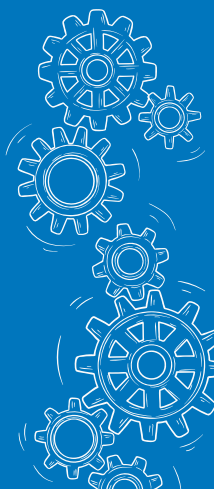




OPERATIONAL REVIEW

PROJECT AND REPAIR MAINTENANCE OPERATIONS

This business segment comprises operations in Malaysia and Qatar. In Malaysia, we operate through Malaysia Airports' wholly owned subsidiary, Urusan Teknologi Wawasan Sdn Bhd (UTW). In Qatar, the Group operates through Malaysia Airports Consultancy Services Middle East LLC (MACS ME), in which it owns a 49% stake.



KEY PRIORITIES

- Implement contracts serving DOH
- Secure new business while extending existing contracts
- Harness technology efficiencies

MACS ME has provided facilities management at Hamad International Airport (IATA Code: DOH) in Doha, Qatar since 2013. Among the services provided by MACS ME are comprehensive management services, interim security services, custodial and janitorial services, RFID system to track suspicious baggage as well as equipment supply and maintenance support for the RFID system.

UTW is a leading Total Facilities Management services provider in Malaysia with over 20 years of experience. Certified with ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety Management Systems, UTW delivers the highest standards of performance in Facilities Management Services for prestigious facilities and clients ranging from our own airports to the offices and facilities of established Malaysian institutions and multinational companies operating in Malaysia.

Delivering Operational Excellence

In total for 2023, revenues project and repair maintenance operations segment grew 20.1% YoY to RM154.8 million in 2023.

MACS ME's revenue increased by 1.8% YoY to RM100.1 million, on the back of delivery of services under airport management contracts at DOH, namely Projects CP310 for IT maintenance support and FM0015 for facilities management.

For 2023, revenues for UTW, excluding inter-company revenues, stood at RM54.6 million, an increase of 79.2% YoY.

MACS ME

Implement contracts serving DOH

In terms of the existing projects, for CP310, 2023 was MACS ME's fourth year of a five-year contract period which ends in December 2024. CP310 was awarded in 2014, and MACS ME had secured a two further extensions of the term on the back of its excellent performance. The Group expects to begin negotiations for the extension of CP310 in the first half of 2024.

With FM0015, the project was awarded in April 2015 and has been extended by a series of change orders, with the latest Change Order 12 expiring end-July 2024.

MACS ME further secured a contract for airport IT maintenance services in relation to the expansion of Hamad International Airport project. This new project is testament to the excellent delivery and performance by MACS ME of its prior obligations at Hamad International Airport.

OPERATIONAL REVIEW

It has also had to successfully navigate the challenges particularly in recruiting manpower from outside Qatar due to travel restrictions and a complex and costly hiring process. In addition, operational costs have increased due to inflation, impacting the existing contracts.

UTW

Secure new business while extending existing contracts

UTW's client list include an impressive list of internal customers as well as the offices and facilities of established local and international companies and organisations. These include airports – KUL, LGK, PEN and SZB, the Malaysia Airports Corporate Office – as well as Petronas Twin Towers and Petronas Tower 3, Petronas Digital Collaboration Centre, KLCC Common Estate and Common Facilities, Masjid Asy-Syakirin, Menara ExxonMobil, Menara Permata Sapura, Mitsui Outlet Park KLIA, Airbus Helicopters Malaysia, Persada PLUS, Sepang International Circuit, SPIRIT AeroSystems Malaysia, Cainiao Aeropolis eWTP Hub and Novugen Pharma (Malaysia).

UTW's focus in 2023 was to reassert our position as a reputable and innovative partner that provides comprehensive facility management services to support Malaysia Airports and its stakeholders while leveraging technology advancements.

We continued to strengthen our competitive position in facility management, prioritising business diversification and long-term sustainability. This resulted in new contracts worth RM152.2 million in the year from various clients from within as well as outside the airports business while successfully securing contract extensions valued at RM22.4 million. In 2023, UTW's new contracts include the following:

- Airport Baggage Handling System at PEN
- Cleaning management services at PEN
- Operate, manage and maintain the Golden Lounge at KUL
- Facility management services at Bank Negara Malaysia's Headquarters, Lanai Kijang and Document Control Centre
- Provision of electrical maintenance services at Suria KLCC and the Retail Podium at KLCC Tower 3

Harness technology-driven efficiencies

In addition, we also enhance our strategies for future uncertainties by implementing innovative technology solutions in our facility management services through our in-house system, SMART ASSET Management System ('SAMS') as well as digitalisation and robotics. This contributes to enhanced operational efficiency and cost optimisation as well as resilience and adaptability.

A significant milestone was the establishment of a Facility Management Operation Centre that integrates customer calls online with technology and digital solutions to address the customers' needs. In addition, the team continued to transform workflows through the incorporation of robotic solutions and digitalisation initiatives particularly in relation to 'Internet of Things' solutions.

UTW also received a 5-star SCORE rating from the Construction Industry Development Board (CIDB) for Exemplary Leadership, Excellent Management & Technical Capabilities and Excellent Integrated ICT & Project Management. This is a recognition of UTW as a leader in the Facilities Management industry.

UTW is also duly certified in accordance with the following standards in the provision of its services:

- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental Management System
- ISO 45001:2018 Occupational Health & Safety Management System
- ISO 41001:2018 Facility Management System
- ISO 37001: 2016 Anti-Bribery Management System
- F01 - Fasilitas Bangunan dan Infrastruktur Am (General Building and Infrastructure Facilities)
- Suruhanjaya Pendaftaran Kontraktor Perkhidmatan Elektrik