UEM EDGENTA BERHAD ("UEM EDGENTA" OR THE "COMPANY")

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF UEM EDGENTA PURSUANT TO SECTION 116 OF THE COMPANIES ACT, 2016 ("PROPOSED SCR")

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1. INTRODUCTION

The Company had on 28 November 2025, announced that the board of directors of UEM Edgenta ("**Board**") had received a letter from its major shareholder, UEM Group Berhad ("**UEMG**" or the "**Non-Entitled Shareholder**") on the same date, informing the Board of its intention to privatise the Company by way of a selective capital reduction and repayment exercise pursuant to Section 116 of the Companies Act, 2016 ("**Act**") and requesting the Company to undertake the Proposed SCR ("**Proposal Letter**").

On 19 December 2025, in accordance with paragraph 3.06 of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia ("**Rules**"), the Board (save for Datuk Amran Hafiz Bin Affifudin, Mohd. Asrul Bin Ab. Rahim and Nurul Iman Binti Mohd Zaman (collectively, the "**Interested Directors**")) (collectively the "**Non-Interested Directors**"), had appointed Berjaya Securities Sdn Bhd ("**Berjaya Securities**") as the Independent Adviser to provide comments, opinion, information and recommendation on the Proposed SCR to the Non-Interested Directors and all the shareholders of UEM Edgenta other than the Non-Entitled Shareholder and its person(s) acting in concert ("**PAC(s)**") ("**Non-Interested Shareholders**") in respect of the Proposed SCR.

On 9 January 2026, CIMB Investment Bank Berhad ("**CIMB**"), on behalf the Company, announced that the Non-Interested Directors had, at a meeting held on 9 January 2026, deliberated on the contents of the Proposal Letter and had resolved to table the Proposed SCR to the Non-Interested Shareholders for their consideration and approval.

Further details pertaining to the Proposed SCR are set out below.

2. DETAILS OF THE PROPOSED SCR

2.1 Particulars of the Proposed SCR

(i) The Proposed SCR involves UEM Edgenta undertaking a selective capital reduction and capital repayment pursuant to Section 116 of the Act in respect of the ordinary shares in UEM Edgenta ("**UEM Edgenta Shares**") held by all the shareholders of UEM Edgenta (other than the Non-Entitled Shareholder) whose names appear in the Record of Depositors and/or register of members of UEM Edgenta as at 5.00 p.m. on an entitlement date to be determined and announced later by the Board ("**Entitlement Date**") ("**Entitled Shareholders**").

(ii) As at 31 December 2025, being the latest practicable date prior to this announcement ("**LPD**"), the issued share capital of the Company is RM268,074,291.14 comprising 831,624,030 UEM Edgenta Shares in issue.

(iii) As at the LPD, UEMG and PAC(s) collectively hold 574,967,925 UEM Edgenta Shares, representing approximately 69.14% of the total UEM Edgenta Shares in issue, the details of which are as follows:

	Direct		Indirect	
	No. of UEM Edgenta Shares	**%[1]**	**No. of UEM Edgenta Shares**	**%[1]**
Offeror				
UEMG	574,967,925	69.14	-	-
PAC				
Khazanah Nasional Berhad ("**Khazanah**")[2]	-	-	574,967,925	69.14[2]

Notes:

(1) Calculated based on the total number of 831,624,030 UEM Edgenta Shares in issue as at the LPD.

(2) Khazanah is a PAC pursuant to paragraph 216(3) of the Capital Markets and Services Act, 2007, and is deemed interested by virtue of its shareholdings in UEMG pursuant to subsection 8(4) of the Act. As at the LPD, Khazanah holds 100.00% direct equity interest in UEMG and all the shares in Khazanah are owned by the Minister of Finance (Incorporated) with the exception of one share held by Federal Lands Commissioner.

For information purposes, Urusharta Jamaah Sdn Bhd, a company wholly owned by the Minister of Finance (Incorporated), is a substantial shareholder of UEM Edgenta, holding 48,313,000 UEM Edgenta Shares, representing approximately 5.81% of the total UEM Edgenta Shares in issue as at the LPD. For the avoidance of doubt, Urusharta Jamaah Sdn Bhd is not a person acting in concert with UEMG in relation to the Proposed SCR.

(iv) As at the LPD, the Entitled Shareholders collectively hold 256,656,105 UEM Edgenta Shares, representing approximately 30.86% of the total UEM Edgenta Shares in issue. Pursuant to the Proposed SCR, the Entitled Shareholders will receive a total capital repayment of RM282,321,715.50 which represents a cash repayment of RM1.10 for each UEM Edgenta Share ("**SCR Offer Price**") held by the Entitled Shareholders on the Entitlement Date.

For the avoidance of doubt, UEMG will not be entitled to the capital repayment pursuant to the Proposed SCR.

(v) Based on the shareholding as at the LPD, the issued share capital of UEM Edgenta will be reduced by up to RM282,321,715.50 pursuant to the Proposed SCR.

(vi) In view that the issued share capital to be reduced is higher than the existing issued share capital of UEM Edgenta of RM268,074,291.14, UEM Edgenta will undertake a bonus issue of up to 114,247,425 new UEM Edgenta Shares ("**Bonus Shares**") to be issued by way of capitalising up to RM114,247,425 from the capital reserve of UEM Edgenta ("**Proposed Bonus Issue**"). The Proposed Bonus Issue is purely to facilitate the implementation of the Proposed SCR.

(vii) UEMG will waive its entitlements to the Bonus Shares to be issued pursuant to the Proposed Bonus Issue.

(viii) The Bonus Shares issued to the Entitled Shareholders under the Proposed Bonus Issue will be cancelled immediately after issuance to facilitate the implementation of the Proposed SCR. As such, the Bonus Shares will not be credited into the Central Depository Systems ("**CDS**") accounts of the Entitled Shareholders nor will they be listed on the Official List of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Official List**").

(ix) The Proposed Bonus Issue is inter-conditional with the Proposed SCR. In the event the Proposed SCR is unsuccessful, the Proposed Bonus Issue will not be implemented.

(x) Pursuant to the Proposed SCR, all UEM Edgenta Shares, including the Bonus Shares, will be cancelled save for the UEM Edgenta Shares which are held by UEMG. As at the LPD, UEMG holds 574,967,925 UEM Edgenta Shares. Upon completion of the Proposed SCR ("**Completion**"), UEMG will hold the remaining UEM Edgenta Shares which are not cancelled and will own 100% equity interest in the Company.

2.2 UEM Edgenta's covenants pursuant to the Proposal Letter

(i) From the date of the Non-Interested Directors' acceptance of the terms of the Proposal Letter until Completion, UEM Edgenta undertakes to UEMG that:-

(a) save for the financing arrangements to fund the Proposed SCR and the refinancing of the outstanding Islamic Medium Term Notes of RM250 million issued by the Company under the Sukuk Murabahah Programme which will mature on 24 April 2026 ("**iMTN**"), UEM Edgenta will not conduct any form of capital or fund-raising exercise, whether in the form of debt or equity and will not grant any options over the UEM Edgenta Shares or issue any new UEM Edgenta Shares;

(b) save for the financing arrangements to fund the Proposed SCR and the refinancing of the iMTN, none of the companies within UEM Edgenta and its subsidiaries (collectively, the "**UEM Edgenta Group**") will enter into any material commitment or material contract or undertake any obligation to acquire or dispose of any of its assets or create a security interest over any of its assets, outside the ordinary course of business;

(c) UEM Edgenta will not pass any resolution in general meeting (other than in respect of any ordinary business tabled in an annual general meeting or in connection with the Proposed SCR);

(d) UEM Edgenta will not make any alteration to the provisions of the constitution of any company within UEM Edgenta Group, unless it is in relation to the Proposed SCR; and

(e) UEM Edgenta will not do or cause, or allow to be done or omitted, any act or thing which would result (or be likely to result) in a breach of any lawful obligations of any company within UEM Edgenta Group,

without the prior written consent of UEMG.

(ii) In addition, UEM Edgenta agree with and undertake to UEMG that UEM Edgenta shall not enter into any discussion or negotiation, or agreement, with any other party with respect to the sale of the assets and liabilities of any company within UEM Edgenta Group or any privatisation proposal involving any company within UEM Edgenta Group from the date of the Non-Interested Directors' acceptance of the terms of the Proposal Letter until Completion without the prior written consent of UEMG.

(iii) UEM Edgenta also agree with and undertake that, as from the date of the Proposal Letter until Completion, the Company shall, and shall procure (using all reasonable endeavours to cause) each of UEM Edgenta's subsidiary to carry on its business in the usual, regular and ordinary course in substantially the same manner as the same is carried on as of the date of the Proposal Letter so as to preserve its relationships with all parties to the end that its goodwill and going concern shall not be materially impaired at the date of Completion, save as otherwise agreed in writing by UEMG.

2.3 Basis of arriving at the SCR Offer Price

The SCR Offer Price was arrived at after taking into consideration the closing price and volume weighted average market price ("**VWAP**") of the UEM Edgenta Shares up to and including 27 November 2025, being the last trading day prior to the receipt of the Proposal Letter by the Board ("**LTD**"), as follows:

	Market price	**Premium over market price/VWAP**	
	RM	**RM**	**%**
Closing price as at the LTD	0.8700	0.2300	26.44
5-day VWAP up to the LTD	0.8353	0.2647	31.69
1-month VWAP up to the LTD	0.8576	0.2424	28.26
3-month VWAP up to the LTD	0.8364	0.2636	31.52
6-month VWAP up to the LTD	0.7943	0.3057	38.49
1-year VWAP up to the LTD	0.7916	0.3084	38.96

(Source: Bloomberg)

The price-to-earnings ratio ("**PER**") and price-to-book ratio ("**PBR**") based on the SCR Offer Price is illustrated below:

(i) Earnings per UEM Edgenta Share ("**EPS**") and PER

	EPS	**PER(1)**	**PER based on SCR Offer Price**
	sen	**times**	**times**
Audited consolidated net EPS for financial year ended ("**FYE**") 31 December 2024	6.2	14.0	17.7

Note:

(1) Based on UEM Edgenta's closing share price as at LTD of RM0.87.

(ii) Net assets ("**NA**") per UEM Edgenta Share and PBR

	NA per UEM Edgenta Share	PBR(1)	PBR based on SCR Offer Price
	RM	**times**	**times**
Audited consolidated NA per UEM Edgenta Share as at 31 December 2024	1.93	0.45	0.57
Unaudited consolidated NA per UEM Edgenta Share as at 30 September 2025	1.75	0.50	0.63

Note:

(1) Based on UEM Edgenta's closing share price as at LTD of RM0.87.

2.4 Distribution

If UEM Edgenta declares, makes and/or pays any dividend and/or distribution of any other nature whatsoever (collectively "**Distribution(s)**"), the entitlement date of which is on or after the date of the Proposal Letter up to the Entitlement Date, the SCR Offer Price shall be reduced by an amount equivalent to the net Distribution made per UEM Edgenta Share.

As at the LPD, there has been no Distribution declared, made and/or paid by UEM Edgenta on or after the date of the Proposal Letter.

2.5 Funding

The Proposed SCR will be funded via a combination of shareholder's advances from UEMG to UEM Edgenta and internally generated funds of the UEM Edgenta Group.

UEMG and the Board confirms that the Proposed SCR will not fail by reason of insufficient financial capability of UEM Edgenta and that every Entitled Shareholder will be paid in full by cash.

CIMB, being the Principal Adviser to UEM Edgenta for the Proposed SCR, is satisfied and has confirmed that the Proposed SCR will not fail by reason of insufficient financial capability of UEM Edgenta and that every Entitled Shareholder will be paid in full by cash.

2.6 Listing status

UEMG has indicated vide the Proposal Letter that it **does not intend** to maintain the listing status of UEM Edgenta on the Main Market of Bursa Securities following the Completion. Accordingly, UEMG will request that UEM Edgenta makes an application to Bursa Securities pursuant to Paragraph 16.08 of the Main Market Listing Requirements of Bursa Securities to delist UEM Edgenta and withdraw its listing status from the Official List upon Completion.

However, in the event the Proposed SCR is unsuccessful and not implemented due to, among others, failure to fulfil any or all the conditions and/or obtain the approvals required as set out in **Section 5** of this announcement, UEM Edgenta will remain listed on the Main Market of Bursa Securities.

3. RATIONALE FOR THE PROPOSED SCR

As presented by UEMG, the rationale for the Proposed SCR is as follows:

(i) Greater flexibility in managing the business of the UEM Edgenta Group in light of challenging business environment

UEM Edgenta Group is principally engaged in providing (i) asset management – integrated facilities management and engineering contracting services for a range of assets and building types specialising in healthcare solutions and property and facilities solutions; and (ii) infrastructure solutions – strategic advisory services, design, development, maintenance and management of major transport projects and infrastructure assets.

UEM Edgenta's operations were impacted by the coronavirus pandemic due to, among others, lower infrastructure solutions work carried out as a result of the movement control orders and standard operating procedures enforced by the government of Malaysia. In the FYE 31 December 2020, the UEM Edgenta Group recorded a profit after taxation and minority interest ("**PATAMI**") of RM12.9 million which represents a decrease of 92.9% compared to the PATAMI of RM181.8 million for the FYE 31 December 2019.

While UEM Edgenta has made strides in stabilising its core businesses amidst the challenging post-pandemic environment, the overall financial performance remains subdued compared to pre-pandemic levels. UEM Edgenta Group's businesses have been negatively influenced by several factors including rising operational costs and evolving regulatory environment. As a result, the profitability and dividend payments of UEM Edgenta have also been correspondingly lower compared to pre-pandemic levels, as summarised below:

	FYE 31 December							**Financial period ending 30 September**	
	Audited							**Unaudited**	
	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2024**	**2025**
PATAMI / (Losses after taxation and minority interest) (RM'mil)	148.4	181.8	12.9	42.0	45.9	31.1	51.9	32.6	(102.5)
EPS / (Losses per share) (RM)	0.18	0.22	0.02	0.05	0.06	0.04	0.06	0.04	(0.12)
Dividend per share (RM)	0.14	0.14	-	0.03	0.04	0.02	0.04	-	-

In view of the above, UEMG intends to take UEM Edgenta private to facilitate financial improvements. The Proposed SCR would provide UEMG with greater flexibility in deciding on the strategic direction and managing UEM Edgenta Group's diversified businesses more effectively while enabling it to remain agile in responding to market changes. Upon Completion, UEMG will be better positioned to allocate resources efficiently as well as pursue strategic and cost optimisation initiatives.

(ii) Opportunity for the Entitled Shareholders to realise their holdings at a premium to the market price of UEM Edgenta Shares

Against the backdrop of the aforementioned challenging business environment, the Proposed SCR provides an opportunity for the Entitled Shareholders to exit and realise their investments in UEM Edgenta at a premium over the prevailing market price of UEM Edgenta Shares.

The SCR Offer Price represents premiums ranging from 26.44% to 38.96% based on the closing price as at the LTD, 5-day, 1-month, 3-month, 6-month and 1-year VWAP of the UEM Edgenta Shares up to and including the LTD. In addition, UEM Edgenta Shares have not traded at or above the SCR Offer Price for the past 2 years and the market price of UEM Edgenta Shares has been on a declining trend since the onset of the pandemic.

4. EFFECTS OF THE PROPOSED SCR

4.1 Share capital

The pro forma effects of the Proposed SCR on the share capital of UEM Edgenta are as follows:

		Number of UEM Edgenta Shares	RM
Share capital as at the LPD		831,624,030	268,074,291.14
Add:	UEM Edgenta Shares to be issued pursuant to the Proposed Bonus Issue[(1)]	114,247,425	114,247,425.00
Less:	UEM Edgenta Shares to be cancelled pursuant to the Proposed SCR	(370,903,530)	(282,321,715.50)
Resultant share capital of UEM Edgenta after the Proposed SCR		**574,967,925**	**100,000,000.64**

Note:

(1) The Proposed Bonus Issue is undertaken only to facilitate the implementation of the Proposed SCR. The Bonus Shares will not be credited into the CDS accounts of the Entitled Shareholders nor be listed on the Official List and will be cancelled immediately after issuance to facilitate the Proposed SCR.

4.2 NA per UEM Edgenta Share and gearing

For illustrative purposes, based on the latest audited consolidated statement of financial position of UEM Edgenta as at 31 December 2024 and on the assumption that the Proposed SCR had been effected on that date, the pro forma effects of the Proposed SCR on the NA per UEM Edgenta Share and gearing of UEM Edgenta Group are as follows:

	Audited as at 31 December 2024	After the Proposed SCR[1]
	RM'000	**RM'000**
Share capital	268,074	100,000
Capital reserve	313,856	199,609
Other reserves	15,973	15,973
Retained earnings	1,009,461	1,007,261
Equity attributable to owners of UEM Edgenta/ NA	**1,607,364**	**1,322,843**
Number of UEM Edgenta Shares ('000)	831,624	574,968
NA per UEM Edgenta Share (RM)	1.93	2.30
Total external borrowings (RM'000)	435,578	435,578
Net cash, bank balances and deposits (RM'000)[2]	212,429	[3]90,229
Gearing ratio (times)[4]	0.27	0.33

Notes:

(1) After capitalising approximately RM114.2 million from the capital reserves account pursuant to the Proposed Bonus Issue and accounting for the estimated expenses of approximately RM2.2 million for the Proposed SCR.

(2) Calculated based on gross cash, bank balances and deposits less total external borrowings.

(3) The capital repayment under the Proposed SCR will be funded via a combination of shareholder's advance from UEMG and internally generated funds of UEM Edgenta Group the proportion of which has not been determined at this juncture. For illustrative purpose, it is assumed that the capital repayment under the Proposed SCR of approximately RM120.0 million will be funded via internally generated funds and after accounting for the estimated expenses of approximately RM2.2 million for the Proposed SCR.

(4) Calculated based on total external borrowings over equity attributable to the owners of UEM Edgenta.

4.3 Earnings and EPS

The Proposed SCR is not expected to have any material effect on the earnings of UEM Edgenta for the FYE 31 December 2025 other than the estimated expenses of RM2.2 million for the Proposed SCR and the additional interest cost relating to the financing to be procured for the Proposed SCR that will reduce the earnings of UEM Edgenta for the FYE 31 December 2025.

Upon Completion and as a result of cancellation of up to 370,903,530 UEM Edgenta Shares pursuant to the Proposed SCR, the total number of UEM Edgenta Shares in issue will be reduced and as a result, the EPS of UEM Edgenta Group is expected to increase accordingly.

4.4 Substantial shareholders' shareholdings

The pro forma effects of the Proposed SCR on the shareholding structure of UEM Edgenta's substantial shareholders are as follows:

	As at the LPD				After the Proposed SCR			
	Direct		Indirect		Direct		Indirect	
Name	No. of UEM Edgenta Shares	%(1)	No. of UEM Edgenta Shares	%(1)	No. of UEM Edgenta Shares	%(2)	No. of UEM Edgenta Shares	%(2)
UEMG	574,967,925	69.14	-	-	574,967,925	100.00	-	-
Khazanah	-	-	574,967,925	69.14(3)	-	-	574,967,925(3)	100.00
Urusharta Jamaah Sdn Bhd	48,313,300	5.81	-	-	-	-	-	-

Notes:

(1) Calculated based on the total number of 831,624,030 UEM Edgenta Shares in issue as at the LPD.

(2) Calculated based on the total number of 574,967,925 UEM Edgenta Shares held by the Non-Entitled Shareholder representing the entire issued share capital of the Company after the Proposed SCR.

(3) Deemed interested by virtue of its shareholdings in UEMG pursuant to subsection 8(4) of the Act. As at the LPD, all the shares in Khazanah are owned by the Minister of Finance (Incorporated) with the exception of one share held by Federal Lands Commissioner.

4.5 Convertible securities

As at the LPD, UEM Edgenta does not have any outstanding convertible securities.

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5. CONDITIONS OF THE PROPOSED SCR

The Proposed SCR is subject to and conditional upon the following approvals being obtained or conditions being satisfied:

(i) the approval of the Non-Interested Shareholders who are entitled to vote for the Proposed SCR via a special resolution to be tabled at an extraordinary general meeting ("**EGM**") to be convened ("**Special Resolution**"). The Special Resolution:

(a) is required to be approved by at least a majority in number of the Non-Interested Shareholders of UEM Edgenta and at least 75% in value to the votes attached to the UEM Edgenta Shares held by the Non-Interested Shareholders that are cast either in person or by proxy at an EGM to be convened; and

(b) must not be voted against by more than 10% in value of the votes attaching to all UEM Edgenta Shares held by the Non-Interested Shareholders of the total voting shares of UEM Edgenta;

(ii) the grant of an order by the High Court of Malaya confirming the reduction of the share capital of UEM Edgenta in accordance with Section 116 of the Act ("**High Court Order**") giving effect to the Proposed SCR; and

(iii) the approval and/or consent of the existing financiers and/or creditors of UEM Edgenta and/or its subsidiaries, including the approval and/or consent of the holders of the iMTN, if required.

The Proposed Bonus Issue, which is implemented solely for the purposes of facilitating the implementation of the Proposed SCR, shall form an integral part of the Proposed SCR. Hence, the Non-Interested Shareholders will need to consider and if thought fit approve the Proposed Bonus Issue as part of the resolution for the Proposed SCR at an EGM to be convened.

The Proposed SCR will become effective upon the lodgement of an office copy of the High Court Order with the Registrar of Companies pursuant to subsection 116(6) of the Act. In this respect, the Proposed SCR shall be binding on all Entitled Shareholders.

Save for the above, the Proposed SCR is not conditional upon any other corporate exercise undertaken or to be undertaken by UEM Edgenta.

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6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save as disclosed below, none of the directors of UEM Edgenta, major shareholders of UEM Edgenta and/or persons connected to them have any interest, direct or indirect, in the Proposed SCR.

6.1 Interested Directors

Datuk Amran Hafiz Bin Affifudin, Mohd. Asrul Bin Ab. Rahim and Nurul Iman Binti Mohd Zaman, all of whom are the Non-Independent and Non-Executive Directors, are representatives of UEMG, the offeror on the Board. As such, they are deemed interested in the Proposed SCR.

Accordingly, the Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings pertaining to the Proposed SCR and will also abstain from voting in respect of their direct and/or indirect shareholdings in UEM Edgenta, on the Special Resolution to be tabled at an EGM to be convened. The Interested Directors have undertaken that they will ensure persons connected to them, will abstain from voting in respect of their direct and/or indirect shareholdings in UEM Edgenta, on the Special Resolution to be tabled at an EGM to be convened.

6.2 Interested major shareholder

UEMG, being the offeror and also a major shareholder of UEM Edgenta, is deemed interested in the Proposed SCR. Accordingly, UEMG will abstain from voting in respect of its direct and/or indirect shareholdings in UEM Edgenta, on the Special Resolution to be tabled at an EGM to be convened. UEMG will also ensure that persons connected to it will abstain from voting in respect of their direct and /or indirect shareholdings in UEM Edgenta, if any, on the Special Resolution to be tabled at an EGM to be convened.

7. ADVISERS

The Non-Interested Directors have appointed CIMB as the Principal Adviser for the Proposed SCR.

In accordance with paragraph 3.06 of the Rules, the Non-Interested Directors have appointed Berjaya Securities as the Independent Adviser to advise the Non-Interested Directors and the Non-Interested Shareholders on the fairness and reasonableness of the Proposed SCR and the voting action to be taken at an EGM to be convened.

8. DIRECTORS' STATEMENT

The Non-Interested Directors had on a meeting held on 9 January 2026 deliberated on the Proposal Letter and had resolved to table the Proposed SCR to the Non-Interested Shareholders for consideration at an EGM to be convened.

9. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, and subject to obtaining the necessary approvals and/or consents from the relevant authorities and/or parties as set out in **Section 5** of this announcement, the Proposed SCR is expected to be completed in the second quarter of 2026.

This announcement is dated 9 January 2026.