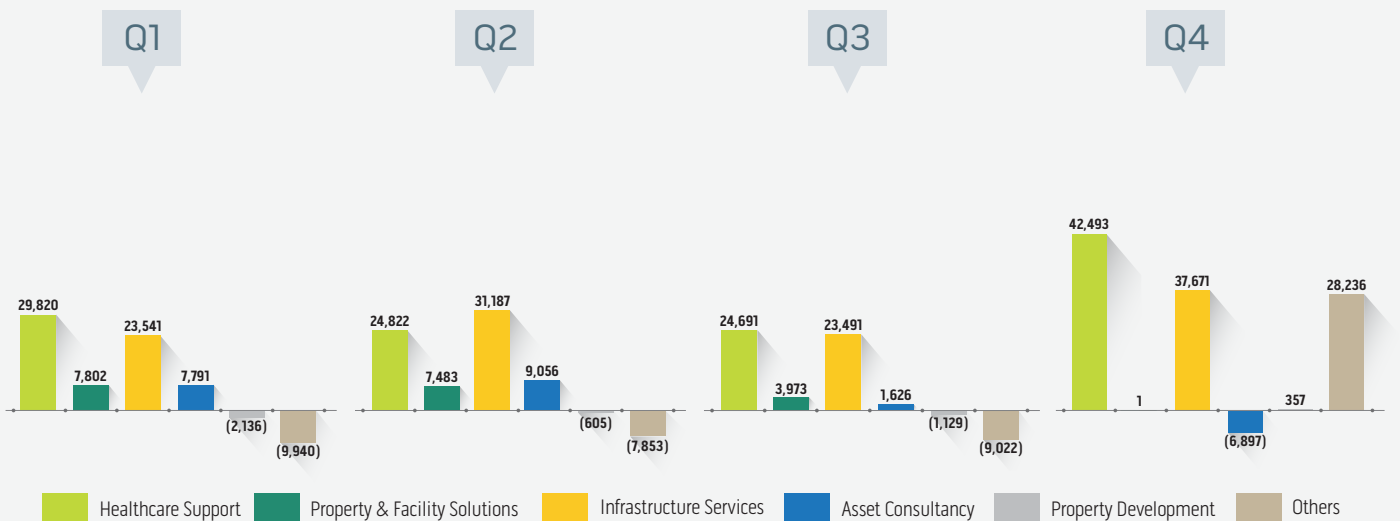


EBITDA by segment

	Qtr 1 RM'000	Qtr 2 RM'000	Qtr 3 RM'000	Qtr 4 RM'000	Total RM'000
Continuing operations					
Healthcare Support	29,820	24,822	24,691	42,493	121,826
Property & Facility Solutions	7,802	7,483	3,973	1	19,259
Infrastructure Services	23,541	31,187	23,491	37,671	115,890
Asset Consultancy	7,791	9,056	1,626	(6,897)	11,576
Property Development	(2,136)	(605)	(1,129)	357	(3,513)
Others *	(9,940)	(7,853)	(9,022)	28,236	1,421
	56,878	64,090	43,630	101,861	266,459

* Others comprise corporate costs and elimination items

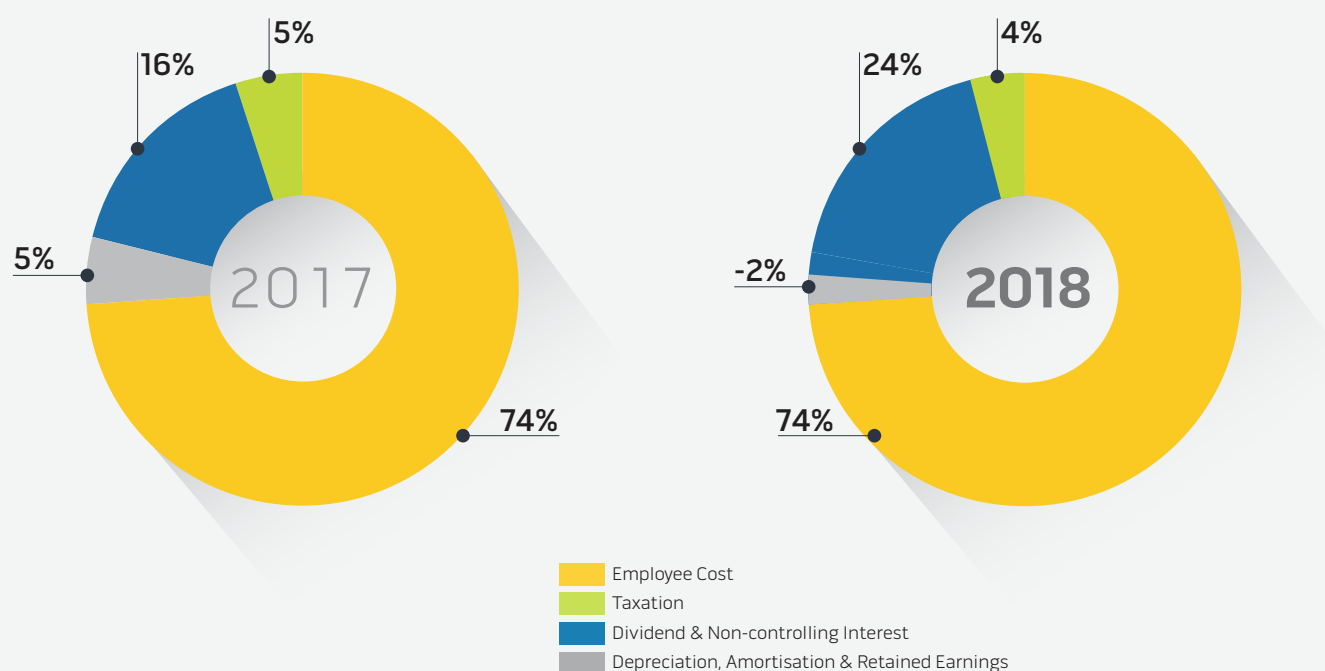
EBITDA BY SEGMENT (RM'000)



GROUP STATEMENT OF VALUE ADDED

In RM Million	2017	2018
VALUE ADDED		
Continuing operations		
Revenue	2,113	2,183
Other income	59	40
Interest income	11	10
Operating expenses	(1,240)	(1,206)
Finance cost	(49)	(28)
Share of profit of associates and joint ventures	20	17
VALUE ADDED AVAILABLE FOR DISTRIBUTION	914	1,016
DISTRIBUTION		
To Employees		
Employee cost	678	751
To Government		
Taxation	46	43
To Shareholders		
Dividend	125	241
Non-controlling interests	17	4
Retained for reinvestment and future growth		
Depreciation and amortisation	64	67
Retained earnings	(17)	(90)
TOTAL DISTRIBUTED	914	1,016

Distribution of Value Added



GROUP FINANCIAL CALENDAR

DIVIDEND

FY2017 SPECIAL DIVIDEND	FY2017 SECOND INTERIM DIVIDEND	FY2018 INTERIM DIVIDEND	FY2018 SECOND INTERIM DIVIDEND
20-Feb-2018 Announcement on declaration of Single Tier Special Dividend of 18.0 sen per ordinary share for the financial year ended 31 December 2017	20-Feb-2018 Announcement on declaration of Single Tier Second Interim Dividend of 5.0 sen per ordinary share for the financial year ended 31 December 2017	29-Aug-2018 Announcement on declaration of Single Tier Interim Dividend of 6.0 sen per ordinary share for the financial year ended 31 December 2018	25-Feb-2019 Announcement on declaration of Single Tier Second Interim Dividend of 8.0 sen per ordinary share for the financial year ended 31 December 2018
18-Apr-2018 Payment of Single Tier Special Dividend of 18.0 sen per ordinary share for the financial year ended 31 December 2017	17-May-2018 Payment of Single Tier Second Interim Dividend of 5.0 sen per ordinary share for the financial year ended 31 December 2017	31-Oct-2018 Payment of Single Tier Interim Dividend of 6.0 sen per ordinary share for the financial year ended 31 December 2018	9-May-2019 Payment of Single Tier Second Interim Dividend of 8.0 sen per ordinary share for the financial year ended 31 December 2018

FINANCIAL RESULTS

20-Feb-2018 Announcement on financial results for the 4 th quarter ended 31 December 2017	23-May-2018 Announcement on financial results for the 1 st Quarter of the financial year ended 31 December 2018	29-Aug-2018 Announcement on financial results for the 2 nd Quarter of the financial year ended 31 December 2018	29-Nov-2018 Announcement on financial results for the 3 rd Quarter of the financial year ended 31 December 2018	25-Feb-2019 Announcement on financial results for the 4 th Quarter of the financial year ended 31 December 2018
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ISSUANCE OF ANNUAL REPORT

11-Apr-2018

Issuance of Annual Report and Corporate Governance Report for the financial year ended 31 December 2017

16-Apr-2019

Issuance of Annual Report and Corporate Governance Report for the financial year ended 31 December 2018

ANNUAL GENERAL MEETING

10-Apr-2018

Notice of the 55th Annual General Meeting

10-May-2018

55th Annual General Meeting

16-Apr-2019

Notice of the 56th Annual General Meeting

15-May-2019

56th Annual General Meeting

INVESTOR RELATIONS

UEM EDGENTA IS COMMITTED TO CONSTANTLY ENHANCING OUR SHAREHOLDERS SATISFACTION THROUGH PROACTIVE ENGAGEMENTS AND REWARDING OUR SHAREHOLDERS AND INVESTORS. UEM EDGENTA'S INVESTOR RELATIONS FUNCTION UPHOLDS THE IMPORTANCE OF EFFECTIVE ENGAGEMENTS WITH OUR SHAREHOLDERS AND THE INVESTING COMMUNITY TO ENABLE GREATER COMMUNICATION AND ENHANCE THE TRANSPARENCY OF THE COMPANY'S BUSINESSES AND PERFORMANCE. WE ALSO CONTINUOUSLY SEEK NEW APPROACHES TO ENHANCE OUR COMMUNICATION PLATFORMS WITH STAKEHOLDERS FUNCTION.

UEM Edgenta's Investor Relations (IR) function and strategies are designed to achieve the objective of building and sustaining strong confidence among the investing community. As such, the Company strives to maintain proactive communication with investors in a timely, accurate, effective, clear and relevant manner. To ensure an effective and successful IR engagement with the investing community, we invest considerable resources and to further reflect our commitment in our IR efforts, our Senior Management takes part in our main IR activities. In the financial year, our IR activities were spearheaded by our MD/CEO, Chief Financial Officer, Head of Corporate Development, Planning & Strategy and supported by other senior management members across the Group.

INVESTOR RELATIONS ENGAGEMENT CHANNEL

Engagement Channel	Method of Communication	Target Audience
Analyst and investor briefings	<ul style="list-style-type: none"> Semi annual financial earnings release Material development & updates 	<ul style="list-style-type: none"> Institutional investors Analysts
Management meetings	<ul style="list-style-type: none"> Small group meetings One-to-one meetings 	<ul style="list-style-type: none"> Institutional investors Analysts
Site visits	<ul style="list-style-type: none"> Small group tours 	<ul style="list-style-type: none"> Institutional investors Analysts
Conferences	<ul style="list-style-type: none"> Investor's conferences Non-deal roadshows Industry conferences 	<ul style="list-style-type: none"> Institutional investors Retail investors Analysts
Digital & social media	<ul style="list-style-type: none"> Corporate website@ www.uemedgenta.com Enquiry contact: ir@uemedgenta.uemnet.com Facebook: www.facebook.com/UEMEdgentaBerhad Instagram: www.instagram.com/uemedgenta 	<ul style="list-style-type: none"> Institutional investors Retail investors Analysts Media
Media engagements	<ul style="list-style-type: none"> Media briefings Media releases Media interviews 	<ul style="list-style-type: none"> Media Public
Annual general meeting & annual report	<ul style="list-style-type: none"> Reporting of financial performance which include Management Discussion and Analysis and Business Strategies 	<ul style="list-style-type: none"> All shareholders Media

Analyst Briefings

UEM Edgenta hosts bi-annual Analyst Briefings sessions for our first half year and full year results announcements. In 2018, the Company held analyst briefing sessions for the full year FY2017 financial results update and first half FY2018 financial results. The investor relations team ensures that the briefing materials, which include the financial statements to the stock exchange, an investor presentation and a press release, are made available via the Company's website.

Financial Result	Date of	
	Announcement	Analyst Briefing
UEM Edgenta FY 18	25 February 2019	5 March 2019
UEM Edgenta 3Q 18	29 November 2018	-
UEM Edgenta 1H 18	29 August 2018	4 September 2018
UEM Edgenta 1Q 18	23 May 2018	-
UEM Edgenta FY 17	20 February 2018	26 February 2018

Analyst Teach In / Investors Meetings / Site Visits

During the year, the Company conducted eight (8) analysts teach in and six (6) investors meeting. We also organised a site visit, inviting institutional investors and analysts to our Biomedical Engineering Maintenance Services ("BEMS") Centre in Juru and to Hospital Sultanah Bahiyah, a hospital under our maintenance in Kedah. The aim of the visit is to enhance understanding and deepen appreciation of our business among the investors and analysts.

Type of Meeting	No. of Meetings	Stakeholders
Analyst Teach In	8	Analysts
Investors Meetings	6	Institutional Investors
Site Visits	1	Analysts / Institutional Investors

Annual General Meeting

The Company held its 55th Annual General Meeting ("AGM") at Persada PLUS, Petaling Jaya, Selangor on 10 May 2018. At the AGM, our MD/CEO presented a summary of the Company's 2017 financial performance as well as highlighted our prospects moving forward. Shareholders who attended the AGM put forth various questions, opinions and comments to the Board of Directors and members of senior management. Our Board of Directors and senior management provides their responses wherever possible; however, queries which could not be answered immediately were duly taken note of and followed up post-AGM.



INVESTOR RELATIONS

RESEARCH COVERAGE

One of the key focus of Investor Relations' activities for the financial year was to widen the research coverage to increase the Company's visibility among investing community. In 2018, the number of research coverage increased to 3, with new initiation from RHB Research. The IR team is continuously working with research houses to further expand the research coverage. Summary of the research reports are as below.

Research House	Call	Target Price
Hong Leong Investment Bank	Buy	RM3.32
RHB Research	Buy	RM3.22
MIDF	Buy	RM3.28

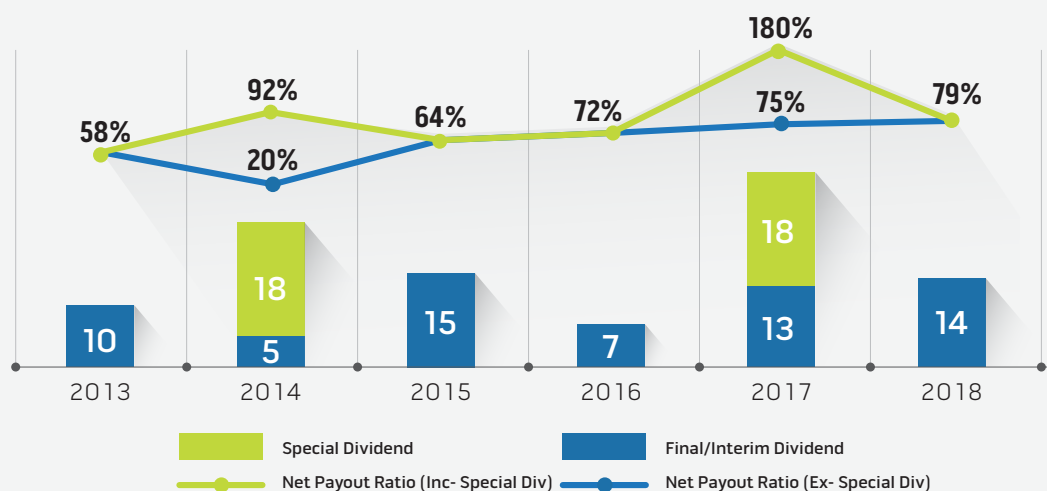
* as at 28 February 2019

DIVIDEND POLICY

In 2018, UEM Edgenta revised its dividend policy to distribute at least 50% and up to 80% of its PATANCI, subject to the sufficiency of the Company's cash flow and future capital expenditure requirements. The dividend policy instils the Company's commitment to provide healthy returns to our shareholders.

DIVIDENDS DECLARED

For FY2018, UEM Edgenta has declared a total dividend of 14 sen per share (1st interim of 6 sen and 2nd interim of 8 sen).



TRANSPARENCY

We continuously maintain a high level of transparency in our financial reporting and corporate governance, guided by the Malaysian Code of Corporate Governance, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as international best practices.

INVESTOR RELATIONS PORTAL AND FEEDBACK

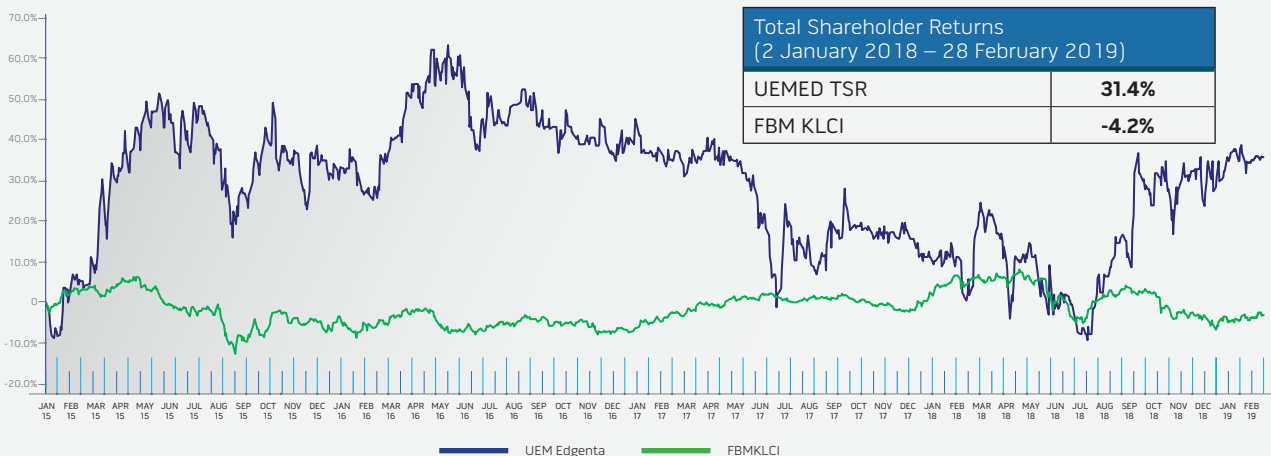
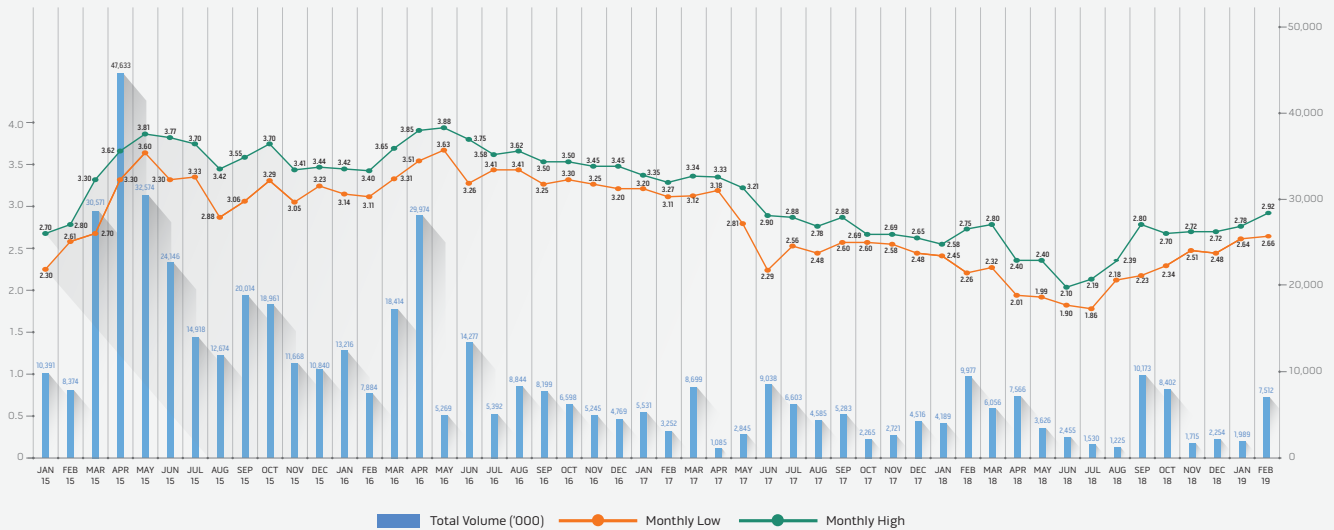
UEM Edgenta maintains an informative Investor Relations Portal to ensure comprehensive disclosure and fair distribution of information to the investing community, stakeholders and the general public. Our Investor Relations portal is accessible at <http://uemedgenta.com/investors/overview/> and comprises the following key segments:

- Corporate updates
- Financial information
- Stock information
- Reports, Circulars, Corporate Factsheet and Corporate Presentation Slides
- Announcements to Bursa Malaysia and UEM Edgenta Corporate Calendar
- Investor tools

Our Investor Relations contact and email address, ir@uemedgenta.uemnet.com is provided where we truly value and encourage feedback from stakeholders who wish to seek further clarification or information on matters related to UEM Edgenta. We also appreciate communication from stakeholders to enable us to improve relationships as well as exchange constructive ideas.

SHARE PRICE PERFORMANCE AND TOTAL SHAREHOLDERS RETURN

Share price movement and volume traded 1 January 2015 – 28 February 2019



MARKET REVIEW

2018 WAS AN INTERESTING YEAR FOR MALAYSIA, IN WHICH WE SAW A CHANGE IN THE NATION'S GOVERNMENT ADMINISTRATION, THE FIRST IN MORE THAN 60 YEARS. FROM AN OVERALL PERSPECTIVE, UEM EDGENTA WAS NOT SIGNIFICANTLY AFFECTED BY THE TURN OF EVENTS, SAVE FOR SEVERAL KEY INFRASTRUCTURE PROJECTS WHICH DID NOT MATERIALISE ON THE BACK OF THE COUNTRY'S FISCAL AUSTERITY DRIVE. THE COMPANY STAYED THE COURSE WITH RESPECT TO ITS STRATEGY OF FOCUSING ON OPERATIONAL EXCELLENCE TO IMPROVE ITS PROFIT MARGINS, WHICH PAID OFF WELL.



The global economy expanded by 3.7%¹ in 2018, lower than the earlier forecast of 3.9%¹ by the International Monetary Fund, reflecting the elevating policy uncertainties stemming from escalating trade tensions and outflows of capital from emerging economies. Although global growth was less synchronised with mixed developments in advanced economies, emerging economies in Asia performed favourably well.

The new Malaysian Government focused on raising the economic well-being of the people, restoring fiscal health and implementing various institutional reforms to improve accountability and transparency as well as the state of the labour markets. Despite the external and domestic headwinds, the Malaysian economy fared reasonably well with a full-year GDP of 4.7%² in 2018, with market sentiments generally positive and both consumer confidence and demand remaining fairly strong.

The structural changes are aimed at ensuring sustainable growth, the stability of the capital market and the monetary sector but raised concerns on public sector spending in mega-development projects. In the Malaysian Government's effort to ensure value for money in all of its projects, several planned mega-projects were reviewed, including the High-Speed Rail (HSR), East Coast Rail Link (ECRL), Mass Rapid Transit 3 (MRT3), Light Rail Transit Line 3 (LRT3) and the Pan Borneo Highway in East Malaysia. Following the review, the total cost of LRT3 was reduced by 47% from RM31.7 billion to RM16.6 billion, while the other projects were deferred or put on hold.¹

From an overall perspective, UEM Edgenta was not significantly affected by the turn of events, save for several key infrastructure projects targeted by Infrastructure Services and Asset Consultancy divisions which did not materialise. Furthermore, the Company faced delays in the awarding of new consultancy work packages for the Pan Borneo Highway project in Sabah and Sarawak.

The focus on cost efficiency in public spending filtered through to the private sector and to this end, the Company stayed the course with respect to its strategy of focusing on operational excellence to improve profit margins. This strategy has paid well, wherein net profit grew 21.8% on a year-on-year basis in FY2018, notwithstanding revenue challenges on the back of the deferment and delays faced with key infrastructure projects.

Our ongoing initiatives in operational excellence provided the basis for not just cost savings to the Company, but new business wins as well as improved delivery of services and increased value-add to our clients. Examples of such initiatives include the implementation of LEAN framework to build capabilities across the Company via process improvements and training as well as roll-out of technology and innovation-centric programmes via the Innovation Garage to tackle high-impact operational areas, coupled with group-wide efficiencies cost savings.

¹ Economic Outlook 2019 (Ministry of Finance)

² Bank Negara Malaysia website

THE UEM EDGENTA ADVANTAGE

Being at the forefront of Asset Management and Infrastructure Solutions, UEM Edgenta's strategy is to differentiate itself via innovative and technologically-enabled solutions. Coupled with our strong track record spanning 80 years of combined experience in this space, UEM Edgenta is well-placed to capitalise on future market opportunities.

We believe in breaking the convention and deploying advanced technologies to devise smart, intelligent, innovative and efficient solutions in Total Asset Lifecycle Management. Over the years, we have developed unique capabilities to help our clients achieve their full assets' potential in the context of business efficiency, prudent financial management, and sustainability.

MARKET & BUSINESS OUTLOOK 2019

Malaysia's near-term growth outlook remains resilient with sound macroeconomic fundamentals, stable financial conditions as well as broad-based and diversified economic structure. Domestic demand will continue to drive the economy while the external sector will benefit from steady global growth and trade activities.¹

Moving forward, it is expected that the Government will continue to strengthen structural reforms and accelerate the country's convergence with developed economies. Private consumption is expected to remain robust, supported by stable market conditions and continued income growth. This augurs well for our businesses which are predominantly in the healthcare and infrastructure sectors, with many opportunities for organic growth.



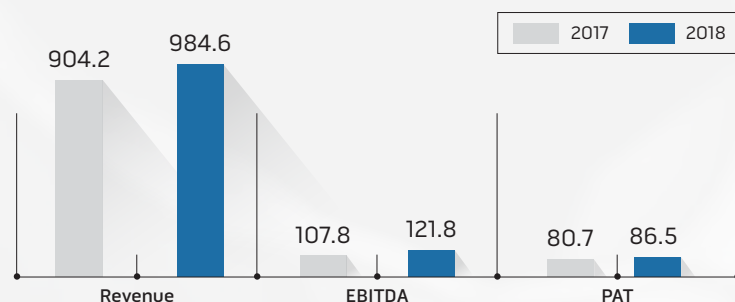
Information received through our Command and Contact Centre is a quantifiable data that helps us to make better decisions and provide excellent monitoring capability for our clients

BUSINESS REVIEW - HEALTHCARE SUPPORT



WE PROVIDE A PEACE OF MIND TO OUR HEALTHCARE CLIENTS IN THE PUBLIC AND PRIVATE SECTORS BY ENSURING THEIR HOSPITAL ASSETS AND CLINICAL FACILITIES ARE FUNCTIONING AT AN OPTIMAL LEVEL OF EFFICIENCY VIA HOSPITAL SUPPORT SERVICES, ENVIRONMENTAL SERVICES AND INTEGRATED FACILITIES MANAGEMENT SERVICES.

FINANCIAL PERFORMANCE (RM million)



- Revenue increased by RM80.4 million to RM984.6 million. EBITDA increased by RM14.0 million to RM121.8 million. PAT increased by RM5.8 million to RM86.5 million.
- Contribution from concession business – Edgenta Mediserve continues to remain stable on a year-on-year basis and via new variation orders secured from Ministry of Health, Malaysia. Profitability also recorded an increase from operational efficiency initiatives.
- Contribution from commercial business – Higher revenue and profitability are also backed by new contracts secured by UEMS in Singapore and Taiwan.

Contribution from the concession business, operated through Edgenta Mediserve Sdn Bhd ("Edgenta Mediserve"), continues to remain stable on a year-on-year basis as profitability increased with the new variation orders secured from Ministry of Health, Malaysia. The commercial business also recorded higher revenue and profitability backed by new contracts secured by UEMS Pte Ltd ("UEMS") in Singapore and Taiwan.

KEY ACHIEVEMENTS



Awarded for Excellent Hospital Support Services by MoH, Malaysia



2-STAR Energy Management Gold Standard certified by AEMAS



4th year Enhanced Clean Mark Accreditation Scheme (Gold) Award by NEA, Singapore



Secured contract for 9 State Clinics in Pulau Pinang

Won contracts in Singapore – Khoo Teck Puat Hospital, Tan Tock Seng Hospital and Sengkang General and Community Hospital

Won contract in Taiwan – Tri-Service General Hospital, National Taiwan University Cancer Centre and Far East Memorial Hospital

KEY INITIATIVES AND RESULTS

Key Initiatives	Results
Operational excellence and continuous improvement in service delivery	<ul style="list-style-type: none"> Edgenta Mediserve, the concession business received the 4-STAR award for Excellent Hospital Support Services - Company Performance Assessment by Ministry of Health, Malaysia.
	<ul style="list-style-type: none"> 22 public hospitals under the care of Edgenta Mediserve achieved 2-STAR Energy Management Gold Standard (EMGS) rating certified by ASEAN Energy Management Scheme (AEMAS).
	<ul style="list-style-type: none"> UEMS, the commercial business successfully renewed and achieved the National Environment Agency Singapore Enhanced Clean Mark Accreditation Scheme (Gold) for the 4th consecutive year.

Key Initiatives	Results
<p>Mechanisation and modernising traditional hospital support services via technology</p>	<ul style="list-style-type: none"> Healthcare Support - Concession & Commercial have carried out various initiatives in elevating traditional hospital support services via technology. Edgenta Mediserve has implemented mechanisation and UETrack™ system in three (3) public hospitals - Hospital Sultanah Bahiyah, Alor Setar, Hospital Tuanku Fauziah, Kangar and Hospital Teluk Intan which resulted in total estimated cost savings of RM0.88mil in 2018. These include the deployment of motor scrubber and KAIVAC cleaning system, Toilet Demand Inspection System ("TDIS"), Housekeeping Performance Based System ("HPBS"), Unified Clocking System ("UCS") and Feedback Management System ("FMS"). Langkawi Hospital – the 1st in Malaysia to be recognised as Green Hospital. We undertook a redesign that led to a reduction in the hospital's carbon emission by installing Solar Photovoltaic System (PV) for electricity usage, Rain Water Harvesting for watering the plants; and Food Waste Composter to convert waste to bio-organic fertilizer. UEMS has a Centre of Excellence ("CoE"), of which objectives are to elevate service delivery for all 3 operating countries via sharing and implementation of best practices, align operational needs with strategic technology development, as well as spearhead collaborate with industry partners and government agencies. The CoE will focus on different aspects of innovation such as mechanisation at the workplace, collaboration through technology solutions, work process design & reengineering, Robotics, IoT and analytics.
<p>Client solutions and business development</p>	<ul style="list-style-type: none"> Edgenta Mediserve secured an inaugural contract for clinic support services contract for nine (9) state clinics in Pulau Pinang. UEMS won environmental and portering services contract for Khoo Teck Puat Hospital, Tan Tock Seng Hospital and Sengkang General and Community Hospital respectively in Singapore, and secured housekeeping and portering contracts for Tri-Service General Hospital, National Taiwan University Cancer Centre and Far East Memorial Hospital in Taiwan. Other key contracts secured include, amongst others, the support services contracts for EDA Hospital in Taiwan, Singapore's Ministry of National Development, Singapore Examination and Assessment Board, Buddha Tooth Relic Temple and Museum in Singapore and INTI International University and Colleges in Malaysia.

OUTLOOK AND PROSPECTS

In Malaysia, the Government's 7.8% year-on-year increase in the budget allocation for public healthcare spending to RM28.7 billion in 2019 will augur well for the concession business. This allocation includes a RM10.8 billion to restore clinics and hospitals, as well as for the purchase of medicine and medical equipment.

In Singapore, the Healthcare 2020 Master Plan aims to double Healthcare expenditure to cater to increasing ageing population as healthcare needs will grow as the population greys. The initiatives, amongst others, include the opening of one new acute hospital or community hospital per year until 2020. In Taiwan, the Healthcare sector is expected to

be boosted by higher demand for service quality and the Government's promotion as a medical tourism destination.

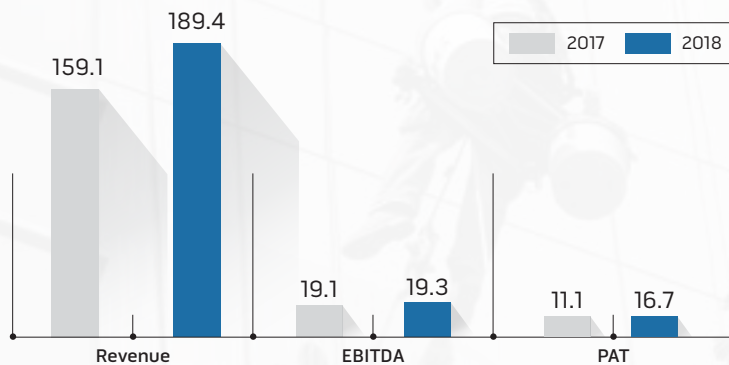
Amid increased competition, the Company will continue to focus on protecting its market share, expand its value chain offerings and expand profit margins in the public and private healthcare sectors. This will be made possible via the use of technology, mechanising operation process and deploy applications to deliver Hospital Support Services that have shown potential to improve outcomes and reduce costs, enhancement of in-house built UETrack™ mobile application and systems, cross-selling and sharing of operational best practices between its concession and commercial businesses.

BUSINESS REVIEW - PROPERTY & FACILITY SOLUTIONS



WE HAVE SIMPLIFIED OUR SERVICE OFFERING INTO THREE SEGMENTS NAMEDLY PLANNING & CONSULTANCY, DESIGN & BUILD, AND OPERATE & MANAGE. THIS ENCOMPASSES AMONGST OTHERS, ASSET LIFECYCLE PLANNING, STRATEGY AND COST MODELING, PROJECT MANAGEMENT, RENOVATIONS & RETROFITS, ENERGY & ENGINEERING, RENEWABLE & ALTERNATIVE ENERGY, SYSTEMS INTEGRATION, OPERATIONS & MAINTENANCE MANAGEMENT, ESTATE, STRATA & COMMUNITY MANAGEMENT.

FINANCIAL PERFORMANCE (RM million)



- Property & Facility Solutions reported positive results in 2018 and recorded higher revenue of RM189.4 million, an increase of RM30.3 million and higher PAT of RM16.7 million, an increase of RM5.6 million as compared to the prior year.
- This is mainly from the provision of development advisory work for Tun Razak Exchange as well as facilities management and township management services, such as the CIMB buildings, Medini Iskandar and Marina View Residences.

We have simplified our service offering into three segments, namely Planning & Consultancy, Design & Build, and Operate & Manage. In 2018, we made inroads to new business opportunities, introduced new technological solutions and was recognised through several Awards presentations.

KEY ACHIEVEMENTS



Secured new contracts – additional CIMB buildings, Afiniti Medini, D'Summit Residence, Grand Medini, Encorp Marina and wasl Asset Management Group for Deira Zone 1 & 2, Dubai



Secured new Energy Performance Contracting projects ("EPC") – PROTON and Hospital Universiti Sains Malaysia ("HUSM")



Prime Minister's Office
Won Best Energy Efficiency Retrofitted Building and Lowest Building Energy Index at the National Energy Award 2018



First runner-up – Retrofitted Building category (Energy Efficiency and Conservation Sub-Sector Network), at the Energy Efficient Building Awards, ASEAN Energy Awards 2018