OUR INTEGRATED APPROACH TO VALUE CREATION

ASSESS

01 ASSESS AND EVALUATE OUR OPERATING CONTEXT

Our operating environment, shaped by economic, regulatory, environmental, and geopolitical factors, plays a critical role in our ability to create and sustain value. To stay ahead, we continuously monitor these dynamics, identifying key trends and assessing their potential impact on our business.

Refer to Operating Environment & Market Trends on pages 58 to 65.

02 IDENTIFY AND MANAGE RISKS AND OPPORTUNITIES

We identify and monitor risks that could impact our business, ensuring they are effectively managed through our comprehensive risk management framework. At the same time, we assess potential opportunities that can enhance value creation and develop strategic approaches to capitalise on them.

- R1 Strategic Risk
- R2 Operational Risk
- R3 Financial Risk
- R4 Compliance Risk
- R5 People Risk
- R6 Cybersecurity Risk
- R7 ESG Risk
- R8 Climate-related Risk

Refer to Key Risks and Mitigation on pages 66 to 71.

IDENTIFY

03 ENGAGE WITH OUR STAKEHOLDERS

Strong and resilient stakeholder relationships are essential to our success. Through focused engagement, we gain valuable insights into the issues that matter most to them, allowing us to shape our strategies and initiatives in ways that create mutual benefit and foster deeper connections.

- S1 Board of Directors and Employees
- S2 Clients and Partners
- S3 Shareholders and Investors
- S4 Government and Regulators, Industry and Business Associates
- S5 Supply Chain Partners
- S6 Media
- S7 Community

Refer to Stakeholder Engagement & Value Creation on pages 44 to 50.

04 DEFINE AND PRIORITISE OUR MATERIAL MATTERS

Our value creation strategy considers 11 material matters that are critical to both our business and stakeholders. These matters are identified through a rigorous materiality assessment process, which incorporates insights from our stakeholders, internal decision-makers and key market trends.

- M1 Business Ethics
- M2 Innovation and Technology-based Operational Excellence
- M3 Economic Development
- M4 Supply Chain Management
- M5 Climate Change and Energy
- M6 Environmental Management
- M7 Occupational Health and Safety
- M8 Employment Culture
- M9 Customer Satisfaction
- M10 Human Rights Assessment
- M11 Local Community

Refer to Our Material Matters on pages 51 to 57.

To maximise value creation, we follow a structured approach that ensures a comprehensive evaluation of factors affecting our operations, stakeholders and markets. This integrated approach fosters holistic and inclusive thinking across UEM Edgenta, enabling us to drive sustainable, long-term benefits that extend beyond our business and unlock greater value for all stakeholders.

FORMULATE

05 REINFORCE OUR SUSTAINABILITY COMMITMENTS

Sustainability concerns are at the forefront in every market and industry we operate in. When formulating initiatives and action plans, we carefully consider the sustainability landscape, striving to minimise negative social and environmental impacts and, where possible, capitalise on opportunities for growth and value creation.

Refer to Sustainability at UEM Edgenta on pages 110 to 129.

06 FORMULATE OUR BUSINESS STRATEGY

Guided by our material matters and sustainability commitments, we develop strategies that deliver shared value between our business and our stakeholders. These strategies are aligned with our overarching EoTF2025 vision, which is geared towards transforming UEM Edgenta into a leading Technology-Enabled Solutions Company.

Refer to Edgenta of the Future 2025 on pages 72 to 76.

07 ALLOCATE OUR RESOURCES

The resources that facilitate our value creation process are categorised into six capitals. These are deployed through our business activities, generating outcomes which deliver value to all our stakeholders.

- Financial Capital
- Plants and Machinery Capital
- Intellectual Capital
- Human Capital
- Natural Capital
- Social & Relationship Capital

Refer to Value Creation Business Model on pages 42 to 43.

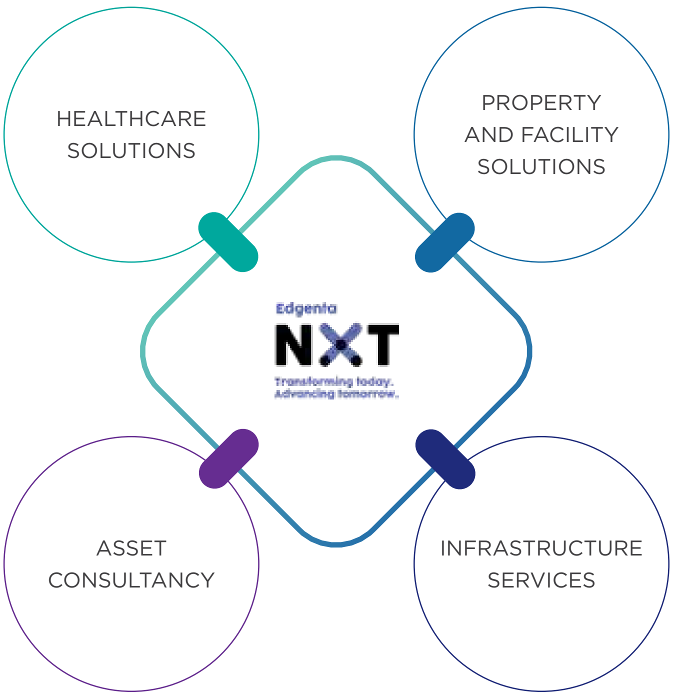
CREATE VALUE

Create Value and Deliver a Positive Impact

Our ultimate goal is to create long-term, sustainable value for the Group as well as our stakeholders. This value creation is tracked through key performance indicators.

08 INTEGRATE INTO OUR BUSINESS MODEL

Leveraging our capitals, our strategies are implemented within our respective business divisions.



Supported by our Core Values

Refer to Value Creation Business Model on pages 42 to 43.

VALUE CREATION BUSINESS MODEL

VISION

Optimising Assets to Improve Lives.

INPUTS

FINANCIAL

- Shareholders' funds: RM1.54 billion
- Cash, bank balances, deposits and short-term investments: RM661.5 million
- Net cash position: RM225.9 million
- Total assets: RM2.99 billion

As of end-FY2024

PLANTS AND MACHINERIES

- More than 900 units of cleaning machinery used in housekeeping and cleansing
- RM80 million invested in our incineration plant with a daily capacity of 32 metric tonnes
- RM50 million invested in two (2) laundry plants, with a combined daily processing capacity of 38 metric tonnes
- One (1) asphalt premix plant with an attached recycling facility
- Three (3) truck mounted attenuators (TMA)
- Three (3) state-of-the-art Wirtgen Vögele Dash 5 road pavers
- Six (6) major machineries per Pavement Team (11 competent in-house Pavement Teams)

SOCIAL AND RELATIONSHIP

- Long-term community development initiatives, with 19 ongoing projects
- 1,800 volunteering hours contributed through corporate responsibility programmes
- Ongoing engagements with government authorities and industry bodies
- Commercial partnerships supporting international reach
- Supplier Financing Programme and Vendor Development Programme supporting vendor resilience and competitiveness

INTELLECTUAL

- Asseto — our flagship digital platform integrating multiple data sources across client assets to enable real-time insights and decision intelligence
- *UE*Track™ — workflow and mobility solutions with primary modules such as feedback management and performance monitoring, supporting healthcare operations
- RAMS — asset management system enabling remote monitoring and management of roads
- Virtual Edgenta Mediserve Call Centre ("V-EMCC") — a centralised cloud-based virtual call-centre managing more than 2.3 million transactional records yearly
- Pavement Research Centre ("PRC") advancing innovation in asphalt mix design and pavement engineering

HUMAN CAPITAL

- More than 18,000 employees across six countries
- 50% female workforce representation
- Workforce comprising more than 30 nationalities
- RM10.28 million invested in training
- 85% local hires

NATURAL

- Installed solar panels at Menara UEM
- Sustainability-centric solutions delivered across client portfolios
- Water management initiatives undertaken at site offices and clients' sites
- Structured resource and waste management practices to minimise environmental impact

ENABLE VALUE-ADDING ACTIVITIES THAT CREATE

OUR STRATEGIC PRIORITIES

- Future Focused
- Imagine New Ways
- Respect For All
- Solutioning Mindset
- True To Our Word

SUSTAINABILITY AGENDA

Sustainable Economic Growth

- Business Ethics
- Economic Development
- Supply Chain Management
- Innovation and Technology-based Operational Excellence

Minimising Environmental Impact

- Climate Change and Energy
- Environmental Management

Social Value Creation

- Occupational Health and Safety
- Employment Culture
- Customer Satisfaction
- Human Rights Assessment
- Local Community

OUR COMPETITIVE ADVANTAGE

- Diversification Across Geographies and Portfolio
- Strategic Partnership Ecosystem
- Technology Differentiation
- Operational Excellence
- Future-Ready Workforce
- Sustainability
- Financial Strength

KEY RISKS

- Strategic Risk
- Operational Risk
- Financial Risk
- Compliance Risk
- People Risk
- Cybersecurity Risk
- ESG Risk
- Climate-related Risk

KEY MARKET TRENDS

- Macroeconomic Challenges
- Evolving Workforce Challenges
- The Transition to a Low-Carbon Economy
- The Digitalisation of Everything

MISSION

Our services, commitment to smarter thinking and improved solutions place us at the forefront of the industry

We create opportunities for clients and assets that positively influence society

CORE VALUES

F — FUTURE FOCUSED
I — IMAGINE NEW WAYS
R — RESPECT FOR ALL
S — SOLUTIONING MINDSET
T — TRUE TO OUR WORD

VALUE FOR OUR STAKEHOLDERS

OUTPUTS

Healthcare Solutions
- Maintenance of over 43,000 BEMS assets valued at over RM1.48 billion
- Management of more than RM5.3 billion worth of FEMS assets
- Upkeep of over 2.3 million m^2 of cleanable facilities area daily
- Serving over half of Singapore's 20 public and private healthcare institutions, including 100% presence across all 10 restructured government hospitals
- Providing healthcare support services to more than 80 public and private hospitals throughout Taiwan

Property and Facility Solutions
- Facility management services delivered across more than 1,000 buildings and facilities in Malaysia, the UAE and Saudi Arabia
- 3,260 MWh of electricity saved across five key facilities under management – an average of 7.9% savings per facility

Infrastructure Services
- Management of over RM10 billion worth of infrastructure assets
- Maintenance of more than 9,000 km of expressways and roads in Malaysia
- Deployment of over RM19 million worth of recycled asphalt premix on PLUS highways

Asset Consultancy
- Over RM100 billion in project value delivered through Opus Consultants
- Up to 52% reduction in electricity consumption through our energy efficiency solutions

Technology and Innovation
- Deployment of Asseto across various industries including oil and gas, hospitality, banking, commercial properties, and government facilities with over 80,000 assets managed
- Deployment of *UE*Track™ across more than 85 healthcare and commercial facilities nationwide
- Over 1,000 km of expressway and state roads managed through RAMS

Waste and Emissions
- Total emissions of 15,572.48 tCO_2e, representing a 9.10% decrease compared to FY2024
- Total waste generated of 1,164.90 MT, a 42.3% reduction compared to FY2024

OUTCOMES	ACTIONS TO ENHANCE OUTCOMES	TRADE-OFFS
FINANCIAL • Revenue of RM2.86 billion • More than RM3.5 billion in new contracts secured • Total order book balance of RM9.4 billion • Shareholders' funds of RM1.05 billion • Total assets of RM2.56 billion • Net assets per share of RM1.26	• Refining our commercial focus towards longer-tenure, higher-value IFM scopes to drive revenue and margins • Driving operational efficiency through process automation, procurement optimisation and digitalisation of core processes • Strengthening risk-sharing mechanisms across our contracts • Driving cost optimisation within Healthcare Solutions through Project Catalyst and Project Delta, while safeguarding service quality	We allocate Financial Capital to technology investments, plant upgrades and capability development to strengthen long-term competitiveness. While these investments may reduce short-term financial flexibility, they support revenue growth, innovation and competitive positioning, strengthening our other capitals over the long term.
PLANTS AND MACHINERIES • Processing of over 19,000 tonnes of linen per annum • Incineration of over 7,000 metric tonnes of clinical waste per annum • Asset uptime of 98% for FEMS and 99% for BEMS for healthcare facilities managed by Healthcare Solutions	• Expanding implementation of mechanisation and automation across operations, including deployment of mechanised cleaning equipment and robotics • Modernising and optimising machinery fleets to enhance delivery capabilities for infrastructure works	Ongoing investment in plant and machinery enhances delivery capability and service reliability but requires upfront capital deployment. We balance renewal and expansion of physical assets with disciplined capital planning to ensure sustainable returns.
SOCIAL AND RELATIONSHIP • Customer Satisfaction Score of 90.93% • RM76,023.65 invested in community engagement, benefitting 1,435 people • 15 suppliers enrolled in the Vendor Development Programme, with over 2,000 suppliers supported since inception	• Providing greater value to clients through technology-enabled solutions that unlock advisory-led scopes and move us up the value chain • Driving supplier capability development through the VDP and structured ESG engagement • Continuing investment in community-based initiatives to support socio-economic development and deepen community ties • Working closely with government authorities to support national goals and priorities while maintaining access to concession opportunities	Deepening stakeholder engagement, community initiatives and supplier development requires sustained financial resources and Human Capital, which may divert attention from short-term revenue-generating activities. However, these efforts strengthen trust and relationships, supporting a more sustainable foundation for long-term value creation across the capitals.
INTELLECTUAL • RM5.3 billion in technology-enabled contract wins since 2021 • Commercialisation of 12 asphalt mixes through our asphalt premix plant with recycling facility • New capabilities developed in managing multi-site industrial environments through our recent contract wins for Shell Malaysia and Vale Malaysia Minerals	• Advancing the evolution of Asseto as a built environment master integrator that enhances asset visibility and performance, while sustaining investment to improve RAMS and *UE*Track™ • Investing in research and innovation through the Pavement Research Centre (PRC) to strengthen technical differentiation • Establishing a Digital Engineering Unit to centralise Building Information Modelling ("BIM") capabilities, improve standardisation and reduce technical inconsistencies	Investment in proprietary platforms, research and digital capabilities requires sustained funding and organisational focus. While returns may not be immediate, strengthening our Intellectual Capital enhances differentiation, scalability and long-term earnings potential.
HUMAN CAPITAL • Over RM4.42 million spent in employee training and development, equivalent to 277,670.25 training hours or average of 16.14 training hours per employee • More than 150 employee engagement initiatives carried out • Employee Lost Time Incident Rate ("LTIR") of 0.6	• Strengthening talent and capability development through structured upskilling, including initiatives to build digital and AI readiness • Enhancing workforce planning through optimised shift design, workload-based rostering and tighter overtime management • Accelerating workforce productivity through multi-skilling, cross-deployment and competency-based training programmes • Reinforcing safety culture through targeted HSSE programmes and performance monitoring	Underinvestment in skills and capability development may constrain service quality and future growth. We therefore balance cost discipline with continued investment in training, safety and workforce readiness.
NATURAL • 32 buildings supported to achieve Green Building certifications and accreditations • Delivery of 27,932,360 kWh in energy savings, equivalent to RM12,872,740 in cost savings • Inclusion in the Bursa Malaysia FTSE4Good Index • Up to 800 tCO_2e in emissions through our asphalt premix plant with recycling facility • An ESG assessment of 78 strategic and critical vendors was completed in 2024, with 2025 efforts focused on categorisation based on ESG risk tiers • Launch of Sustainability Roadmap 2.0	• Supporting clients' sustainability and low-carbon journeys through zero capex delivery models • Expanding the scalability of circular solutions, including recycled asphalt, to reduce material footprint and emissions • Embedding sustainability into business planning and decision-making processes through the Sustainability Roadmap 2.0	Advancing low-carbon and sustainability-led solutions may require upfront investment and, at times, forgoing certain short-term growth opportunities. While this may affect near-term Financial Capital, it strengthens our positioning as a responsible and sustainable organisation and supports long-term value creation across the capitals.

STAKEHOLDER ENGAGEMENT & VALUE CREATION

Stakeholder engagement underpins value creation at UEM Edgenta. By systematically understanding the concerns and expectations of our stakeholders, we are better positioned to make informed decisions, strengthen trust-based relationships, and reinforce the long-term resilience and sustainability of our business.

The key concerns raised by our stakeholders, and our corresponding responses, are summarised below.

Engagement Frequency:

D Daily	O Ongoing	A Annually	M Monthly	S Semi-annually	B Bi-Yearly
Y Yearly	W Weekly	P Periodically	N As Needed	Q Quarterly	

S1 BOARD OF DIRECTORS AND EMPLOYEES

Why We Engage

We engage with our Board of Directors to support their oversight of the Group's strategy, performance and governance. This enables informed decision-making and reinforces a culture of accountability, transparency and resilience across the organisation.

Our employees are central to delivering operational performance and service excellence. We engage with them to understand their evolving needs and concerns, supporting productivity, well-being and long-term talent retention.

How We Engage

Board of Directors	
Board and Board Committee meetings	P
Board Strategy Sessions	A
Regular announcements on corporate developments, campaigns, and topical updates	N
Announcements by MD/CEO through MD/CEO mailbox	O
Employees	
Regular interactions with line managers	W
Employee digital platforms such as People Connect and Edgenta Connect via SharePoint, Edgenta Tech and Edgenta Academy	O
Employee engagement survey	P
Employee induction programmes and engagement activities	N
Employee focus group discussions, townhalls, virtual talks, and dialogues	N
LEAP Visits (to allow senior management to meet employees at sites)	P

Key Topics and Concerns Raised

Board of Directors

- Workforce readiness
- Talent management and development
- Succession planning
- Governance and regulatory compliance
- Business performance amid economic challenges
- Business resilience and continuity
- Training and capability development
- ESG risks and matters related to material matters, sustainability reporting, net zero targets, carbon budget, carbon tax, supply chain matters, sustainability policy and sustainability risk

Employees

- Capability building and skills development
- Remuneration and benefits in response to rising living costs
- Employee welfare and support for Edgenta Stars in need
- Leadership openness and responsiveness
- Engagement quality of people managers
- Employee satisfaction and engagement assessment
- Awareness on human rights and labour practices
- Grievances mechanism

Our Response

Board of Directors

- Mechanising and automating processes to reduce dependence on manual labour and improve cost discipline.
- Investing in structured talent development programmes across operational, technical and leadership roles.
- Strengthening succession planning through targeted leadership training, performance KPIs and graduate programmes.
- Upholding a robust corporate governance framework that embeds ethics, integrity and regulatory compliance across the Group.
- Overseeing Sustainability Roadmap 2.0 to guide deeper integration of sustainability across operations.
- Maintaining a Board-led sustainability governance structure to strengthen accountability across ESG matters.
- Enhancing margins and driving sustainable growth through technology-enabled and sustainability-led solutions.
- Supporting business resilience through investments in sustainability initiatives, technology enablement and supply chain preparedness.
- Providing ongoing training for Board members aligned with emerging skill requirements and regulatory developments.
- Initiation of a carbon tax pilot scheme to assess potential financial exposure from emerging carbon pricing regulations.

Employees

- Investing in training across future-focused competencies, including ESG and digital capabilities.
- Reinforcing managerial capability through structured learning road maps and certification-focused development programmes.
- Adhering to applicable labour law, including updated minimum wage regulations and other changes to the employment act.
- Prioritising employee well-being programmes, including mental health consultations and expanded health screenings.
- Maintaining competitive benefits including healthcare benefits and merit-based bonus and increments.
- Edgenta Care Society continued to support individuals in need through the provision of monetary assistance.
- Implementing over 150 specific engagement initiatives at the divisional and departmental levels to connect with grassroots-level employees.
- Expanding the People Essentials for Managers training programme to equip people managers with the skill sets to lead, engage and develop talents effectively beyond just hiring skills.
- Carrying out Employee Satisfaction Survey (ESS) pulse-check surveys and using findings to assess overall employee satisfaction and work experience.
- Publishing Human Right Policy in March 2025, with accompanying awareness sessions on human rights for both employees and suppliers.
- Establishing a grievance mechanism channel through the Whistleblowing Policy to provide employees with a safe and confidential avenue to raise concerns.
- Reinforcing a safety-first culture through structured HSSE campaigns and recognition programmes, supported by established safety management practices.

STAKEHOLDER ENGAGEMENT & VALUE CREATION

S2 CLIENTS AND PARTNERS

Why We Engage

Our clients and partners are central to our performance and long-term growth. We engage with them to understand their objectives and risk considerations, enabling us to deliver quality services and co-develop solutions that respond to evolving market expectations.

How We Engage

Regular and ad hoc meetings on an as-needed basis to address operational and strategic matters	N
Customer Satisfaction Surveys	S
Stakeholder Engagement Survey	N
Onsite inspections	N
Industry thought leadership programmes as speaker/representative	N
Industry conferences and exhibitions	N
Marketing materials	O
Emission calculation platform	O

Key Topics and Concerns Raised

- Asset performance, maintenance and upgrades
- Cost efficiency and service affordability
- Service delivery and execution reliability
- Regulatory and HSSE compliance
- Collaboration opportunities
- Integration of sustainability and circular practices
- Adoption of technology and automation
- Requests for Scope 3 data from us to assess value chain emissions

Our Response

- Driving asset performance through in-house expertise, proprietary technologies and our integrated solutions stack.
- Unlocking cost efficiencies through structured cost optimisation exercises and digital enablement initiatives.
- Strengthening service transparency and turnaround time through customer satisfaction surveys and digital tracking tools such as *UE*Track™.
- Mitigating delivery risks through structured contingency planning and clearer visibility of service performance outcomes.
- Embedding a safety-first culture through regular HSSE inspections and disciplined site practices.
- Advancing performance-based contracting models to align incentives with client-defined outcomes and strengthen value delivery.
- Delivering performance-based maintenance powered by AI- and IoT-enabled real-time insights and decision intelligence via Asseto.
- Expanding zero capex delivery models to lower barriers to sustainability adoption and support clients' capital efficiency priorities.
- Organising structured workshops to identify and progress collaboration opportunities.
- Supporting measurable sustainability outcomes, including energy efficiency, indoor air quality improvements and enhanced green building performance.
- Providing relevant data on Scope 3 emissions to clients and business partners.

S3 GOVERNMENT AND REGULATORS, INDUSTRY AND BUSINESS ASSOCIATES

Why We Engage

Engaging with government bodies, regulators and industry associations supports regulatory compliance, strengthens institutional trust and enables constructive collaboration. Through structured engagement, we manage regulatory risk while contributing operational insights that support industry advancement and national priorities.

How We Engage

Participation in industry bodies (including the Malaysian Asset and Project Management Association ("MAPMA"), and the Asia Pacific Real Assets Association (APREA))	O
Collaboration with leading sustainability coalitions (including the CEO Action Network ("CAN") and Climate Governance Malaysia ("CGM"))	O
Interactions with regulatory and statutory bodies (including Bursa Malaysia, Bomba, CIDB, MOF, MACC, MoHR, PERKESO, LHDN, EPF, and HRDC)	P
Periodic discussions with regulators such as Bursa Malaysia on listing guidelines and disclosure requirements	P

Key Topics and Concerns Raised

- Regulatory alignment and compliance
- Sustainability reporting requirements
- Practical learning platforms and technical knowledge-sharing
- HSSE and labour law compliance
- Adherence to industry best practices
- Support for national policies and goals
- ESG Ratings and disclosures made to meet rating requirements

Our Response

- Maintaining structured and ongoing dialogue with regulatory authorities to ensure timely alignment with evolving requirements.
- Participating in industry forums to remain informed of policy developments and contribute practical insights.
- Organising and participating in CAN-led workshops and technical sessions focused on climate governance, decarbonisation pathways, scenario analysis and sustainability reporting, helping to advance collective understanding and skills development.
- Ensuring compliance with health and safety and sector-specific requirements, including adherence to Malaysian Ministry of Health biomedical engineering policies in our healthcare services.
- Contributing operational expertise to national standards development, including participation in working committees to strengthen good practice in healthcare facilities management.
- Supporting national energy transition and broader sustainability objectives through scalable, performance-linked solutions, while advancing circular economy practices by sharing and applying innovative materials research including recycled asphalt technologies and advanced mix prototyping.

STAKEHOLDER ENGAGEMENT & VALUE CREATION

S4 SHAREHOLDERS AND INVESTORS

Why We Engage

We engage with our shareholders and investors to provide clear, timely and balanced updates on our strategy, performance and outlook. Through transparent communication, we strengthen investor confidence, support informed decision-making and reinforce long-term value creation.

How We Engage

Annual General Meeting	A
Annual Report	A
Quarterly results briefings	Q
Investor engagement group meetings	N
Sustainability Circles	N
Credit reviews by bankers and lenders	P
Sustainability surveys	P
Ratings reviews by agencies	P

Key Topics and Concerns Raised

- Financial performance, revenue quality, and profitability
- Cost management and optimisation
- Strategic differentiation and positioning
- Medium-term business strategy and growth outlook
- Long-term shareholder returns and dividends
- Capital management, liquidity, and meeting debt obligations
- Sustainability disclosures and circular economy innovations
- Progress on achieving Net Zero Targets and current performance, Plans on Scope 3 data reporting
- Transparent and comprehensive reporting
- ESG Maturity level of Supply Chain
- Environmental Indicators

Our Response

- Driving differentiation and growth through technology-enabled solutions, cost efficiency measures and focused international expansion.
- Regularly communicating our progress against strategic priorities and transformation milestones.
- Maintaining a structured investor relations programme, including regular quarterly briefings and engagement at Annual General Meetings.
- Providing timely performance updates with clear explanations of capital allocation, liquidity management and portfolio actions supporting financial resilience.
- Committing to open and transparent reporting through our annual reports, sustainability statements and investor communications.
- Proactively engaging with investors and lenders to understand their evolving expectations and ensure alignment with market-driven ESG requirements.

S5 SUPPLY CHAIN PARTNERS

Why We Engage

At UEM Edgenta, our supply chain partners are integral to the quality, efficiency, and resilience of our operations. We engage closely with our vendors and suppliers to ensure the delivery of high-quality materials and services that meet our rigorous standards and contribute to the success of our projects. By fostering transparent, long-term relationships, we align our goals and collaborate on solutions that enhance operational efficiency, reduce risks, and drive innovation across our value chain.

How We Engage

UEM Edgenta Vendor Day	N
Vendor engagements and training (including safety training for employees and contractors)	N
Vendor Development Programme	O
Perintis Council meetings	Q
Supplier Engagement Day	N
ESG supplier surveys	N

Key Topics and Concerns Raised

- Fairness and transparency in procurement
- Integration of ESG practices
- Emissions data collection
- Regulatory compliance
- Vendor capability development
- Business development opportunities
- Response to cost escalation and price volatility
- Scope 3 data collection and onboarding of suppliers onto our emissions platform

Our Response

- Strengthening procurement governance and compliance through Project Delta Procure-to-Pay ("P2P"), improving process efficiency, cost visibility and analytical oversight.
- Maintaining active and structured engagement channels to address supplier concerns in a timely manner.
- Assessing supplier ESG readiness and performance through targeted ESG surveys.
- Engaging suppliers on human rights awareness, Scope 3 emissions data collection and other key issues to build shared understanding and capability.
- Strengthening HSSE compliance across operational sites by engaging subcontractors and suppliers in structured safety training and oversight.
- Implementing contractor cost management, consumables control and manpower optimisation through Project Catalyst, supported by pooled purchasing and strengthened contract governance.
- Broadening strategic partnerships with technology providers to enhance delivery capabilities in areas such as analytics, EV charging infrastructure and battery energy storage systems ("BESS").
- Localising delivery and supplier engagement where required to align with local procurement mandates and improve operational responsiveness.
- Developing vendor capabilities through the Vendor Development Programme (VDP) and Perintis Council initiatives, with successful completion recognised through formal graduation events.
- In response to regulator's requirements for greater transparency on supply chain emissions, we enabled the collection of supplier carbon data through a digital emission platform.

STAKEHOLDER ENGAGEMENT & VALUE CREATION

S6 MEDIA

Why We Engage

The media plays an important role in shaping public perception and influencing stakeholder trust. Through responsible and proactive engagement, we communicate our performance, strategies and sustainability initiatives to a broader audience, reinforcing transparency and elevating our standing as an innovative and future-ready organisation.

How We Engage

Media interviews	N
Corporate website	O
Social media platforms	N
Editorial placements	N
Analyst briefings	Q N

Key Topics and Concerns Raised

- Financial performance and growth
- Corporate governance and integrity
- Business continuity and resilience
- Strategic developments and initiatives
- Sustainability and community programmes
- Human rights and HSSE practices

Our Response

- Providing regular updates through press releases, thought leadership articles and media interviews to ensure accurate representation of our performance and initiatives.
- Responding promptly and factually to media enquiries to maintain transparency and credibility.
- Sharing timely information on strategic developments, sustainability progress and community initiatives.

S7 COMMUNITY

Why We Engage

We engage with the communities in which we operate to maintain our social licence to operate and safeguard long-term trust. Through open dialogue and sustained collaboration, we seek to understand local priorities, mitigate potential impacts and contribute meaningfully to community development.

How We Engage

Corporate social responsibility ("CSR") activities	N
Strategic and ad hoc meetings, including site visits to identify collaboration opportunities	N

Key Topics and Concerns Raised

- Empowerment of underprivileged groups
- Local employment and vendor opportunities
- Youth and educational development
- Environmental impacts of projects and mitigation measures

Our Response

- Providing outreach support to underprivileged groups during festive seasons, including Chinese New Year and Hari Raya.
- Supporting youth and educational development through school sponsorships and structured engagement initiatives, including STEM, sports and extra-curricular programmes.
- Constantly evaluating and supporting engagements to foster future development of younger generations.
- Providing employment opportunities to members of local communities and prioritising procurement from local suppliers where feasible.
- Minimising negative project impacts through careful planning, environmental controls and ongoing stakeholder engagement.
- Investing in local facility improvements to strengthen community outcomes.
- Delivering community-based environmental initiatives, including tree planting programmes.

OUR MATERIAL MATTERS

Our material matters form the basis of our value creation efforts, shaping our strategies in ways that support business growth and shared value creation.

These material matters are identified through an in-depth materiality assessment that evaluates each topic's significance to our stakeholders and its impact on our business. Our last full materiality assessment was conducted in FY2022, with further stakeholder input gathered in January 2023.

A desktop validation exercise carried out in FY2025 confirmed the continued relevance of these material matters to our business. All 11 material matters and five sustainability focus areas remain unchanged, reflecting stable stakeholder expectations, continued alignment with our business strategy, and sustained relevance under current ESG standards and regulatory requirements. During the year, we also made progress across our five sustainability focus areas, namely Climate Change and Energy, Environmental Management, Supply Chain Management, Human Rights, and Occupational Health and Safety, through the initiatives we have outlined below.

With this said, we recognise that expectations around sustainability disclosures are increasing with the introduction of the IFRS S1 and IFRS S2 standards under the National Sustainability Reporting Framework ("NSRF"). In line with this, we plan to progressively adopt a double materiality approach in futyre cycles, thereby considering our impacts on both the environment and society, as well as evaluating sustainability related risks and opportunities with potential financial implications. The assessment of financial materiality, including climate related risks and opportunities under IFRS S2 will complement our existing framework. These enhancements will be introduced in phases with oversight from the ESG Steering Committee and the Board Governance and Risk Committee.

Materiality Assessment Process

Step 1 **Review of Previous Materiality Matrix**

We review the list of existing material matters within our matrix, assessing whether each remains relevant in the context of our business, industry and operating environment.

Step 2 **Analysis of External Environment**

Through a desktop review, we identify changes in our operating environment, sustainability reporting expectations and requirements, and other relevant regulations. These updates are mapped to the relevant material matters.

Step 3 **Analysis and Alignment with Internal Environment**

We analyse each material topic against our business and ESG agenda, evaluating its relevance to our sustainability goals and business priorities.

Step 4 **Document Changes and Rationale**

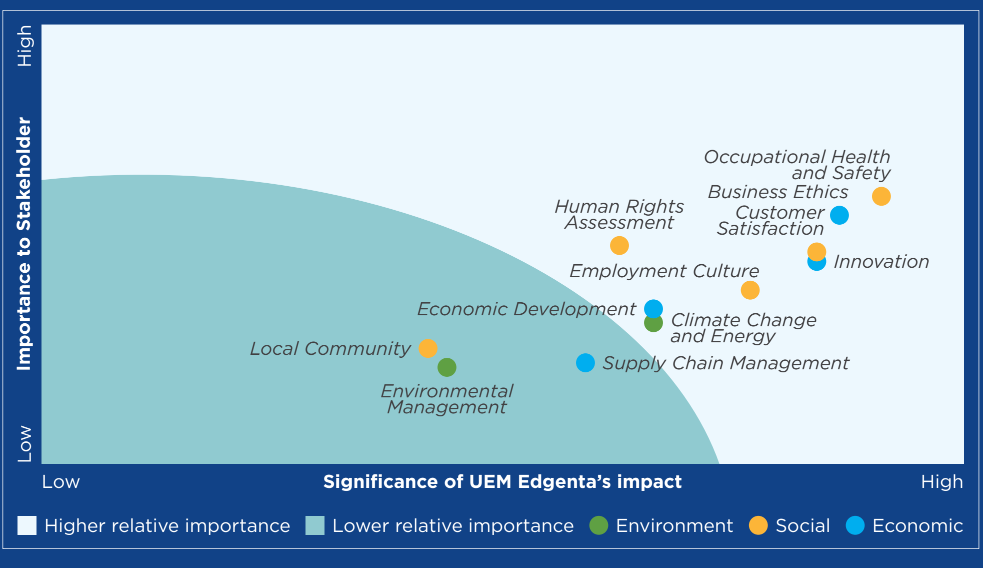
We document and report any priority shifts, noting the reasons for changes in relevance, including regulatory developments and changes in the external environment.

Step 5 **Validation**

Our findings are presented to and validated by the ESG Steering Committee and the Board of Directors.

The Materiality Matrix

By analysing stakeholder feedback, we developed a comprehensive materiality matrix that reflects the weighting given to each material matter by our stakeholders. In considering our business' current strategic priorities and future outlook, we confirm that the current materiality matrix remains relevant for FY2025.



OUR MATERIAL MATTERS

M1 BUSINESS ETHICS

Description

Upholding integrity and fairness by preventing the abuse of entrusted power for private gain, complying with applicable laws and regulations, and protecting the Group's and our stakeholders' data from cybersecurity breaches, while embedding ethics within our business practices and governance structure.

Why It Is Important

Our reputation and our stakeholders' trust are critical to sustaining growth. We therefore uphold the highest standards of ethical behaviour, particularly in our cross-border operations.

Refer to Corporate Integrity and Ethical Business Conduct on pages 253 to 259.

Risks

- Financial losses and penalties arising from corruption and/or negligence.
- Reputational damage and potential legal liability.

Opportunities

- Strengthening reputation and stakeholder trust by upholding ethical standards.
- Improving organisational efficiency and minimising leakage through robust corruption risk management.

Our Response

- Adopting a zero-tolerance approach to corruption.
- Conducting regular training to build employee awareness of ethical business practices.
- Ensuring integrity and ethics are practiced at all levels of corporate leadership.

Capitals

Stakeholders

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UN SDGs

M2 INNOVATION AND TECHNOLOGY-BASED OPERATIONAL EXCELLENCE

Description

Leveraging technology to transform our processes to enhance efficiency and reduce costs, while providing customers with more effective and technologically advanced solutions aligned with sustainability goals.

Why It Is Important

The rapid pace of innovation requires us to keep up to maintain our competitive advantage. Leveraging new technologies and innovative approaches is also key to delivering better customer experiences and more effective solutions.

Refer to Innovation and Technology-Based Operational Excellence on pages 131 to 133.

Risks

- Falling behind the latest technological trends leads to inefficiency.
- Reduced ability to compete with disruptive, innovative competitors.

Opportunities

- Adopting new technologies to create value.
- Upskilling employees through training in the latest technologies.

Our Response

- Investing in modern digital technologies, such as cybersecurity and cloud infrastructure.
- Implementing automation and agile ways of working across the organisation to further drive innovation and efficiency.
- Driving digital transformation through the Edgenta of the Future 2025 and Edgenta NXT initiatives.
- Productising our proprietary technology solutions such as Asseto, *UE*Track™ and RAMS, and embedding them into client projects, to increase customer value and unlock higher-value work scopes.

Capitals

Stakeholders

S1 S2 S3 S4 S5 S6 S7

UNSDGs

M3 ECONOMIC PERFORMANCE

Description

Ensuring the economic value from our activities is shared with local communities through remuneration and local hiring, while continuing to expand into new and existing markets.

Why It Is Important

Good economic performance supports financial sustainability and provides greater resources to accelerate value creation. The value we create is also closely linked to the communities in which we operate, with whom we share the benefits of our success.

Refer to Economic Development on pages 134 to 137.

Risks

- Insufficient working capital may limit our ability to meet obligations.
- An unfavourable perception may reduce trust among stakeholders.

Opportunities

- Leveraging core competencies and competitive advantages to deliver strong economic performance.
- Hiring and nurturing talent from local communities as an employer of choice.

Our Response

- Prioritising local hiring where possible across our markets, supported by competitive salaries and benefits.
- Supporting the business ecosystems within our countries of operation by prioritising local procurement.
- Pursuing strategic market expansion in new and existing markets.
- Driving value distribution across stakeholders.

Capitals

Stakeholders

S1 S2 S3 S4 S7

UN SDGs

M4 SUPPLY CHAIN MANAGEMENT

Description

Maintaining open and fair practices across our supply chain while developing local suppliers through programmes such as the Malaysian government's Bumiputera Vendor Development Programme.

Why It Is Important

A sustainable supply chain supports greater efficiency, lower costs, and a more resilient business. By strengthening our supply chain through fair, local procurement, we help deliver positive outcomes for both our business and stakeholders.

Refer to Supply Chain Management on pages 138 to 141.

Risks

- Supply chain disruptions create knock-on effects, resulting in operational delays beyond the initial event.
- Risk of corruption and unethical practices within the supply chain.

Opportunities

- Building ESG awareness among local vendors.
- Empowering vendors, especially SMEs, to grow their businesses alongside us.

Our Response

- Committing to sustainable, ethical procurement practices, prioritising local vendors where possible.
- Deploying a Strategic Vendor Management ("SVM") framework to manage vendors across the procurement lifecycle, alongside ESG awareness sessions to prepare them for sustainability expectations.

Capitals

Stakeholders

S2 S4 S5

UN SDGs

OUR MATERIAL MATTERS

M5 CLIMATE CHANGE AND ENERGY

Description

Taking coordinated action by reducing our direct and indirect greenhouse gas ("GHG") emissions and lowering energy consumption across our operations.

Why It Is Important

Climate change, exacerbated by GHG emissions, poses a long-term risk to our operations through environmental degradation and adverse weather events. Tracking GHG emissions and energy consumption supports sustainability compliance and promotes more efficient energy use across the organisation.

Refer to Climate Change on pages 143 to 153.

Risks

- Financial and reputational damage arising from non-compliance with environmental laws.
- Long-term operational disruption arising from climate change.

Opportunities

- Future-proofing our operations by improving climate resilience.
- Setting a strong corporate example while capturing climate mitigation business opportunities.

Our Response

- Maintaining our trajectory towards UEM Edgenta's Net Zero Targets to achieve net-zero GHG emissions by 2050, aligned with the International Energy Agency's ("IEA") Net Zero Emissions by 2050 Global Pathway.
- Monitoring and reporting our annual emissions data and net zero performance.
- Supporting our clients' sustainability journeys through energy efficiency and decarbonisation solutions.

Capitals

Stakeholders

S1 S2 S3 S4 S5 S6 S7

UN SDGs

13 CLIMATE ACTION

M6 ENVIRONMENTAL MANAGEMENT

Description

Responsibly caring for the environment by practicing good waste management, material use and water consumption.

Why It Is Important

Our operations consume water and materials and generate waste. Stakeholder expectations for environmental stewardship and ecosystem protection are also increasing.

Refer to Environmental Management on pages 154 to 161.

Risks

- Weak control of water and material use can result in inefficiency and higher costs.
- Inadequate waste management can lead to financial and reputational damage through breaches of environmental regulations.

Opportunities

- Enhancing operational efficiency and reducing costs by minimising water and material inputs.
- Reducing our environmental footprint by cutting waste and implementing proper disposal methods.
- Advancing R&D in sustainable materials, including recycled asphalt hot mix and warm mix, to support resource efficient operations.

Our Response

- Reducing water and material use across our business, both in our operations and in services delivered to clients.
- Maintaining active involvement in circular waste management practices as part of our value creation process.

Capitals

Stakeholders

S1 S2 S3 S4 S5 S6 S7

UN SDGs

13 CLIMATE ACTION

M7 OCCUPATIONAL HEALTH AND SAFETY

Description

Managing workplace hazards by actively anticipating, recognising, evaluating and controlling the dangers that could impair the health and wellbeing of our employees, including their mental health.

Why It Is Important

Ensuring a safe workplace is of utmost importance for our employees. Any risks to the health and safety of our people may not only result in injury or harm, but may also expose us to reputational risks.

Refer to Occupational Health and Safety on pages 163 to 169.

Risks

- Loss of productivity resulting from injury or harm.
- Reputational damage and potential financial loss arising from legal action.

Opportunities

- Providing a safe, healthy and conducive workplace supports a productive, engaged workforce.
- Upholding our reputation as a safe, trustworthy organisation.

Our Response

- Instilling a culture that prioritises safety and maintains constant vigilance over the work environment.
- Maintaining strict compliance with Health, Safety, Security and Environment ("HSSE") standards, including ISO 14001 and ISO 45001.

Capitals

Stakeholders

S1 S2 S3 S4 S5 S6

UN SDGs

8 9

M8 EMPLOYMENT CULTURE

Description

Reinforcing a non-discriminatory and merit-based approach to employment, while supporting talent growth and succession planning.

Why It Is Important

A valued and respected workforce drawn from diverse backgrounds enables everyone to reach their full potential. This supports a more resilient organisational culture and a broad talent pool from which future leaders can be nurtured.

Refer to Employment Culture on pages 172 to 189.

Risks

- Reputational risk arising from discriminatory hiring or working practices.
- Stagnant growth due to lack of new ideas and fresh talent.

Opportunities

- Increasing employee engagement through a diverse, vibrant workplace.
- Accessing a wider talent pool as an employer of choice.

Our Response

- Embedding the FIRST principles i.e. non-discrimination, merit advancement, diversity and inclusion into our HR processes.
- Continuously monitoring workforce composition across dimensions such as gender, age and nationality.
- Introducing our Human Rights Policy in March 2025, together with related awareness programmes for our employees.

Capitals

Stakeholders

S1 S4

UN SDGs

8

OUR MATERIAL MATTERS

M9 CUSTOMER SATISFACTION

Description

Fulfilling our customers' expectations and quality standards while ensuring their health, safety and data privacy are safeguarded at all times.

Why It Is Important

Our close working relationships with our customers necessitate a high degree of trust. Our responsibility is therefore not only to deliver high-quality services, but also to safeguard our customers' most sensitive interests.

Refer to Customer Satisfaction on pages 170 to 171.

Risks

- Financial penalties and project delays arising from quality shortfalls.
- Reputational risk in the event of a data breach.

Opportunities

- Strengthening quality control through consistent monitoring to ensure the highest standards.
- Reinforcing our data security posture and technological proficiency.

Our Response

- Implementing quality control systems aligned with international standards.
- Conducting regular customer surveys and reviews to refine our service offerings.

Capitals

Stakeholders

S1 S2 S3 S4

UN SDGs

M10 HUMAN RIGHTS ASSESSMENT

Description

Ensuring human rights and labour standards are adhered to across our value chain.

Why It Is Important

Every person has the right to be treated with respect and dignity. We ensure this right extends not only to our employees, but also to those employed across our value chain, in accordance with local laws and globally recognised best practices.

Refer to Human Rights Assessment on pages 190 to 192.

Risks

- Limited oversight across our value chain may not only lead to rights infringements, but also to corruption and other unethical behaviours.
- New regulations obligate cross-border businesses like ours to assess human rights risks across their supply chains.

Opportunities

- Uplifting our vendors and building ESG awareness.
- Reinforcing our reputation as a responsible employer and business partner.

Our Response

- Implementing human rights screening procedures as part of supplier evaluations.
- Extending ethical expectations across the value chain through our Code of Conduct for Business Partners, supported by vendor engagement sessions.
- Conducting internal training sessions on human rights awareness among our staff.

Capitals

Stakeholders

S1 S4 S5 S6 S7

UN SDGs

M11 LOCAL COMMUNITY

Description

Formulating and delivering community engagement initiatives and development programmes that create positive, long-term social impact.

Why It Is Important

Giving back to communities and supporting their well-being is crucial to the sustainability of our business. We enhance our reputation among stakeholders through social impact programmes aimed at community betterment.

Refer to Local Community on pages 193 to 195.

Risks

- Reputational damage if our initiatives do not deliver meaningful impact for local communities.
- Insufficient engagement and inclusion may limit our understanding of local community needs.

Opportunities

- Enhancing brand reputation and visibility through corporate social responsibility (CSR) programmes.
- Strengthening employee awareness and engagement by creating a positive impact on the community.

Our Response

- Allocating resources towards community empowerment programmes.
- Encouraging active employee volunteering through our CSR programmes.

Capitals

Stakeholders

S1 S5 S6 S7

UN SDGs

OPERATING ENVIRONMENT AND KEY MARKET TRENDS

ECONOMIC REVIEW AND OUTLOOK

The global economy performed relatively resiliently in 2025, delivering growth of approximately 3.3%, in line with growth levels in the year prior, supported by front-loaded trade activity and easing monetary conditions in key markets.

Despite this resilience, underlying economic fundamentals remained challenging. Businesses continued to operate in a high-cost environment characterised by persistent inflation in labour and utilities, volatility in energy prices, and foreign exchange fluctuations. These conditions resulted in elevated operating costs, heightened uncertainty and a more cautious approach to investment.

Within this environment, clients prioritised cost optimisation, placing sustained pressure on margins across the business. Competitive intensity increased further as some clients shifted towards insourcing services, widening supply-demand imbalances and amplifying pricing pressures.

In response, we continued to leverage technology and data-driven solutions to help clients mitigate cost pressures while reducing our own cost base. At the same time, sustainability-led solutions emerged as an important source of differentiation in a competitive marketplace. We also refined our commercial focus towards longer-tenure, outcome-based contracts and higher-value integrated facilities management scopes, while exercising greater discipline in contract selection and portfolio rationalisation.

MALAYSIA

Malaysia serves as our operational hub and remains a key market for the Group, supporting core management functions, operational coordination and service delivery across the region. The market continues to play an important role in our growth trajectory, providing a strong platform for capability development, operational integration and the expansion of our facilities management and support services. As the business landscape evolves, Malaysia remains central to strengthening our service offerings and supporting sustainable business growth.

Trends	Our Response
• Rising costs driven by manpower, consumables, parts and higher maintenance requirements for ageing assets. • Evolving regulatory changes in labour laws impacting our operational capacity and service levels, including minimum wage increases, living wage policies, stamping requirements for employment contracts, and mandatory EPF coverage for non-Malaysians. • Tightening operating margins following the additional 8% SST framework effective 1 July 2025 and minimum wage implementation effective 1 February 2025. • Stronger private sector preference to insource operations, intensifying competition for outsourced contracts. • Rapid adoption of digital technology heightening expectations for efficiency and productivity. • Increasing regulatory standards and stakeholder expectations on sustainability and ESG. • Government-led initiatives (e.g. Public-Private Partnership ("PPP") Masterplan 2030, National Energy Transition Roadmap ("NETR"), and New Industrial Master Plan ("NIMP") 2030) continuing to influence demand for infrastructure, energy efficiency and sustainable asset management services.	• Strengthening cost efficiency through continued investment in skills development, centralised maintenance services, strategic sourcing of consumables and parts, and tighter operational and overhead controls. • Continuously monitoring and reviewing workforce requirements to optimise costs while meeting service expectations. • Working closely with clients to adjust service fees where required, while implementing value-driven, transparent pricing to sustain long-term partnerships. • Enhancing the outsourcing value proposition through flexible delivery models and measurable, outcome-based milestones. • Reinforcing service quality through robust quality assurance frameworks, continuous training and data-driven performance monitoring. • Advancing digitalisation through phased transformation and modular technology adoption. • Building financial resilience through risk-sharing mechanisms, inflation-linked pricing where feasible, performance-based incentives and ESG-aligned financial controls. • Accelerating sustainable and resilient delivery capabilities for highway and infrastructure works.

SINGAPORE

Singapore is a core market for us, where we support a mature environment with healthcare support solutions for public and private hospitals, IFM solutions, and hospitality services for commercial and industrial sectors.

Trends	Our Response
• Growing demand for outsourcing and integrated facilities management as organisations seek to optimise costs and improve operational efficiency. • More frequent launches of large-scale facilities management contracts, presenting opportunities alongside heightened competition. • Rising demand for sustainable buildings and smart technologies, driven by the Government's commitment to sustainable urban development and smart city initiatives. • Tightening contract requirements as clients optimise costs, including reduced headcounts, higher project outputs, more complex billing structures and stricter terms and conditions. • Escalating labour costs due to regulatory-driven wage increases, including the Progressive Wage Model, higher S Pass minimum qualifying salaries and higher local qualifying salaries. • Persistent labour shortages in the sector despite rising wage levels, exacerbated by tight controls in Singapore to maintain the dependency ratio ceiling which determines the ratio of foreign workers to the total workforce. • Rising cost of supplies driven by market constraints and fluctuating trade-tariff conditions.	• Establishing UEMS NXT Pte. Ltd. as a dedicated Singapore subsidiary and deepening collaboration with technology partners to enhance our technology capabilities and strengthen our smart building consultancy services. • Leveraging UEMS NXT to streamline smart building technologies under the *UE*Track™ product stack. • Investing in our corporate brand positioning as a leader in innovation and service quality, leveraging our strong reputation in the sector. • Offering wages above regulatory requirements to attract and retain quality staff in a tight labour market. • Enhancing productivity through investment in technology, automation and mechanisation, supported by workforce upskilling. • Implementing targeted operational improvement initiatives across the business to minimise costs while maintaining service quality. • Adopting agile procurement to diversify sourcing to suppliers in non-tariff-affected regions, while negotiating with existing suppliers to defer price increments and maintain cost stability.

TAIWAN

In Taiwan, we provide support services to hospitals, technology companies, shopping malls, and high-speed rail operators. To maintain our competitiveness, we continued to deepen relationships with existing clients by focusing on our core capabilities and service quality.

Trends	Our Response
• Rising manpower costs driven by minimum wage increases, four additional public holidays and an additional 10% wage uplift on top of the minimum wage for public organisations in accordance with a government advisory. • Compressed margins due to inflationary pressures and tighter customer budgets. • Highly competitive hospitality sector with limited budgets, dominated by local players offering aggressive discounts to gain market share. • Growing demand for cost-effective solutions, accelerating innovation through robotics and AI. • Higher service quality expectations requiring heightened operational excellence and efficiency.	• Maintaining strong service delivery through enhanced employee training, improved standard operating procedures and continuous client engagement from frontline teams through to senior management. • Leveraging our improved in-house mobile resource optimisation platform, *UE*Track™, and other advanced systems to drive process efficiency, improve service transparency and strengthen our competitive edge. • Optimising manpower planning and exploring innovative market solutions, including process reengineering, to sustain service quality and operational excellence. • Fostering long-term client relationships through regular engagement, creating an environment where constructive feedback is actively received and acted on for continuous improvement. • Adding value for clients by driving sustainability initiatives to position ourselves as a forward-thinking partner, while reinforcing that sustainability is integral to service quality.

OPERATING ENVIRONMENT AND KEY MARKET TRENDS

INDONESIA

Our Indonesian venture provides maintenance services for toll roads. We have since diversified into trading activities as a new line of business.

Trends	Our Response
• Escalating operational costs due to inflation and labour shortages. • Increasing customer expectations, leading to more stringent service standards and regulations. • Overlapping regulations, uneven policy implementation and limited coordination across government agencies.	• Partnering with local entities to strengthen market access and sustainability outcomes. • Strengthening our local supply chain with support from local business partners.

UNITED ARAB EMIRATES

Our operations in the UAE are delivered through Operon Middle East ("OME"), our facilities management subsidiary, together with Kaizen, our property management arm with a strong presence in the country.

Trends	Our Response
• Adoption of emerging technologies such as IoT, AI and cloud-based IFM platforms to improve collaboration and reduce costs. • Increasing regulatory focus on energy efficiency, carbon footprint tracking and green building standards, supported by frameworks such as Abu Dhabi's Estidama Pearl Rating System and the Dubai Green Building Regulations. • Properties are increasingly evolving digitally to include tenant-focused proptech such as AI-powered tenant screening, digital lease management and automated payment systems, enabling a more streamlined and personalised tenant experience.	• Aligning our offerings and expanding our bidding strategies to win clients looking to outsource facilities management. • Engaging customer experience experts to understand client journeys and align our strategies accordingly. • Deploying IoT-based facilities management platforms to support client sustainability and energy tracking needs. • Embedding Edgenta NXT's Asseto platform's modules to drive efficiencies and innovations in enhancing our service deliveries. • Emphasising our sustainability know-how and credentials, including renewable energy technologies and energy management support, to differentiate ourselves in the market.

SAUDI ARABIA

Our operations in Saudi Arabia are delivered through Edgenta Arabia Limited ("EAL"), our wholly owned subsidiary headquartered in Riyadh, together with MEEM Facilities Management Company ("MEEM"). Both entities form part of our international business division, delivering IFM services, technology-driven solutions and sustainability-led solutions.

Trends	Our Response
• Large-scale transformative developments such as Diriyah, The Red Sea and Qiddiya continue to drive infrastructure and urban development across the Kingdom, forming a central part of Saudi Arabia's Vision 2030 economic diversification strategy. • AI- and IoT-enabled smart facilities management being adopted to improve the efficiency of managing these mega-projects. • Continued investment in local capability development and Saudization initiatives aligned with Vision 2030 workforce localisation goals. • Increased implementation of green building operations, energy efficiency systems, waste management protocols and ESG performance tracking, in line with the goal of 40% of new commercial developments with LEED/Mostadam certification by 2026.	• Tailoring our facilities management strategies to align with mega-project requirements and national goals that prioritise smart cities, sustainable urban development and Middle East hospitality. • Extending IoT and AI capabilities to the existing CAFM implementation to explore predictive maintenance capabilities. • Driving our ESG-aligned value proposition with an emphasis on green services, energy audits and LEED certifications. • Developing local Saudi talent through partnerships, facilities management academies and expertise transfer. • Differentiating our offerings with bundled services, performance-based pricing, tenant engagement and long-term lifecycle management to meet changing client demands.

OPERATING ENVIRONMENT AND KEY MARKET TRENDS

KEY MARKET TRENDS

MACROECONOMIC CHALLENGES

Overview

The global economy remained volatile in 2025, as trade- and tariff-related uncertainties dampened investment activity, while cost pressures persisted across labour, utilities and other key input areas. While the impact of the US government's tariffs was more muted than previously feared due to the front-loading of trade activity, underlying global economic fundamentals remain a cause for concern. In addition, currency volatility across many of the Group's operating markets continued to weigh on business confidence and financial planning.

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Stakeholders

S2 S3

Material Matters

M2 M3

Risks

R1 R3

Risks

- Heightened macroeconomic uncertainty may slow customer decision-making and defer project spending, impacting the Group's revenue profile and balance sheet.
- Inflationary pressures and tariffs may increase cost inputs and erode profit margins.
- Unfavourable foreign exchange movements may pressure margins on overseas projects, particularly for longer-duration programmes.

Opportunities

- Malaysia and the ASEAN region are increasingly positioned as neutral, non-aligned global hubs, supporting investment inflows and growth opportunities.
- Increased outsourcing of mission-critical services, as customers prioritise reliability, safety and predictable operating costs, provides opportunities for sustainable growth.

Our Response

- Continuing to broaden sectoral and geographic exposure to growth markets in Southeast Asia and the Middle East.
- Accelerating the adoption of mechanisation, automation and process standardisation to drive operational efficiencies and cost competitiveness.
- Differentiating ourselves within the facilities management segment through modern, sustainable solutions, thus enhancing our resilience during challenging economic periods.
- Maintaining a strong focus on our stable concessions-based business, which provides steady cash flows.

Outlook

Near-term macroeconomic conditions are expected to remain cautious, with the IMF projecting global GDP growth of 3.3% in 2026. While inflation is expected to remain broadly contained, global trade conditions remain subject to downside risks arising from policy uncertainty and trade fragmentation.

Against this backdrop, a slowdown in large-scale project activity or scope rationalisation may persist. To mitigate these risks, the Group continues to diversify its business across higher-growth geographies, including the Middle East, while strengthening differentiation through technology-enabled and sustainability-led solutions.

THE TRANSITION TO A LOW-CARBON ECONOMY

Overview

Momentum around decarbonisation and climate action continued to build in 2025, driven by heightened stakeholder expectations and increased awareness following recent extreme weather events.

Regulatory and stakeholder expectations accelerated as Malaysia strengthened its enabling framework for energy efficiency and sustainability disclosures. The Energy Efficiency and Conservation Act ("EECA") 2024 came into force on 1 January 2025, expanding requirements across large energy consumers, specified buildings, and selected products.

In parallel, Malaysia's National Sustainability Reporting Framework ("NSRF") introduced a phased adoption pathway aligned with ISSB standards (IFRS S1 and S2), with reporting periods beginning on or after 1 January 2025 and progressively scaling in scope over subsequent years.

LINK TO

Capitals

Stakeholders

S2 S3 S4 S5 S6

Material Matters

M5 M6

Risks

R7 R8

Risks

- Heightened compliance complexity and delivery expectations, with customers increasingly requiring clear emissions baselines, credible transition plans and stronger assurance readiness as preconditions for appointment.
- Potential loss of contracts or reduced competitiveness where assets fail to meet emissions, energy intensity or other environmentally related performance targets.
- Increasing regulatory complexity may translate into higher compliance costs, placing downward pressure on Group-wide margins.

Opportunities

- Strengthening our market position as a provider of sustainable and low-carbon solutions across the sectors and verticals in which we operate.
- Driving operational cost efficiencies through the adoption of sustainable solutions that reduce emissions and energy consumption while delivering cost savings.

Our Response

- Continuing to reduce our emissions and environmental impact through targeted, long-term initiatives across energy, waste and resource efficiency.
- Partnering with our suppliers to support their transition towards low-carbon and environmentally responsible practices.
- Supporting our clients in reducing emissions through our innovative Zero Capex Programme, which funds energy efficiency and emissions reduction projects without requiring upfront capital investment.
- Expanding practical circular economy solutions within our operations and business, including our Recycled Asphalt Plant in Tapah.
- Preparing for evolving regulatory requirements under the NSRF through a structured readiness programme that includes internal workshops, targeted training sessions and the establishment of a cross-functional taskforce to support compliance and implementation.

Outlook

The transition to a low-carbon economy is expected to intensify as disclosure expectations broaden and environmental performance requirements become more deeply embedded in asset operations.

Against this backdrop, integrating sustainability and climate action into our solutions will remain a key differentiator, enabling us to grow alongside customers with similar priorities. This will be complemented by continued efforts to reduce our emissions in line with our commitment to achieving net zero carbon by 2050. At the same time, we will continue to engage with our supply chain partners to enhance the completeness and reliability of Scope 3 emissions data, enabling more informed decarbonisation planning and reporting.

OPERATING ENVIRONMENT AND KEY MARKET TRENDS

EVOLVING WORKPLACE CHALLENGES

Overview

Labour market pressures persisted in 2025, driven by structural constraints on talent availability and rising expectations around wages, benefits and employee experience. Given the labour-intensive nature of our service delivery, evolving regulatory requirements further contributed to cost pressures during the year.

LINK TO

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Stakeholders

S1 S3

Material Matters

M8

Risks

R5

Risks

- An uncompetitive employer value proposition may hinder our ability to attract and retain high-quality talent.
- Wage increases heighten the need for productivity gains and disciplined workforce planning to mitigate margin pressure.
- Sustained demand for digital, engineering and sustainability capabilities may constrain talent availability and increase competition for critical skills.

Opportunities

- Differentiating ourselves through an employer value proposition centred on capability building, focusing on workforce sustainability and future readiness as we continue our efforts to build AI awareness and its adoption across the organisation.
- Future-proofing the business by building a sustainable leadership pipeline through clear progression pathways and structured succession planning, ensuring that future leaders are systematically prepared and monitored for readiness.

Our Response

- Rolling out our Employee Satisfaction Survey ("ESS"), which serves as a 'pulse-check' to better gauge our momentum on improving the employee satisfaction and experience, with ESS scores included as part of senior leaders' KPIs.
- Driving our capability building efforts by normalising Individual Development Plans ("IDPs") as an embedded, measured practice within employee KPIs, reinforcing self-directed learning and targeted development in areas such as digital skills and sustainability.
- Continuing to offer flexible working arrangements, supporting employees' professional and personal responsibilities while driving engagement and enhancing satisfaction, including working from home.
- Continuing to uphold diversity, equity and inclusion as core values embedded within our culture.
- Launching the "FIRST in AI" learning roadmap to strengthen internal AI and digital capabilities.
- Mitigating wage pressures by maintaining a strong focus on driving operational cost efficiencies across the Group.

Outlook

Looking ahead, we are focused on evolving the way we work by defining an operating model for the Group that delivers enterprise-level cost efficiency, while preserving strong governance, service quality and competitiveness across our operating segments.

Furthermore, to strengthen our succession planning initiatives, we are recalibrating our talent management strategy by reviewing our development ecosystem. This ensures that successors are identified, developed and systematically monitored for readiness at the Group level, strengthening our leadership continuity beyond the segmental level. Additionally, we are sharpening our development agenda to accelerate capability building and intensifying our focus on AI-enabled skills, equipping our workforce to adapt to our evolution as a Technology-Enabled Solutions Company.

Together, these efforts are underpinned by continuous monitoring and review of workforce costs, with disciplined prioritisation of spend to sustain productivity and strengthen organisational resilience.

THE DIGITALISATION OF EVERYTHING

Overview

Digital adoption continued to accelerate in 2025, as organisations pursued greater cost efficiency, operational reliability and data-driven decision-making, alongside rising expectations around cybersecurity and data privacy.

In Malaysia, the regulatory backdrop tightened with the introduction of the Cyber Security Act 2024, which strengthened obligations relating to national critical information infrastructure and cybersecurity governance. At the same time, the establishment of the National AI Office ("NAIO") signalled increasing national focus on responsible AI adoption and ecosystem development.

LINK TO

Capitals

Stakeholders

S2 S3

Material Matters

M2 M3

Risks

R1 R2 R6

Risks

- Failure to meet customer expectations for digital and digital-enabled solutions or outcomes may impact competitiveness.
- Heightened cybersecurity and data governance requirements increase exposure to operational, regulatory and reputational risks if not effectively managed.
- The full value of automation, AI and other advanced technologies may not be realised if investment in human skills and capability development does not keep pace.

Opportunities

- Growing demand for integrated, technology-enabled asset management solutions that leverage data and AI to improve reliability and optimise lifecycle costs.
- Applying automation and AI across operations to enhance productivity, reduce wastage and improve margins.
- Strengthening our position as a technology-enabled solutions company and enhancing long-term resilience through the delivery of impactful digital solutions.

Our Response

- Building organisational digital capability through structured upskilling and continuous learning.
- Deploying Asseto, our proprietary built environment platform, while adding additional data sources for clients to support asset lifecycle management, energy optimisation and real-time operational visibility across key contracts.
- Adopting advanced technologies to drive operational efficiencies by aggregating data sources from our clients to our Intelligent Operations Centre, driving impactful insights for the built environment.
- Leveraging video analytics solutions integrated to our Asseto platform for enhanced security and HSSE use cases.
- Enabling a configurable and integratable platform structure to deploy Asseto across any industry with minimal business disruptions.
- Continuously investing in cybersecurity and data privacy measures to safeguard digital assets and mitigate financial and reputational risks.

Outlook

Customers are expected to continue prioritising partners that can combine strong operational execution with proven digital capabilities and secure platforms.

In response, we will continue to deepen our digital capabilities and realise digital-driven against across two dimensions: first, by delivering differentiated solutions that enhance our value proposition and resilience in a changing marketplace; and second, by embedding digital workflows and technologies within our operations to drive efficiency and strengthen operating margins.

KEY RISKS AND MITIGATION

The Group remains vigilant in managing risks and recognises that risk considerations are integral to all business decisions and activities. Effective risk management is essential not only in mitigating potential exposures but also in supporting the achievement of our strategic and business objectives.

Our risk management process systematically identifies, assesses, and manages both inherent and external risks. Beyond regulatory compliance, we adopt comprehensive policies, principles, and practices designed to minimise risk exposure, enhance operational performance, and provide greater certainty, thereby strengthening stakeholder confidence.

Risks are viewed as opportunities to reinforce our internal controls, compliance procedures, and management strategies. Identified risks are carefully assessed, mapped against their likelihood of occurrence, and evaluated based on their potential impact on UEM Edgenta's operations.

To support this approach, the Group has established a robust risk management framework that governs our risk management practices, enabling the identification, assessment, and mitigation of risks to ensure continued operational resilience.

Further details are set out on pages 243 to 252 of the Statement on Risk Management and Internal Control in this Annual Report.

The key risks outlined below, while not exhaustive or listed in any specific order of priority, are those we believe could have a significant impact on our business. While these risks have been thoroughly evaluated, the Board acknowledges that the risk landscape is dynamic and constantly evolving. As such, unforeseen or emerging risks, even those initially perceived as minor, may have the potential to escalate into significant challenges in the future.

R1 STRATEGIC RISK

Description

Strategic risks arise from decisions made by the Board and Management of UEM Edgenta in pursuing the Group's objectives within a dynamic market and evolving industry environment. If not effectively managed, these risks may adversely affect strategy execution, business performance, and long-term growth.

These risks stem from external changes such as industry uncertainties, competitive pressures, and emerging challenges, which may impact market share, shareholder value, and corporate reputation. Managing strategic risks requires informed decision-making to support sustainable growth and maintain competitiveness in a rapidly evolving environment and marketplace.

Context

- Our multinational operations expose us to a broad range of risks, including economic volatility, evolving regulatory landscapes, geopolitical developments, and diverse social contexts. These factors critically influence our strategic decision-making, long-term planning, and operational execution.
- The operating landscape remains highly competitive, with existing, new, and prospective customers progressively shifting their expectations from traditional service delivery models towards value-adding offerings. These include technology-enabled solutions, performance-based contracting models, and sustainability-driven services.
- Clients, particularly in cost-sensitive industries, may at times underestimate the value of our services, despite their critical importance. This growing trend towards service commoditisation intensifies competition, with pricing often becoming the primary differentiator at the expense of quality, innovation, and strategic value.
- Market dynamics continue to exert pressure on our profit margins, making it challenging to expand our revenue stream and sustain a strong and sustainable order book.

Mitigation

- Expanding and diversifying our revenue streams through the Pan-Malaysia Strategy, regional growth, and entry into new adjacent sectors, thereby broadening our addressable market and reducing reliance on existing sectors and/or clients.
- Committing to developing and deploying innovative technology solutions that enhance and transform service delivery in healthcare and infrastructure, with the goal of establishing new industry performance standards and benchmarks of excellence.
- Maintaining a strategic focus on converting our technological solutions into scalable, market-ready products that address the evolving needs of both existing and prospective clients, enabling greater market responsiveness, portfolio optimisation, and sustainable long-term growth.
- Undertaking cost rationalisation initiatives aimed at driving organisational efficiency, strengthen competitiveness, and delivering enhanced value through innovative products and technology-enabled solutions.
- Expanding our client base through targeted cross-selling initiatives and the adoption of performance-based contracting models.
- Remaining committed to sustaining and strengthening our existing concession businesses while actively pursuing growth opportunities both within our traditional markets and in new market segments.

R2 OPERATIONAL RISK

Description

Operational risk refers to the potential for financial loss, service disruption, or reputational impact arising from inadequate or failed internal processes, people, systems, or from external events. These risks introduce uncertainties and challenges in the execution of our day-to-day operational activities across our operating environments.

Context

- Manual and labour-demanding aspects of our operations increase exposure to inefficiencies, human error and workforce-related risks.
- Prioritising vigilant cost management and enhancing service efficiency to safeguard margins and optimise cash flow amid rising operating costs.
- Ongoing commitment to fostering a safety-first mindset and maintaining constant vigilance over our working environment to uphold compliance with HSSE requirements.
- Exposure to unanticipated external factors beyond the Group's control, including inflationary pressures, minimum wage increases, geopolitical tensions, supply chain disruptions, interest rate fluctuations, and other external variables.

Mitigation

- Continuously enhancing our operational processes and embedding the use of technology, automation and digitisation to improve overall operational efficiency, productivity and control across operations.
- Implementing proactive cost management initiatives to uphold strong operational fundamentals, protect margins and maintain financial resilience in a challenging operating and market environment.
- Implementing occupational HSSE programmes designed to strengthen our safety culture and foster a proactive approach to workplace safety, benefiting both our employees and the environment.
- Closely monitoring emerging and unanticipated risks and their potential impact, coupled with a continuous review of our business strategies to ensure operational resilience and adaptability in a dynamic operating landscape.
- Putting business continuity plans in place to ensure the continuity of operations and support uninterrupted delivery of critical services in the event of any potential business disruption.

R3 FINANCIAL RISK

Description

Financial risks are exposures that directly impact our financial performance and cash flow stability, potentially impacting overall fiscal health, liquidity and capital position.

Context

- Pressure on margins and profitability due to heightened competition and increasing operating costs.
- Delays in collection of trade and other receivables, hindering effective cash flow management and liquidity.
- Prevailing interest rates condition, guided by central banks' policies, continue to influence our financing costs and liquidity management.
- Foreign exchange exposure resulting from fluctuations in exchange rates against local currencies, which may impact financial transactions as well as the value and future cash flows of financial instruments.

Mitigation

- Emphasising disciplined cost management and margin preservation through cost optimisation initiatives, leveraging technology, and promoting operational excellence to drive productivity and cost efficiencies.
- Utilising our Enterprise Resource Planning ("ERP") system to streamline financial data and processes across our companies, improving spending analysis, strategic sourcing and cost control, while improving visibility of expenditures.
- Actively managing credit risk through comprehensive credit assessment processes, continuous monitoring of receivables and strengthened customer recovery procedures.
- Continuously monitoring interest rate movements by strategically balancing a mix of fixed and floating rate debts for effective financing cost management.
- Employing a natural hedge strategy by securing borrowings in the same functional currency as the anticipated revenue streams from overseas entities.
- Maintaining appropriate insurance coverage to safeguard us against unexpected financial losses and enhance our overall financial resilience.

KEY RISKS AND MITIGATION

R4 COMPLIANCE RISK

Description

Compliance risk refers to the potential for legal or regulatory breaches arising from failure to adhere to applicable laws, regulations, standards, or internal policies. Non-compliance may significantly impact our operations, resulting in legal sanctions, financial penalties, operational disruption, and reputational damage. It may also undermine our credibility, stakeholder confidence, and long-term sustainability.

Context

- A significant portion of our business, particularly in Healthcare Support and Infrastructure Services, operates under concession arrangements which are subjected to stringent regulatory oversight and complex legal and contractual requirements.
- Potential exposure to non-compliance and litigation arising from the geographical diversity of our operations and customer base.
- Commitment to good corporate governance and compliance with regulatory and listing requirements to uphold integrity throughout our business operations.
- Non-compliance and regulatory uncertainty may result in financial, operational, and reputational impacts, including the potential suspension or loss of key licences or rights and disruption to business continuity and investment plans.

Mitigation

- Establishing service-level agreements and contractual frameworks to effectively govern our relationships with customers, contractors, and vendors, ensuring clear responsibilities, accountability and performance expectations.
- Conducting regular assessments to ensure continuous compliance, with policies and procedures being consistently updated to maintain their adequacy, effectiveness, and relevance.
- Instilling a culture of integrity and compliance throughout the organisation, reinforced by strong internal controls and consistent enforcement of operational processes across operations.
- Maintaining close collaboration with regulatory bodies to stay abreast of latest legal and regulatory requirements, as well as evolving industry standards and best practices.
- Establishing secure whistleblowing channels that enable employees, stakeholders, and the public to report any actual or suspected malpractice, misconduct, or violations of the Group's policies and procedures safely and confidentially.

R5 PEOPLE RISK

Description

Securing, developing, and retaining critical talent with the right capabilities is essential to achieving strategic objectives and ensuring leadership continuity and long-term sustainability.

Challenges in talent attraction, retention, succession planning, and compliance with evolving regulatory requirements may adversely impact the Group's operational performance and strategic execution if not effectively managed.

Context

- Our Edgenta Stars, namely our people are one of the Group's most valuable assets and a fundamental pillar of our success.
- A capable, engaged, and resilient workforce underpins the effective execution of our strategies, while supporting strong leadership continuity and enabling the delivery of consistent, high-quality services and outcomes to our customers and stakeholders.

Mitigation

- Focusing on driving growth, strengthening capabilities, and enhancing the overall workforce experience to attract, develop, and retain critical talent in alignment with the Group's HR strategic priorities.
- Introducing programmes through Edgenta Academy to strengthen leadership, managerial, and technical skills, equipping our employees with the knowledge and expertise needed to drive sustained organisational success.
- Ensuring that our employment terms and benefits provide our Edgenta Stars with a rewarding, supportive and well-balanced experience.
- Conducting periodic talent reviews to support leadership transitions for critical roles, considering successor availability, readiness, and necessary development interventions.
- Enhancing our development ecosystem to ensure that successors are systematically prepared and monitored, thereby maintaining a strong leadership pipeline and sustained organisational continuity.
- Closely monitoring minimum wage regulations, their implementation, and associated costs, while reviewing internal policies and practices to ensure full compliance with all applicable laws and regulations.

R6 CYBERSECURITY RISK

Description

Cybersecurity risks encompass the potential loss of confidentiality, integrity, or availability of critical information, data, and operational control systems. Such risks may materially impact our operational efficiency, service delivery reliability, regulatory compliance, reputation, and overall enterprise value.

These risks are intrinsically linked to our expanding digital and IT footprint, ongoing digital transformation initiatives, and increasing reliance on interconnected systems, cloud platforms, and internet-based services. The rise in remote and hybrid working arrangements, together with greater offsite and third-party network access, further enlarges our attack surface.

In addition, the accelerating adoption of AI and data-driven technologies introduces new categories of cyber risk. These include model manipulation and data poisoning, unauthorised access to AI systems, leakage of sensitive data through AI interfaces, adversarial attacks, overreliance on automated decision-making, and vulnerabilities within AI supply chains and open-source components. As AI becomes embedded within operational and decision-support workflows, any compromise may have amplified and systemic consequences.

Any significant infrastructure failure, cyberattack, data breach, or AI-related system compromise could disrupt operational continuity, erode stakeholder trust, and expose the Group to financial and legal liabilities. This underscores the imperative for robust, forward-looking cybersecurity and AI governance measures to safeguard the Group's assets, resilience, and long-term interests.

Context

Across the Group, technology is positioned not merely as an enabler, but as a structural driver of transformation. It underpins the productisation of proprietary solutions, the development of digital capabilities, optimisation of resources, cost efficiency, productivity gains, and differentiated service offerings that improve both customer and operational outcomes.

As digital integration deepens, systems become more interconnected across cloud, on-premise, operational technology (OT), and third-party ecosystems. This increased connectivity expands the attack surface and heightens exposure to cyber threats, including targeted intrusions, supply chain vulnerabilities, cloud misconfigurations, insider risks, and prolonged service disruption across critical IT and OT environments.

Furthermore, the integration of artificial intelligence into business workflows, analytics, and decision-support systems introduces additional risk vectors. These include unauthorised access to AI models, exposure of sensitive data through AI interfaces, manipulation of training data or model outputs, reliance on opaque algorithms, and vulnerabilities arising from external AI platforms or open-source dependencies. As AI capabilities scale across operational environments, the potential impact of compromise becomes more systemic and consequential.

Mitigation

- Adopting a defence-in-depth and zero-trust approach to safeguard our expanding digital and AI landscape.
- Implementing core controls including continuous threat detection and response across network, endpoint, cloud, and application layers, strong identity and access governance, proactive vulnerability management, secure configuration baselines, and regular penetration and adversarial testing.
- Reinforcing cloud environments through posture management, encryption standards, and strict access controls.
- Addressing AI-related risks through controlled access to AI systems, monitoring of AI usage and outputs, validation of data sources, structured model evaluations, and third-party risk assessments for external AI platforms and open-source components, with clear accountability established for AI-assisted decisions.
- Conducting ongoing employee awareness programmes and phishing simulations, alongside continuous executive oversight, to ensure that cybersecurity and AI governance remain embedded within operational discipline and aligned to the Group's risk appetite.

KEY RISKS AND MITIGATION

R7 ESG RISK

Description

Capital markets have undergone a structural shift in how risk and value are assessed, with ESG considerations now embedded into mainstream investment analysis rather than treated as peripheral factors. Investors, lenders and rating agencies increasingly evaluate how effectively organisations identify, manage and disclose ESG-related risks and opportunities, recognising their direct impact on resilience, cost of capital and long-term enterprise value.

In Malaysia, this shift is reinforced by the introduction of the National Sustainability Reporting Framework ("NSRF"), which is anchored on the ISSB Standards, including IFRS S1 and IFRS S2. The move towards globally aligned, climate-related and sustainability-related disclosures elevates transparency from a voluntary practice to a regulatory and market expectation. As reporting requirements become more rigorous and comparable, organisations face heightened scrutiny over governance, risk management processes and the credibility of sustainability-related data.

ESG risks represent uncertainties and potential adverse events that may disrupt the effective execution of our business strategy, impact operational performance, or affect the long-term resilience and availability of resources across our value chain.

Failure to comply with ESG-related standards could result in significant consequences, including revenue loss, market share erosion due to shifting customer preferences, diminished confidence from investors and rating agencies, financial penalties from regulatory bodies, and reputational damage that may lead to negative publicity. In addition, unmanaged ESG risks can disrupt operational continuity and service delivery, such as through safety incidents, supply chain interruptions, environmental non-compliances or community impacts, which may directly affect contract performance and customer satisfaction.

Context	Mitigation
Globally, sustainability expectations have evolved from voluntary good practice to regulatory and market discipline. Investors, clients and regulators increasingly scrutinise how organisations manage climate-related risks, workforce welfare, supply chain integrity and governance standards — particularly in sectors that support critical infrastructure and public services. Heightened disclosure requirements, supply chain due diligence requirements and climate transition policies across major markets are raising the bar for transparency, comparability and accountability. For UEM Edgenta, operating across healthcare support, infrastructure and facilities management, ESG considerations are closely linked to service reliability, occupational health and safety performance, responsible procurement practices, environmental efficiency and community impact. As a steward of essential assets and services, the Group recognises that effective ESG management underpins operational resilience, stakeholder trust and long-term value creation.	• Formalising our Sustainability Policy, ESG governance structure and multi-year Roadmap, which collectively provide the foundation of our sustainability governance framework, ensuring clear accountability from the Board of Directors through senior management to business units, embedding ESG considerations into strategy, risk management and operational execution across the Group. • Integrating ESG and climate-related risks into our Enterprise Risk Management processes with regular reporting to the Board and senior leadership, to ensure timely identification, monitoring and mitigation of sustainability-related risks that may affect service delivery, regulatory compliance and long-term value creation. • Continuing to comply with applicable ESG regulations while proactively preparing for evolving sustainability reporting requirements, including the the NSRF with alignment to ISSB standards. • Establishing an internal NSRF Task Force to steer readiness efforts, strengthen data governance and reporting processes, and drive cross-functional coordination to ensure structured and effective implementation. • Progressively reviewing and enhancing policies, procedures and internal controls to support robust, transparent and decision-useful sustainability disclosures in line with regulatory expectations. • Embedding ESG principles within operational practices across healthcare support services, facilities management and infrastructure operations, including strengthening occupational health and safety standards, improving environmental efficiency and maintaining responsible service delivery for essential public assets. • Actively engaging stakeholders across our value chain to identify material ESG matters, climate-related risks and emerging threats, while maintaining responsible procurement practices and vendor engagement initiatives to reinforce labour standards, safety performance, ethical conduct and environmental stewardship beyond direct operations. • Conducting awareness and structured training programmes, alongside ongoing communication, to enhance ESG competencies at leadership and operational levels, ensuring consistent and effective implementation of sustainability practices across the organisation.

R8 CLIMATE-RELATED RISK

Description

Climate-related risks have become a critical focus for investors, regulators and clients. These risks fall into two categories:

- Transition risks arising from new climate policies, carbon pricing, regulatory shifts and evolving market expectations; and
- Physical risks resulting from extreme weather, heat stress, flooding and long-term environmental changes.

Malaysia's planned carbon tax for 2026, aligned with the National Carbon Market Policy and the upcoming Climate Change Act, introduces a new layer of transition risk for organisations. The tax is expected to start at approximately RM15/tCO_2e and expand over time as the national framework matures.

These developments increase the importance of strengthening climate governance, anticipating cost exposures and preparing for a progressively low-carbon operating environment.

Context

Globally, climate expectations have shifted from voluntary commitments to mandatory climate disclosures, carbon pricing mechanisms and regulated transition plans. Countries are imposing increasingly stringent requirements to accelerate decarbonisation and ensure resilience.

Malaysia is on the same trajectory, with several shifts that heighten transition risk:

- Carbon tax implementation in 2026, starting with high-emission sectors, and expected to expand or escalate over time.
- Integration with the National Carbon Market Policy and future Climate Change Act, which will define emissions governance and compliance structures.

At the same time, physical climate risks, such as heavy rainfall, flooding and heatwaves, pose threats to infrastructure performance, service continuity, asset maintenance and workforce safety.

For UEM Edgenta, these combined risks influence cost structures, service reliability, operational planning and stakeholder expectations across its healthcare, infrastructure and facilities management operations.

Mitigation

- Introducing internal carbon pricing ("ICP") to anticipate future carbon-related cost impacts associated with the 2026 carbon tax, with ICP guiding strategic planning, investment decisions and prioritisation of efficiency and emissions-reduction initiatives to help us prepare for evolving transition risks.
- Continuing to strengthen the resilience of our operations and critical assets to minimise disruptions from extreme weather events, by enhancing maintenance systems, improving facility and infrastructure readiness, strengthening workforce safety protocols, and adopting resilience measures to support continuity of essential services.
- Embedding physical and transitional climate-related risks within our Risk Management Framework to ensure structured oversight, timely risk identification and responsive strategic planning in alignment with Malaysia's evolving climate policies.
- Continuing to enhance operational efficiency through energy optimisation, technology upgrades and emissions-reducing initiatives, mitigating exposure to future carbon pricing and improving environmental performance.
- Expanding climate-related awareness and capabilities across leadership and operations to prepare for emerging climate policies, support transition planning and strengthen organisational readiness.

EDGENTA OF THE FUTURE 2025 (EOTF2025)

FY2025 marked the conclusion of our Edgenta of the Future 2025 ("EoTF2025") strategy, a five-year plan designed to strengthen our competitiveness, resilience and long-term growth potential by transforming us into a Technology-Enabled Solutions Company.

The actions we have taken under the strategy have catalysed a step change in how we operate and compete. Today, technology and sustainability-led solutions are fully embedded within our projects and contracts. This has enabled us to move up the value chain into more advisory-led service scope that unlock stronger margins, expand recurring revenue streams and support multi-year renewals. In parallel, this shift has strengthened our competitiveness in international markets, where integrated and technology-enabled delivery is increasingly a baseline expectation for market participation.

Importantly, EoTF2025 has delivered measurable outcomes that validate the strategy's intent. We achieved the five-year RM100 million cost savings target a year ahead of schedule and have since set a new RM150 million cost optimisation target over the next five years. On the technology front, we have secured around RM5.3 billion in tech-enabled wins since 2021, anchored by proprietary platforms such as Asseto, RAMS and *UE*Track™, which continue to strengthen differentiation, expand recurring revenue streams and reinforce service performance at scale.

The Strategy

EoTF2025 is designed around three strategic pillars – **Expand, Extract and Enhance** – and supported by capabilities that translate strategic intent into repeatable execution. The three pillars focus on: (i) expanding our footprint and deepening our solutions base, (ii) extracting value from core businesses through disciplined operational excellence, and (iii) enhancing differentiation through productised technology and data-led delivery.

Through this strategic architecture, we set our sights on three headline targets over the period of 2021 to 2025:

12%
revenue growth per annum

RM100 million
in cost savings

Driving differentiation through
technology-based solutions

Expand
footprint and deepen solutions base

Extract
value from core businesses

Enhance
product and technology proposition

ASPIRATION

Transforming into a technology-enabled solutions company by 2025

TARGETS

12% revenue growth per annum over five years

RM100 million in cost savings over five years

Driving differentiation through technology-based solutions

STRATEGIC PILLARS

Expand footprint and deepen solutions base

Extract value from core businesses

Enhance product and technology proposition

FOCUS AREAS

- Productising tech solutions
- Driving sustainability solutions
- Driving operational efficiency
- Enhancing our IFM franchise in international markets

ENABLERS

- Technology
- Digitalisation
- Talent
- Governance
- Sustainability

EDGENTA OF THE FUTURE 2025 (EOTF2025)

OUR KEY FOCUS AREAS

PRODUCTISING TECH SOLUTIONS

Over the past five years, we have transitioned from deploying technology-enabled solutions as standalone tools to delivering productised, scalable platforms with defined modules, service level agreements and embedded analytics. These platforms are now integrated across flagship contracts, moving us up the value chain towards advisory-led, outcome-driven engagements.

Asseto sits at the centre of this evolution. It functions as a built environment master integrator that brings together multiple data sources across assets, people, energy, compliance and operations, orchestrating them within a single ecosystem to unlock real-time insights and decision intelligence. Its embedded AI capabilities support predictive maintenance, performance optimisation and improved resource prioritisation, strengthening service outcomes and commercial competitiveness for our clients.

These advances are mirrored across our broader suite of proprietary, IoT-enabled solutions, including RAMS for road asset analytics and *UE*Track™ for workflow and mobility management in primary healthcare support services. Together, these platforms support performance-linked commercial arrangements, aligning payment to measurable outcomes such as energy efficiency, asset uptime and response times. The integration of these capabilities also positions us to capture growing demand for smart city solutions, strengthening our role as a technology-enabled facilitator in markets such as the UAE and Saudi Arabia.

Proof points include:

- Digital transformation of a multinational oil and gas client, where digital transactions increased from approximately 7% pre-go-live to 92% post-go-live through a custom-built platform enabling real-time tracking and automated dispatch.
- Rapid deployment and localisation of Asseto in the Middle East, onboarding approximately 4,000 schools and training more than 100 inspectors within one week.
- Scaling of our cloud-based V-EMCC across 33 hospitals, handling over 350,000 calls and 306,000 service requests annually.
- *UE*Track™ providing 24/7 monitoring of over 2,000 portering tasks per month, supporting 85% of requests completed within 15 minutes and sustaining engineering performance outcomes above 98%.

DRIVING SUSTAINABILITY SOLUTIONS

We recognise the vital role that sustainability plays for organisations today, both as a corporate responsibility and as a driver of regulatory compliance and cost efficiency. In response, we have invested in developing and delivering practical, technology-enabled solutions that help our clients reduce utility and resource consumption, lower emissions and improve asset performance.

A cornerstone of this approach is our Zero Capex Programme, which enables Energy Performance Contracting (“EPC”) and Green Performance Contracting (“GPC”) structures without upfront client capital. These arrangements align payment with verified performance outcomes, incentivising measurable energy savings and emissions reductions. This is supported by partnerships that enable credible baselining and digital measurement, reporting and verification, strengthening transparency and accountability.

Beyond financing structures, we have supported asset owners in achieving recognised green building certifications while also advancing circular economy outcomes through our asphalt premix plant with recycling facility which repurposes road milling waste into an eco-friendly material for road paving.

Moving forward, we are progressing towards a more holistic decarbonisation suite spanning audit, design, financing, implementation and verification, strengthening our positioning as a trusted partner in advancing sustainability across the built environment.

Key proof points during FY2025 include:

- RM70.3 million in order book wins under the Zero Capex Programme.
- Supporting 31 hospitals in achieving LEED and MyCREST certification.
- Deployment of over RM19 million worth of recycled asphalt on PLUS highways.
- Launch of the asphalt premix plant with recycling facility in Tapah, Perak, with a production capacity of 240 tonnes per hour, capable of supporting over 200 km of pavement works annually and reducing carbon emissions by up to 15% compared to conventional asphalt production.

DRIVING OPERATIONAL EFFICIENCY

Under EoTF2025, we undertook a coordinated approach to drive operational excellence and efficiency across the Group. This went beyond cost optimisation alone, focusing on mechanisation, automation and the digitalisation of core processes, while optimising procurement spend and streamlining organisational structures.

Central to this shift was the increased use of data, IoT-enabled systems and digital workflow tools to improve visibility, coordination and decision-making across service environments. These applications, including data-driven planning, mobile workforce solutions and selected digital twin technologies, have supported more informed resource management decisions, reducing waste and minimising operational risk.

These actions contributed to us achieving our RM100 million cost savings target a year ahead of schedule, while our clients benefitted from more efficient operations that will deliver long-term cost reduction. Building on this momentum, we have since introduced a new RM150 million cost optimisation target over the next five years to sustain efficiency gains and reinforce margin resilience.

- Rollout of V-EMCC across 33 hospitals, enabling remote, cloud-based call centre operations to support high-volume service coordination and drive operational efficiencies.
- Implementation of *UE*Track™ to enable 24/7 monitoring of housekeeping and linen performance, strengthening workforce coordination and service oversight.
- Redirection of 90% of requests and complaints in Property and Facility Solutions to be logged through a digital portal, improving response management, enhancing resource allocation and supporting service consistency.
- Achievement of a 90% resource utilisation rate within OPUS through tighter allocation and workflow optimisation, strengthening delivery efficiency in Asset Consultancy.
- Advancement of mechanisation and automation initiatives in Infrastructure Services, including deployment of advanced paving equipment and rollout of a RAMS mobile application, enhancing on-site productivity, improving reporting accuracy and reinforcing HSSE governance.

ENHANCING OUR IFM FRANCHISE IN INTERNATIONAL MARKETS

Under EoTF2025, we expanded our IFM franchise selectively into markets that place a premium on differentiated, technology and sustainability-centric delivery, including Singapore, Taiwan and countries within the Gulf Cooperation Council ("GCC").

Expansion in these regions has been supported by our strong in-market talent base, which enables us to localise our operating approach, alongside targeted partnerships and acquisitions. This includes Kaizen, an established IFM provider in the UAE, whose platform has since been expanded into Saudi Arabia, and the formation of DuaSatu, our joint venture with 21 Estates Group FZCO, to enhance competitiveness in the Middle East IFM market.

Our regional outlook is further supported by large-scale development programmes, including Saudi Arabia's Vision 2030, which are expected to sustain demand for integrated, technology-enabled facilities management solutions across complex, large-scale assets.

Achievements in FY2025 included:

- Sustaining a 100% presence across all 10 restructured government hospitals in Singapore.
- Supporting more than 80 public and private healthcare institutions in Taiwan.
- Maintaining momentum of contract wins in Saudi Arabia, reinforcing our growing IFM footprint in the market.

EDGENTA OF THE FUTURE 2025 (EOTF2025)

Our Transformation Pillars in Detail

Expand

footprint and deepen solutions base

GOAL

12% revenue growth per annum over five years

STRATEGY

- Expand beyond healthcare services in Singapore and Taiwan by exploring hospitality offerings and higher-value IFM services.
- Accelerate growth in the Middle East through joint ventures, strategic partnerships and technology- and sustainability-led differentiation.
- Deepen market penetration in Sabah and Sarawak and penetrate the Pan-Borneo market through localised engineering consultancy services in major infrastructure projects with new and existing clients.
- Accelerate OPUS's delivery of end-to-end energy efficiency and decarbonisation solutions supported by zero capex and performance-based financing models.

ACHIEVEMENTS

- 7% compound annual growth rate (CAGR) since 2020.
- New contract wins worth RM3.5 billion in FY2025.
- Wins in Malaysia made up 55% of total contract wins in FY2025.

Extract

value from core businesses

GOAL

RM100 million in cost savings over five years

STRATEGY

- Implement structured cost optimisation programmes encompassing mechanisation, automation and digitalisation of core processes.
- Remodel business processes, including optimising procurement processes and streamlining organisational structures, to reduce our cost base.
- Undertake strategic manpower rationalisation while driving talent retention to maximise the productivity of our talent base.

ACHIEVEMENTS

- Achieved five-year cost savings target of RM100 million, a year ahead of schedule.
- Realised RM50 million in savings in FY2025.

Enhance

product and technology proposition

GOAL

Driving differentiation through technology-based solutions

STRATEGY

- Transition from standalone tools to productised, scalable platforms such as Asseto, RAMS and *UE*Track™ with defined modules, service level agreements and embedded analytics.
- Integrate proprietary platforms across Group-wide asset management and service delivery to support outcome-based and performance-linked commercial models.
- Deepen API-driven integration, AI-assisted maintenance and IoT-enabled capabilities to enhance scalability, premium positioning and recurring revenue growth.
- Integrate robotics technology to support productivity, environmental performance and service outcomes within our Healthcare Services division.

ACHIEVEMENTS

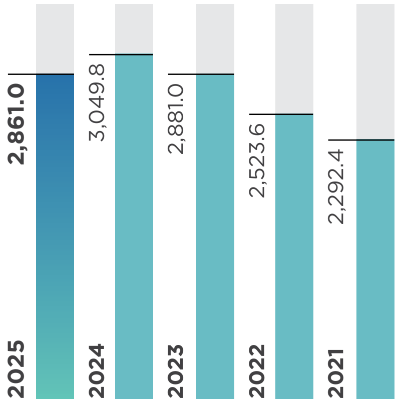
- Around RM5.3 billion in tech-enabled wins secured since 2021, with revenue streams from platforms such as Asseto, RAMS and *UE*Track™.
- Deployment of Asseto across various industries including oil & gas, hospitality, banking, commercial properties and government facilities among others with 80,000+ assets managed within the platform.
- Our Singapore healthcare business engaged Truly Robotics and other equipment companies to participate in proof-of-concept trials in several hospitals, resulting in the purchase of several robots for use within our existing housekeeping business.

5-YEAR GROUP FINANCIAL SUMMARY

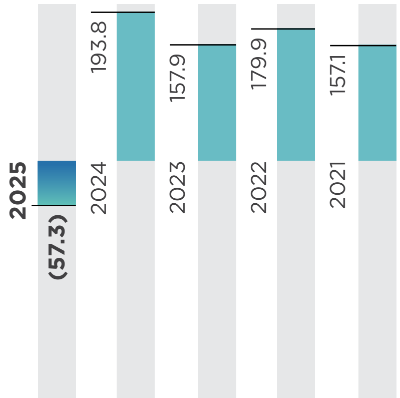
	Financial Year Ended 31 December (RM million)				
	2021	2022	2023	2024	2025
KEY INFORMATION OF FINANCIAL RESULTS					
Revenue	2,292.4	2,523.6	2,881.0	3,049.8	**2,861.0**
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	157.1	179.9	157.9	193.8	**(57.3)**
Profit before tax and zakat ("PBT")	78.6	93.8	63.7	91.7	**(359.1)**
Profit after tax and zakat ("PAT")	43.4	45.7	30.1	45.2	**(412.9)**
Profit attributable to owners of the parent ("PATANCI")	42.0	45.9	31.1	45.3	**(417.2)**
KEY INFORMATION OF FINANCIAL POSITION					
Non-current assets	1,205.9	1,171.5	1,132.2	1,110.9	**815.6**
Current assets	1,649.2	1,607.1	1,742.7	1,828.3	**1,747.8**
Assets of disposal group classified as held for sale	–	90.1	61.4	53.1	**-**
Total assets	**2,855.1**	**2,868.7**	**2,936.3**	**2,992.3**	**2,563.4**
Share capital	268.1	268.1	268.1	268.1	**268.1**
Reserves	313.7	336.9	377.5	329.8	**292.6**
Retained earnings	954.0	975.9	911.6	940.8	**490.5**
Shareholders' funds	1,535.8	1,580.9	1,557.2	1,538.7	**1,051.2**
Non-controlling interests	3.5	3.1	5.0	14.6	**11.2**
Total equity	1,539.3	1,584.0	1,562.2	1,553.3	**1,062.4**
Non-current liabilities	147.9	423.8	389.7	381.5	**73.2**
Current liabilities	1,167.9	857.7	983.4	1,056.7	**1,427.8**
Liabilities of disposal group classified as held for sale	–	3.2	1.0	0.8	**-**
Total liabilities	1,315.8	1,284.7	1,374.1	1,439.0	**1,501.0**
Total equity and liabilities	**2,855.1**	**2,868.7**	**2,936.3**	**2,992.3**	**2,563.4**
SHARE INFORMATION					
Earnings per share (sen)	5.1	5.5	3.7	5.4	**(50.2)**
Dividend per share (sen)	3.0	4.0	2.0	4.0	**-**
Net assets per share attributable to owners of the parent (RM)	1.85	1.90	1.87	1.85	**1.26**
Net tangible assets per share (RM)	1.01	1.06	1.02	0.97	**0.62**
FINANCIAL RATIOS					
Current ratio (times)	1.4	1.9	1.8	1.7	**1.2**
Liquidity ratio (times)	0.5	0.7	0.6	0.6	**0.6**
Gearing ratio (times)	0.3	0.3	0.3	0.3	**0.4**
EBITDA as a percentage of revenue (%)	7	7	5	6	**(2)**
PBT as a percentage of revenue (%)	3	4	2	3	**(13)**
PBT as a percentage of total equity at year end (%)	5	6	4	6	**(34)**
PATANCI as a percentage of shareholders' funds at year end (%)	3	3	2	3	**(40)**

5-YEAR GROUP FINANCIAL HIGHLIGHTS

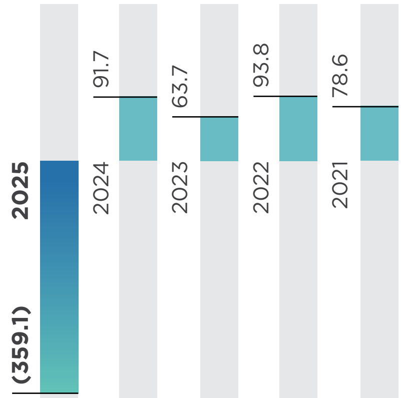
REVENUE
(RM million)



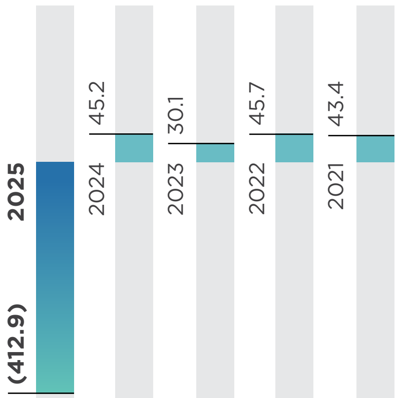
EBITDA
(RM million)



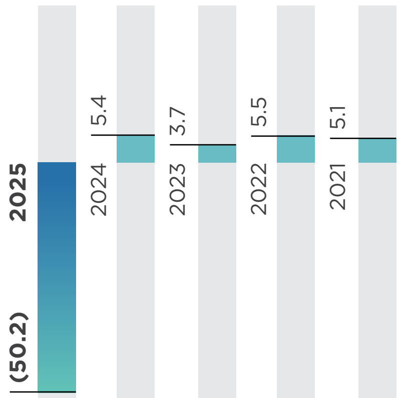
PBT
(RM million)



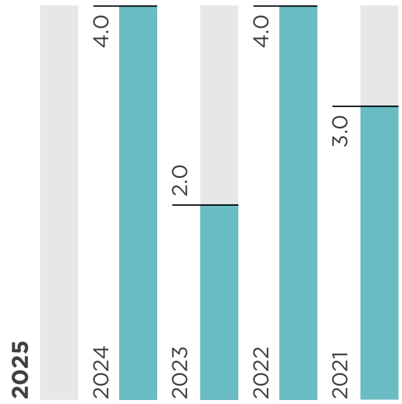
PAT
(RM million)



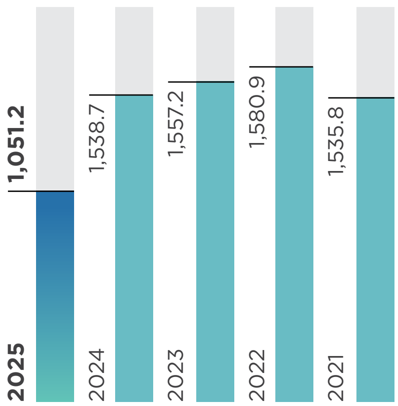
EARNINGS PER SHARE
(sen)



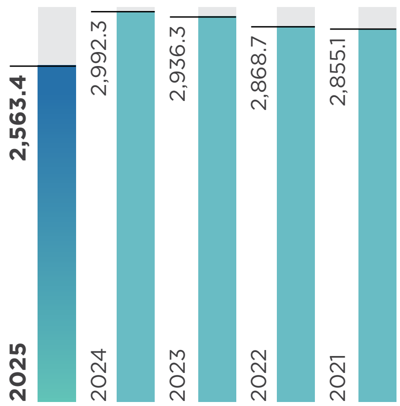
DIVIDEND PER SHARE
(sen)



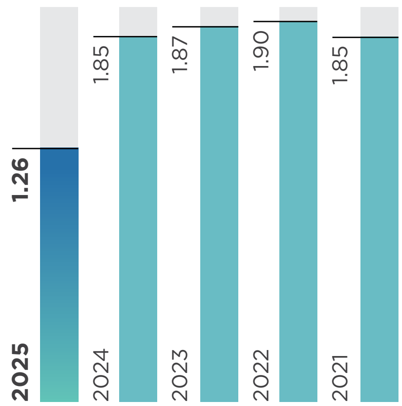
SHAREHOLDERS' FUNDS
(RM million)



TOTAL ASSETS
(RM million)

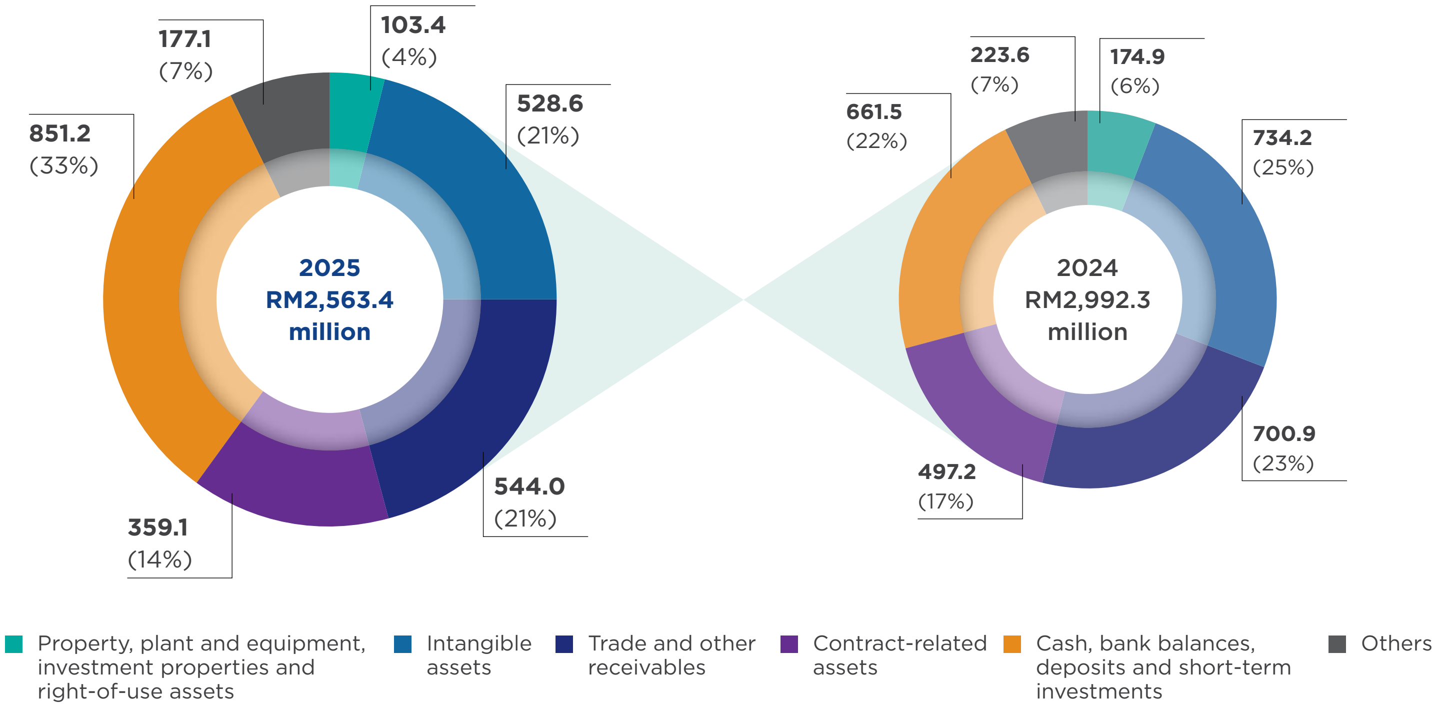


NET ASSETS PER SHARE
(RM)

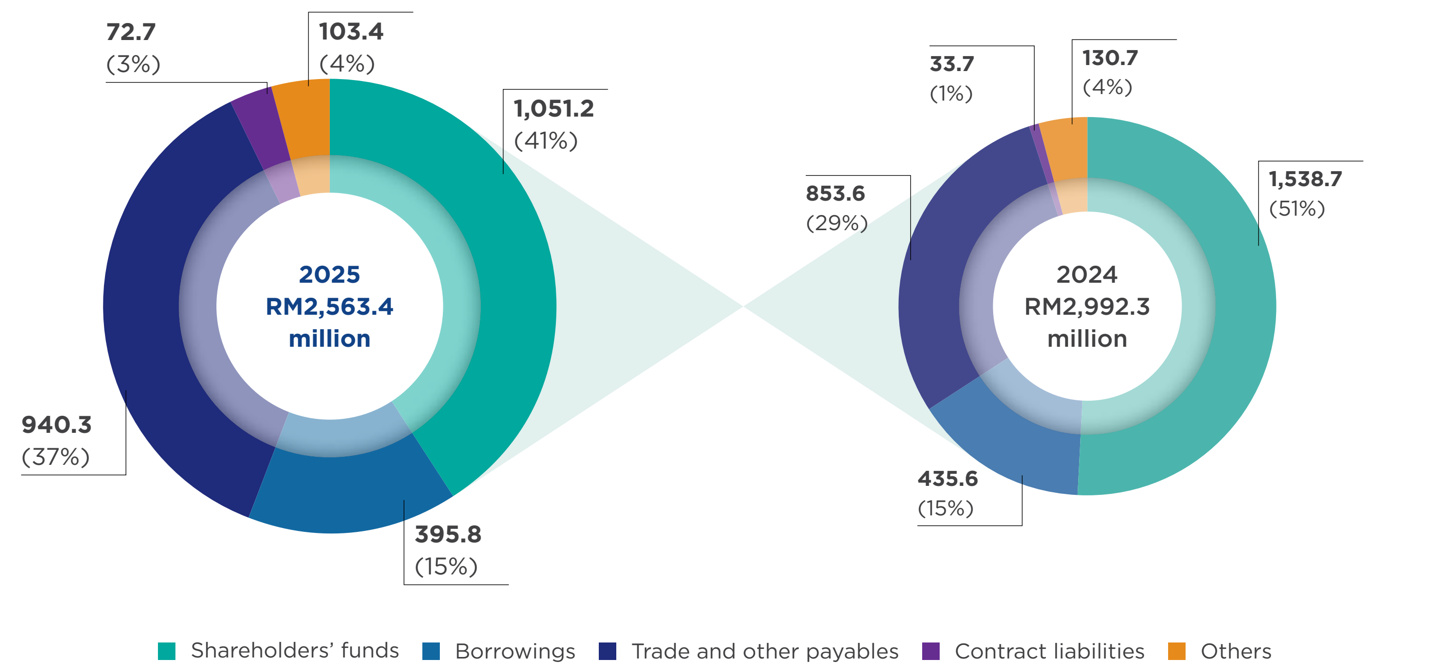


SIMPLIFIED STATEMENTS OF FINANCIAL POSITION

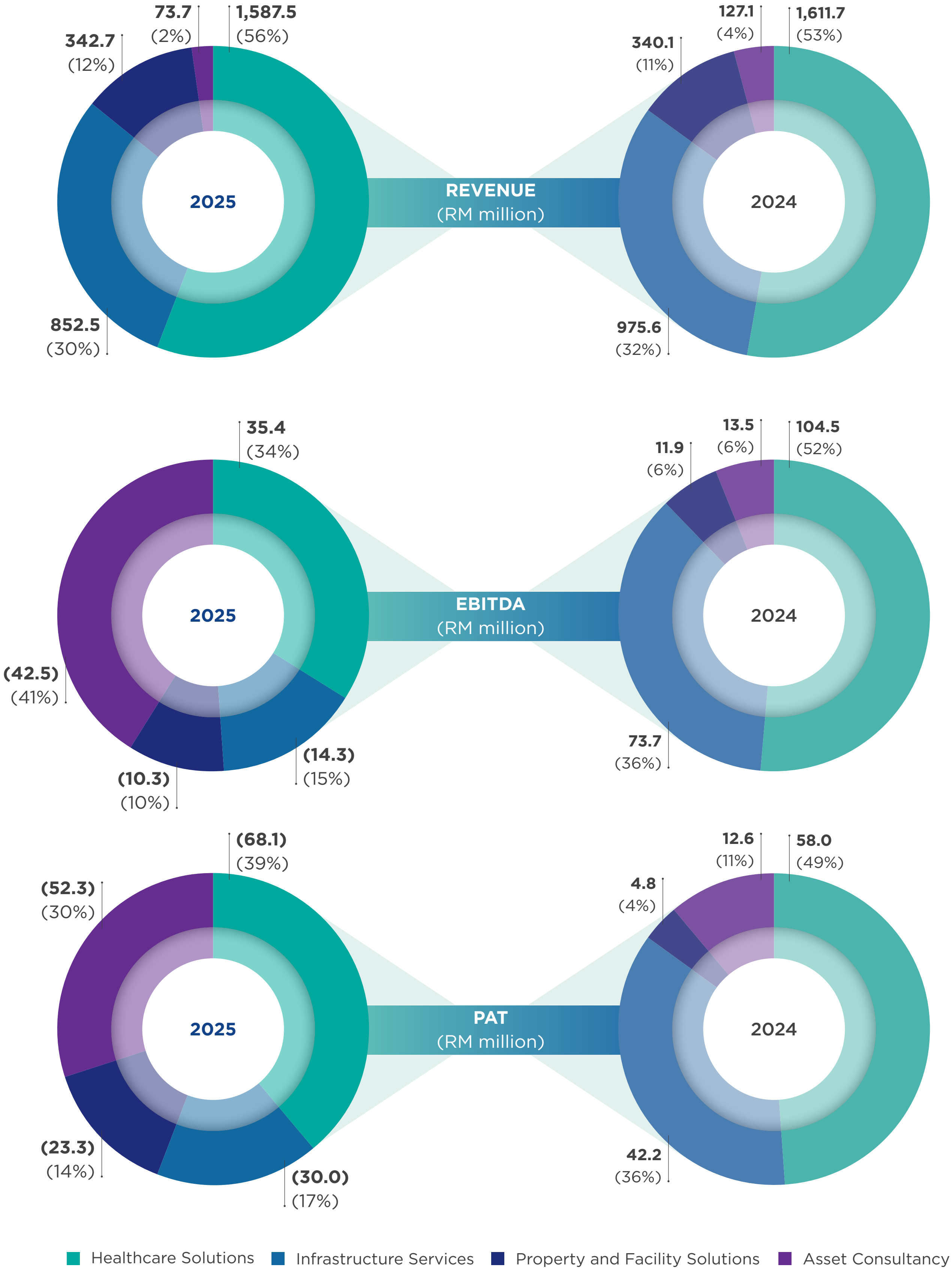
TOTAL ASSETS (RM million)



TOTAL EQUITY AND LIABILITIES (RM million)



GROUP SEGMENTAL ANALYSIS

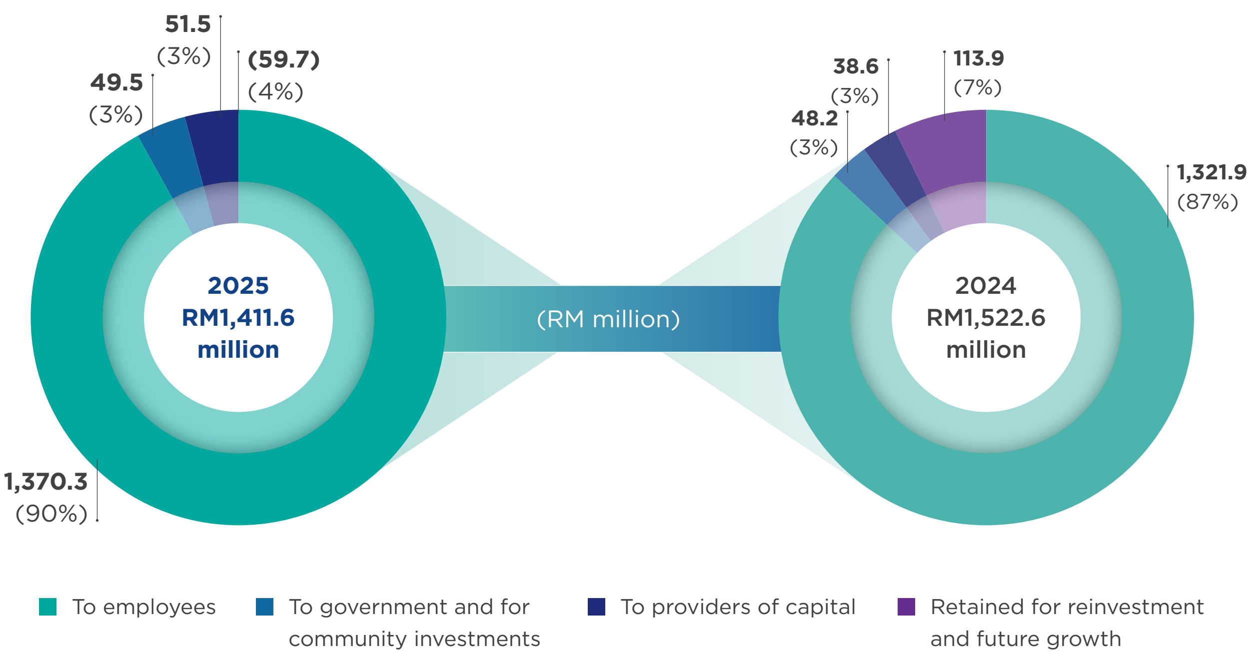


STATEMENT OF VALUE ADDED

VALUE ADDED	2024 RM million	2025 RM million
Revenue	3,049.8	**2,861.0**
Interest income	7.0	**8.2**
Other income	1.6	**0.9**
Operating costs	(1,535.8)	**(1,458.5)**
Value added available for distribution	1,522.6	**1,411.6**

VALUE DISTRIBUTION	2024 RM million	2025 RM million
To employees		
Employee costs	1,321.9	**1,370.3**
To government and for community investments		
Taxation and zakat	47.9	**49.4**
Community investments	0.3	**0.1**
To providers of capital		
Dividend paid to shareholders	16.6	**33.3**
Interest paid	22.0	**18.2**
Retained for reinvestment and future growth	113.9	**(59.7)**
Value added available for distribution	1,522.6	**1,411.6**

DISTRIBUTION OF VALUE ADDED



FINANCIAL CALENDAR

ANNOUNCEMENT OF QUARTERLY RESULTS

26 February 2025

Announcement on unaudited financial results for the 4th quarter ended **31 December 2024**

27 May 2025

Announcement on unaudited financial results for the 1st quarter ended **31 March 2025**

27 August 2025

Announcement on unaudited financial results for the 2nd quarter ended **30 June 2025**

26 November 2025

Announcement on unaudited financial results for the 3rd quarter ended **30 September 2025**

26 February 2026

Announcement on unaudited financial results for the 4th quarter ended **31 December 2025**

DIVIDENDS

26 February 2025

Announcement on single tier interim dividend of 4.0 sen per ordinary share for the financial year ended **31 December 2024**

16 May 2025

Payment of single tier interim dividend of 4.0 sen per ordinary share for the financial year ended **31 December 2024**

INTEGRATED ANNUAL REPORT AND ANNUAL GENERAL MEETING

29 April 2025

Notice of **62nd** Annual General Meeting

30 April 2025

Issuance of Annual Report for the financial year ended **31 December 2024**

19 June 2025

62nd Annual General Meeting

INVESTOR RELATIONS

ANALYST AND MEDIA BRIEFINGS

FINANCIAL RESULTS	DATE OF ANNOUNCEMENT	DATE OF BRIEFING
UEM Edgenta Q2FY25	27 August 2025	28 August 2025
UEM Edgenta Q1 FY25	27 May 2025	29 May 2025
UEM Edgenta FY24 Results	26 February 2025	27 February 2025
UEM Edgenta 3Q24 Results	26 November 2024	27 November 2024
UEM Edgenta 1H24 Results	28 August 2024	29 August 2024
UEM Edgenta 1Q24 Results	29 May 2024	30 May 2024

IR EVENTS

No	Events	Date
1	Engagement with Urusharta Jamaah Sdn. Bhd.	10 January 2024
2	Engagement with Principal and Public Mutual	15 January 2024
3	Rakuten Webinar (live on Facebook and YouTube)	30 January 2024
4	RHB Retail Webinar	7 February 2024
5	Engagement with Khazanah Nasional Berhad	13 March 2024
6	Engagement with Areca Capital	19 March 2024
7	Engagement with Urusharta Jamaah Sdn. Bhd.	29 March 2024
8	Small group engagement with Principal and Phillip Capital Management Sdn. Bhd.	29 March 2024
9	Fortune 500 press release	20 June 2024
10	Meeting between Khazanah and Opus team	9 July 2024
11	Meeting with Areca Capital	1 August 2024
12	Meeting with UOB Asset Management	8 August 2024
13	Engagement with Public Investment Fund (PIF) of Saudi Arabia	9 February 2025
14	Engagement in MASIC Annual Investment Forum	9 February 2025
15	Meeting with Sojitz APAC (Investment holdings organisation)	13 February 2025
16	Engagement with Expo City Dubai	26 February 2025
17	Meeting with Principal (CIMB)	29 July 2025
18	Meeting with Lembaga Tabung Haji	29 July 2025
19	Meeting with Khazanah	25 July 2025

INVESTOR RELATIONS

RETURN TO SHAREHOLDERS

RM33.3 million
Dividend paid in 2025

Returns provided to shareholders have amounted to more than
RM966 million
over the past 11 years.

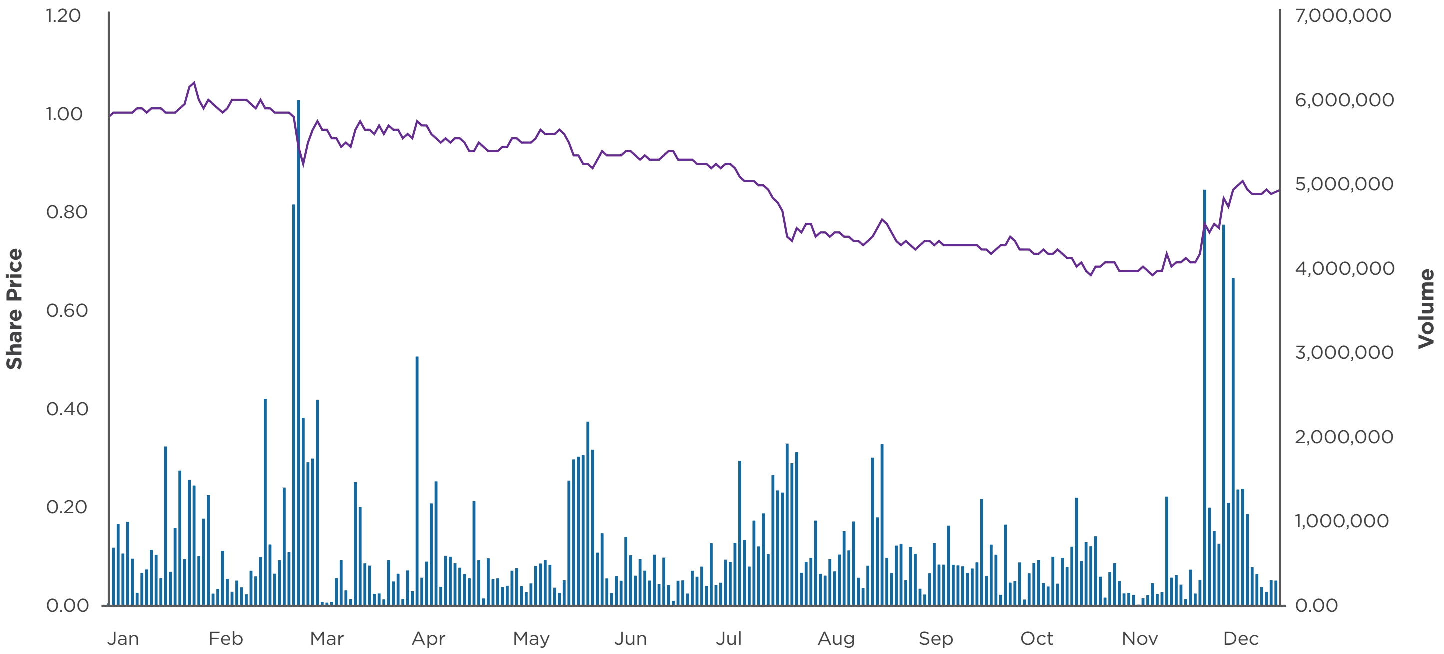
Dividend payout ratio: **2024 – 64%**

RESEARCH COVERAGE

RESEARCH HOUSE	CALL	TARGET PRICE
RHB Research	BUY	RM1.04
Beating Expectations; Maintain BUY		

Note: As at 27 February 2025 (post Full-Year FY2024 results announcement)

SHARE PRICE MOVEMENT AND VOLUME TRADED



BUSINESS REVIEW

HEALTHCARE SOLUTIONS

WHO WE ARE AND WHAT WE DO

Our Healthcare Solutions division delivers integrated, non-clinical hospital support services and facilities management that help our healthcare and commercial clients run safe, compliant and reliable care environments. We mainly serve public healthcare under the national health ministry and the education ministry, and private healthcare clients, alongside several commercial institutions.

Across our operating markets, we are recognised as a trusted key service provider, delivering consistent, high-quality outcomes through smart, people-centric solutions.

- In Malaysia, our footprint spans an extensive network of 36 hospitals in the state of Perak, Kedah, Penang and Perlis, including four non-concession hospitals and institutions, and a range of private healthcare and commercial facilities supported through multiple service lines.
- In Singapore, we have developed a stronghold in the market for healthcare support services, serving more than half of the 20 public and private healthcare institutions across the island. Notably, we have a 100% presence across all 10 restructured government hospitals across the island.
- We are also a leading provider in Taiwan's healthcare support services segment, serving over 40% of targeted hospital beds and supporting more than 80 public and private healthcare institutions.

Our core service scope spans essential functions that underpin efficient, patient-focused healthcare environments:

- Assets, buildings and systems reliability under our Facility Engineering Maintenance Services ("FEMS") and Biomedical Engineering Maintenance Services ("BEMS"), which are aligned to the Malaysian Ministry of Health's ("MoH") engineering policies and the Malaysian Medical Device Act 2012 (Act 737).
- Keeping healthcare environments hygienic and patient-safe with extensive cleaning, infection control and sanitisation services supporting large-scale daily cleanable areas, as well as linen and laundry services delivered through dedicated laundry plants with industrial-scale linen processing and supply.
- Healthcare waste management services designed to ensure strict compliance with scheduled waste regulations, delivered through specialised clinical waste incineration facilities and professional handling processes.
- Portering, kitchen stewarding, visitor management, and other non-clinical hospital aide services that enable smoother ward operations and patient movement, reinforcing service responsiveness and continuity of care.

To strengthen our positioning as a technology-enabled healthcare support partner, we continuously innovate our service approach. We have increased our use of automation/robotics, IoT and data analytics, supported by internal digital platforms such as *UE*Track™ and V-EMCC, to enhance visibility, responsiveness and performance governance.

Additionally, we embed sustainability into our day-to-day operations through initiatives such as energy efficiency improvements, retrofitting projects, solar photovoltaic installations, energy management standards and indoor air quality enhancements. These are supported by internationally recognised certifications and awards across our hospital portfolio including ISO 9001, ISO 13485, ISO 14001 and ISO 45001, alongside multiple green building and safety recognitions.

BUSINESS REVIEW

HEALTHCARE SOLUTIONS

BUSINESS ENVIRONMENT

Against the backdrop of rising healthcare demand across Malaysia and the wider Asian region driven by an ageing population, we continue to strengthen our leadership in hospital support services and integrated facilities management, committed to disciplined operational execution and resilient financial performance.

Sustainable, technology-enabled solutions are a key lever of our success, enabling us to enhance efficiency, resilience and quality of care across facilities. By embedding sustainability principles, digital innovation and data-driven processes in healthcare service delivery, we support a patient-centric operating model that meets evolving regulatory requirements and ESG expectations. This integrated approach, underpinned by strong governance and continuous innovation, positions us at the forefront of the healthcare support services and facilities management industry, enabling long-term value creation for our clients, stakeholders and the communities we serve.

KEY FOCUS AREAS

- Facility Engineering Maintenance Services
- Biomedical Engineering Maintenance Services
- Facilities Management Services
- Cleansing Services and Housekeeping Services
- Sustainability Programme
- Healthcare Waste Management Services
- Energy Management and Certification
- Linen & Laundry Services
- Portering Services
- Hospital Aide Services
- Healthcare Technology

BUSINESS PERFORMANCE REVIEW

New Business Growth

- Grew our non-concessions portfolio with wins and renewals across FEMS, BEMS, and services which include soiled linen processing and clinical waste incineration for private clients.
- Achieved more than 300 contract renewals, of which 261 were private waste contracts for private clinics and dialysis centres while the rest comprised contracts for cleaning and housekeeping services.
- Secured new contract wins in Malaysia which included FEMS and BEMS for Hospital Sultan Zainal Abidin in Kuala Terengganu, providing linen and laundry services for several private sector clients (Columbia Asia Hospital, Batu Kawan and Taiping branches), and providing cleaning and housekeeping (Sena Specialist Hospital, Johor; IHT Kuala Lumpur; Sri Botani Hospital, Perak; seven branches of Columbia Asia Hospital; and IHT Rehabilitation Centre, Penang).

Overseas Business Expansion

- Achieved a high contract renewal rate in Singapore and Taiwan, affirming our leadership in healthcare and other vertical adjacencies.
- Expanded our service footprint in Singapore beyond healthcare, strengthening our presence across hotels and commercial properties.
- Diversified into new sectors in Singapore, expanding our service offerings to include remote facade cleaning services, premium concierge services, and food, nutrition and beverage support services.
- Secured 15 new contracts across various sectors through our operations in Taiwan, with notable wins in the healthcare segment including housekeeping service contracts for the Hsinchu MacKay Memorial Hospital and Hsinchu MacKay Children's Hospital, as well as a portering service contract with the Buddhist Tzu Chi Medical Foundation's Taipei Tzu Chi Hospital.

Operational Excellence and Improvement

- Initiated Project Catalyst, which focuses on contractor cost management, consumables control and manpower optimisation, supported by stronger contract governance, pooled purchasing and overtime/workforce planning.
- Started Project Delta Procure-to-Pay (P2P) which addressed 19 pain points across the P2P process, with 29 action items (26 targeted for completion in 2025, 3 in 2026) to strengthen efficiency, compliance, cost visibility and analysis.

Technology and Innovation

- Established Virtual Edgenta Mediserve Call Center ("V-EMCC") on 23 June 2025, a highly scalable cloud-based virtual call centre which provides round-the-clock support for hospital operations, while becoming the first MoH virtual call centre to fully adopt a remote working model.
- Onboarded 33 hospitals with V-EMCC, supporting over 350,000 calls and 306,000 service requests per year.
- Entered over 2.3 million data records in the centralised Assets and Systems Information System (ASIS).
- Formed a new subsidiary, UEMS NXT Pte. Ltd., in Singapore to enhance our technology capabilities and strengthen our smart building consultancy services.
- Leveraged our centralised database and real-time data capture to improve cleansing and portering services via *UE*Track™, optimising tasks such as linen management, consumables ordering, and toilet cleanliness inspections.
- Launched partnerships to develop digital solutions and expand on our service repertoire and standards, including in Singapore where we signed 3 MoUs with technology firms to strengthen energy and workforce management and were appointed as a key collaborator for a multi-agency collaboration on drone technology applications.

Occupational Safety and Health Leadership

- Strengthened our Health, Safety, Security and Environment ("HSSE") culture through structured campaigns and recognition programmes, anchored by award-winning safety management practices.

CHALLENGES AND MITIGATION

Challenges	Mitigation Actions	Results
Rising manpower costs due to minimum wage increases and skill mismatches exacerbated by increasing service complexity of contract requirements	• Review and redesign job specifications to align with evolving service requirements. • Accelerate multi-skilling, cross-deployment and competency-based training programmes. • Optimise shift planning and workload-based rostering. • Strengthen productivity tracking and performance accountability.	• Strengthened productivity and service responsiveness in front-line support via implementation of centralised call-centre. • Achieved a 15-minute turnaround time for 85% of monthly portering requests, significantly improving operational efficiency and ensuring timely support for internal departments and stakeholders. This contributed to smoother daily workflows and enhanced overall service satisfaction. • Enhanced asset performance and system reliability by optimising maintenance strategies and monitoring processes, resulting in improved uptime and availability of building facilities. These efforts minimised disruptions, reduced downtime and ensured a consistently safe and functional environment for occupants.
Escalating costs of consumables, spare parts and maintenance services	• Rationalise and renegotiate subcontract and vendor arrangements. • Centralise procurement, standardise specifications and leverage bulk purchasing. • Improve inventory planning, usage monitoring and demand forecasting. • Enhance internal technical capability to reduce external service dependency.	• Enhanced efficiency, cost visibility, control, and analysis through improved Procure-to-Pay governance that track timely completion, streamlining and strengthening the purchasing processes to improve operational efficiency, compliance and cost transparency. • Realised cost savings of over RM11 million by advancing contract cost analytics, centralising and pooling procurement, strengthening vendor partnerships, and optimising workforce planning, management, and overtime controls to improve overall efficiency.

BUSINESS REVIEW

HEALTHCARE SOLUTIONS

Challenges	Mitigation Actions	Results
Ageing hospital assets driving higher breakdowns and lifecycle costs, strained by limited capital for replacement and increasing utilisation intensity	• Implement asset criticality-based maintenance and prioritisation strategy. • Strengthen preventive and predictive maintenance through computerised maintenance management system ("CMMS") optimisation. • Develop asset lifecycle and replacement roadmap in collaboration with hospitals and health authorities. • Improve asset performance monitoring and failure trend analysis.	• Sustained asset reliability through performance-based maintenance outcomes, with FEMS delivering over 98% asset uptime and over 98% preventative maintenance completion rate. • Meanwhile BEMS is continuously achieving 99% assets uptime with its completion of scheduled preventive maintenance work.
Current operating structures risk misalignment with new and evolving healthcare operating models during renewal considerations	• Strengthen operational data, cost benchmarking and performance reporting. • Develop a future-ready health support services operating model focusing on lean, digital and scalable solutions. • Align our future initiatives with concession renewal value propositions. • Enhance stakeholder engagement and readiness planning.	• Built stronger commercial and operational future proof businesses through renewals and new contracts wins.

OPPORTUNITIES

- Strengthen healthcare support services and IFM delivery through digital enablement, automation, and data-driven decision-making to enhance operational efficiency, improve data accuracy, and address ongoing cost and workforce pressures.
- Expand engagement across private healthcare and commercial building markets to diversify revenue streams through asset lifecycle management and enhanced IFM service offerings.
- Capture non-clinical revenue opportunities by broadening value-added services, enhancing commercial resilience, and reducing reliance on government-funded contracts.
- Transform the procurement-to-pay processes by strengthening governance, standardising sourcing strategies, and leveraging data analytics and supplier rationalisation to deliver significant and sustainable cost optimisation across operations.
- Leverage ESG capabilities and specialist skills to deliver sustainable and energy-efficient outcomes, while aligning with sustainability and decarbonisation targets in our target markets.

2025 ACHIEVEMENTS

SUSTAINABILITY HIGHLIGHTS

Achieved

RM147 million

in cumulative electricity savings and

16% CO_2 reduction

across facilities in Malaysia's Northern Region

32 hospitals achieved

3-star certification

under the Building Energy Intensity (BEI) labelling programme for hospitals under the Ministry of Health

8 hospitals are

LEED certified:

- Platinum: Hospital Teluk Intan, Hospital Kepala Batas, Hospital Slim River
- Gold: Hospital Sultanah Maliha, Hospital Raja Permaisuri Bainun, Hospital Pulau Pinang, Hospital Tuanku Fauziah, Hospital Sultanah Bahiyah

24 hospitals are

MyCREST certified:

★★★★★	★★★★☆	★★★☆☆
3 hospitals	8 Hospitals	14 Hospitals

Hospital Parit Buntar achieved

Penarafan Hijau Jabatan Kerja Raya (pH JKR)

AWARDS AND RECOGNITION

Malaysia

- **CIDB QUEST Award – Outstanding Achievement Award (Anugerah Pencapaian Cemerlang)**
  - Hospital Taiping
  - Hospital Gerik
  - Hospital Kampar
  - Hospital Balik Pulau
  - Hospital Sungai Bakap
- **Hospital Management Asia Awards**
  - Hospital Bukit Mertajam (Most Sustainable Hospital – Gold)
- **Green Healthcare Facilities Appreciation 2025 (GHFA2025)**
  - Best Sustainability Initiative (Concession)
  - Best Energy Reduction (Hospital)
    - Hospital Sultan Abdul Halim (Winner)
    - Hospital Sungai Siput (2nd Runner-up)
- Best Energy Reduction (State)
  - JKN Perak (Winner)
  - JKN Pulau Pinang (1st Runner-up)
- Best 3R Implementation (Hospital)
  - Hospital Sultanah Bahiyah (1st Runner-up)
- Best 3R Implementation (State)
  - JKN Kedah (2nd Runner-up)
- Most 3R Revenue Generated
  - Hospital Pulau Pinang (1st Runner-up)
- Best Green Building Certified Hospital
  - Hospital Kepala Batas (Winner)
  - Hospital Teluk Intan (1st Runner-up)
  - Hospital Slim River (2nd Runner-up)
- **Winner of National Occupational Safety & Health (OSH) Award – Cleanliness Facilities (Kemudahan Kebersihan)**
  - Hospital Sultanah Bahiyah, Kedah
- **Outstanding Industry Mentorship 2025 Award awarded by the Ministry of Higher Education**
- **Outstanding Work Based Learning (WBL) Industry Partner for Healthcare, and Outstanding Industry Mentorship Award**

BUSINESS REVIEW

HEALTHCARE SOLUTIONS

Singapore

2025 Champion of Good

from the National Volunteer and Philanthropy Centre (NVPC), affirming the positive impact we make to the community

2025 Best FM Partner Award (Cleaning Category)

at the Facilities Management Experts Summit

Corporate Treasurer Award 2025

for Excellence in Use of Technology, in recognition of the value our daily payroll initiative brings to staff and to operational innovation

OUTLOOK

Regional demand for healthcare is expected to grow as a result of an ageing population. Malaysia's hospital market is projected to record a 5.20% compound annual growth rate (CAGR) to 2034, while Singapore and Taiwan are forecast to grow at 4.2% and 2.3%, respectively, to 2030.

At the same time, private healthcare and commercial providers are showing a growing preference for selective insourcing to enhance service quality control. Nevertheless, there is strong demand for value-driven, hybrid service models that deliver specialist expertise, flexibility, and measurable outcomes.

As such, our prospects remain positive, underpinned by the continued expansion of healthcare services, heightened focus on patient safety and experience, and our leading reputation in the fields of IFM, sustainability, and digital solutions. By leveraging our strong governance and ESG-aligned business and concession models, we aim to enhance operational efficiency, strengthen client partnerships, and deliver long-term value in the region's evolving healthcare landscape.

DID YOU KNOW?

Our Heads of Services of Healthcare Solutions in Malaysia, who are subject matter experts in their respective fields, were involved in the Working Committee for the development of the Malaysian Standards for Good Healthcare Management Services under the Industry Standards Committee on Medical Devices and Facilities for Healthcare (NSC 18).

They contributed their business knowledge, insights and operational expertise during the drafting and finalising processes, which was ultimately codified by the Department of Standards Malaysia on 2 December 2025 into MS 2759:2025 – Code of Practice for Good Healthcare Facilities Management Services and MS 2760:2025 – Code of Practice for Linen and Laundry Services for Healthcare Facilities.

Edgenta Healthcare Technology (HTeC) is our centre of excellence for biomedical engineering maintenance, supporting the hospital support services concession in the northern region of Malaysia.

HTeC offers several core services such as specialised biomedical engineering maintenance, test equipment calibration, medical equipment rental, as well as a central maintenance workshop and procurement centre. It also serves as a BEMS training centre with highly skilled and trained personnel for efficient maintenance services, leveraging cost efficiency derived through the provision of shared resources.

A strategic collaboration has been established with GE, whereby GE has set up the GE Academy at HTeC, serving as a global training centre for GE engineers. As part of this technical collaboration arrangement, EMSB is granted access to structured technical training programmes, particularly in mid-range diagnostic and therapeutic equipment, to further strengthen its internal technical capabilities.

This collaboration provides multiple strategic advantages, including accelerated capability development, improved service quality and consistency, and enhanced technical competency aligned with OEM standards. In addition, it supports knowledge transfer, reduces reliance on external service providers, and contributes to cost optimisation through increased in-house maintenance capacity.

The arrangement also positions EMSB to better support newer equipment deployed by the Ministry of Health (MoH), ensuring greater operational readiness and long-term service sustainability.

PROPERTY AND FACILITY SOLUTIONS

WHO WE ARE AND WHAT WE DO

Our Property and Facility Solutions ("PFS") division delivers integrated facilities management (IFM) services across more than 1,000 buildings and facilities in the commercial, industrial and residential segments across Malaysia, the UAE and Saudi Arabia, supporting asset owners in improving cost efficiency and asset performance while advancing sustainability outcomes.

Through a holistic, connected approach to facilities management that harnesses data and technology, we move beyond service delivery to support asset owners as strategic partners amid rising cost pressures and increasingly complex operational environments. We achieve this by adopting a data-driven, technology-enabled approach, integrating proprietary digital solutions such as Asseto to provide asset owners with a top-down, real-time view of asset performance across their portfolio. This enables early issue identification and better decision-making, progressively optimising performance over time.

We also support asset owners in improving energy efficiency and reducing electricity consumption across their facilities, while enabling buildings to achieve and maintain recognised green building certifications such as the Green Building Index ("GBI") and Leadership in Energy and Environmental Design ("LEED"). These efforts contribute to lower operating costs and improved asset resilience, while supporting stronger long-term asset value while advancing clients' broader sustainability and regulatory objectives.

BUSINESS ENVIRONMENT

The asset management industry continued to operate within a challenging environment during the year, shaped by global economic uncertainty and more cautious sentiment among asset owners. Volatility in external markets led many clients to defer new investments, placing greater emphasis on optimising performance and efficiency within existing assets.

Due to this unpredictable environment, asset owners have begun to reassess their outsourcing strategies, opting to insource selected services. This shift has intensified competition and created further imbalance between supply and demand across the market, placing additional stress on pricing and service economics. This pressure has been further amplified by minimum wage increases, raising labour costs and overall operating overheads.

Conditions in key overseas markets have been more supportive. In the Middle East, the asset management sector is projected to grow at a compound annual growth rate of approximately 9.5% between 2025 and 2030, supported by large-scale developments in Saudi Arabia — including Diriyah, the Red Sea Project, Qiddiya and NEOM — as well as continued growth in mixed-use developments, hospitality assets and master-planned communities in the United Arab Emirates. In this context, our technology-centric positioning places us well to expand our presence across the region.

BUSINESS REVIEW

PROPERTY AND FACILITY SOLUTIONS

KEY FOCUS AREAS

- Smart, Tech-Enabled Solutions
- Sustainable Building Management
- Green Building Certifications
- Tenant Attraction and Retention
- Key Market Positioning
- Value Creation for Stakeholders
- Penetration Into New Sectors

BUSINESS PERFORMANCE REVIEW

Business Growth

- Secured new business segment within integrated facilities management (IFM) contracts with Shell Malaysia (covering over 700 Shell retail stations nationwide) and Vale Malaysia Minerals (managing a private port with mining activities in Perak), leveraging our value proposition as a technology-driven asset manager.
- Successfully delivered the Intelligent Operations Centre ("IOC") for MRANTI Park.
- Strengthened our presence in the United Arab Emirates through Operon Middle East, including the successful renewal of the WASL DZ1 and DZ2 contracts, which also saw the addition of new buildings to the portfolio.
- Through MEEM Facilities Management, secured a major managing agent contract with Tatweer Building Company (TBC) to oversee approximately 4,000 schools across the Western Region of Saudi Arabia, while continuing to expand facilities management services across residential compounds in the Kingdom.

New Market Penetration

- Expanded beyond commercial and residential assets by securing IFM contracts with Shell Malaysia and Vale Malaysia Minerals, marking our first foray into multi-site industrial environments, as well as our first projects in the oil and gas and mining sectors.
- Reinforced our real estate services capabilities through Kaizen Owner Association Management Services LLC, our property and owners' association management platform with a strong presence in the United Arab Emirates.
- Grew our Middle East presence through the incorporation of DuaSatu FZ LLC, a joint venture between Kaizen Owner Association Management Services LLC and 21 Estates Group FZCO to deliver large-scale owners' association and property management services for master development projects in Dubai and selected sites globally.

Ensuring Service Excellence

- Consistently met key performance indicators ("KPIs") and service level agreement ("SLA") requirements across multiple client sites without service scope deductions.
- Maintained Green Building Index (GBI) Platinum certification status for four consecutive terms on behalf of a government client.

Enhancing Revenue and Profitability

- Generated additional revenue by cross-selling and upselling to existing customers.
- Optimised operating costs through tighter overhead control.

CHALLENGES AND MITIGATION

Challenges	Mitigation Actions	Results
Upskilling of end-to-end facilities management professionals, particularly in managing sustainable buildings with advanced systems	• Implement development programmes to provide certifications in relevant fields, including energy management and green building facilitation. • Support workforce upskilling through Edgenta NXT and strategic technology partnerships with RDM Asia. • Strengthen workforce capability to support green and sustainable building operations.	• Ensured key personnel at all facilities management sites in Malaysia received training in energy efficiency, with seven staff becoming Registered Energy Managers (Type 1 and 2). • Successfully certified a key facility manager as a Green Building Facilitator, bringing the total number of facilitators employed to two.

Challenges	Mitigation Actions	Results
Managing client expectations for service delivery	• Conduct regular check-ins and performance evaluations to monitor KPI and SLA compliance. • Engage clients by presenting updated solutions tailored to evolving operational needs.	• Achieved all KPI and SLA requirements without penalties or service scope deductions.
Rising cost pressures, including manpower and materials	• Optimise shift arrangements and reduce reliance on overtime to manage labour costs. • Control material costs through centralised and bulk procurement.	• Improved facilities management margins in Malaysia by 1% through cost controls.
Managing operations at scale across more than 1,000 horizontal assets and diverse end users	• Digitalise facilities management processes, including customer requests and complaints, via Asseto to increase capacity. • Establish regional persons-in-charge responsible for stakeholder management.	• Improved response times in line with established KPIs and SLAs. • Increased customer satisfaction from engagement with local subject matter experts. • Redirected 90% of requests and complaints to be logged through our digital portal.

OPPORTUNITIES

- Capture increased demand for technology-enabled and energy-efficient facilities management in line with Malaysia's National Energy Transition Roadmap ("NETR").
- Expand green IFM opportunities, supported by RM4 billion earmarked for green and smart government buildings by 2030.
- Strengthen internal skills and capabilities in response to the industry shift towards decarbonisation, resource efficiency and green building outcomes.

2025 HIGHLIGHTS

SUSTAINABILITY HIGHLIGHTS

Low-carbon mobility practice
including carpooling, coordinated group travel and increased use of virtual meetings to reduce travel-related fuel consumption and emissions.

Competency development
in GBI and Energy Management via certification programmes.

88 kg disposed
from the E-Waste Recycling Campaign.

Resource optimisation measures
covering electricity and water efficiency to reduce operational energy use and promote responsible consumption.

Supported coastal protection and environmental sustainability
through a mangrove tree-planting initiative that enhances biodiversity and strengthens climate resilience.

Enhanced digital report
to client incorporating analytics.

OUTLOOK

Moving forward, macroeconomic uncertainty and cautious sentiment among asset owners are expected to persist, sharpening focus on operational efficiency and sustainability as a means to protecting margins.

To support asset owners in navigating this environment, we will continue to prioritise our technology-enabled solutions. Asseto will be embedded across all flagship contracts as a built environment master integrator, while we continue to invest in BIM, IoT, and machine learning applications to strengthen asset tracking, predictive maintenance, real-time monitoring, and energy optimisation. This will be complemented by employee training and development to ensure we build the capabilities required to maximise these technologies.

These measures will reinforce our differentiation in the evolving facilities management market, positioning us to generate long-term value for the Group and our clients.

DID YOU KNOW?

Our clients use our proprietary Asseto platform to make their buildings smarter and support their sustainability aspirations.

Developed by our digital arm Edgenta NXT, Asseto brings together data, IoT, and AI to drive better outcomes for occupant comfort, asset performance, and sustainable building operations.

We provide **IFM services for over 1,000 buildings** across Malaysia, the UAE, and Saudi Arabia.

This includes managing more than **700 assets** for a single key client, bringing our total AUM to over 1,000 properties.

We have consistently maintained **GBI Platinum certification** across four consecutive terms for a key government client.

INFRASTRUCTURE SERVICES

WHO WE ARE AND WHAT WE DO

With more than 35 years of experience, our Infrastructure Services division has established itself as Malaysia's leading infrastructure maintenance specialist.

While our core expertise lies in expressways, we have built a strong track record in state and rural roads, rail networks and airports. Across each of these environments, we combine technical expertise with a practical understanding of the priorities and constraints of asset owners, enabling us to deliver tailored solutions that optimise infrastructure performance over the long term.

Our core service offerings include:

- **Network Maintenance:** Supporting road safety and asset longevity through input-based, output-based and performance-based maintenance models.
- **Pavement Products & Services:** Delivering sustainable, high-performance pavement solutions through a Comprehensive Pavement Maintenance ("CPM") methodology to optimise pavement lifecycle performance.
- **Traffic & Safety Management:** Enhancing road safety through proactive traffic planning and incident management strategies.
- **Environmental & Material Testing:** Supporting compliance with environmental standards and project specifications.
- **Pavement Research Centre ("PRC"):** Advancing innovation in asphalt mix design and pavement engineering.
- **Road Asset Management Systems ("RAMS"):** Leveraging data analytics to enable smarter infrastructure asset planning and performance monitoring.

BUSINESS ENVIRONMENT

Malaysia's construction and infrastructure sector remains a key driver of economic growth, underpinned by sustained public investment and major national developments. In Budget 2025, RM9.5 billion has been allocated for the maintenance of federal, state and non-main roads, alongside initiatives to enhance road safety and monitoring through advanced systems and infrastructure upgrades.

The increase in minimum wages over the past year has become a key challenge for the infrastructure sector, exerting pressure on margins while material prices remain volatile amid ongoing geopolitical uncertainty. This heightens the need for asset owners to adopt mechanisation, automation, and digitalisation to reduce running costs and drive bottom-line value. Many market players have also adopted IoT-enabled monitoring and smart infrastructure technologies to improve real-time visibility and decision-making, supporting more efficient operations.

Sustainability is another driver of value, with the use of eco-friendly and lower-impact materials gaining traction among infrastructure owners. Our Pavement Research Centre ("PRC") supports this positive trend by undertaking research on sustainable road materials, such as lower-carbon pavement solutions and recycled asphalt pavement (RAP).

BUSINESS REVIEW

INFRASTRUCTURE SERVICES

KEY FOCUS AREAS

- Growth with PLUS via Project Development
- Road Maintenance Growth
- Portfolio Broadening Across Construction, Airports & Water

BUSINESS PERFORMANCE REVIEW

Maintain Market Leadership Through New Contract Wins

- Awarded a traffic management contract for the KL-Karak Lane Widening Project – becoming a Tier 1 contractor in the process.
- Appointed as the nominated subcontractor for traffic management services for the Johor Third Lane Widening Project (Phases 1B and 2).
- Enhanced our collaboration with Malaysia Airports Holdings Berhad with airport pavement rehabilitation works at Kuching Airport.
- Won a geothermal supply contract for a power plant in Bandung, a key milestone for our subsidiary in Indonesia.

Implement Mechanisation and Automation

- Utilised mechanised scrubbers and mopping automation to enhance productivity.
- Deployed robot cleaners at selected Rest and Service Areas (RSAs) along the North-South Expressway (NSE).
- Continued to develop and integrate our proprietary RAMS software, which improves decision-making for road and highway assets through road condition monitoring and maintenance planning, helping teams plan and prioritise maintenance works.

Ensure Service Delivery and Quality

- Added three state-of-the-art WIRTGEN VÖGELE Dash 5 road pavers to our fleet featuring advanced operator ergonomics, faster set-up times, enhanced automation and a more environmentally friendly drive system.
- Strengthened our in-house capabilities and reduced reliance on subcontractors, enhancing cost control and operational resilience to support overall delivery efficiency.
- Continued to engage with subcontractors to enhance their HSSE skills and compliance.
- Deployed the RAMS mobile application across operational teams to improve on-site efficiency and reporting accuracy.

Broaden Service Portfolio

- Expanded partnership with PLUS Malaysia Berhad through future project development initiatives.
- Extended service offerings to include construction, airport maintenance and water infrastructure.
- Strengthened market presence in Indonesia through collaborations with a local partner.

Secure Revenue for Sustainable Products

- Increased commercialisation of products from our Asphalt Premix Plant with Recycling Facility.

Enhance ESG initiatives

- Through our Pavement Research Centre, we developed a prototype asphalt mix that increases the composition of recycled materials from 30% to 50%.
- Strengthened staff awareness of best practices in energy conservation and carbon footprint reduction.

CHALLENGES AND MITIGATION

Challenges	Mitigation Actions	Results
Operational cost pressures	• Negotiated rate and fee revisions in line with contract provisions. • Limited vendor cost increases through the implementation of structured cost controls. • Applied back-to-back payment terms where applicable. • Restructured procurement strategy, including full subcontracting or separate supply and installation contracts where appropriate. • Awarded longer contract period to subcontractors at existing rates instead of issuing new tenders. • Implemented technology-driven operational improvements, including mechanisation and automation.	• Improved cost efficiency and margins. • Increased productivity and operational optimisation.
Increased road safety and maintenance requirements	• Enhanced traffic management procedures during lane closures, including the use of solar-powered LED blinkers in place of traditional fluorescent systems. • Conducted controlled trials in high-incident areas using extended taper lengths and blue blinkers to improve driver behaviour.	• Improved traffic safety and HSSE compliance at road maintenance sites.

OPPORTUNITIES

- Expand into adjacent sectors such as road construction, airports and water in line with infrastructure growth trends.
- Utilise emerging technologies such as AI, digitalisation and automation to modernise road asset management and infrastructure solutions, enhancing productivity and efficiency.
- Integrate sustainable products and practices into our projects.
- Implement the latest enhancements in safety technology.

BUSINESS REVIEW

INFRASTRUCTURE SERVICES

2025 ACHIEVEMENTS

SUSTAINABILITY HIGHLIGHTS

ESG Initiatives

Deployed over

RM19 million

worth of recycled asphalt on PLUS highways in FY2025

Successfully conducted tests and prototyping for hot mix asphalt consisting of

50% recycled materials

Replaced traditional lighting with **LED lights** at site offices

Limited air conditioning temperature

to a minimum of 24°C

to reduce energy consumption

Recycled domestic waste

at our site offices, including paper, metal cans and electronic equipment

CSR Initiatives

Conducted a tree planting initiative

at Sultan Idris Shah Forestry Education Centre

Repainted and implemented minor refurbishment works

at the community centre of Kampung Terusan Seberang Juasseh, Negeri Sembilan under the Satu Pemimpin Satu Kampung programme

Carried out a

***buka puasa* and donation**

drive for the Pusat Titian Kasih Nur care home, where we donated two wheelchairs and several essential food items

AWARDS AND RECOGNITION

We received two awards in 2025, both for the positive environmental impact of our Asphalt Premix Plant with Recycling Facility:

- **The Star ESG Positive Impact Awards 2025**
  - Gold Award in the Waste Management Category
- **Asia ESG Positive Impact Awards 2025**
  - Silver Award in the Waste Management Category

OUTLOOK

In 2026, Malaysia's infrastructure sector is expected to remain resilient, underpinned by sustained public and private investment under the 13th Malaysia Plan. Highway upgrades, lifecycle maintenance, and the development of strategic road corridors to enhance regional connectivity will be key areas of focus. Continued growth in air travel is also expected to support airport upgrades, including pavement rehabilitation and airside improvements to accommodate higher passenger and cargo volumes.

Sustainability and operational efficiency will remain key priorities across both road and airport infrastructure. Digital technologies will serve as an important lever in achieving these objectives, with smart asset management systems and mechanised delivery models utilised to uphold higher standards of safety and performance, alongside the adoption of recycled materials to advance circular economy practices.

Our Infrastructure Services Division is well positioned to meet these demands and capture emerging opportunities by leveraging mechanised capabilities, digital enablement through RAMS, in-house recycled asphalt production, and research-driven sustainable pavement solutions. The Smart Paving Machine System will further enhance paving precision and efficiency while reducing material waste, supporting consistent quality and cost control.

DID YOU **KNOW?**

Our industry-leading expertise in highway maintenance and pavement services is underpinned by
more than 35 years
of experience across Malaysia's infrastructure sectors, including the
maintenance of over 9,000 km
of expressways and roads.

We maintain
over 1 billion square metres of grass annually
- equivalent to over 120,000 football fields.

Our teams lay
over 400 km of roads annually
while specialising in pavement rehabilitation through our Comprehensive Pavement Maintenance (CPM) techniques.

Research teams at our
Pavement Research Centre focus on developing advanced, sustainable asphalt mixes
for durability, efficiency and safety.

BUSINESS REVIEW

ASSET CONSULTANCY

WHO WE ARE AND WHAT WE DO

Our Asset Consultancy division, represented by OPUS Consultants, is a market leader in engineering, project, and asset management consultancy. As a one-stop provider of energy efficiency and sustainability solutions, we deliver transformative outcomes for businesses, communities, and the nation.

With over 400 professionals and more than three decades of proven expertise, we have delivered projects valued at over RM100 billion across critical infrastructure, spanning roads, bridges, rail, and the built environment. Our multidisciplinary capabilities serve a broad range of sectors, including industrial, commercial, education, healthcare, retail, government, township and property development, and hospitality.

We provide end-to-end expertise to support seamless project execution and sustainable asset performance across:

- Engineering & Technical Consultancy
- Project Management Consultancy (PMC)
- Asset Management Consultancy
- End-to-End Sustainability Solution

In response to evolving industry needs and global sustainability priorities, we have expanded our offerings to deliver comprehensive energy efficiency and sustainability solutions. Through innovative strategies and integrated delivery models, we support clients in advancing:

- Net zero roadmaps and green building initiatives
- Energy Performance Contracting ("EPC") and Green Performance Contracting ("GPC") under the Zero Capex Programme
- Innovative funding models that remove upfront capital barriers to green adoption and energy-efficient upgrades

By integrating advanced technologies with sustainable engineering practices, we are helping to redefine infrastructure development. Our commitment to environmental stewardship and operational excellence enables us to deliver future-ready, high-impact solutions that create lasting value for clients, stakeholders, and society at large.

BUSINESS ENVIRONMENT

Malaysia's infrastructure and built environment sector continues to offer compelling growth opportunities, underpinned by clear policy direction and a strong national development pipeline. The Government's Public-Private Partnership ("PPP") Master Plan 2030 is expected to catalyse RM78 billion in private investment, creating significant opportunities for private sector participation in national infrastructure delivery. Complementing this, national policy initiatives such as the National Energy Transition Roadmap ("NETR") and the Energy Efficiency and Conservation Act ("EECA") 2024 are accelerating the transition towards lower-carbon, energy-efficient assets, further reinforcing demand for green retrofitting and sustainable infrastructure solutions.

At the same time, technological advancements such as Building Information Modelling ("BIM"), IoT-enabled asset management and AI-driven analytics are reshaping the way assets are planned, delivered and operated. This is driving greater demand for consultancy partners capable of integrating digital innovation, sustainability and performance optimisation across the asset lifecycle. In response, we continue to strengthen our digital capabilities to improve delivery efficiency, optimise asset performance and create greater long-term value, while expanding our presence in higher-growth segments.

As a trusted leader in engineering, project and asset management consultancy, complemented by our energy efficiency and sustainability solutions, we remain focused on delivering innovative, high-impact outcomes that support long-term growth. Supported by favourable policy tailwinds and a constructive investment environment, we are well positioned to capture emerging opportunities, contribute to industry advancement and help shape the future of sustainable infrastructure, while creating enduring value for investors, clients and stakeholders.

KEY FOCUS AREAS

Operational and Business Excellence

Our focus on Operational and Business Excellence is centred on strengthening project execution, improving financial performance and embedding advanced digital capabilities across our core business model. Through a leaner operating structure and the development of new centres of expertise, we are enhancing delivery effectiveness and creating greater value for our clients.

Strategic Market Expansion

Expanding the EV and BESS Infrastructure Ecosystem: In response to growing demand for sustainable mobility and energy storage, we are actively expanding our presence in the EV charging infrastructure and battery energy storage systems ("BESS") markets.

Advancing Innovation through the Digital Engineering Unit ("DEU"): To reinforce our competitive advantage in an increasingly technology-driven market, we established the DEU to centralise and integrate digital capabilities across the business.

Strategic Localisation in East Malaysia: To capture deeper opportunities in Sarawak and Sabah, we have localised our delivery model to align with local-first procurement requirements and state development priorities.

Strategic Partnerships

OPUS continues to broaden its product and solution offerings through strategic partnerships with leading end-to-end OEMs, accelerating its entry into high-growth energy transition segments.

i) **EV Charging Infrastructure:** OPUS has developed integrated EV charging solutions and progressed into active joint marketing initiatives with selected European EV charging infrastructure manufacturers and solution providers. A Memorandum of Business Exploration (MOBE) was signed in September 2025 to formalise the collaboration and support market entry.

ii) **Battery Energy Storage Systems (BESS):** OPUS has also initiated joint marketing activities with a Battery Energy Storage Systems manufacturer affiliated with the second-largest battery producer in China and listed on the Shenzhen Stock Exchange. A Memorandum of Business Engagement ("MOBE") is currently being progressed to formalise the collaboration and strengthen the strategic partnership.

Sustainability and Digital Innovation

i) Leveraging digital technologies to advance sustainable infrastructure asset management, including Deighton Total Infrastructure Management System (DTIMS) and Internet of Things (IoT)-enabled solutions.

ii) Integrating Building Information Modelling (BIM) into engineering and design practices.

iii) Accelerating the adoption of energy optimisation solutions across energy efficiency, IoT and sustainable engineering applications.

BUSINESS REVIEW

ASSET CONSULTANCY

BUSINESS PERFORMANCE REVIEW

	Description	Key Initiatives
Enhancing Engineering, Project and Asset Management Consultancy Capabilities	During the year, the business continued to strengthen execution capabilities and improve margin resilience through the adoption of advanced technologies across the asset lifecycle. The DEU was established to centralise BIM capabilities, standardised support and improve delivery consistency across regional projects. A strategic partnership with Deighton was also formalised to enhance data-driven asset management through DTIMS analytics. In parallel, the business expanded its specialised offerings in modular Project Management Consultancy ("PMC"), geotechnical and bridge structural assessment services.	• Improve cost management and pricing strategies to enhance market competitiveness. • Diversify into high-growth segments, such as EV and BESS engineering and infrastructure. • Deliver tailored solutions through specialised services, including Modular PMC, Building Condition Assessment (BCA), geotechnical services, and BIM. • Strengthen data-driven asset management capabilities through the Deighton collaboration.
Accelerating Growth in Energy Efficiency and Sustainability	The business continued to expand its energy efficiency and sustainability offerings in line with evolving market demand, Environmental, Social, and Governance (ESG) priorities and regulatory developments. Through the Zero Capex Programme, Energy Performance Contracting ("EPC") and Green Performance Contracting ("GPC") solutions were offered to help address upfront capital constraints faced by clients. This area was further supported by strategic partnerships in EV charging infrastructure and BESS, as well as continued industry engagement and the launch of the OPUS Super Energy Service Company (Super ESCO).	• Intensify business development for end-to-end sustainability solutions and Zero Capex Programme.

CHALLENGES AND MITIGATION

Challenges	Mitigation Actions	Results
Margin Compression Margin pressure remained a key challenge amid competitive market conditions and rising operating costs. The business continued to balance pricing competitiveness with service quality and delivery performance.	• Implemented more disciplined pricing approaches and enhanced value differentiation strategies.	• Secured over RM180 million in order book wins for 2025.
Client Financial Constraints Capital constraints among certain clients continued to affect the pace of adoption for green technologies and large-scale sustainability initiatives.	• Continued to promote the Zero Capex Programme as a funding solution to ease upfront capital barriers.	• Achieved RM122 million in fund utilisation for sustainability-related adoption.
Market Access The expansion into new technical segments and geographic markets, including East Malaysia, continued to present barriers to entry. These included local registration requirements, such as the mandatory Unit Pendaftaran Kontraktor dan Juruperunding (UPKJ) licence in Sarawak, as well as the need to establish credibility in emerging segments such as EV charging and BESS infrastructure.	• Fostered strategic partnerships with technology providers to support entry into EV and BESS infrastructure segments.	• Strengthened market presence and expanded the project pipeline in emerging markets.

Challenges	Mitigation Actions	Results
Regulatory Compliance Evolving national policies and regulatory frameworks, including the NETR and the EECA, required the business to continuously align its technical offerings and market approach. Failure to adapt could have affected market eligibility and competitiveness.	• Leveraged national policy developments and regulatory frameworks to strengthen market positioning and support offering alignment.	• Enhanced market credibility in energy efficiency and green infrastructure.
Resources and Cost Escalation The business continued to manage cost pressures associated with project execution and the deployment of multidisciplinary teams. This included the need to maintain optimal staff utilisation while managing inflationary pressures on material and labour costs.	• Optimised resource allocation and project workflows to improve efficiency and delivery performance.	• Achieved 90% staff utilisation and improved profit margins.
Changing Contracting Models Client preferences continued to shift towards more flexible, performance-based and modular contracting structures. This required the business to adapt its delivery model to address more diverse and complex client requirements.	• Introduced Modular PMC and tailored solutions to meet evolving client requirements and broaden the addressable market.	• Improved cost-effectiveness and strengthened client engagement.

OPPORTUNITIES

	Strategy
Regional Expansion	Broaden market reach through strategic partnerships in growth areas such as East Malaysia.
Market Leadership	Strengthen market position in energy efficiency and green retrofit solutions across key sectors.
Global Growth	Pursue selective international expansion in higher-growth markets, including the Middle East and Southeast Asia.
Regulatory Alignment	Capture opportunities arising from evolving regulatory and policy frameworks supporting green infrastructure and sustainability.
Digital Integration	Continue scaling digital capabilities and adopting tools such as BIM and IoT to improve efficiency and resource optimisation.

BUSINESS REVIEW

ASSET CONSULTANCY

2025 ACHIEVEMENTS

BUSINESS HIGHLIGHTS

- **Strengthen Market Leadership and Innovation**
  In 2025, the business continued to strengthen its market position in sustainable engineering and asset management consultancy through a combination of innovation, disciplined execution and business development efforts.

- The business delivered a stronger financial and operational performance, supported by improvements in order book conversion and pipeline development:
  - Secured an expanded project pipeline of approximately **RM180 million**.
  - Launched integrated offerings focused on higher-demand segments, including **EV infrastructure, BESS and BIM**.

- **Launch Market-Leading Solutions:** We successfully launched and integrated three new high-demand solutions, namely EV-Infrastructure, BESS, and BIM.

- **Operational and Organisational Excellence**
  Operational efficiency remained a key focus area during the year, supported by targeted internal transformation initiatives:
  - Achieved **90% staff utilisation**.
  - Implemented a **Micro Reorganisation** to strengthen specialised focus through the establishment of the **Digital Engineering Unit (DEU)** and the transformation of **OPUS Energy**.

SUSTAINABILITY HIGHLIGHTS

The business continued to advance its sustainability agenda through energy efficiency, renewable energy and carbon reduction initiatives. These efforts contributed to both operational outcomes and client sustainability objectives:

- Conducted sustained engagement and awareness sessions on energy efficiency, renewable energy and carbon footprint reduction.
- Continued to support the **Zero Capex Programme**, with **RM122 million** in fund utilisation achieved against the **RM200 million** programme allocation, supporting wider adoption of energy efficiency solutions among clients.

AWARDS AND RECOGNITION

During the year, OPUS Energy Sdn. Bhd. received industry recognition for its contributions to sustainability, renewable energy and operational excellence.

- **MINDA Industry Excellence Award**
  OPUS Energy was honoured in the Energy, Construction & Infrastructure category in recognition of its performance, innovation and contribution to Malaysia's energy sector.

- **Malaysia Association of Energy Service Companies (MAESCO) 25th Silver Jubilee Awards**
  OPUS Energy received multiple awards from MAESCO, reflecting its capabilities and continued commitment to sustainability and renewable energy solutions:
  - **Gold Award** – Energy Performance Contracting (EPC) for Mydin Jasin
  - **Gold Award** – Innovation & Sustainability for Avisena Specialist Hospital
  - **Gold Award** – Energy Efficiency for Ritz-Carlton Hotel & Residences
  - **Silver Award** – Renewable Energy for Hotel Permai

OUTLOOK

OPUS Consultants remains focused on strengthening its position in Malaysia's infrastructure and engineering sectors by pursuing opportunities in sustainability, digitalisation and energy efficiency. The business will continue to build on its established capabilities in engineering, project management and asset management consultancy, while further developing its energy efficiency solutions platform.

The business aims to strengthen its position as an integrated solutions provider, offering capabilities across the project lifecycle, from planning and design through to optimisation and asset management.

Domestically, the business will continue to deepen its presence in East Malaysia. Internationally, it will pursue selective growth opportunities in Southeast Asia and the Middle East, where demand for integrated and sustainable engineering solutions remains supportive. Moving forward, the business remains focused on disciplined growth, operational execution and the creation of long-term shareholder value.

DID YOU KNOW?

We have delivered mega-projects successfully for **over 30 years**, including the North-South Expressway, Kelana Jaya and Ampang Line LRT Extension, KTMB electrified double-track works, and the development of Cyberjaya.

OPUS plays a major role in the development of key **East Malaysia projects**, including the Pan Borneo Highway, Sarawak Coastal and Second Trunk Roads, and the Kuching Urban Transport System (KUTS), driving connectivity and sustainable growth.

SUSTAINABILITY STRATEGY & APPROACH

Sustainability is integrated into how UEM Edgenta plans, operates and delivers its solutions, shaping business direction and service execution. In FY2025, the launch of Roadmap 2.0 marks a new stage in embedding sustainability into business activities and management processes. The roadmap translates our sustainability ambition into coordinated initiatives that target clear environmental and social outcomes while reinforcing long-term business strength and economic resilience.

This pathway is strengthened through alignment between the Sustainability Framework and the Edgenta of the Future 2025 strategy. The strategy emphasises market expansion, solution enhancement and broader use of digital capabilities to improve operational performance, creating conditions for sustainability priorities to advance alongside growth plans. Such alignment encourages progress in energy efficiency, emissions management and resource optimisation, allowing sustainability objectives to progress in line with business goals. This integrated approach supports value creation for stakeholders while promoting responsible and forward-looking business practices across UEM Edgenta's markets and operations.

UEM EDGENTA'S SUSTAINABILITY FRAMEWORK

OUR VISION

Optimising Assets to Improve Lives

OUR MISSION

- Our services, commitment to smarter thinking and improved solutions place us at the forefront of the industry.
- We create opportunities for clients and assets that positively influence society.

OUR STRATEGY

Edgenta of the Future 2025 (EoTF2025)

EXPAND	EXTRACT	ENHANCE
footprint and deepen solutions base	value from core businesses	product and technology proposition

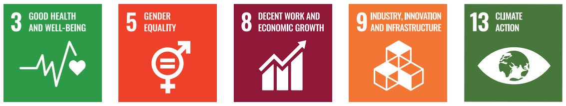
OUR MATERIAL MATTERS

Governance

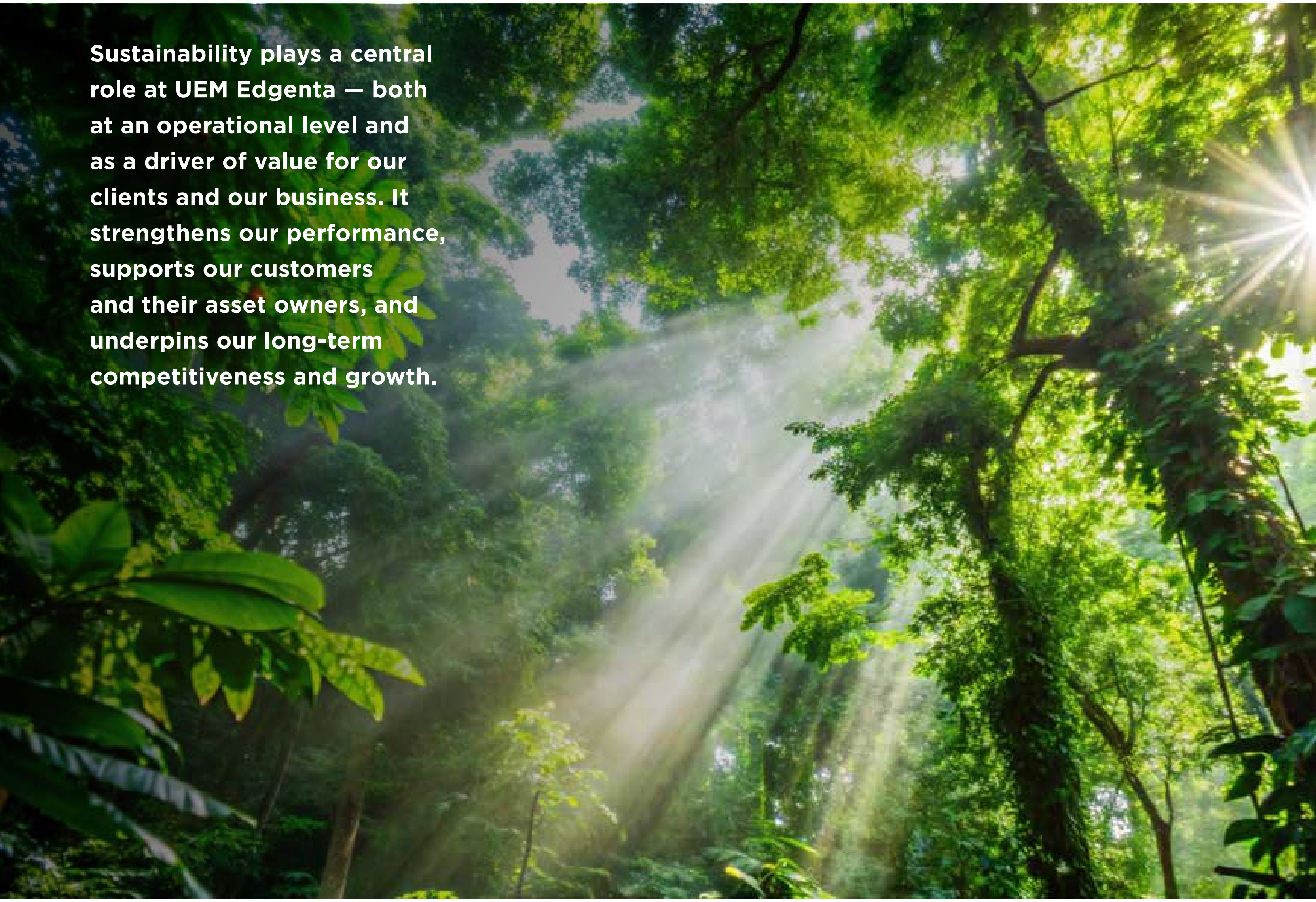
M1

Sustainable Economic Growth	Minimising Environmental Impact	Social Value Creation
M2 M3 M4	M5 M6	M7 M8 M9 M10 M11

PRIORITISED UN SDGS



REFLECTIONS FROM OUR LEADERSHIP



Sustainability plays a central role at UEM Edgenta — both at an operational level and as a driver of value for our clients and our business. It strengthens our performance, supports our customers and their asset owners, and underpins our long-term competitiveness and growth.

Throughout 2025, UEM Edgenta was navigating a demanding period shaped by operational and financial pressure. In this context, sustainability emerged as a powerful and practical enabler of transformation. Beyond being a core responsibility, it is a lever to drive cost efficiencies, strengthen governance, mitigate risks and create a stronger platform for long-term value creation as we move into our next phase of growth. It supports better risk management, greater operational efficiency and overall business performance.

Sustainability has long influenced how we deliver services across healthcare, infrastructure services, property and facilities management, and engineering. In healthcare, our work supports dependable hospital operations. In infrastructure, we help sustain connectivity and long-term asset performance. In property and facilities management, we focus on safe and energy-efficient buildings. Through our engineering and asset consultancy capabilities, we support infrastructure reliability over extended lifecycles.

The common thread across these businesses is clear: sustainability is not something we pursue solely for ourselves. It is something we enable for our clients and their asset owners. It strengthens the resilience, efficiency and long-term value of the assets entrusted to us, and sits at the heart of what makes UEM Edgenta competitive and future-ready.

SUSTAINABILITY PERFORMANCE IN FY2025

Our progress must be demonstrated through clear actions measured against defined targets. Through this discipline, we can further strengthen trust with clients and build a more resilient business that delivers long-term growth for our stakeholders and ourselves. A significant milestone was our inclusion in the FTSE4Good Index in June 2025, reflecting continued improvement in governance, transparency and sustainability practices.

Sustainability priorities also translated into commercial outcomes. During the year, we secured key contract wins and renewals with multinational clients that place strong emphasis on HSSE standards, governance and responsible business conduct as part of service quality and long-term partnership. This was supported by solutions such as our Zero Capex Programme, which empowers clients to implement energy-saving retrofits without upfront capital expenditure.

At an operational level, we continued advancing circular economy practices within our Infrastructure Services segment. The commissioning of the Asphalt Premix Plant with Recycling Facility in Tapah enables the reuse of recycled asphalt pavement, reduces dependence on virgin materials and lowers environmental impact, while expanding our solutions base through strengthening of technical capability and operational efficiency.

In healthcare, Hospital Bukit Mertajam received the Most Sustainable Hospital award at the 24th Hospital Management Asia Awards 2025. This recognition reflects the work undertaken to transform facilities into more efficient and resilient environments through stronger asset management, digitalisation and energy efficiency — supporting our clients in their own sustainability journeys.

Beyond Malaysia, sustainability considerations are central to our expansion in the Middle East, particularly in the United Arab Emirates and the Kingdom of Saudi Arabia. Growth in these markets is guided not only by environmental objectives, but also by the development of local capability, job creation, and skills transfer to local nationals. With continued investment in sustainability and technology-enabled solutions, the Middle East remains an important region for the Group and a key driver of future growth.

Our environmental performance reflected continued business expansion, alongside improvements in operational efficiency. Despite this, our Scope 1 and Scope 2 emissions decreased during the year, driven by asset utilisation optimisation, resulting in lower consumption of electricity, fuel and natural gas, alongside strengthened cost discipline and operational efficiency measures. In tandem with our business expansion, we remain committed to managing emissions in line with our net zero pathway and strengthening carbon discipline across the business.

EMBEDDING SUSTAINABILITY THROUGH GOVERNANCE AND PEOPLE

Driving sustainability at scale requires clear structure, oversight and accountability.

Over the past year, the Group has strengthened the foundations that embed sustainability more deeply into daily operations and oversight. A Group-wide Human Rights Policy now sets clearer expectations on fair treatment, worker welfare and responsible business conduct across operations and the wider value chain. In parallel, the Sustainability Policy has been enhanced to place stronger focus on climate-related considerations, aligning sustainability commitments with risk management processes and long-term strategy. These policies provide firmer direction and enable more consistent judgement across the organisation as we expand.

Attention has also extended beyond direct operations. A structured supply chain engagement plan has been introduced to raise standards, strengthen dialogue and improve cooperation with suppliers and contractors. This approach helps manage environmental, social and governance risks across the value chain while supporting reliable and responsible service delivery.

At an operational level, a role-based approach translates strategy into practice. Project managers integrate environmental, health and safety, carbon and social risks into project planning and delivery. Finance and commercial teams manage sustainability-linked financing requirements and evolving client expectations. Sustainability ownership and accountability is formalised through senior management scorecards and defined governance structures, including an ESG Steering Committee and ESG Champions embedded within business units, ensuring it forms part of normal business management rather than a separate function.

LOOKING AHEAD

Our focus on sustainability remains embedded in how the Group is governed and managed, and will continue to be central to our business and a key point of differentiation in the years ahead.

The principles of transparency, sound governance and clear disclosure of material sustainability risks remain relevant for an organisation of our scale and operational complexity. As a technology-enabled solutions company firmly rooted in sustainability, our ESG journey continues to evolve both operationally and strategically across the Group, in line with our future direction.

SHAIFUL SUBHAN
Managing Director / Chief Executive Officer

SUSTAINABILITY AT UEM EDGENTA

OUR SUSTAINABILITY ROADMAP

Sustainability Roadmap 2.0 was developed and approved by the Board in 2024 to guide future priorities and to embed sustainability more deeply into UEM Edgenta's operations. This second blueprint strengthens the Group's sustainability approach and integrates ESG principles more firmly into business practices. Building on the foundation established under ESG Roadmap 1.0, Roadmap 2.0 sets out a structured pathway from 2024 to 2026 and provides direction for long-term value creation.

Aligned with the Edgenta of the Future 2025 (EoTF2025) vision to sustain growth and create value for clients, shareholders and other key stakeholders, the roadmap establishes a clear implementation framework spanning approach, materiality, performance measurement, governance and culture, initiatives and actions, and reporting and communication. Its phased implementation supports progressive integration of sustainability into business strategies and operations, allowing capabilities, systems and controls to develop in line with evolving priorities.

Within this framework, greater emphasis is placed on how material matters shape decision-making. The Group will continue refining its materiality methodology so that material matters guide strategy and stakeholder engagement. This includes an annual review of material matters and the introduction of new focus areas as business conditions and expectations change.

In parallel, performance measurement will be strengthened through the development of suitable metrics and closer monitoring of existing commitments, including net zero targets. Internal controls over sustainability processes will be enhanced, and ESG-related KPIs will be further embedded within corporate performance scorecards to reinforce accountability across management levels. Each business division will play an active role through the development of net zero plans and stronger data monitoring processes, supporting operational improvements while strengthening accountability across the organisation.

These foundations enable more focused action on priority themes. Under Roadmap 2.0, initiatives will concentrate on climate action, human rights, supply chain and sustainability governance.

Emissions monitoring will be enhanced through the piloting of shadow carbon pricing and the introduction of emissions intensity metrics, aligned with ISSB requirements under the National Sustainability Reporting Framework (NSRF). Given the importance of value chain impacts, a Scope 3 emissions inventory will be initiated, supported by the development of a Scope 3 Roadmap to guide measurement and management across the value chain.

Progress on climate will be complemented by stronger attention to social priorities. The Group's commitment to human rights will be reinforced through a Human Rights Policy guided by findings from the Human Rights Impact Assessment (HRIA). Engagement with the supply chain will promote ethical labour practices, alongside an assessment of the feasibility of adopting a national living wage approach in operating markets. Internal capability will also be strengthened through continuous and targeted upskilling of the internal audit function to support sustainability assurance.

To support these efforts, reporting and communication will be enhanced to improve alignment with regulatory and stakeholder expectations and to present sustainability progress and ambitions in a clearer and more decision-useful manner. Climate risk has already been incorporated more explicitly within the risk management framework, strengthening the connection between sustainability, risk management and long-term strategy.

Taken as a whole, Sustainability Roadmap 2.0 positions sustainability as a management discipline that links strategy, governance, performance and action. It provides a structured basis for consistent execution, strengthens accountability and reinforces the role of sustainability in supporting UEM Edgenta's long-term competitiveness and value creation.

Sustainability Roadmap 2.0 – Report Card and Updates for 2025

Approach	• Updated the Sustainability Policy to incorporate climate-related commitments and governance expectations, strengthening alignment with global best practices. • Communicated and cascaded the enhanced Sustainability Policy across the organisation to reinforce a sustainability-driven culture and ensure consistent adoption in decision-making and operations.
Materiality	• Conducted a comprehensive review and alignment assessment of the Group's 11 key material matters to ensure continued relevance to stakeholder expectations, business priorities, and emerging ESG risks/opportunities. • Elevated Occupational Health & Safety (OHS) into the list of focused Material Matters — expanding from four to five — reflecting its growing strategic importance, operational criticality, and direct link to workforce well-being, business continuity, and long-term value creation.
Performance & Measurement	• Total carbon reduction of 2,439.56 tonnes CO_2e (2022-2025) against baseline in FY2022. • Rolled out Internal Carbon Pricing at RM15 per tonne of CO_2e under a shadow pricing mechanism to embed carbon considerations into strategic and operational decisions. • Calculated emissions intensity against revenue to assess our carbon efficiency relative to business growth, enabling targeted decarbonisation efforts and clearer prioritisation of high-impact business activities. • Secured inclusion in the FTSE4Good Index Series underscoring the Group's commitment to robust environmental, social and governance standards. • Maintained a Total Recordable Incident Rate (TRIR) of 1.2, reflecting ongoing efforts to strengthen workplace safety and reduce recordable incidents across operations.
Governance and Culture	• Enhanced the Risk Management Framework to incorporate climate related risks and opportunities. • Conducted ESG outreach and awareness programmes across Edgenta sites, including ESG Immersion Month and the Supply Chain Engagement Day, to strengthen organisational understanding and engagement with key stakeholders. • Recorded 2,785 ESG learning hours in 2025, reflecting continued investment in strengthening organisational awareness and capability on sustainability matters. • Recorded 301 hours of ESG-related learning by the Board, supporting continued awareness of sustainability and climate-related developments.

SUSTAINABILITY AT UEM EDGENTA

Reporting and Communication	• Continued digitalisation of Scope 1 and Scope 2 emissions reporting and expanded Scope 3 emissions data coverage using value-chain data. • Determined and formalised key thresholds to support the Group's carbon re-baselining approach and policy, strengthening the accuracy, consistency, and long-term credibility of emissions tracking. • Continued assurance activities on selected sustainability data to reinforce transparency, reliability, and confidence in the reported ESG performance. • Established a dedicated NSRF Taskforce, chaired by the Chief Financial Officer, to define a structured pathway towards compliance.
Initiatives and Actions	• Developed Supply Chain Engagement plan to gradually increase ESG Awareness among supply chain partners. • Developed and published the Group's Human Rights Policy, establishing clear commitments and expectations to safeguard the rights and well-being of employees, contractors, and stakeholders across the value chain. • Conducted in-house awareness and training sessions on the Human Rights Policy to strengthen organisational understanding, embed responsible business practices, and ensure consistent application across operations. • Access to mental health support services including availability of psychologist and physician consultations for employees, and mental health assessment to ensure ongoing employee mental well-being. • Hardship assistance programmes, including support provided through the Edgenta Care Society to assist employees facing financial or personal difficulties. • Scope 3 Roadmap was developed to guide a structured approach to identifying, prioritising and engaging on value chain emissions.

SUSTAINABILITY GOVERNANCE

Sustainability is embedded in how UEM Edgenta is directed and managed, beginning at the Board and senior leadership level and extending across every layer of the organisation. Clear expectations for responsible conduct are translated into defined roles, decision pathways and operational practices within business units and functions.

Rather than operating as a standalone function, sustainability is integrated into corporate oversight and enterprise risk management. This approach strengthens accountability for performance and conduct, supports transparent and consistent disclosure, and reinforces ethical standards in daily operations. Guided by recognised global sustainability principles, our governance framework ensures sustainability considerations inform strategy, risk management and long-term value creation.

UEM Edgenta's sustainability agenda is directed from the top and reinforced through structured oversight and clear accountability across the organisation. The Board provides leadership on sustainability matters, supported by dedicated Board committees and management-level structures that integrate ESG considerations into strategy, risk management and operational execution, as shown below.

Sustainability governance is further reinforced through a comprehensive suite of corporate policies and certifications that guide conduct and decision-making across the Group.

- Sustainability Policy
- Human Rights Policy
- DEI Statement
- HSSE Policy
- Gender Diversity Policy
- Code of Conduct (including Code of Conduct for Business Partners – COCBP)
- Anti-Bribery & Anti-Corruption (ABAC) Policy & Statement
- Gift & Hospitality Guideline
- Donation & Sponsorship Guideline
- Conflict of Interest (COI) Policy & COI Declaration Procedure
- Business Partner's Letter of Declaration (BPLOD)
- MS ISO 37001:2016 Anti-Bribery Management System (ABMS) certification

The full list of policies is available through https://www.uemedgenta.com/about-us/corporate-governance

SUSTAINABILITY AT UEM EDGENTA

Board of Directors

- Provides overall leadership and oversight on sustainability matters.
- Promotes high standards of ethics, responsible business conduct and sustainability practices in line with the Group's values.
- Reviews sustainability performance, material ESG risks and strategic priorities.
- Considers environmental, social and climate-related matters in relation to operations, investments and supply chain practices.
- ESG is a standing agenda item at quarterly Board meetings, enabling regular review of progress and areas requiring attention.

Risk, Integrity and Compliance Committee (RICC)

- Provides oversight across major risk areas, including strategic, operational, information technology, sustainability, legal, financial, insurance, integrity, compliance and business continuity.
- Ensures ESG-related risks are addressed within the broader risk management framework.

ESG Steering Committee

- Chaired by the Managing Director and Chief Executive Officer.
- Comprises C-suite executives and selected senior leaders.
- Reviews sustainability initiatives, performance and action plans on a regular basis.
- Provides management-level guidance on ESG implementation priorities.
- Submits recommendations to the BGRC and the Board on key sustainability matters.

Nomination and Remuneration Committee (NRC)

- Reviews performance against the corporate scorecard including ESG measures.
- Evaluates key performance indicators and achievements including ESG related.
- Oversees talent, remunerations, rewards and performance management practices of the organisation.
- Submits recommendations to the Board on performance outcomes including ESG related.

Board Governance and Risk Committee (BGRC)

- Supports the Board in supervising sustainability efforts.
- Reviews material sustainability and climate-related risks and opportunities.

ESG Department

- Leads implementation of sustainability initiatives in line with the Group's ESG roadmaps and strategies.
- Aligns reporting with Bursa Malaysia's Sustainability Reporting Guidelines, GRI Standards and relevant regulatory and rating frameworks.
- Supports the MD/CEO in fulfilling oversight responsibilities for ESG practices.

Business Divisions and Corporate Support

- Work in coordination with the ESG Department to implement sustainability initiatives.
- Integrate ESG considerations into operational activities and support functions.

Building Board Capability in Sustainability

To drive effective leadership and governance, members of the Board of Directors and the Board Governance and Risk Committee (BGRC) participate in regular ESG-focused workshops, seminars and expert-led sessions to remain abreast of evolving ESG trends, regulatory developments and best practices.

During FY2025, over 301 hours of business sustainability and ESG learning were undertaken (FY2024: 229.5 hours), strengthening the Board's ability to oversee material environmental, social and governance matters.

ESG considerations are also embedded within the Board's annual evaluation process, reinforcing accountability and supporting continuous development in this area.

SUSTAINABILITY RISK MANAGEMENT

UEM Edgenta manages sustainability risks within its broader governance and risk management framework, ensuring climate and integrity considerations are treated as strategic business matters. Sustainability considerations are embedded within governance structures, decision-making processes and the risk management framework, with sustainability and climate-related risks and opportunities assessed alongside strategic and operational risks. Responsibility for regulatory compliance rests with respective business operations.

Clear oversight and defined ESG accountabilities support a structured and forward-looking approach to managing climate-related risks and opportunities. The Risk, Integrity and Compliance Department (RICD) supports sustainability risk management by facilitating risk identification and monitoring, and by ensuring consistent application of the Risk Management Framework (RMF) across the Group.

In February 2025, enhancements were introduced to formally integrate ESG risks — including corruption and climate-related risks — into the Group's risk identification, assessment, treatment and monitoring processes. These enhancements strengthen the structured approach for identifying, analysing, evaluating, monitoring, reporting, and managing sustainability-related risks, ensuring sustainability considerations are incorporated into strategic planning, investment evaluation and day-to-day operations. Sustainability Policy and framework enhancements in FY2025 further strengthened this integration.

For more information on the enhancements made to the Sustainability Policy, please refer to the Approach section of Climate Change on page 143.

For further information on how climate considerations are integrated into the Risk Management Framework, refer to the Statement on Risk Management and Internal Control section on page 244.

Execution is supported by continuous awareness-building and due diligence processes. Climate and ESG risk awareness is promoted across the organisation through training sessions, workshops and internal communications, strengthening understanding of emerging risks and reinforcing the role of sustainability in achieving corporate objectives. Climate-related risks are also considered within ongoing project risk assessments as part of due diligence for investment and operational decisions.

For further information on overarching governance structures, oversight bodies and policy direction, please refer to the Governance section on pages 202 to 259.

Climate Risk Management Procedure

Climate-related risk is managed as part of UEM Edgenta's risk management framework and is subject to oversight at the highest level of governance. The Board oversees sustainability and climate-related matters in view of their implications for business continuity and long-term resilience. Through the Board Governance and Risk Committee (BGRC), climate-related risks, mitigation actions and opportunity areas are reviewed on a quarterly basis. This process ensures climate considerations are incorporated into strategic direction with emerging risks assessed and refined on a regular basis.

This oversight is reinforced through operational processes applied across the Group. Project Risk Assessments form part of the due diligence process for new ventures to ensure climate-related factors are incorporated into investment and operational decisions. During FY2025, the Risk, Integrity and Compliance Department (RICD) continued to monitor climate-related risks across existing operations and new projects, supporting the consistent identification and management of climate exposures at both strategic and operational levels.

Physical climate risks present distinct challenges to several operational assets. Events such as flooding, storms, landslides and soil erosion have the potential to disrupt facilities including the incinerator, laundry plant, research centre and Asphalt Premix Plant with Recycling Facility. Such disruptions may affect service reliability, increase operating costs and place pressure on margins, particularly within highway maintenance activities. Risk assessments for these assets incorporate physical climate considerations to enable mitigation measures and operational controls to be planned and implemented in advance.

Further development of the risk management framework especially in climate-related areas will focus on strengthening forward-looking capability. The Group plans to develop climate scenario modelling and a Climate Adaptation Plan to improve understanding of asset vulnerability under different climate pathways and to support longer-term planning. This approach will enhance preparedness for future climate impacts while strengthening the integration of climate considerations into business strategy, investment evaluation and operational management.

SUSTAINABILITY AT UEM EDGENTA

Climate-related Risks and Opportunities

Climate-related risks and opportunities are treated as dynamic exposures that require continuous monitoring rather than periodic review. This includes active monitoring of physical risks affecting owned and managed assets, such as flooding, extreme heat and soil movement, which may disrupt operations or affect asset integrity. Where such risks are identified, mitigation actions and adaptation measures are implemented to reduce potential losses and strengthen protection of assets and service continuity.

Both physical and transition climate-related risks are assessed across business activities, including risks linked to regulatory change, carbon pricing and energy cost volatility. Climate considerations are incorporated into strategic and operational planning so that business decisions reflect evolving climate-related risks and regulatory expectations. Operational resilience is enhanced through assessments of exposure to extreme weather events and the adoption of measures such as infrastructure strengthening, business continuity planning and supply chain preparedness. Carbon emissions reduction and resource efficiency are advanced through the use of energy-efficient technologies, asset optimisation and sustainability initiatives that lower environmental impact. Capability building also plays a key role, supported by internal briefings, training and knowledge-sharing to ensure climate risks are addressed consistently across business units. Regulatory and market developments related to climate transition are monitored to support timely responses to emerging policies and sustainability standards.

In FY2025, the Group strengthened its climate risk management tools and achieved deeper integration of climate considerations into financial and operational decision-making. Climate risk identification and monitoring continued for both existing operations and new projects, covering physical risks such as flooding, extreme heat and soil movement, as well as transition risks related to regulation, carbon pricing and energy markets. To support more robust transition risk assessment and decarbonisation planning, the Group implemented enhanced carbon management tools, to guide investment and operational decisions. This included the introduction of an internal carbon price at RM15 per tonne of CO_2 to place a price on carbon and assess its implications for our operations and projects.

Refer to Climate Change and Energy section on pages 143 to 144, for more information on Carbon Management Tools.

The Risk, Integrity and Compliance Department (RICD) maintains oversight of climate-related risks across operations and new projects throughout the year. This approach is guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), for which the Group has established an implementation roadmap. In line with evolving regulatory expectations, the Group is progressively transitioning its climate-related governance and disclosures towards the National Sustainability Reporting Framework (NSRF) and the IFRS S1 and S2 standards.

Climate-related opportunities are viewed as the organisation's capability to respond effectively to identified risks rather than as guaranteed financial upside. Managing climate-related risks has supported service innovation, particularly in energy efficiency and decarbonisation solutions for clients, where operational improvements and emissions management are increasingly integrated into service delivery.

PHYSICAL RISKS, IMPACTS & CLIMATE-RELATED OPPORTUNITIES

PHYSICAL RISKS	IMPACTS	CLIMATE-RELATED OPPORTUNITIES
Short-Term – Medium-Term • Flooding affecting operational sites and access routes. • Intense rainfall and localised flash floods impacting asset accessibility and service continuity. **Medium-Term – Long-Term** • Rising average temperatures in markets where we operate. • Increased frequency and severity of heatwaves affecting asset performance and workforce safety. • Landslides, storms and soil erosion impacting operational sites, particularly: - Kamunting Laundry and Incineration Plant. - Asphalt Premix Plant with Recycling Facility. - Highway maintenance and infrastructure assets. • Gradual degradation of infrastructure and equipment due to prolonged exposure to climate stress. • Increased water stress affecting water-dependent operations.	**Asset and Operational Impacts** • Increased vulnerability of critical assets (e.g. incineration facilities, laundry plants, asphalt premix plant with recycling facility and highway assets) to physical damage and operational strain. • Reduced reliability and availability of assets during extreme weather events. • Temporary limitations on site access and mobility, affecting service delivery schedules. **Workforce, Safety and Environmental Impacts** • Heightened health and safety risks for employees and contractors, particularly frontliners operating in outdoor and high-temperature environments. • Increased risk of environmental incidents, including pollution and water contamination, arising from asset damage or overflow events. **Financial and Business Implications** • Higher operating and maintenance expenditure due to repair works, asset reinforcement and preventive measures. • Additional costs to engage subcontractors to maintain continuity of disrupted services. • Increased insurance premiums and potential changes to coverage terms for climate-exposed assets. • Potential reputational impact arising from prolonged service disruptions.	**Asset Resilience and Infrastructure Management** • Enhancing the resilience of critical assets (e.g. incineration facilities, laundry plants, asphalt premix plant with recycling facility and managed highway assets) through climate-responsive maintenance and infrastructure solutions. • Supporting clients in strengthening asset durability and operational reliability in climate-exposed environments. **Energy, Resource and Environmental Solutions** • Energy efficiency optimisation initiatives to improve asset performance and reduce climate-related operational stress. • Advisory services on renewable energy readiness and sustainable infrastructure planning. • Environmental and climate-related assessment studies to support informed asset and infrastructure decisions. **Water and Environmental Services** • Services related to water system maintenance, cleaning and protection. • Advisory support on sustainable building practices and green building certifications.

SUSTAINABILITY AT UEM EDGENTA

TRANSITION RISKS, IMPACTS & CLIMATE-RELATED OPPORTUNITIES

TRANSITION RISKS	IMPACTS	CLIMATE-RELATED OPPORTUNITIES
Short-Term – Medium-Term **Energy Prices** • Increasing energy prices affecting electricity- and fuel-dependent operations.	**Operational and Cost Implications** • Higher operating costs across energy-intensive activities, including: - healthcare support services. - facilities management. - infrastructure maintenance and plant operations. • Increased capital expenditure required to retrofit and upgrade energy systems (e.g. chillers, equipment and plant) to improve efficiency. • Greater exposure to emissions-related costs, monitored through carbon budgeting and the internal carbon pricing pilot.	**Energy Transition and Optimisation** • Exploration of green transportation and energy-efficient infrastructure solutions for Group operations and, where applicable, client sites. • Deployment of energy efficiency solutions, including the Zero Capex Programme, to support energy optimisation initiatives.
Medium-Term – Long-Term **Regulatory** • Expanding regulatory requirements and climate-related policies. • Adoption of carbon tax in Malaysia from 2026.	**Compliance and Financial Exposure** • Increased compliance and reporting costs associated with climate-related regulations. • Potential carbon tax liabilities affecting operating margins, particularly for energy- and fuel-intensive operations. • Risk of penalties or enforcement actions in the event of non-compliance. **Market and Reputation Considerations** • Heightened scrutiny from clients, regulators and business partners. • Increased risk of losing contracts where sustainability and regulatory compliance are part of procurement criteria.	**Stakeholder Engagement and Readiness** • Engagement with clients and stakeholders through knowledge-sharing and advisory sessions on regulatory readiness. • Offering the Zero Capex Programme to support clients' energy transition and compliance efforts. **Capability and Capacity Building** • Strengthening internal capabilities to respond to evolving regulatory requirements. • Training programmes for employees and selected external stakeholders on transition risks and compliance expectations.

TRANSITION RISKS	IMPACTS	CLIMATE-RELATED OPPORTUNITIES
Short-Term – Medium-Term **Financial Risks** • Rising electricity tariffs. • Fuel price fluctuations. • Potential pass-through limitations in fixed contracts. **Medium-Term – Long-Term** **Financial Risks** • Increased cost of operations. • Lenders increasing interest rates and financing requirements.	**Financing and Insurance Implications** • Increased cost of financing as lenders incorporate climate risk and sustainability performance into credit assessments. • Potential reduction in margins due to higher borrowing costs. • Rising insurance premiums and more restrictive terms for climate-exposed assets and operations. **Investor Expectations** • Greater investor scrutiny of sustainability performance and risk management practices.	**Green Financing and Business Model** • Access to sustainability-linked loans with favourable financing terms. • Zero Capex business model enabling clients to Zero Capex progress energy transition initiatives while managing capital expenditure and cash flows.
Short-Term – Medium-Term **Markets** • Shifts in market demand from traditional facilities management towards smart, optimised and climate-responsive asset management.	**Revenue and Competitiveness** • Reduced competitiveness if climate-responsive solutions are not offered. • Risk of revenue loss as clients increasingly favour service providers with sustainability and energy efficiency capabilities.	**Market Positioning** • Increasing demand for OPUS Consultants' expertise in sustainable asset and energy solutions. • Development and deployment of digital climate and asset optimisation solutions (e.g. platforms, dashboards and analytics tools).
Medium-Term – Long-Term **Markets** • Investors shifting capital towards companies with strong ESG integration.	**Capital and Valuation Risks** • Potential divestment or reduced investor interest if sustainability performance does not meet expectations.	**Capital Markets** • Inclusion in sustainability-related indices, supporting long-term investor confidence and visibility.

SUSTAINABILITY AT UEM EDGENTA

Sustainability-Linked KPIs

To embed sustainability into everyday management and operations, UEM Edgenta has integrated sustainability-linked KPIs into the performance frameworks of all Business Units. This approach ensures that sustainability is treated as a business priority rather than a standalone initiative and that accountability is shared across the organisation.

A structured carbon monitoring process has been implemented to support this integration. Emissions data from all Business Units are collected twice each year, at mid-year and year-end, providing a consistent basis for tracking carbon performance. Every Business Unit participates in this process, and their involvement is reflected within performance assessments, reinforcing ownership of emissions outcomes across operations.

Monitoring has been strengthened further with the introduction of emissions intensity measurement and the application of an internal carbon price as analytical tools. These indicators provide deeper insight into emissions efficiency as business activity expands and support more informed evaluation of carbon performance over the course of the year.

As the sustainability agenda advances, sustainability-linked KPIs will continue to be reviewed and refined. Future enhancements will align more closely with the Group's net-zero pathway and may incorporate additional metrics to capture wider environmental and social performance, ensuring the KPI framework evolves in line with strategic priorities and operational realities.

We have made significant progress in our sustainability-linked KPIs through the inclusion of ESG KPIs in the overall corporate scorecard of the organisation. This ensures that ESG is embedded as a key priority across all levels of the organisation from Business Units to Senior Management. Senior Management's remuneration is linked to corporate scorecard which takes into account achievement of ESG KPIs.

Material Matters

UEM Edgenta's sustainability initiatives are guided by a defined set of material matters that were reviewed during the financial year and continue to be relevant to the Group's business and stakeholders. These material matters represent areas of highest impact and importance, shaping how sustainability priorities are set and how resources are directed.

Strong business ethics and a focus on innovation support operational excellence across the Group. Economic development and responsible supply chain management reinforce sustainability across the value chain, while climate change risks, energy efficiency and wider environmental management priorities are addressed as part of long-term risk management and performance improvement.

Occupational health and safety continues to be a priority to protect employees and support dependable operations. The Group also promotes an inclusive employment culture that supports talent development and organisational resilience. Customer satisfaction, human rights assessments and community engagement are prioritised to strengthen trust and create shared value with stakeholders.

These material matters guide sustainability initiatives, inform risk mitigation measures and support long-term sustainable growth.

Further information on the identification, review and management of material matters is set out in the Material Matters section of this Integrated Annual Report (IAR).

Stakeholder Engagement

Stakeholders play an important role in shaping UEM Edgenta's sustainability direction and ESG performance. The Group engages stakeholders through ongoing, open and transparent dialogue to understand expectations, gather feedback and identify emerging issues that may affect business and sustainability priorities.

Relevant and timely updates on sustainability progress are shared to encourage informed discussion and constructive engagement. Insights from stakeholders are considered in refining sustainability strategies and business priorities, enabling the Group to respond more effectively to stakeholder needs and concerns.

This engagement approach strengthens relationships and supports long-term value creation for both stakeholders and the Group.

Further details on engagement methods, key areas of concern and the Group's responses are provided in the Stakeholder Engagement section of this IAR.

BUSINESS ETHICS

WHY IT MATTERS

Integrity and ethical conduct are a central pillar of UEM Edgenta's governance and sustainability framework. Upholding high integrity standards shapes behaviour and decision-making across the organisation, ensuring accountability and underpinning stakeholder trust for sustainable growth.

Ethical conduct is also critical to protecting the Group from material risks, as weak ethical practices can lead to reputational, legal and financial impacts. Hence, UEM Edgenta places strong focus on preventive controls, clear expectations and consistent oversight to ensure integrity is upheld at all times.

OUR APPROACH

At UEM Edgenta, business ethics and integrity are embedded within the corporate governance framework and shape how the Group conducts its activities. Ethical business practices support transparency, accountability and compliance with applicable national and international regulatory requirements. The Anti-Bribery and Anti-Corruption Policy (ABAC) and related procedures align with national anti-corruption initiatives and reinforce a zero-tolerance stance on bribery, corruption and unethical conduct.

Risk Assessment and Internal Controls

Corruption Risk Assessment (CRA) processes are integrated into the Risk Management Framework (RMF) and Risk Management Procedures (RMP) to provide a structured method for identifying, assessing and evaluating corruption-related risks across business operations. Areas assessed as higher risk are managed through defined internal controls, including the Anti-Bribery and Anti-Corruption (ABAC) Policy Statement, Code of Conduct (CoC) and Discretionary Authority Limits (DAL). These controls are reinforced through targeted training and awareness programmes. Risk mitigation plans are reviewed on an ongoing basis to ensure their relevance and effectiveness and to support operational integrity.

Corruption Risk Management continued to operate as part of the wider risk governance structure. The CRA, introduced into the Risk Management Framework (RMF) in FY2024, continued to be actively applied and monitored in FY2025. Oversight is maintained through quarterly Risk, Integrity and Compliance reporting and periodic review of mitigation measures. In 2025, 77% of operations were assessed for corruption-related risks, up from 56% in 2024, with expanded coverage to Indonesia, Singapore, Taiwan and Dubai.

Governance and Compliance Oversight

Oversight of integrity, ethics and compliance matters is coordinated through structured governance channels. Ethical risks, compliance status and integrity initiatives are reviewed and escalated through the Group's defined reporting lines, ensuring alignment with Group policies and regulatory expectations.

Compliance obligations across local and international regulations are guided by the UEM Edgenta Compliance Framework, which guides systematic monitoring and reinforces accountability among process owners. The Risk, Integrity and Compliance Department (RICD) functions as the second line of defence, facilitating compliance reviews, identifying gaps and supporting continuous improvement through periodic dashboard reporting and engagement with business units.

This integrated governance and compliance framework ensures that compliance risks are proactively managed, controls remain effective and regulatory expectations are consistently met across all operations.

For further details, please refer to the Corporate Integrity and Ethical Business Conduct section on pages 253 to 259 of this Report.

Whistleblowing and Conflicts of Interest

An independent and confidential whistleblowing channel is maintained, supported by non-retaliation protections and defined investigation protocols. Management of conflicts of interest is governed by the Conflict of Interest Policy and Declaration Procedures, which apply to Board members, executives and employees. Annual declarations and event-based disclosures are required, supported by management oversight and disciplinary measures where breaches occur. These mechanisms reinforce a strong "speak-up" culture and accountability framework.

SUSTAINABILITY AT UEM EDGENTA

Whistleblowing activity increased over the reporting period, rising from 15 cases in 2024 to 18 cases in 2025, reflecting heightened awareness and growing employee confidence in the Group's "Speak Up" culture. Throughout the year, there were no confirmed incidents of corruption, no disciplinary actions related to non-compliance, and no fines or penalties, demonstrating the effectiveness of the Group's preventive controls.

Business Partner Controls

Ethical standards are extended to business partners through the Code of Conduct for Business Partners (CoCBP) and the Business Partner's Letter of Declaration. These measures reinforce expectations on integrity, compliance and responsible conduct across the value chain and support consistent application of governance standards in third-party relationships.

Further details on policies, procedures and governance arrangements relating to integrity and ethical business conduct are disclosed in the Corporate Integrity and Ethical Business Conduct section on pages 253 to 259 of this Report.

Overall Performance

We monitor key ethics and integrity indicators to assess the effectiveness of and support improvements to our controls. Our ethics and integrity performance for FY2025 is summarised below.

	2022	2023	2024	2025
Percentage of operations assessed for corruption-related risks	100%	100%	56%	**77%**
Number of confirmed incidents of corruption and action taken	0	0	0	**0**
Number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies	0	0	0	**0**
Disclosure of cost of fines, penalties or settlements in relation to corruption	0	0	0	**0**
Whistleblowing Incidents (number of lodgements)	1	5	15	**18**

Anti-Corruption Training Coverage

The Group's anti-corruption training is delivered through a structured programme comprising three (3) mandatory e-learning modules, covering key integrity and compliance topics.

Training on the elements and types of corruption, including bribery, is delivered under Module 1: Bribery and Corruption Offences, which enables employees to understand what constitutes bribery and corruption, the associated legal implications, and their individual responsibilities under applicable anti-corruption laws, including the Malaysian Anti-Corruption Commission (MACC) Act. The module addresses key corruption-related risks such as the offering or receipt of gratification, facilitation payments, abuse of office or position, and corporate liability, strengthening awareness of compliance obligations and ethical conduct.

This is complemented by Module 2: Conflict of Interest, which equips employees with the knowledge and skills to identify, declare and appropriately manage actual, potential or perceived conflicts of interest. The module reinforces the importance of transparency and accountability in decision-making, helping to protect both personal integrity and the integrity of the Group.

In addition, Module 3: Whistleblowing educates employees on how to safely and confidentially report misconduct, including criminal and corruption-related offences. It enhances understanding of the protections available to whistleblowers and reinforces the importance of speaking up without fear of retaliation, supporting a strong ethical culture and early detection of wrongdoing.

Collectively, these three training modules support organisation-wide awareness, prevention and management of corruption risks, with particular emphasis on management and supervisory roles where exposure to such risks is higher.

Percentage of employees who have received training on anti-bribery and anti-corruption by employee category

TOP MANAGEMENT
83%

JUNIOR MANAGEMENT
69%

SENIOR MANAGEMENT
99%

NON-EXECUTIVE
11%

MIDDLE MANAGEMENT
94%

VALUE CREATED

UEM Edgenta strengthens its ethical culture and mitigates bribery and corruption risks through continuous education and structured awareness programmes. This includes regular sessions and targeted initiatives such as Integrity Day to promote practical understanding of corruption prevention and ethical decision-making. Training is delivered via the Group's e-learning platform and covers key areas of Bribery and Corruption Offences, Conflict of Interest, Whistleblowing, and the Fundamentals of Risk Management module, which strengthens their ability to identify and manage business risks.

Official launch of the Edgenta Integrity Plan during Integrity Day 2025

Industry leaders and senior management engage in a panel discussion at Edgenta Integrity Day 2025

OUTLOOK

UEM Edgenta's integrity and risk agenda will continue to be guided by structured roadmaps aligned with our overall business strategy, reinforcing a disciplined and enterprise-wide approach to governance. Through the Edgenta Integrity Plan (EIP) 2025–2027, the Group will focus on strengthening anti-bribery and anti-corruption and compliance practices in line with national frameworks, expanding corruption risk coverage across operations, promoting participation in relevant training for management and employees, and embedding robust monitoring mechanisms. In parallel, climate-related and sustainability risks will be progressively integrated into strategic planning and disclosure practices to ensure alignment with evolving regulatory expectations.

Over the medium to long-term, the emphasis will shift towards deepening organisational resilience and reinforcing a strong and consistent ethical culture across the Group. This includes widening the application of corruption risk assessments, conducting more structured reviews of control effectiveness, expanding training coverage and further embedding climate considerations into decision-making processes. To strengthen accountability, the Group plans to incorporate ethics and integrity indicators into leadership performance management and incentive structures, reinforcing positive ethical behaviour at all levels.

SUSTAINABILITY AT UEM EDGENTA

CONTRIBUTING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

UN SDG No. 3
Good Health and Well-Being

LINKED SDG TARGETS

Target 3.4:
Reduce by one third the premature mortality from non-communicable diseases (NCDs) through prevention, treatment, and promotion of mental health and well-being.

Target 3.8:
Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

ACHIEVEMENTS AND CONTRIBUTIONS

- **Strengthening HSSE Performance & Culture**
  Implemented JHA groupwide across all identified sites, conducted 22 HSSE risk management sessions, maintained TRCF of 0.9, and continued zero employee fatalities while contractor incidents were monitored and managed.

- **Mental Health & Wellness Programmes**
  Scaled the Mental Health Support Programme including onsite psychologist consultations, made available 60 Mental Health First Aiders, conducted psychosocial risk assessments, continued NCD management, recorded sickness absenteeism interventions, carried on with BeFit and daily Taiso.

- **Road Safety & Emergency Readiness**
  Strengthened commuting safety via the "Selamat Destinasi" programme, defensive driving/SAFE riding campaigns, and activated a Mutual Disaster Relief Team via a JBPM MoU with joint simulation exercises.

- **International HSSE Uplift**
  Successfully retained ISO 9001:2015, ISO 45001:2018, and ISO 14001:2015, demonstrating compliance with global standards in quality, occupational health and safety, and environmental management.

MATERIAL MATTER M7 M10

RELEVANT STAKEHOLDERS S1 S5

UN SDG No. 5
Gender Equality

LINKED SDG TARGETS

Target 5.1:
End all forms of discrimination against all women and girls everywhere.

Target 5.4:
Ensure women's full and effective participation and equal opportunities to encourage and expand access to banking, insurance and financial services to all.

ACHIEVEMENTS AND CONTRIBUTIONS

- **DEI & Human Rights Governance**
  Reinforced inclusion through the Gender Diversity Policy (Aug 2024), DEI Statement (Sep 2023), and Group Human Rights Policy (Mar 2025), strengthened by awareness sessions during ESG Immersion Month.

- **Equal Access & Inclusion**
  Provided equitable medical coverage for employees and dependents, mental health consultations, and leadership programmes to ensure fairness in career pathways.

- **DEI Integration in Supply Chain**
  Embedded gender and human rights considerations into Supplier ESG Surveys and engagement activities, supported by HRIA outputs and follow-up training.

- **Women comprise 51% of the total workforce (2025).**

- **More than 30% of senior and middle management positions** are held by women.

- **30% of Board members** are women, enhancing diversity in governance and decision-making.

- **Developed a Gender Diversity Policy** for employees and Board members to promote inclusivity and equity.

MATERIAL MATTER M8

RELEVANT STAKEHOLDERS S1

UN SDG No. 8
Decent Work and Economic Growth

LINKED SDG TARGETS

Target 8.5:
Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Target 8.6:
Substantially reduce the proportion of youth not in employment, education or training.

Target 8.8:
Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Target 8.10:
Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services to all.

ACHIEVEMENTS AND CONTRIBUTIONS

- **Vendor & SME Development**
  Strengthened SME capability through the Vendor Development Programme and Projek Perintis, enabling equipment matching support, MyHijau certification, and supplier ESG awareness and capacity building.

- **Responsible Supply Chain Management**
  Conducted Supplier ESG Survey (78/110 responses) for ESG risk segmentation, implemented the 3-year Supplier ESG Management Framework, and advanced ESG clause readiness via Supplier Engagement Day and HCA/HPR assessments (180 evaluated, 157 approved).

- **Local Economic Contribution**
  - Continued strong national value creation with approximately 98.84% local suppliers.
  - The Group reaffirms its commitment towards Reaffirms commitment towards Collective Bargaining by concluding 2.5 years of negotiation covering 34 articles.

- **Improved Supplier Access to Financing**
  In FY2025, 31 new contractors applied for the HSBC Supplier Financing Programme, enhancing G1 contractor cashflow.

- **People Development & Capability Building**
  - Achieved 95% employee training coverage, strengthened leadership and safety competencies, and elevated service standards through the Service Ambassador Programme.
  - Holistic employee capability development under the Individual Development Programme (IDP), incorporating journals, project-based learning, knowledge-sharing sessions, reading materials and job-based assignments to strengthen skills and competencies beyond formal training hours.
  - Created training opportunities for 82 trainees this year via GeT, TGT and Internship.

- **Green Financing for Sustainability**
  Zero Capex business model enabling clients to progress energy transition initiatives while managing capital expenditure and cash flows.

MATERIAL MATTER	M3 M4 M9 M11
RELEVANT STAKEHOLDERS	S1 S2 S5

SUSTAINABILITY AT UEM EDGENTA

UN SDG No. 9
Industry, Innovation and Infrastructure

LINKED SDG TARGETS

Target 9.1:
Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

Target 9.4:
By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

ACHIEVEMENTS AND CONTRIBUTIONS

- **Circular & Low Carbon Materials**
  Commercialised the asphalt premix plant with recycling facility in Tapah with a wide range of premixes, focusing on the usage of recycled asphalt with additive combinations to enable lower carbon road construction.

- **Won the ESG Star Positive Impact Award on Waste Management**

- **GreenGuard Concrete Barrier (Project Harmony)**
  Collaborated with PLUS & CIMA to develop a TL5-rated precast GreenGuard Concrete Barrier using green concrete with ~60% CO_2 reduction versus traditional barriers.

- **Technology-Enabled Facilities Management**
  Scaled the Asseto suite (EnergyAI, CMMS, ePTW, IoT, BMS, BCA, Insights, Surveillance) and deployed Energy & Utility dashboards at eight FM sites, supported by AI assistants and strengthened cybersecurity.

- **Client Energy Value Creation**
  Delivered ~27.93 million kWh and ~RM12.87 million in client energy savings for 2025; cumulative since 2016 achieved ~228.70 million kWh and RM101.01 million savings, with sustained GBI performance and expansion of EPC/RE projects.

- **Operational Innovations**
  Continued usage of McFill oil infiltration technology improving oil change intervals from 5,000 to 20,000 km (saving ~630 L annually) and advanced EV charging infrastructure, including EV charging bays and installation readiness assessments.

MATERIAL MATTER	M2
RELEVANT STAKEHOLDERS	S1 S2 S4 S5

UN SDG No. 13 Climate Action

LINKED SDG TARGETS

Target 13.2:
Integrate climate change measures into national policies, strategies and planning.

Target 13.3:
Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

ACHIEVEMENTS AND CONTRIBUTIONS

- **Net Zero Pathway Implementation**
  - Progressed short-term Scope 1 & 2 emissions reduction target (~3.67% annually for 2023–2027) and long-term 26% reduction by 2030, supported by carbon budgeting, twice yearly emissions reviews, shadow carbon pricing, and Scope 3 roadmap initiation.
  - Won the ESG Star Award on Energy Efficiency.

- **Emissions Performance Progress (2024 Baseline)**
  Recorded Scope 1: ~9,215.67 tCO_2e, Scope 2: ~7,910.55 tCO_2e, Scope 3: ~2,969.74 tCO_2e, with established tracking for emission intensity and carbon rebasing.

- **Decarbonisation Levers in Action**
  Continued implementation of EV adoption, route optimisation, composting and e-waste collection drives in Singapore; and in Malaysia, energy efficiency retrofits (ACMV/AHU/LED), HQ Friday partial shutdowns, and support for green building certifications such as MyCREST and GBI through tree-planting activities.

- **Circular Economy & Waste Reduction**
  Rolled out biodegradable food tray pilots, increased condemned linen recycling from 40% to 100%, and expanded recycling impact through the KLEAN unit (641 kg CO_2e avoided; 1,770 sessions; 7,965 PET bottles; 2,061 cans).

- **Client Climate Impact**
  Healthcare portfolio achieved ≥5% waste reduction and delivered RM17.1 million in energy savings (38.72 million kWh) in 2024, alongside ongoing solar and EPC initiatives managed by Opus Energy.

MATERIAL MATTER	M5 M6
RELEVANT STAKEHOLDERS	S1 S2 S4 S5 S6 S7

SUSTAINABILITY AT UEM EDGENTA

DRIVING SUSTAINABILITY THROUGH PARTNERSHIPS AND JOINT VENTURES

UEM Edgenta collaborates with leading organisations across a range of industries to advance its sustainability agenda, improve operational efficiency and support its Net Zero ambition. These partnerships serve as important enablers for translating sustainability priorities into practical action across different business segments.

Through collaboration with strategic partners, the Group drives innovation, facilitates knowledge sharing and expands access to new markets. Joint initiatives create opportunities to test and implement sustainable solutions, strengthen technical and operational capabilities and accelerate the adoption of improved practices across operations.

By working closely with partners and joint venture counterparts, UEM Edgenta is able to broaden the reach of its sustainability efforts while strengthening commercial outcomes. These relationships support both business growth and environmental objectives, positioning partnerships as a key mechanism for advancing sustainability, enhancing performance and extending value creation across its services and markets.

Our Contributions

Asia Pacific University

Memorandum of Business Exploration (MOBE) between UEM Edgenta Academy and The Asia Pacific University of Technology & Innovation (APU). The collaboration drives impactful initiatives in training, research, industry engagement and regulatory development. This partnership also supports the development of highly skilled talent to advance Malaysia's infrastructure and economic aspirations.

OPUS Consultants' Collaboration with Green Building Index

UEM Edgenta's subsidiary OPUS Consultants, through its wholly owned subsidiary OPUS Energy Sdn. Bhd. formalised a strategic collaboration with Green Building Index (GBI) through the signing of a Memorandum of Business Exploration (MOBE). The MOBE outlines a shared commitment by OPUS Energy and GBI to accelerate the adoption of energy-efficiency and GBI compliant solutions across both public and private sector assets, with targeted outreach in Peninsular Malaysia, Sabah, and Sarawak.

CEO Action Network

Played an active role as part of CEO Action Network (CAN), Workstream 2 for Capacity Building, working with CAN Members throughout the year to plan knowledge sharing sessions. The knowledge sharing sessions aim to tackle various sustainability and ESG related topics, increasing general awareness and understanding among ESG practitioners and key industry players.

Swinburne University

OPUS International Berhad signed a Memorandum of Business Exploration (MOBE) with Swinburne University of Technology Sarawak Campus. This partnership is focused on bridging industry and academia to accelerate the development of Sarawak's workforce while driving impactful, sustainable infrastructure, green buildings and energy efficiency projects. The partnership aligns with OPUS' ongoing projects in Sarawak, including critical infrastructure and sustainability initiatives that are reshaping the state's development landscape. These initiatives focus on both sustainable infrastructure and the development of a skilled local workforce, reinforcing OPUS' role in fostering sustainable growth while contributing to the state's broader development objectives.

HSBC

Supplier Financing Programme with HSBC is ongoing and continues to benefit suppliers by accelerating their payment and improving their cash flow. In FY2025, 31 new vendors registered to this programme.

Asia Pacific Real Assets Association ("APREA")

Actively engaged with Asia Pacific real estate companies to acquire valuable insights and market intelligence within the real estate industry, while simultaneously leveraging the Sustainability guidance materials provided by the association. This collaborative effort not only enhances our understanding of market trends but also serves as a platform to foster collaboration and identify growth opportunities within the sector. Edgenta sits on APREA's regional ESG Committee; a platform for investors, developers, asset managers, and key stakeholders in the real assets industry to engage regarding topics of climate and environmental impact. Additionally, we leveraged on our network with APREA to develop and gather insights on an APAC-level study on adoption of internal carbon pricing.

Climate Governance Malaysia

UEM Edgenta strengthened its commitment to climate action and sustainable corporate governance through its ongoing membership as a Corporate Friend of Climate Governance Malaysia (CGM). We continue to participate in CGM-hosted events and industry roundtables, including a session on energy efficiency and renewable integration in buildings, where our Head of Sustainability Engineering Solutions contributed perspectives on sustainable built environments. We also participated in a roundtable discussion on the proposed creation of a Blended Finance Hub to finance climate solutions, where potential next steps and key considerations were compiled for further engagement with relevant stakeholders, including policymakers.

Dubai EXPO

UEM Edgenta Berhad ("UEM Edgenta"), through its subsidiary Kaizen Owner Association Management Services LLC ("Kaizen"), has successfully entered a Joint Venture with Expo City Dubai to provide property management services for properties located within the Expo City, as well as selected sites globally. This strategic partnership reflects UEM Edgenta's ongoing commitment to enhancing its capabilities and solutions in the real estate sector, strengthening its international footprint, and unlocking new growth opportunities in the UAE and beyond.

Free The Seed Sdn. Bhd.

Serves as the key supply partner for the initiative and is based in Kedah, supporting local manufacturing and regional economic growth. The biodegradable trays are manufactured using paddy straw's biomass waste materials. These trays are used in hospitals.

Entopia

Collaborated with Entopia to deploy an organic waste recycling solution that successfully diverted over 30% of organic waste from landfill using a biological treatment approach.

Refer to pages 154 to 161 under Environmental Management for more details.

CIMA and PLUS

Project Harmony
Our Infrastructure business continues to collaborate with CIMA and PLUS on GreenGuard, a precast concrete New Jersey Barrier (NJB) incorporating recycled materials and designed to meet stringent TL5 requirements.

SUSTAINABLE ECONOMIC GROWTH

We are committed to long-term, resilient growth through disciplined governance, strategic market expansion and innovation that delivers sustained value to stakeholders.

INNOVATION AND TECHNOLOGY-BASED OPERATIONAL EXCELLENCE

WHY IT MATTERS

Innovation and technology form the foundation of reliable, efficient and sustainable service delivery at UEM Edgenta. Rather than acting as a support function, technology is embedded as a core operational capability that enhances asset performance, strengthens service reliability and enables consistent execution at scale.

Technology is also a primary source of differentiation. Through data-driven decision-making, automation and intelligent workflows, the Group improves productivity, optimises cost structures and delivers higher-value outcomes across contracts. This positions UEM Edgenta to compete more effectively in an increasingly demanding and cost-sensitive market.

Sustained investment in innovation ensures that operational excellence is not only maintained but continuously improved, enabling the Group to deliver superior performance, resilience and long-term value.

OUR APPROACH

A Three-Pillar Technology Strategy

UEM Edgenta adopts a structured and integrated approach to technology, anchored on three strategic pillars that balance stability, innovation and growth.

A strong and resilient digital foundation underpins all technology initiatives. The Group continuously strengthens its cybersecurity posture through regular assessments and targeted improvements, ensuring protection against evolving threats. Multi-cloud strategies provide flexibility and resilience, while active network monitoring enhances system reliability and performance. These foundational capabilities ensure that all higher-level innovations operate on a secure, scalable and dependable base.

Technology delivery is redesigned to be agile, business-aligned and outcome-driven. The Group leverages artificial intelligence and generative technologies to automate processes, reduce manual effort and improve decision-making across operations. This includes embedding intelligence into workflows, enabling faster insights, and enhancing responsiveness to operational needs. The focus is on translating technology into measurable business value, both in operational efficiency and enhanced service capabilities.

Through its proprietary platforms, particularly Asseto, UEM Edgenta is transforming how assets and operations are managed. Asseto enables a data-driven, standardised and scalable approach to asset management, moving beyond traditional models. This platform-led strategy enhances differentiation, creates new value propositions and positions the Group as a technology-enabled service provider within the industry.

Redefining Facility Management Through Technology

The facility management industry is increasingly characterised by margin compression and limited differentiation. Traditional service models, reliant on manpower and fragmented systems, are becoming less sustainable.

UEM Edgenta addresses this shift by embedding technology into integrated facility management. Automation, data-driven intelligence and standardised platforms enable more efficient operations, improved benchmarking and enhanced service outcomes.

Ownership of technology intellectual property further strengthens this position. By developing and controlling its own platforms, the Group operates with greater speed, flexibility and cost efficiency, while maintaining full control over innovation and deployment. This capability is increasingly valued by clients seeking scalable, responsive and technology-enabled solutions.

SUSTAINABLE ECONOMIC GROWTH

Market-Facing Technology Delivery: Edgenta NXT

Edgenta NXT serves as the Group's technology commercialisation arm, focused on developing and scaling proprietary digital solutions. Central to this is the Asseto platform, a SaaS-based system fully owned by the Group, which underpins modern asset and facility management practices.

Asseto is deployed across operations to create differentiation, enabling a consistent and data-driven approach to managing assets, performance and service delivery. At the same time, NXT drives the platform's roadmap and expands its application beyond internal use, positioning it as a scalable solution for external markets.

This dual role strengthens UEM Edgenta's ability to win contracts, enhance service offerings and extend capabilities beyond traditional facility management, supporting long-term growth and value creation.

Standards, Security and Governance

Cybersecurity remains a cornerstone of the Group's technology strategy, managed as a critical business risk. Continuous posture assessments, regular audits and alignment with recognised standards ensure that systems and data are protected against evolving threats.

Strong governance frameworks guide the adoption of data and artificial intelligence. The Group emphasises controlled experimentation through rapid proof-of-concept initiatives, ensuring that value is validated before scaling. Investments in self-hosted AI capabilities support data sovereignty, cost efficiency and greater control over deployment.

Technology governance also extends to access management, system ownership and compliance processes, ensuring that innovation is implemented in a secure, accountable and well-regulated manner.

VALUE CREATED

Technology initiatives delivered measurable improvements in operational efficiency, decision-making and system reliability. Automation and AI-enabled processes reduced manual workloads, accelerated response times and enhanced consistency across operations.

The continued expansion of Asseto strengthened its role as a core platform, evolving beyond traditional maintenance systems into a broader operational platform that integrates data, workflows and performance insights. This shift supports more proactive and intelligent asset management across the Group.

Collectively, these advancements reinforce a more scalable, data-driven and resilient operating model, positioning technology as a key driver of sustained performance.

Presentation on the use of Technology in Sustainability at the PIKOM CIO Conference led by Alwyn Chan, CEO of Edgenta NXT

CHALLENGES

The Group operates in an environment of rapidly evolving cyber threats and increasing technological complexity. Cybersecurity remains a critical focus, with continuous assessments, targeted improvements and organisation-wide awareness initiatives, including phishing simulations and training programmes, to strengthen resilience.

At the same time, the emergence of artificial intelligence presents both opportunity and complexity. The Group prioritises building core AI capabilities internally, focusing on foundational systems, controlled experimentation and practical use cases. This approach ensures readiness while maintaining control over strategic capabilities that will be critical in the coming years.

OUTLOOK

Technology will continue to play an increasingly central role in shaping UEM Edgenta's competitive position. Artificial intelligence, automation and data-driven systems are expected to further transform operations, enabling higher efficiency, improved decision-making and new service models.

As data becomes a critical asset, the Group will continue to strengthen governance, security and best practices to ensure responsible and effective use. At the same time, ongoing investment in platforms and capabilities will support scalability and adaptability in a rapidly evolving landscape.

Through this approach, UEM Edgenta aims to reinforce its position as a technology-enabled leader, delivering sustainable operational excellence and long-term financial performance.

ECONOMIC DEVELOPMENT

WHY IT MATTERS

UEM Edgenta views economic development as central to long-term business strength and social progress, linking expansion to job creation, skills development and stronger community resilience. When aligned with environmental and social considerations, sustainable economic development improves adaptability to regulatory changes, customer expectations and industry trends, while encouraging innovation and strengthening stakeholder relationships. Neglecting this focus could constrain performance, reduce competitiveness, undermine trust and increase regulatory and reputational risks, ultimately weakening long-term value creation and societal contribution.

OUR APPROACH

UEM Edgenta's approach to economic development centres on building resilient, sustainable and locally embedded businesses across its markets. Key strategies include market expansion, asset class diversification, local hiring, talent development and responsible procurement. Long-term value is generated through these initiatives, alongside the Group's delivery of reliable services that support critical infrastructure and its tax contributions in the markets where it operates. Through this, the Group contributes to broader socio-economic development.

Market Expansion

As part of its regional growth strategy, UEM Edgenta continues to build its presence in key international markets while maintaining a disciplined and sustainable approach to expansion.

In Singapore and Taiwan, the majority of existing contracts were successfully renewed and a significant number of new contracts were secured. In particular, Singapore expanded its service footprint into more hotels and commercial properties. It also added a number of new services to its suite of service offerings. These reflect sustained client confidence in service quality, operational reliability and the Group's sustainable business model. These outcomes also demonstrate the strength of long-term client relationships and the international businesses' ability to deliver consistent value in mature and competitive markets.

In the UAE, a joint venture with Dubai Expo strengthened the Group's regional footprint and enabled support for large-scale and complex facilities through integrated property management and sustainability-led service offerings.

In the KSA, operations recorded 25% year-on-year top-line growth, reflecting strong market momentum. During the year, the KSA business achieved three ISO certifications, reinforcing governance discipline, quality management and operational standards. Continued use of Computer-Assisted Facilities Management systems supported greater digitalisation, improved service efficiency and stronger data-driven decision-making.

	2022	2023	2024	2025
% of UEM Edgenta revenue from international markets (%)	38%	38%	42%	**46%**

Distribution of Direct Economic Value (RM million)	2022	2023	2024	2025
Direct Economic Value Generated				
Revenue and other income	2,528.7	2,888.4	3,058.4	**2,870.1**
Direct Economic Value Distributed				
Operating costs, employee wages and staff benefits	2,357.9	2,711.2	2,857.7	**2,828.8**
Payments to providers of capital	44.3	55.4	38.6	**51.5**
Payments to Government	51.3	51.0	47.9	**49.4**
Community Investments	0.2	0.3	0.3	**0.1**
Direct Economic Value Retained				
Direct Economic value generated less economic value distributed	75.0	70.5	113.9	**(59.7)**

Asset Class Expansion

UEM Edgenta continues to expand into new asset classes that support the low-carbon transition and future-ready infrastructure. Through OPUS, the Group secured contracts to support the development of electric vehicle infrastructure, marking entry into an asset class aligned with energy transition and sustainable mobility. This reflects the Group's ability to respond to emerging infrastructure needs while leveraging established engineering and sustainability capabilities.

Local Hiring and Community Economic Participation

Consistent with its commitment to inclusive growth, UEM Edgenta prioritises local hiring across its operations. In Malaysia, the Group continues to provide employment opportunities to communities near operational sites, including those surrounding the asphalt premix plant with recycling facility in Tapah, supporting local livelihoods and economic participation.

Workforce localisation remains a priority in the KSA, where the Group continues to build a sustainable local workforce in line with the Government's localisation agenda, having recruited more than 100 Saudi nationals into its operations.

Talent Development

Talent development continues to play a central role in sustaining long-term economic value creation. The Graduate Trainee Programme serves as an important pipeline for developing future-ready talent across the Group, supporting skills transfer, leadership development and organisational continuity as the business expands into new markets and asset classes.

Supply Chain and Human Rights

Our practices in managing our supply chain are guided by our Code of Conduct for Business Partners (2019) and our Human Rights Policy. Our Code of Conduct for business partner compliance clearly outlines requirements for business partners compliance regarding issues including compliance with local laws, forced labour, workers' rights and human rights. Across its markets, responsible supply chain management and the protection of worker welfare are integral to economic value creation. Suppliers and service partners are required to comply with applicable laws and regulations, uphold acceptable social practices, and, where relevant, maintain recognised certifications or standards.

In KSA, greater emphasis in FY2025 was placed on supplier and contractor practices relating to worker welfare, including living conditions, accommodation standards and fair treatment on sites. These expectations are reinforced through contractual requirements, engagement and ongoing monitoring.

VALUE CREATED

Middle East Operations

UEM Edgenta's expansion in the Middle East continued to generate economic value through responsible market entry, localisation and capability transfer. In FY2025, operations in the KSA focused on building sustainable facilities management capabilities aligned with local regulatory requirements and market expectations. Value was created through the development of local talent, adoption of technology-enabled operating models and strengthening of safety and governance practices. These efforts supported more resilient asset operations for clients while contributing to local economic participation and long-term service continuity.

Performance in the region was also recognised externally. MEEM Facilities Management received the IFM Company of the Year – Silver Award (2025) and the Best Use of Technology – Gold Award (2025), reflecting the impact of integrated service delivery and digital-enabled operations. Our achievements in our UAE operations further recognised through multiple industry accolades, including Property Management Firm of the Year and the Sustainability Community Award at the Smart Built Environment Awards 2025, as well as Socienta for Innovative Technology of the Year, alongside Best CAFM Implementation 2024 and Best Facilities Engineer 2024 at the Wasl Annual Awards.

Kaizen Asset Management winning the Smart Built Environment awards

Consultancy, Energy and Sustainability Services

Through OPUS, UEM Edgenta created economic value by expanding sustainability-led consultancy and energy efficiency solutions that deliver measurable cost savings and risk reduction for clients. In FY2025, OPUS continued to support healthcare, commercial and institutional assets through energy performance contracting, zero-capex delivery models and sustainability advisory services. These offerings enabled clients to improve energy efficiency and asset performance without upfront capital investment, while generating new revenue streams and strengthening the Group's position as a sustainability solutions provider.

OPUS also secured new sustainability-related projects, including the consultancy services for electric vehicle charging infrastructure for a major transportation operator. This reflects rising demand for low-carbon infrastructure solutions and the Group's ability to respond to emerging transition requirements.

SUSTAINABLE ECONOMIC GROWTH

Singapore and Taiwan Operations

In Singapore and Taiwan, economic value was generated through the delivery of reliable, high-quality facilities management and asset services in highly regulated environments. During 2025, both markets achieved contract renewals and secured new contract wins, reflecting client confidence in governance standards, HSSE performance and operational discipline.

Singapore operations also received industry recognition, including the 2025 Best FM Partner Award (Cleaning category) at the Facilities Management Experts Summit and the Corporate Treasurer Award 2025 for Excellence in Use of Technology, in recognition of its daily payroll innovation.

Asphalt Premix Plant with Recycling Facility

The Plant creates economic and environmental value for UEM Edgenta's infrastructure business by recycling asphalt pavement, reducing reliance on virgin materials, lowering material costs and minimising landfill waste. In FY2025, it supported more cost-efficient road maintenance and construction while strengthening the Group's technical capability and innovation. This initiative also benefits clients through circular economy practices, lower carbon intensity in road works, and alignment with national sustainability and climate objectives.

Technology-Enabled Value Creation

Economic value was also generated through wider deployment of technology-enabled solutions. Platforms such as Asseto improved asset visibility, enabled predictive maintenance and strengthened operational efficiency, supporting reduced downtime, improved risk management and optimised lifecycle costs for clients.

In Dubai, the joint venture with Dubai Expo applied the Kaizen platform to support property and zone management functions, including tenant administration, digital work orders and security coordination. This centralised, data-driven approach improves efficiency and governance while supporting more sustainable and well-managed operations within a complex, multi-tenant environment.

Talent Development and Capability-Building

UEM Edgenta creates economic value through sustained investment in workforce capability. As a services-led organisation, performance depends on skills, productivity and engagement. In FY2025, structured training, upskilling and reskilling programmes continued across operational, technical and leadership roles. These initiatives supported service quality, improved efficiency and strengthened the Group's ability to deliver increasingly complex and sustainability-linked solutions. Capability development in asset management, digital tools, HSSE and sustainability also enabled the Group to respond to evolving client and regulatory expectations.

Local Talent Development and Skills Transfer (International Operations)

In international markets, talent development supports responsible growth and long-term economic contribution. In the KSA, focus was placed on developing local capabilities through training, skills transfer and structured workforce development. This approach supports localisation objectives while strengthening operational continuity and reducing reliance on expatriate resources.

Strengthening skills through collaboration: Training participants at MEEM Facilities Management Headquarters with Edgenta Academy Sdn. Bhd.

Accredited Workforce Development

In FY2025, Edgenta Academy collaborated with MEEM Facilities Management to design and deliver the Cleansing Supervisory Competency Programme in the KSA, aimed at strengthening frontline supervisory capability. Endorsed by the Ministry of Health Malaysia and equivalent to the British Institute of Cleaning Science Level 2 certification, the programme aligns workforce development with internationally recognised standards. Building on this commitment to internationally benchmarked training, Operon Middle East has achieved BICS accreditation for its training programmes, further reinforcing industry-leading standards in cleaning practices and workforce competency.

Delivered in August 2025 over a two-week period, the programme comprised 30 hours of structured learning through a blended approach combining in-person practical training, live online sessions and self-paced e-learning modules. A total of 27 MEEM employees completed the programme, including eight Saudi nationals, supporting localisation efforts. Certificates of achievement were awarded to top performers, with completion certificates presented to all other participants.

Training at MEEM Facilities Management Headquarters in collaboration with Edgenta Academy Sdn. Bhd.

Building Sustainability and Digital Capabilities

FY2025 also focused on building internal expertise in sustainability, energy management and digital operations. Exposure to energy efficiency projects, zero capex delivery models, carbon management practices and digital asset platforms enabled employees to develop practical skills that support both operational performance and sustainability outcomes. These capabilities are increasingly embedded into daily operations, allowing sustainability to be delivered through execution rather than standalone initiatives while strengthening long-term competitiveness.

Economic Contribution through Taxation and Sustainable Operations

In addition to operational value creation, profitable international markets, particularly Singapore and Taiwan, continued to contribute to national economies through corporate tax payments and sustained business activity. These markets generated stable earnings that enhance financial resilience while supporting broader socioeconomic development. Long-term contracts, high-value employment and consistent fiscal contributions reinforce the Group's role as a responsible corporate citizen across its regional footprint.

Defined Benefit Plan

The company makes voluntary contributions to the pension scheme for eligible employees, beyond what is mandated by national employment laws. These pension assets and liabilities are evaluated annually by an independent actuary. Pension liabilities are determined based on the actuarial present value of benefits, which become payable when employees meet specific conditions, such as retirement age, a predetermined length of service, or death. The valuation considers factors such as estimated salary increases, discount/inflation rates, and mortality rates. This voluntary pension scheme is currently implemented in several UEM Edgenta subsidiaries, including Edgenta Mediserve Sdn. Bhd., EdgentaUEMS Taiwan, Edgenta Arabia Ltd., and MEEM Facility Management Company (MEEM).

Defined Benefit Plan (RM million)	2022	2023	2024	2025
	2.8	3.2	2.4	**2.4**

Defined Contribution Plan

The Group provides post-employment benefit plans, making fixed contributions to separate entities or funds as required by the employment laws of each country. These contributions are contractually defined, and the Group holds no further legal or financial obligation if the funds lack sufficient assets to cover employee benefits for the current and past financial years. Pension liabilities are determined based on a contractual rate applied to employees' salaries, as outlined in their employment agreements.

Defined Contribution Plan (RM million)	2022	2023	2024	2025
	78.0	80.2	87.1	**90.6**

OUTLOOK

To maximise economic performance, UEM Edgenta's immediate focus will be on strengthening execution quality, governance discipline and service reliability across its core markets, particularly in the Middle East, Singapore and Taiwan. Key priority levers include sustaining contract renewals, embedding digital platforms to enhance productivity and data visibility, and advancing workforce localisation initiatives, especially in the KSA. These efforts will be supported by responsible procurement practices, strict regulatory compliance and continued attention to worker welfare, which collectively underpin operational stability, retention and productivity.

Looking ahead, the Group aims to unlock additional growth through diversification across asset classes and focused capability building. Potential growth avenues include low-carbon and future-ready infrastructure, digital asset solutions and sustainability-led services. To maximise the value of these opportunities, the Group will concurrently strengthen consistency in data, processes and governance standards across markets, reinforcing stakeholder confidence while supporting scalable, long-term value creation.

SUPPLY CHAIN MANAGEMENT

WHY IT MATTERS

Supply chain management is fundamental to UEM Edgenta's service reliability and sustainability outcomes, as suppliers influence service standards, cost structures, and environmental and social performance.

Effective oversight of ESG risks within the Group's supply chain strengthens operational stability and improves the Group's ability to adapt to changing operating conditions. Conversely, insufficient management of supply chain risks may lead to cost escalation, delays and reduced quality, placing pressure on client relationships and overall performance. Misalignment with sustainability priorities may also weaken environmental and social outcomes, diminish the Group's industry influence, and heighten exposure to regulatory, financial and legal risks.

OUR APPROACH

UEM Edgenta adopts a holistic and structured approach to supply chain management, beginning with a thorough assessment and due diligence, supported by clear expectations and close collaboration with suppliers. This approach emphasises transparency, capability-building and the use of technology for monitoring, data analysis and risk mitigation, enabling continuous improvement and alignment with regulatory requirements and stakeholder expectations.

In 2025, the Group established an ESG Supplier Engagement Plan aimed at strengthening supplier capabilities and supporting progression towards higher levels of ESG maturity. This plan is complemented by the introduction of a Human Rights Policy that extends to suppliers, reinforcing expectations on fair treatment and responsible labour practices. As part of this plan, UEM Edgenta conducted supplier engagement sessions and training covering human rights, ESG practices and greenhouse gas (GHG) emissions management, enabling knowledge sharing and supporting suppliers in strengthening their ESG practices. These engagements also facilitated the collection of ESG data from more than 100 suppliers. Supplier conduct is governed through the Code of Conduct for Business Partners, the UEM Edgenta Human Rights Policy and the Sustainability Policy, supported by monitoring tools such as the Carbon Emission Platform. In addition, integrity, compliance and HSSE requirements — including the Code of Conduct for Business Partners, Business Partner's Letter of Declaration and HSSE Management Requirements — are incorporated into procurement terms and conditions to reinforce expectations on anti-bribery, anti-corruption, safety and accountability from the early stage of engagement with suppliers and contractors.

Strategic priorities focus on value-driven enhancements to elevate ESG vendor management practices towards leading industry standards. This includes strengthening governance, expanding engagement with suppliers and improving transparency in monitoring and reporting practices.

Vendor Development and Capacity Building

UEM Edgenta complements its supplier governance and screening processes with targeted capability-building initiatives designed to strengthen supplier performance while advancing sustainability outcomes across the value chain. Through the Vendor Development Programme (VDP) and Projek Perintis, selected suppliers receive structured support to enhance technical capability, business readiness and sustainability awareness. The programme enables suppliers to improve service reliability, invest in more efficient and sustainable solutions and progress towards recognised certifications, while strengthening long-term commercial viability. This approach supports more resilient and responsible supply chains, aligns supplier practices with the Group's sustainability expectations and contributes to shared value creation across operations.

Supplier Screening and Selection

Supplier selection processes across the Group integrate operational capability with ESG considerations. Assessments cover technical competence alongside baseline environmental, social and regulatory compliance requirements. Suppliers are expected to comply with applicable local laws, demonstrate acceptable environmental and social practices and, where relevant, hold recognised certifications or standards.

Sustainability considerations are embedded within procurement frameworks and supported by structured onboarding processes that require disclosure of ESG practices. Screening may prioritise environmentally preferable products and reference recognised labelling schemes and standards where applicable. Formal procedures, documented assessment tools and integrated procurement platforms are used to evaluate environmental sustainability, corporate social responsibility certification, quality, delivery performance, service standards, technology capability, safety and health, and ethical conduct.

Environmental criteria include regulatory compliance, environmental management certification, resource efficiency and greenhouse gas management. Social criteria address labour standards, human rights, diversity and inclusion, occupational health and safety, ethical conduct and grievance mechanisms. Performance and compliance are reviewed periodically to support continuity of service and risk management.

Supplier Management, Monitoring and Risk Mitigation

Supplier performance and ESG-related risks are managed through structured monitoring processes aligned with the Group's governance and risk management practices. Suppliers are subject to procurement controls and regular performance reviews focused on service quality, compliance and operational delivery. Maintaining a diversified supplier base helps to reduce exposure to environmental, social and supply disruption risks.

Supply chain integrity is supported through ongoing engagement with suppliers, employees and clients, alongside the refinement of ESG evaluation criteria and continuous improvement of procurement processes. Resilience is strengthened through periodic supplier evaluations using established tools and structured review cycles. Where suppliers fall short of environmental or social standards, corrective action plans and capacity-building initiatives are implemented, with escalation or disengagement applied where required. Contractual ESG clauses, KPI-based monitoring and formal risk management frameworks reinforce accountability across the supply chain.

Safety Integration Across the Value Chain

Safety expectations are embedded across relevant parts of the Group's value chain, supported by risk assessments, oversight of contractors and subcontractors, audits, emergency preparedness measures, as well as training and reporting programmes.

In EdgentaUEMS Taiwan, safety management is governed under ISO 45001:2018, incorporating risk assessments, contractor and subcontractor management, safety audits, emergency response drills and mandatory training.

At Kaizen, safety is managed through a comprehensive system that includes defined policies and responsibilities, regular training and toolbox talks, systematic risk assessment and mitigation, continuous monitoring and reporting, and close engagement with contractors and suppliers. This approach supports consistent safety standards across project lifecycles and reinforces accountability within the supply chain.

Industry Collaboration on Sustainable Procurement

UEM Edgenta actively participates in industry knowledge-sharing platforms to strengthen sustainable procurement practices and address environmental impacts across the supply chain. In FY2025, the Group's procurement leadership engaged in a procurement network comprising listed companies, where discussions focused on ESG integration within supply chains. As part of this platform, the Group participated in a session led by a plantation company on managing environmental and sustainability risks in plantation supply chains. Insights from these engagements support the continuous enhancement of UEM Edgenta's approach to responsible sourcing and supplier engagement.

SUSTAINABLE ECONOMIC GROWTH

VALUE CREATED

UEM Edgenta Vendor Development Programme (VDP)

UEM Edgenta's Vendor Development Programme strengthens supplier capability while advancing sustainability across the value chain. Through structured support, 15 participating vendors improved their technical capacity and business readiness, achieving an average of 30% growth in revenue. One participating vendor secured grants for investment in equipment, which is now being used to deliver services to UEM Edgenta.

Sustainability is embedded in the programme, with one vendor obtaining MyHijau certification for a medical waste bin and further improving its environmental profile through solar installations and the partial transition of its fleet to electric vehicles.

Our procurement team and our supplier at the International Greentech & Eco Products Exhibition & Conference Malaysia (IGEM)

Supplier ESG Survey and Framework Development

In FY2025, UEM Edgenta assessed 78 strategic and critical vendors on ESG understanding, practices, reporting and policies, classifying them by maturity to inform the Supplier ESG Management Framework and the 2025 Supplier Engagement Plan. Of 110 targeted suppliers, 78 responded (71%), enabling risk segmentation into high, medium and low risk groups to support prioritised engagement and targeted improvements. The Supplier Engagement Plan sets a three-year roadmap to build supplier ESG capabilities, strengthen resilience and create shared value for both the Group and its suppliers.

Supplier Engagement and Operational Improvements

In FY2025, UEM Edgenta strengthened the integration of its environmental and responsible supply chain policies across its supplier network through targeted communication and training. During ESG Awareness Month, the Group organised a Supplier Engagement Day to train suppliers on responsible supply chain practices, human rights expectations and Scope 3 emissions management, reinforcing alignment with the Group's sustainability requirements.

In parallel, supplier actions have driven significant operational improvements for the Group. In medical waste management, continued use of MyHijau-certified sharp bins supported safer and more environmentally responsible disposal. New vendors were introduced to recycle condemned linen, increasing the expected recycling and reuse rate from 40% to 100%. Scheduled waste management was enhanced through new service options for business units, improving cost efficiency and reducing scheduled waste management costs by up to 38%.

Value and Impact

The combined impact of the VDP, Projek Perintis and supplier ESG initiatives demonstrates how structured engagement can deliver tangible outcomes:

- Vendors strengthened operational capability and service readiness through grants, training and technical support.
- ESG maturity improved across the supplier base, supported by formal assessment, risk segmentation and a structured development framework.
- Recycling rates and waste management efficiency increased, delivering both environmental and cost benefits.
- Supplier awareness of sustainability, human rights and Scope 3 considerations deepened, strengthening alignment with UEM Edgenta's sustainability objectives.

These initiatives show how UEM Edgenta uses supplier development not only to manage risk, but to create shared value, strengthen operational resilience and advance sustainability across its extended value chain.

Overall Performance

Type of suppliers engaged	2022	2023	2024	2025
Local Suppliers (%)	99.20	98.47	98.70	**98.84**
Proportion of spending on local suppliers (%)	99.40	98.88	99.60	**99.76**
Number of local suppliers	1,737	1,871	1,978	**1,699**

OUTLOOK

Recognising the vital importance of supply chain practices to our overall sustainability agenda and reputation as a responsible organisation, UEM Edgenta will place greater emphasis on strengthening supply chain governance with a clear focus on ESG integration, risk management and long-term value creation. This will begin with deeper supplier engagement, including knowledge-sharing and training initiatives to reinforce awareness of the Group's ESG expectations. More detailed risk profiling and assessments will be undertaken to identify higher-risk vendors and guide the proactive development of appropriate mitigation plans. ESG expectations will also be more explicitly incorporated into relevant Group policies and contractual frameworks to ensure clarity and drive adherence to our standards.

Looking ahead, the Group aims to enhance transparency and data quality across its supply chain, with particular focus on improving visibility over Scope 3 emissions. Randomised supplier audits will be introduced to strengthen oversight and ensure that sourcing, social and environmental standards are upheld. In parallel, the Group will explore partnerships with financial institutions to support sustainable financing or grant mechanisms linked to ESG performance, encouraging suppliers to invest in higher sustainability standards while reinforcing resilient and responsible supply chain practices.

MINIMISING ENVIRONMENTAL IMPACT

We aim to minimise our environmental footprint by strengthening climate resilience, advancing resource efficiency and driving responsible practices that safeguard the environment for future generations.

CLIMATE CHANGE

WHY IT MATTERS

Climate change presents material risks and strategic considerations for UEM Edgenta due to the breadth of assets, services and geographies in which the Group operates. Physical impacts such as extreme weather, rising temperatures and flooding have the potential to disrupt operations, affect asset performance and increase maintenance and insurance costs. Transition-related pressures, including evolving regulations, higher compliance standards and changing client expectations, also influence how the Group plans, invests and delivers services. If not managed effectively, these factors could weaken operational reliability, supply chain stability and long-term financial performance.

At the same time, climate change is reshaping market needs and creating demand for more energy-efficient, resilient and sustainable infrastructure and services. This shift creates opportunities for UEM Edgenta to strengthen its value proposition by supporting clients in reducing emissions, improving resource efficiency and adapting assets to climate-related risks. By integrating climate considerations into business strategy and operations, the Group is able to limit its own environmental footprint while helping clients enhance the resilience and sustainability of their facilities.

In support of this direction, the Group has enhanced policies and practices that reflect its commitment to address climate-related impacts, including impacts tied to greenhouse gas (GHG), and promoting responsible environmental management. These standards extend beyond internal operations to business partners and procurement activities, reinforcing a consistent approach across the value chain. Through disciplined climate management and solution-driven services, UEM Edgenta positions itself to manage emerging risks, respond to regulatory and market developments and contribute meaningfully to the transition towards a lower-carbon and more resilient economy.

OUR APPROACH

Guided by the FTSE4Good Environmental, Climate and Carbon (ECC) framework, UEM Edgenta adopts a structured and forward-looking approach to reduce its environmental footprint while supporting wider decarbonisation objectives across the markets in which it operates. The Group has reaffirmed its commitment to addressing climate change and reducing greenhouse gas (GHG) emissions across its operations. To support this, it has strengthened its climate governance and carbon management practices, as highlighted in the pull-out below.

Enhanced Sustainability Policy

The Group's Sustainability Policy has been updated to reinforce environmental and climate-related provisions, including the treatment of climate change as a material business risk and opportunity, the commitment to net zero greenhouse gas emissions for Scope 1 and Scope 2 by 2050 and alignment with national and global climate frameworks such as the Paris Agreement, Malaysia's climate goals and IFRS sustainability standards. As a Group 2 issuer, we will begin disclosing sustainability- and climate-related risks and opportunities in accordance with IFRS S1 and S2 from FY2026, with a two-year transition period before full reporting is required in FY2028.

MINIMISING ENVIRONMENTAL IMPACT

Carbon Management Enhancements

The carbon budgeting process continued to guide emissions management in FY2025, supported by the launch of an internal carbon pricing pilot. An internal carbon price of RM15 per tonne of CO_2e was applied to emissions exceeding the Group's annual carbon budget. This mechanism serves as an internal management and decision-support tool, designed to strengthen awareness of transition risks and reinforce accountability for emissions reduction. It is intended to complement, rather than replace, any future regulatory carbon pricing measures.

Carbon Performance Monitoring

In FY2025, the Group also introduced carbon intensity monitoring as an additional performance indicator. Carbon intensity is measured using revenue (tCO_2e / RM revenue) as a normalisation metric and is applied as an internal monitoring tool alongside absolute emissions tracking. This provides further insight into emissions efficiency as the business grows and supports closer linkage between carbon management and financial performance.

Carbon budgeting continues to function as both a performance and risk management mechanism, supporting the tracking of emissions against Net Zero targets while assessing exposure to energy price volatility and transition risks. Ongoing efforts focus on strengthening the measurement and management of Scope 1, Scope 2 and relevant Scope 3 emissions, enhancing internal monitoring of carbon intensity and exploring carbon pricing mechanisms as a future decision-support tool.

Together, these measures embed climate risk and opportunity management within enterprise risk management and operational planning, reinforcing resilience, informed capital allocation and long-term sustainability performance.

Net Zero Commitment and Emissions Management

Our commitment to managing emissions is guided by a decarbonisation approach anchored on six strategic levers that focus on reducing energy use, improving operational efficiency and supporting the transition to lower carbon operations. The Group is committed to achieving its Net Zero ambition, aligned with the International Energy Agency's (IEA) Net Zero Emissions by 2050 Global Pathway through systematic measurement and monitoring of Scope 1 and Scope 2 emissions against baseline year, 2022, across all business units, including international operations. Consistent data collection provides a clear baseline for performance tracking and informs decision-making on energy use, operational efficiency and investment priorities.

Decarbonisation Strategy & Targets

Strategy

The Group's decarbonisation strategy is integrated into annual carbon budgeting and financial planning, supported by ESG Key Performance Indicators. Key levers guiding implementation include:
- Green materials to reduce embedded carbon in operations and projects
- Energy efficiency measures to lower consumption across facilities and assets
- Green transport initiatives, including the transition to low-emission and electric vehicles
- Green building practices to improve energy and resource performance
- Clean and renewable energy adoption, including solar and other low-carbon sources
- Carbon removal and offset solutions to address residual emissions

Short-Term Targets (2023–2027)

In the near term, the Group targets an annual reduction of 3.69% in Scope 1 and Scope 2 emissions. This will be driven by practical actions such as:
- Energy efficiency upgrades, including lighting modernisation and HVAC optimisation
- Low-emission transport solutions and more efficient logistics
- Energy-saving systems introduced in selected facilities

These initiatives prioritise achievable reductions while building capability for more advanced decarbonisation measures.

Medium- to Long-Term Targets (2028–2030)

The Group aims for a cumulative 26% reduction in emissions by 2030. Progress toward this objective will be supported by wider deployment of renewable energy, greater use of low-carbon materials and the development of solutions for carbon removal and offsetting.

Progress on Scope 3 Emissions

During FY2025, a Scope 3 Roadmap was developed to guide engagement with value chain emissions. Initial work will focus on establishing a Scope 3 emissions baseline and strengthening collaboration with suppliers to improve data quality and consistency.

A Supplier Engagement Day was conducted to:
- raise awareness of Scope 3 emissions and value chain decarbonisation
- provide practical guidance on emissions data submission using the using the Group's emissions reporting platform

More than 100 suppliers from Malaysia, the UAE, Saudi Arabia, Singapore and Taiwan participated in this session. Feedback received has been used to refine data collection processes, supporting closer alignment with international reporting standards and preparing the Group for expanded Scope 3 disclosures in future cycles.

VALUE CREATED

UEM Edgenta translated its climate commitments into measurable outcomes through targeted initiatives implemented across Business Units, aligning Group-level aspirations with local operating realities. This decentralised execution model enabled emissions reduction, operational efficiency and the delivery of sustainable solutions for clients.

Operational Efficiency and Emissions Reduction

Across the Group, Business Units introduced energy-efficiency and optimisation measures that lowered emissions while improving asset performance.

- At Menara UEM, optimisation of air-conditioning and lift operations, combined with workspace consolidation, delivered a 5% reduction in energy consumption compared with the previous year.
- In Healthcare operations, system upgrades focused on incinerator efficiency, HVAC and steam systems, and the adoption of high-efficiency equipment. These measures contributed to reduced energy while strengthening reliability and safety.
- Within Property and Facilities Solutions (PFS), fuel monitoring, flexible working practices and smart building concepts improved energy, water and waste performance. The expansion of energy performance contracting (EPC) enabled clients to implement upgrades with minimal upfront capital.
- Infrastructure operations continued the use of electric vehicles for site activities, lowering fuel consumption and Scope 1 emissions.
- In Singapore, the replacement of a diesel vehicle with an electric vehicle and improved site operational practices contributed to reduced operational emissions.
- In Taiwan, office energy-saving measures, equipment upgrades and the use of electric scooters for inter-facility logistics contributed to lower environmental impact.

Capability, Awareness and Governance

At the Group level, we continued with ESG Immersion Month 2025, featuring a global engagement event attended by more than 800 Edgenta Stars worldwide. Throughout the month, Business Units and operating sites were empowered to organise their own sustainability-related programmes, further embedding ESG principles into daily operations and decision-making culture across the organisation.

Business Units also conducted targeted awareness programmes and capability-building initiatives to enhance sustainability integration within operational processes.

- In EdgentaUEMS Taiwan, structured ESG training, knowledge-sharing sessions and engagement campaigns strengthened staff engagement in climate-related practices.
- PFS and OPUS advanced internal capability through targeted ESG training, supplier engagement and industry knowledge-sharing.
- Data collection and monitoring for energy, fuel and selected Scope 3 categories improved consistency and informed management actions.

Partnering with Clients for Sustainable Outcomes

UEM Edgenta continued to work with clients to deliver energy, water and waste efficiency results.

- PFS supported green building certification sustainment, energy retrofits, EV charging port readiness assessments and ESG-linked facilities management.
- OPUS provided engineering and advisory services that achieved measurable energy savings, renewable energy adoption and improved asset performance.
- Healthcare operations collaborated with public and private providers on sustainable waste management, energy retrofitting and climate mitigation within critical facilities.

MINIMISING ENVIRONMENTAL IMPACT

Hospital Bukit Mertajam Named Most Sustainable

Hospital Bukit Mertajam was awarded the Gold Winner for the Most Sustainable Hospital Category at the Hospital Management Asia Awards, recognising its leadership in sustainable healthcare. In 2024, the hospital achieved an 11% reduction in energy consumption, saving 496,580 kWh, reducing carbon emissions by 344.63 tonnes of CO_2 and generating RM252,759 in cost savings. The programme delivered benefits equivalent to planting more than 3,791 trees, positioning it as a leading model for public hospitals across Asia.

Hospital Bukit Mertajam awarded Gold as the Most Sustainable Hospital Category at the Hospital Management Asia

Hospital Baling Innovates in Carbon Sequestration

Hospital Baling implemented a carbon sequestration project using bioreactor systems to capture and absorb CO_2 emissions, improving local air quality and supporting low-carbon hospital operations.

The project is delivered through the MicroAlgae EcoCare Park, which also serves as a green space that supports patient and staff well-being and promotes environmental education.

Key impacts include:

- Carbon absorption equivalent to 104 mature trees, with absorption rates reported to be up to 15–400 times faster than conventional tree growth
- 400–500 kg of CO_2 captured annually
- 1,160 litres of mature microalgae produced per month, supporting soil fertility, plant growth and future food systems

Hospital Baling Ecopark

Driving Impact Across the Asset Lifecycle

UEM Edgenta enables clients to reduce energy use, operating costs and carbon emissions through integrated efficiency solutions delivered across the asset lifecycle. Offerings include energy audits and advisory, EPC models, zero capex retrofitting and technology-enabled optimisation.

Through Edgenta NXT and the Asseto digital platform, AI-driven energy optimisation, IoT sensors, building management systems and real-time dashboards enhance asset performance and reliability. Targeted upgrades—such as LED lighting, HVAC and chiller optimisation, district cooling improvements and predictive maintenance—support sustained savings.

The Group also supports green building certification and sustainment and integrates renewable energy solutions, including solar deployment under performance-based models, to accelerate client decarbonisation objectives.

MAXIMISING VALUE FOR OUR CLIENTS

The energy efficiency savings delivered to our clients during the year and on a cumulative basis are presented here, while emissions related to our own operations are shown in the table below.

FY2025:

Energy savings:
27,932,360 kWh

Cost savings:
RM12,872,740

Cumulative Since 2016:

Total energy savings:
228,702,308 kWh

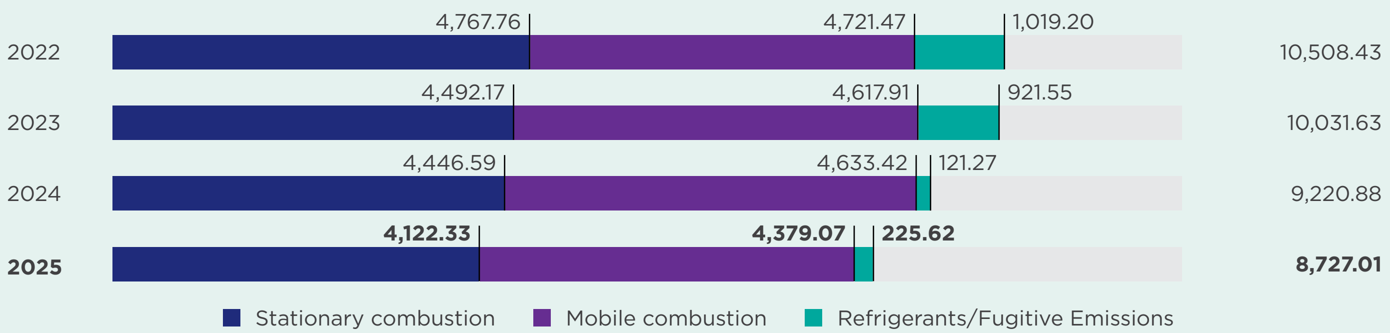
Total cost savings:
RM101,011,405

OUR PERFORMANCE

UEM Edgenta continues to disclose its Scope 1, Scope 2 and Scope 3 greenhouse gas emissions to provide transparent and decision-useful insights into the Group's carbon footprint. The data presented for FY2025 reflects ongoing improvements in data collection processes, boundary refinements and methodology enhancements to strengthen accuracy and comparability over time. These disclosures support our decarbonisation efforts and enable stakeholders to understand our emissions profile across operations and value chain activities.

Overview of Scope 1, Scope 2 and Scope 3 Emissions Performance (2022–2025)

Scope 1



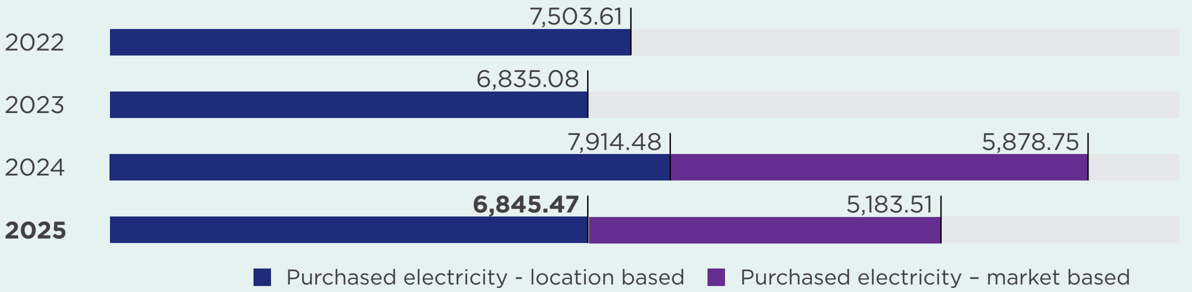
Certain Scope 1 emissions figures have been restated to improve data completeness and accuracy. The restatements relate to mobile combustion emissions and arise from (i) the inclusion of additional assets within the healthcare business that were previously not accounted for, and (ii) the correction of fuel classification from diesel to petrol for selected operations.

In FY2022, mobile combustion emissions were restated to 4,721.47 tCO_2e from the previously reported 4,540.01 tCO_2e. This restatement reflects the inclusion of mobile assets from the Group's healthcare business that were previously omitted from the organisational boundary, as well as the correction of fuel misclassification from diesel to petrol for operations in the United Arab Emirates. As a result of these corrections, total Scope 1 emissions for FY2022 were restated to 10,508.43 tCO_2e.

In FY2024, mobile combustion emissions were restated to 4,633.42 tCO_2e from 4,563.02 tCO_2e, following the correction of fuel category misclassification from diesel to petrol for operations in Kingdom of Saudi Arabia.

MINIMISING ENVIRONMENTAL IMPACT

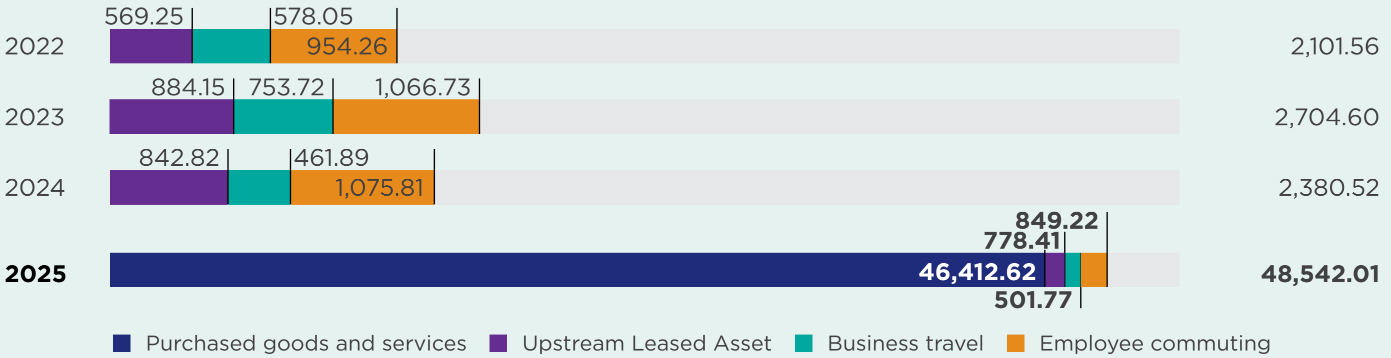
Scope 2



Some of the figures have been restated to reflect improvements in data completeness and accuracy. In FY2022, Scope 2 emissions were restated to 7,503.61 tCO_2e from 7,471.09 tCO_2e following the inclusion of data from six operational office sites under the Infrastructure division, the removal of one duplicated site, and the addition of employee accommodation data from the Healthcare division.

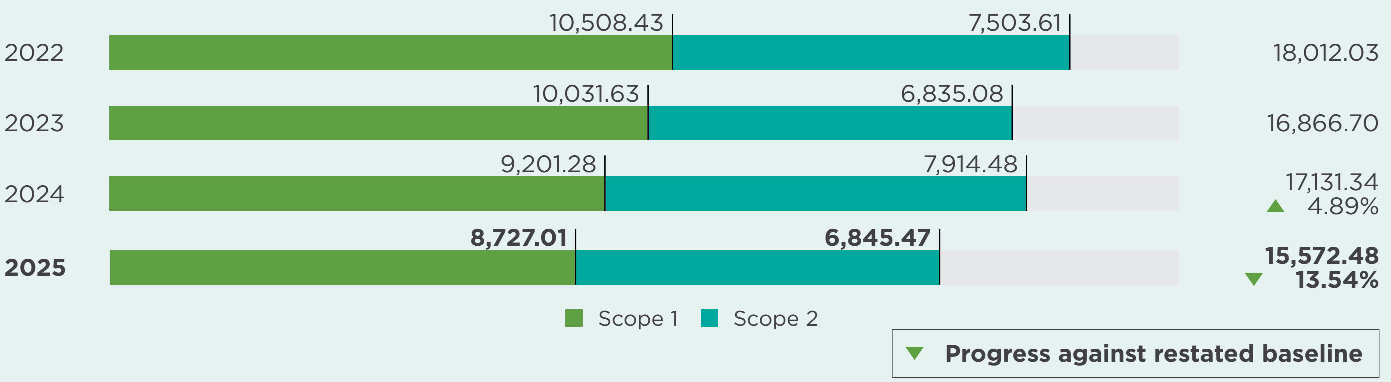
In FY2024, Scope 2 location-based emissions were restated to 7,914.48 tCO_2e from 7,910.55 tCO_2e due to the inclusion of a United Arab Emirates site that had been omitted in the previous year. A similar restatement was applied to Scope 2 market-based emissions, which were revised to 5,878.75 tCO_2e from 5,801.73 tCO_2e.

Scope 3



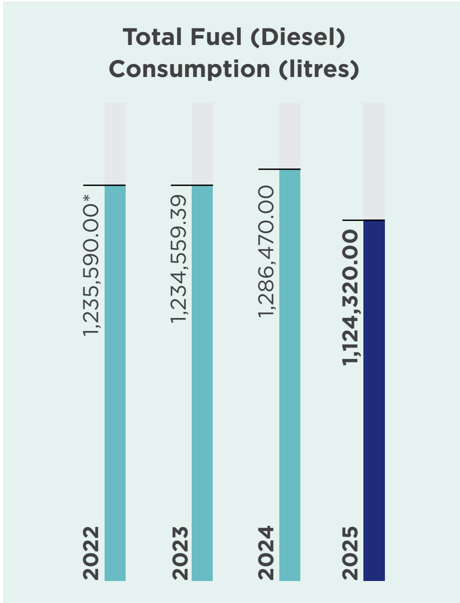
Scope 3 emissions reflect an expanded disclosure of purchased goods and services, implemented on a pilot basis and covering over 100 suppliers, alongside reductions in upstream leased assets and employee commuting. Business travel emissions declined due to lower air travel, while land travel remained broadly stable, reflecting ongoing operational requirements.

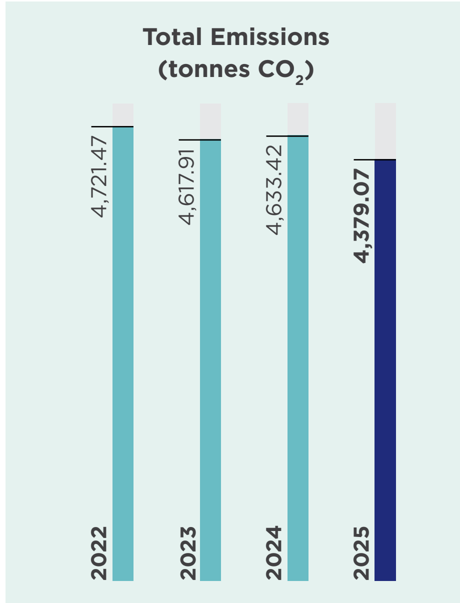
Overall Performance - Total Scope 1 & 2



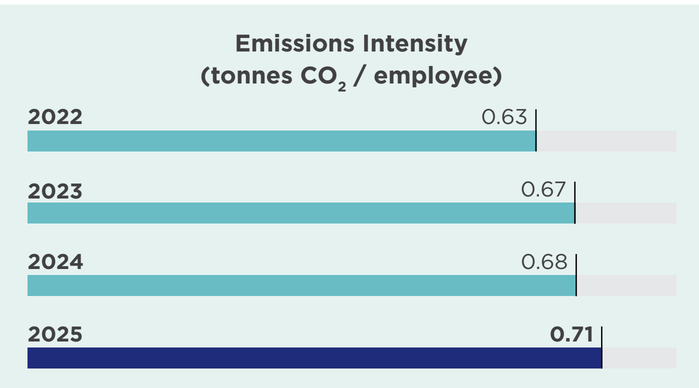
The Group recorded an overall 13.55% reduction in Scope 1 and 2 emissions against the baseline, and 9.10% y-o-y reduction compared to 2024, underscoring continued progress in improving operational efficiency and emissions performance.

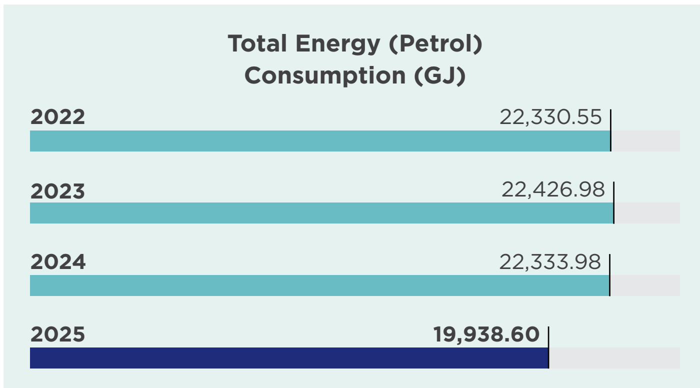
SCOPE 1: Combustion Emission and Consumption Data (Fuel in tonnes CO_2)
Vehicle Fleet (Petrol and Diesel)

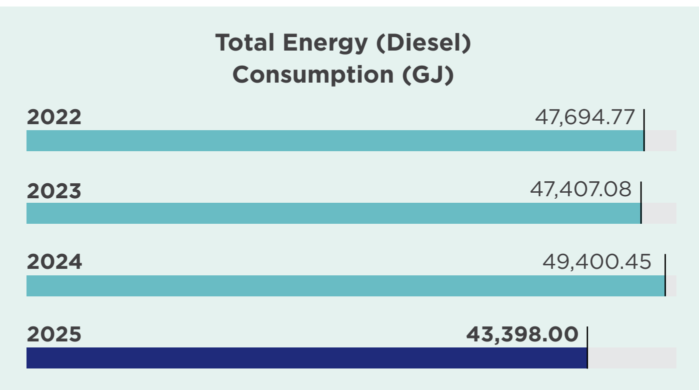


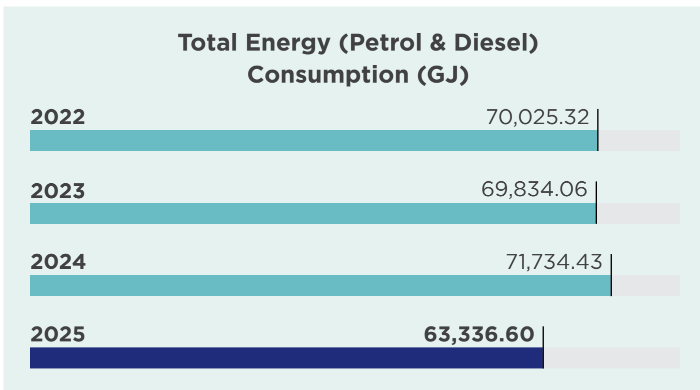


Scope 1 mobile combustion emissions in FY2025 declined, mainly due to lower fleet-related emissions resulting from vehicle rationalisation initiatives. Reduced utilisation of diesel-powered vehicles which resulted in lower diesel consumption also contributed to the overall decrease in emissions.



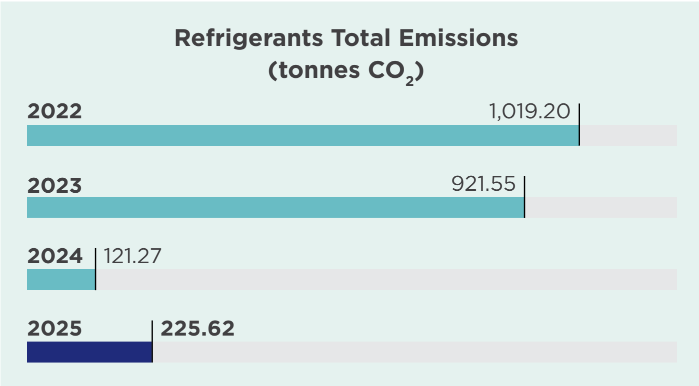


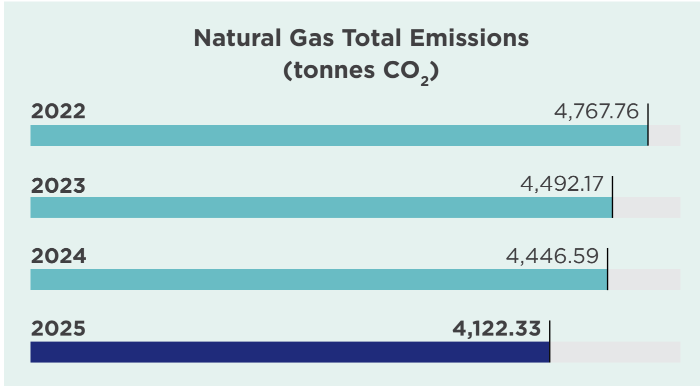




MINIMISING ENVIRONMENTAL IMPACT

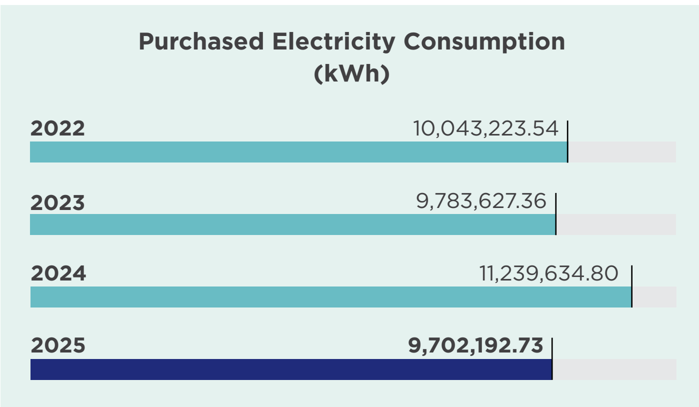
Scope 1 – Refrigerants & Natural Gas Emissions

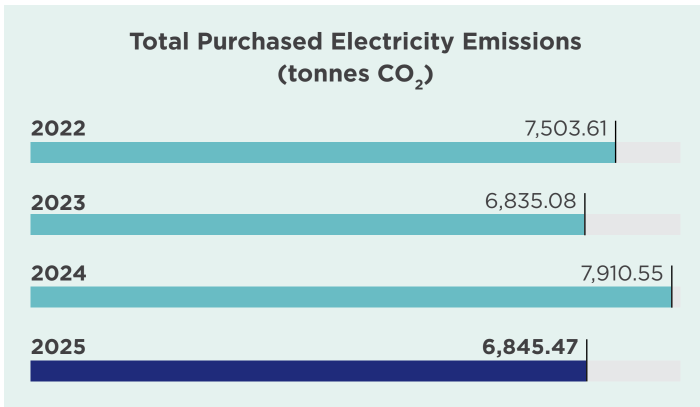




1. Natural gas consumption declined following targeted operational scale-downs and reduced operating hours.
2. Kuala Ketil Laundry Plant (KKLP) achieved a modest reduction in usage compared to the baseline.
3. Kamunting Laundry & Incinerator Plant (KLIP) recorded a more substantial reduction, reflecting the impact of site-level optimisation measures.
4. Refrigerant consumption increased slightly in 2025 compared to 2024 due to maintenance-related top-ups, however levels remained significantly lower than the 2022 baseline following ongoing system optimisation efforts.

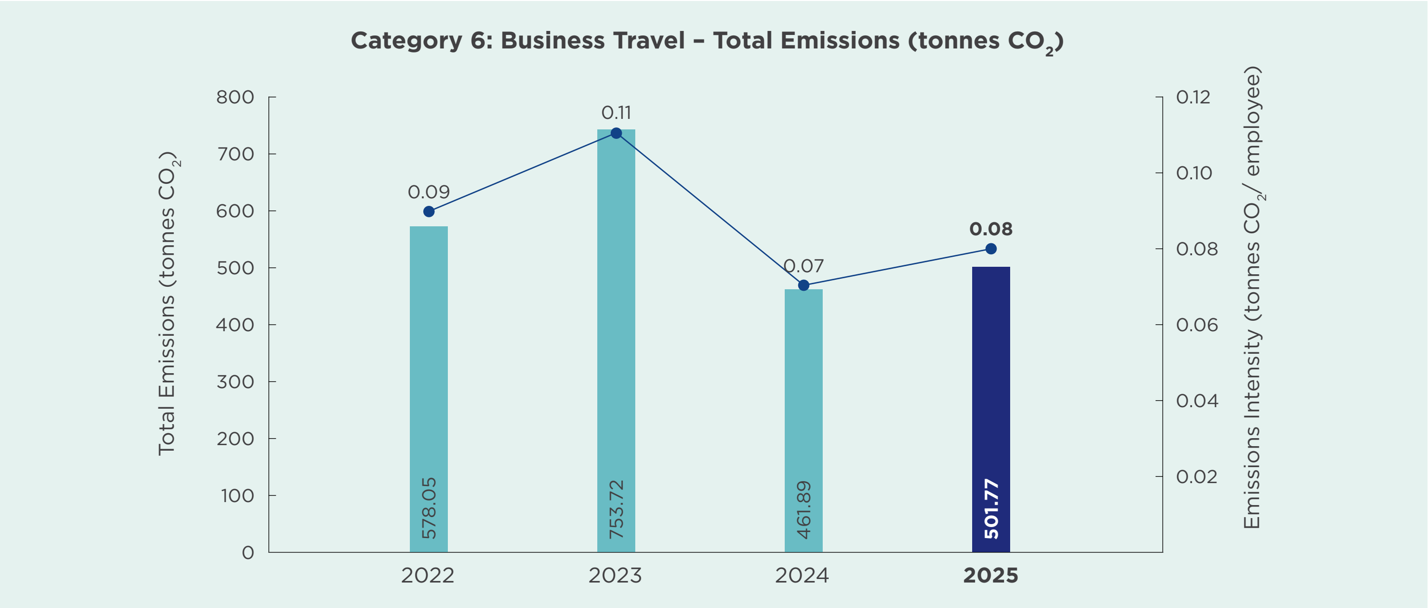
Scope 2 – Purchased Electricity Consumption & Emissions



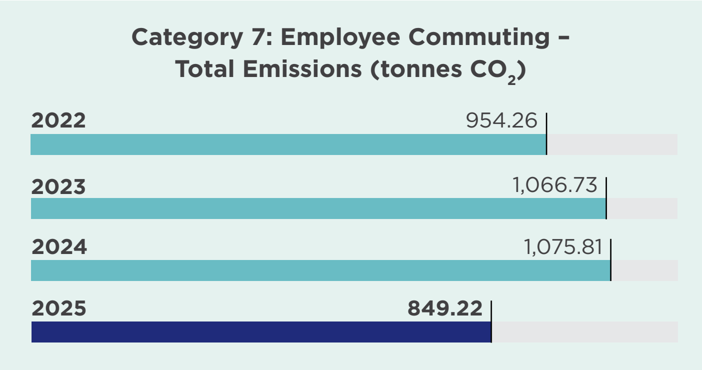


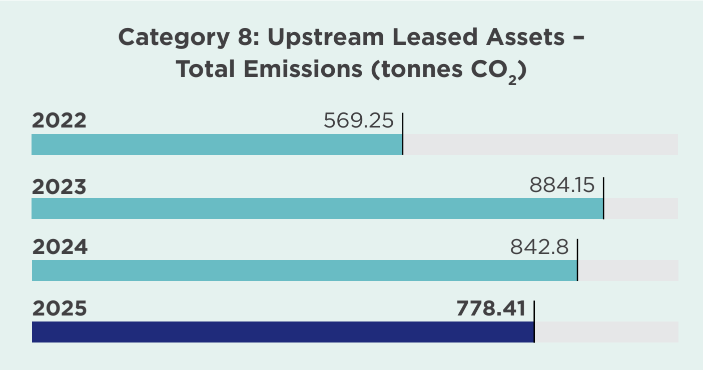
1. Optimisation and scale-down of linen operations at KKLP and KLIP contributed to contributed to a significant reduction in electricity consumption.
2. Strategic optimisation of office space at Menara UEM helped lower overall energy demand.
3. Consolidation of staff accommodation under MEEM supported more efficient energy use.
4. Replacement of inverter split-unit AC systems enhanced cooling efficiency at healthcare site offices.
5. More disciplined utilisation of meeting and event spaces reduced avoidable electricity consumption.
6. Updated activity data from UEMS Malaysia contributed to contributed to changes in total reported emissions.

Scope 3 – Emissions by Category



1. Land travel includes travel by car (petrol and diesel), taxi, bus and railway.
2. Distance travelled by air has reduced by 35%, which translates to a similar reduction in air travel emissions.
3. Distance travelled by land has also reduced, but emissions have stayed consistent since FY2022, indicating a high dependence on less efficient travel modes (e.g. car or van) instead of public transport. This is expected due to the nature of our operations and the locations of our sites.





Managing Our Scope 1 and Scope 2

Our commitment to managing emissions is guided by a decarbonisation approach anchored on six strategic levers, focusing on reducing energy use, improving efficiency and avoiding environmental impacts across our operations. During FY2025, reductions in both Scope 1 and Scope 2 emissions were primarily driven by a combination of operational scaling-down and targeted energy efficiency initiatives.

Under Scope 1 emissions, mobile combustion decreased significantly, recording an 8% reduction compared to FY2024, mainly due to the disposal of vehicles and the removal of inactive vehicles following the closure of selected projects. In addition, Scope 1 stationary combustion declined by 7%, reflecting reduced fuel consumption resulting from the scaling down of certain operations.

Similarly, Scope 2 emissions were impacted by lower electricity consumption arising from operational adjustments. Electricity usage declined at several healthcare facilities, including KKLP and KLIP, following reduced operational activity. At the Group's headquarters, three floors were vacated at Menara UEM from June 2025 in preparation for external tenancy and remained unoccupied as at March 2026, further contributing to lower electricity consumption. As a result, overall Scope 2 emissions decreased by 5.14% compared to FY2024.

MINIMISING ENVIRONMENTAL IMPACT

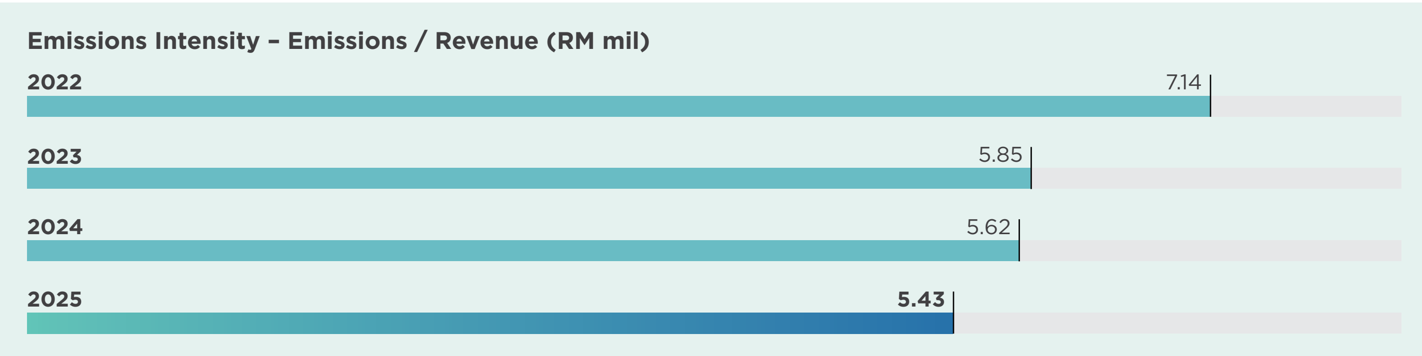
The reduction achieved reflects targeted efficiency measures across our operations, including lower fuel use driven by fleet rationalisation, reduced natural gas consumption from scaled-down activities, and energy savings from optimised office space and enhanced cooling systems. Continued rollout of LED lighting and more efficient asset replacements further supported electricity reductions, while progress toward a lower-carbon fleet through selective EV adoption and solar installations contributed to overall improvements. Together, these efforts demonstrate a structured, data-driven approach to reducing operational emissions and strengthening long-term energy performance.

Year	Category 1: Purchased goods and services (tonnes CO_2)
2025	46,412.62

The Adjusted Purchased Goods & Services (PG&S) is a pilot management metric designed to provide a broader view of procurement-driven Scope 3 emissions. It combines Scope 3 Category 1 emissions—calculated using spend-based estimation—with selected portions of other Scope 3 categories that are materially influenced by purchasing decisions.

Category 1 emissions are adjusted to improve data completeness, while partial emissions from other categories are included using conservative attribution factors.

As a pilot, the methodology will be reviewed and refined over time, with a commitment to improving data quality, increasing supplier-specific and activity-based data, and assessing Scope 3 emissions more holistically in future years.



In addition to our absolute emissions, we began tracking our emissions intensity in FY2025. This enables us to identify carbon hotspots and analyse the impact of our carbon reduction strategies, and thereby develop a better understanding the key steps we need to take to meet our net zero targets.

Through this exercise, we have identified that we have achieved a notable reduction in emissions intensity from 7.14 tonnes per million ringgit in revenue in FY2022, to 5.43 tonnes per million ringgit in revenue in FY2025. This represents a 24% decrease in emissions intensity over a three-year period, reflecting tangible progress in decoupling our operational growth from greenhouse gas emissions.

This trend reflects the success of our ongoing decarbonisation strategies such as fleet and transport optimisation, behavioural changes to reduce energy consumption at sites, EV adoption and strengthening emissions accounting and reporting quality. We remain guided by our six levers of decarbonisation to drive us on our net zero pathway.

Moving forward, we will be using emissions intensity at a business-unit level to better strategise our decarbonisation efforts in alignment with carbon hotspots defined through carbon intensity.

Carbon Tax Calculation

In FY2025, we piloted an internal carbon price of RM15 per tCO_2e as part of our efforts to manage transition risk. The pilot serves as a forward-looking mechanism to simulate potential carbon pricing exposure and strengthen carbon accountability across BUs.

Based on current emissions performance, the majority of BUs are operating within established intensity thresholds. Limited exposure was observed in one to two BUs, reinforcing the importance of continued operational optimisation. At present, the Group does not face a material financial impact from carbon pricing.

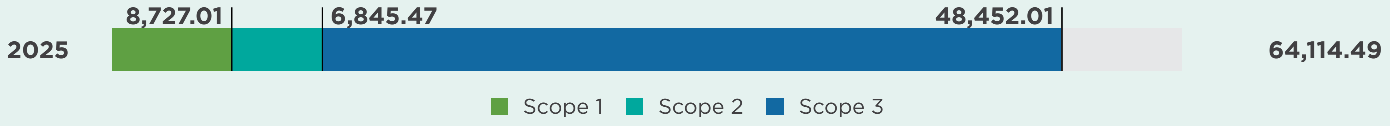
Restatement of Baseline Emissions

The Group measures greenhouse gas emissions twice yearly to identify data gaps and classification issues. A mid-year FY2025 review identified missing submissions, fuel misclassifications and site-level omissions across several business units. As a result, the Group restated its 2022 baseline from 17,980.11 tCO_2e to 18,012.03 tCO_2e, reinforcing data accuracy, methodological consistency and transparency in emissions reporting.

Overall Emissions Performance

Our Scope 1 and Scope 2 emissions in addition to Scope 3 totalled 64,114.49 tCO_2e)

Total Overall Emissions



Our Performance against Net Zero Targets

Year	2022	2023	2024	2025
Scope 1	10,508.43	10,031.63	9,220.88	**8,727.01**
Scope 2	7,503.61	6,835.08	7,914.48	**6,845.47**
Total Target Reduction	0	3.69%	3.69%	**3.69%**
Actual Reduction	0	6.37%	(4.89%)	**13.54%**

* Restated Baseline

2022 figures have been restated and serve as the baseline year for the Group's Net Zero targets. Emissions reduction performance is measured from 2023 onwards, with an annual target reduction of 3.69% until 2030. In 2023, the Group achieved a 6.37% reduction in combined Scope 1 and Scope 2 emissions, exceeding the annual target. In 2024, emissions increased, resulting in a 4.89% variance against the target due to operational factors. In 2025, the Group recorded a significant emissions reduction of 13.54%, substantially surpassing the annual target and demonstrating strong progress towards its Net Zero transition pathway.

OUTLOOK

Moving forward, climate change will continue to shape the environment in which UEM Edgenta manages assets and delivers essential services, presenting both risks and opportunities that have implications for operational resilience, regulatory compliance and long-term value creation. In response, the Group will further embed climate considerations into strategy, governance and business planning, while taking steps to strengthen the consistency, transparency and decision-usefulness of climate-related disclosures in alignment with ISSB IFRS S2 Climate-related Disclosures standard.

In support of this, enhancements will be made to data systems and climate risk assessment processes to improve visibility over potential financial and operational impacts. Renewable energy adoption and other material climate initiatives will continue to be evaluated based on operational feasibility and strategic alignment. Sustainability Committees at the business unit level will support the implementation of Group-level priorities, ensuring climate considerations are reflected in day-to-day management and operational decision-making.

ENVIRONMENTAL MANAGEMENT

WHY IT MATTERS

Environmental management is material to UEM Edgenta because the Group operates and maintains critical assets that directly affect public health, environmental quality and community well-being, and how environmental impacts are controlled directly affects operational reliability, regulatory compliance and stakeholder trust. As environmental standards tighten and stakeholder expectations rise, disciplined environmental management is essential to maintaining our licence to operate and long-term competitiveness.

Failure to manage environmental impacts effectively could result in higher operating costs, regulatory penalties, service disruptions, and reputational damage. Conversely, strong environmental governance supports cost efficiency, risk mitigation and resilience across the assets we manage.

OUR APPROACH

UEM Edgenta continues to strengthen responsible environmental management practices across its operations as part of its wider commitment to reducing ecological impact and supporting long-term sustainability. The Group's approach focuses on pollution prevention, resource conservation and improved waste management, with an emphasis on enhancing efficiency while lowering its environmental footprint.

Environmental management is guided by established policies and frameworks, including the Sustainability Policy and Environmental Policy, which set clear direction on waste reduction, water conservation and emissions management. In line with regulatory obligations, the Group complies with the Department of Environment's Standard Operating Procedures for the handling of scheduled waste, including e-waste and effluent from linen and laundry plants. Scheduled waste management covers handling, labelling, packaging, storage, transportation and disposal of waste streams such as industrial and sewage effluent and bottom ash from clinical waste incineration. All disposal activities are tracked and recorded in the Department of Environment's online inventory portal, supporting regulatory compliance and traceability.

To maintain high environmental standards, accredited third-party laboratories are appointed to conduct monthly testing of sewage and industrial effluent discharged into water bodies, ensuring compliance with regulatory thresholds. Waste management practices are further strengthened through improved data collection, waste separation, staff awareness programmes, knowledge-sharing sessions and research into recycled content for pavement materials. These efforts are overseen by the HSSE team in alignment with the HSSE Policy and Sustainability Policy.

Water Management

Water is an increasingly stressed resource, and responsible management is important for both environmental stewardship and operational resilience. The Group monitors water consumption, effluent and discharge across relevant operations to meet regulatory requirements and permit conditions. A water stress screening using external datasets also indicated that our plants operate in low to medium water stress areas.

At its headquarters, a Water Management Plan has been implemented to reduce overall consumption. Measures include employee engagement and awareness campaigns on water-saving practices, supported by reminder signage in toilets, pantries and common areas to reinforce responsible behaviour.

Processes are in place to monitor water effluent and discharge performance, and reviews are conducted periodically to support continuous improvement. Based on monitoring carried out during FY2025, the Group recorded zero cases of non-compliance related to effluent discharge. These practices strengthen compliance discipline while supporting efficient resource use across operations.

Accreditation and Recognition

In FY2025, UEM Edgenta and its concession hospitals received multiple recognitions for sustainability and operational excellence, including:

Gold Award
Hospital Management Asia Awards
for Hospital Bukit Mertajam

CIDB Quest Award
for outstanding operation & maintenance performance
(Six awards in total)

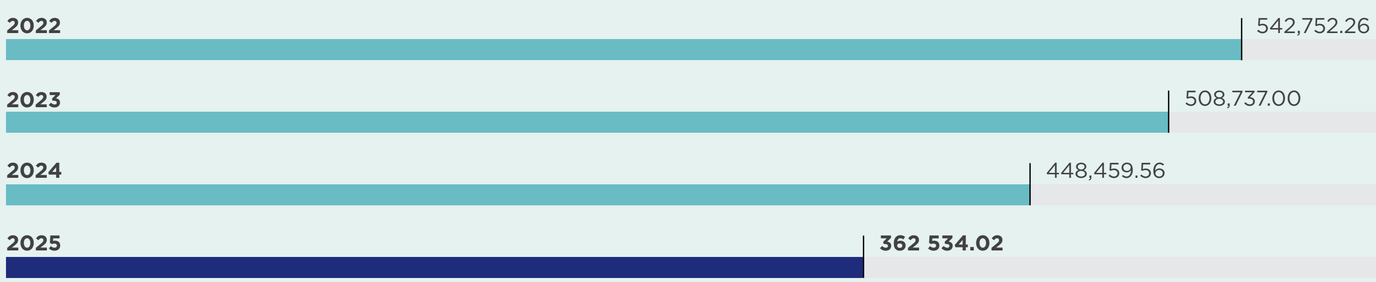
Green Healthcare Facilities (GHF) Awards
wins in various categories including energy reduction, green building certification and recycling

Recognition from Kloth Cares for fabric recycling efforts

Awarded Best sustainability initiative (concession), Edgenta Mediserve Sdn. Bhd., Green Healthcare Facilities Appreciation 2025, MoH

During the year we also helped four additional hospitals achieve MyCREST certification, recognising the effectiveness of our efforts to reduce environmental impact across the whole construction and building lifecycle.

Water Resource Stewardship – Water Consumption (m^3)



Water (Effluent) Discharge

Location	Disclosure	Unit	Water Stress Level	2021	2022	2023	2024	2025
Kuala Ketil Laundry Plant (KKLP)	Disclosure of water (effluent) discharge	m^3	Low-Medium (10-20%)	61,795.00	70,435.00	74,154.00	76,586.00	**60,272.00**
Kamunting Laundry & Incinerator Plant (KLIP)	Disclosure of water (effluent) discharge	m^3	Low (<10%)	163,303.00	110,789.00	119,499.50	151,641.80	**90,327.7**

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Source of Water Stress reference: Aqueduct Water Risk Atlas

Air emissions and compliance

Sulphur Oxide (SOx)	0
Nitrogen Oxide (NOx)	0

Air emissions monitoring shows that there are no material Sulphur Oxide (SOx) or Nitrogen Oxide (NOx) emissions detected at both Kamunting Laundry and incineration plant (KLIP) and Kuala Ketil Laundry Plant. All parameters monitored and regulated by the Department of Environment (DOE) remain within the prescribed permissible limits.The monitoring is carried out by an accredited third party consultant in accordance with DOE approved methodologies.

VALUE CREATED

Key initiatives during the year included supporting hospital clients in adopting rainwater harvesting systems to reduce reliance on treated water, promoting responsible consumption through structured water awareness campaigns, and piloting data collection from selected suppliers on water, energy and waste. This has improved supply chain transparency and strengthened accountability for environmental performance beyond direct operations. Environmental risk resilience also formed part of this approach, with assessments carried out to evaluate exposure to surface water flooding at plants and operational sites. Although no significant threats were identified, these assessments support early preparedness and enable timely mitigation planning where required.

Responsible Waste Management and Circular Practices

UEM Edgenta strengthened environmental value creation in FY2025 by improving waste governance, increasing diversion from landfill and scaling circular practices across business units. Efforts focused on practical waste reduction, higher-quality segregation, responsible scheduled waste handling and the adoption of waste-to-value solutions that support operational efficiency and lower environmental impact.

Entopia Organic Waste Recycling Partnership

Hospital Pulau Pinang established a sustainability collaboration with Entopia in April 2025 to address food waste generated from hospital operations. The hospital produces approximately 1,000 kg of organic waste daily. Under the EntoFeed Programme, organic waste is biologically treated using Black Soldier Fly Larvae technology, enabling the hospital to divert 30% of food waste from landfill. The programme includes on-site segregation, scheduled collection and monthly monitoring of waste quantities and diversion rates to support sustainability performance tracking and ESG reporting. Outputs include organic fertiliser and animal feed ingredients, positioning the initiative as a practical circular economy reference model for hospitals across the Penang region.

EMSB Entopia

Waste Reduction and Recycling Across Operations

Healthcare facilities continued to implement structured waste programmes spanning textiles, organics and biodegradable alternatives.

Textile circularity was advanced through Group-wide fabric recycling initiatives across hospitals and Menara UEM, with 803.9 kg collected to date. The Green Thread Champion 2025 campaign accelerated participation, collecting about 251 kg of textile waste within 10 days.

A major healthcare pilot also progressed during the year.

251 kg of fabric diverted from landfill through Fabric Recycling Bin Campaign installed in Menara UEM

Biodegradable Food Tray Initiative

The Biodegradable Food Tray Initiative was championed and funded by the Ministry of Health (MoH) and facilitated by Edgenta Mediserve as a pilot programme across 28 hospitals in the Northern Region. The initiative evaluated the feasibility and operational impact of replacing conventional reusable plastic and metal trays with biodegradable food trays, which were produced by Free The Seed using raw materials sourced from approximately 1,300 B-40 category rice farmers in Kedah, thereby supporting local livelihoods and promoting sustainable supply chain.

Assessment findings indicated the approach is technically feasible and operationally viable for hospital settings. The programme reduced electricity, water and chemical detergent consumption by eliminating tray washing processes. Lighter tray weight improved ergonomics and reduced manual handling demands for hospital staff. From an environmental perspective, carbon reduction was driven by the removal of washing-related energy use and the use of paddy straw as a raw material, diverting agricultural waste from open burning. Preliminary assessment estimated 63,079.17 kg CO_2e of carbon reduction across the 28 hospitals.

The Biodegradable Food Tray used in 28 hospitals in the Northern Region

MINIMISING ENVIRONMENTAL IMPACT

Strengthening Recycling and Responsible Disposal in Regional Operations

In UEMS Singapore, recycling practices were strengthened through office and project-site segregation programmes, supported by by staff engagement and visual reminders to reduce contamination and improve segregation quality. The business also conducted an Electronics Disposal Drive 2025 to support responsible recycling of laptops, peripherals and other e-waste through licensed recyclers. Controlled and hazardous waste continued to be managed by licensed vendors in support of regulatory compliance, while food composters were introduced at headquarters and selected hospital sites to reduce organic waste sent to landfill.

In EdgentaUEMS Taiwan, waste initiatives focused on improving segregation and recycling rates, supported by practical circular solutions such as coffee grounds reuse with client facilities. This reduced disposal volumes while enabling secondary use such as fertiliser applications and pest risk mitigation.

Kaizen strengthened segregation and recycling practices across managed facilities in collaboration with clients, supporting lower landfill disposal and reduced pollution risks while aligning with client sustainability objectives. Property and Facilities Solutions (PFS) and OME supported waste minimisation through operational recycling initiatives, including e-waste recycling, complemented by supplier engagement to reinforce responsible waste handling practices aligned with value chain expectations.

Responsible Sourcing and Circular Materials

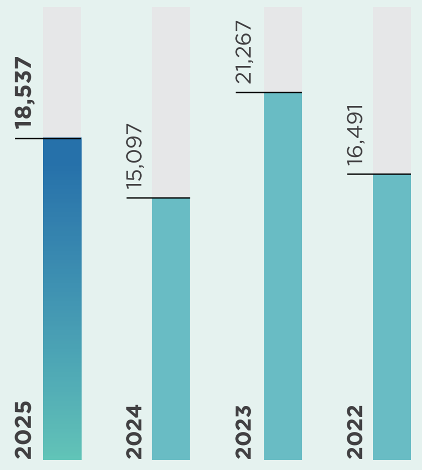
Responsible procurement supported circular economy outcomes and reduced environmental impact from purchased materials. UEMS Singapore prioritised suppliers certified under the Singapore Green Labelling Scheme across plastics, chemicals and paper product categories. EdgentaUEMS Taiwan increased the use of environmentally certified materials, adopted FSC-certified paper for internal publications and strengthened local sourcing practices to support supply chain resilience while lowering material-related environmental impact.

Digitalisation and Paper Optimisation

Across operations, digitalisation continued to support waste reduction and resource efficiency. Operon Middle East digitalised key administrative processes such as invoicing, procurement and human resource transactions, significantly reducing paper consumption and operational inefficiencies. In Malaysia, paper consumption increased during the year, reflecting business growth and higher operational activity rather than a reversal of digitalisation efforts. The Group continues to promote disciplined paper use, prioritising digital workflows where feasible and progressively strengthening document management systems and paper optimisation measures.

In Dubai, digital forms and automated workflows were further adopted, streamlining processes and reducing reliance on manual documentation.

Consumption of Paper (A4 Reams) (Malaysia)*



**Note:*
The figures previously reported in the FY2024 Annual Report (AR FY2024) have been restated to reflect updated and more accurate information. The FY2022 figure was restated from 6,266 to 16,491, while the FY2023 figure was restated from 6,381 to 21,267, as disclosed in AR FY2024. In addition, the FY2024 figure has been restated from 7,379 to 15,097, as presented above.

Materials

Pavement Research Centre – Industry Innovation Hub

Malaysia's first GLC-backed Pavement Research Centre (PRC) is a hub for sustainable road materials and infrastructure innovation, linking laboratory research to field implementation to improve durability, lifecycle performance and environmental outcomes. Its work advances circular economy practices through recycled asphalt pavement (RAP), with validated solutions using 30% recycled content, trials at 50%, and 100% RAP using cold recycling methods while meeting performance standards.

The PRC has also developed lower-carbon pavement technologies such as warm-mix and low-temperature asphalt and full-depth rehabilitation, supported by enhanced binders and recycled polymers to reduce energy use, emissions and maintenance frequency while improving safety and durability. Innovation follows a structured pathway from lab research to full-scale trials and rigorous testing, with five sustainable asphalt solutions approved under Malaysia's road material framework and more in development. The Centre collaborates with concessionaires, technology partners and academic and international players to tailor solutions for airports, highways and heavy-duty networks, including bespoke warm-mix asphalt remixes for airport applications in FY2025, enabling durable, lower-carbon and cost-efficient infrastructure delivery.

UEM Edgenta's Innovation Hub, The Pavement and Research Centre

MINIMISING ENVIRONMENTAL IMPACT

Sustainable New Jersey Barrier – Project Harmony

Project Harmony demonstrates collaborative innovation delivering enhanced road safety with lower environmental impact. The initiative between PLUS, CIMA and EIS produced Green Guard, a precast concrete New Jersey Barrier engineered to TL5 safety performance standards using recycled materials.

Green Guard achieves approximately 60% CO_2 reduction compared to conventional barriers while maintaining structural integrity. Following proof-of-concept validation, the solution is progressing toward commercial approval targeted for 2026, supporting safer highways with reduced embodied carbon. We continue to advance this initiative through ongoing testing, stakeholder engagement and refinement of the design to ensure long-term adoption and impact.

Conservation of the Environment

Waste Management and Circular Economy – Asphalt Premix Plant with Recycling Facility

Building on the insights generated by the Pavement Research Centre (PRC) through continuous laboratory research, material innovation and performance evaluation, UEM Edgenta translated its R&D capabilities into practical, scalable solutions for road maintenance. This progression led to the establishment of the Asphalt Premix Plant with Recycling Facility, where PRC's technical innovations are applied to commercial scale recycled asphalt production. As part of the Group's waste management strategy, the Plant enables the application of circular economy principles by recovering, processing and reusing road milling waste from resurfacing works, reducing dependence on virgin aggregates and bitumen.

This approach:

- Diverts construction waste from landfills
- Conserves natural resources
- Lowers embodied carbon in asphalt production
- Improves cost efficiency across highway maintenance works

Asphalt Premix Plant with Recycling Facility in Tapah

Aphalt Premix Plant with Recycling Facility – Circular Waste Management in Practice

Location
Tapah, Perak

Operator
Edgenta PROPEL Berhad

Facility
Asphalt Premix Plant with Recycling Facility

Process:

1. Collection of milling waste
2. Transport to plant
3. Screening and processing
4. Controlled blending with virgin material
5. Production of recycled asphalt pavement

Environmental value

- Reduced virgin aggregate demand
- Lower landfill disposal
- Estimated avoidance of up to ~800 tonnes CO_2-e annually

Economic benefits

- 5%–7% cost savings
- Improved delivery efficiency for major highway clients

Supply Chain Environmental Initiatives

At the corporate level, we are developing an environmental screening methodology to support systematic supplier assessment across the Group. In parallel, our international offices have already implemented various environmental due diligence practices. UEMS Singapore reviews suppliers for ISO 14001 alignment and regulatory compliance, OME screens all vendors during onboarding, and Kaizen applies defined environmental criteria to most new suppliers while conducting deeper assessments on selected suppliers covering energy, waste, emissions, water use and compliance. The assessments provided insights into potential environmental risks across the supply base and highlighted opportunities for improvement. Going forward, we aim to engage suppliers through capacity building, corrective actions and the promotion of environmentally preferable products to strengthen overall environmental performance.

OVERALL PERFORMANCE

Waste Generated from Operations (metric tonnes)

	2022	2023	2024	2025
Waste generated	567.45	1,498.97	2,019.63	**1,164.90**
Hazardous waste generated	512.41	724.54	595.28	**935.25**
Waste diverted from disposal	10.60	604.93	1,058.50	**6.01**
Waste directed to disposal	556.85	894.04	961.14	**1,158.88**
Disclosure of three years of waste recycled	0.05	0.63	0.64	**0.64**

Waste Managed for Clients (metric tonnes)
(Healthcare Services, Infrastructure Services and Property Facilities Solutions clients)

	2022	2023	2024	2025
Waste Managed for Edgenta's Clients	16,435.95	67,114.11	6,602.28	**45,006.88**
Waste Directed to Disposal	15,652.64	20,398.30	5,426.32	**37,969.22**
Hazardous Waste	12,921.31	5,508.83	5,376.92	**5,610.60**
Non-Hazardous Waste	2,730.93	15,010.75	49.4	**86.90**
Waste Diverted from Disposal	4,582.45	46,715.22	1,175.96	**1,138.30**

The significant increase in reported waste in 2025 is primarily attributable to expanded data coverage, with waste information collected from more operational locations compared to 2024.

The decrease in non-hazardous waste in 2024 and 2025 is due to a refinement of the reporting boundary and does not indicate a reduction in operational activities.

OUTLOOK

Through continued focus on waste reduction, resource efficiency, responsible sourcing and circular practices, UEM Edgenta aims to strengthen environmental management outcomes and support long-term operational sustainability. Future efforts will prioritise deeper integration of environmental considerations into business planning and daily operations, supported by improved data quality, stronger monitoring processes and clearer performance indicators.

The Group will enhance waste segregation, recycling and waste-to-value initiatives while expanding circular material use, and will strengthen supply chain sustainability through the Supply Chain Engagement Plan and a formalised screening methodology to assess supplier environmental performance consistently. In parallel, UEM Edgenta will advance digitalisation and process optimisation to reduce material use, strengthen compliance and improve resource efficiency, while refining environmental risk assessments to better prepare for climate- and water-related impacts and support more resilient operations.