



T7 GLOBAL BERHAD

Registration No. 200401023809 (662315-U)



Making A Difference
ANNUAL REPORT 2022

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WHO WE ARE

T7 Global Berhad (better known as “**T7 Global**” or “**The Group**”) is a public listed company listed on the Main Market of Bursa Malaysia Securities Berhad since 2005. The company has roots in the oil and gas business since 1990 and is well known as an integrated solutions provider. The Group’s experience in complex projects and innovative solutions proved to be invaluable in the increasingly challenging landscape.

With decades of industry experience, this allows the Group to expand its footprint into the international markets and T7 Global has grown to become a trusted brand. The Group continues to expand business expertise and has diversified interest in aerospace and construction through strategic acquisitions and smart partnerships.

T7 Global focuses on making a difference in the industries we serve. As a leading solutions provider, we offer support to industry leaders and organisations around the world.

Vision To be a trusted partner which make a difference on the global stage.

Mission & Philosophy To support the different industries we serve by becoming the preferred integrated solutions provider through continuous innovation, smart partnerships and value creation.

CORPORATE INFORMATION

**Datuk Seri Dr. Nik Norzrul Thani
Bin N. Hassan Thani**
Acting Executive Chairman

**Tan Sri Datuk Seri Tan
Kean Soon, J.P.**
Executive Deputy Chairman

Tan Sam Eng
Independent Non-Executive Director

Tan Kay Vin
Executive Director

**Admiral Tan Sri Dato' Seri Panglima
Ahmad Kamarulzaman Bin Hj
Ahmad Badaruddin (R)**
Independent Non-Executive Director

**CP (R) Dato' Sri Wan Ahmad
Najmuddin Bin Mohd**
Independent Non-Executive Director

Tan Sri Dato' Sri Koh Kin Lip, J.P.
Independent Non-Executive Director

Datuk Seri Rahim Bin Ismail
Independent Non-Executive Director

Board of DIRECTORS

COMPANY SECRETARIES

Chua Siew Chuan
(MAICSA 0777689)
(SSM PC NO. 201908002648)

Tan Loo Ee
(MAICSA 7063694)
(SSM PC NO. 201908002686)

REGISTERED OFFICE

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel : 03-2084 9000
Fax : 03-2094 9940

HEAD / MANAGEMENT OFFICE

Level 16, KL Trillion Corporate Tower
No. 338, Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel : 03-2785 7777
Fax : 03-2785 7778

AUDITORS / REPORTING ACCOUNTANTS

Grant Thornton Malaysia PLT
(Audit Firm No.: 201906003682 & AF 0737)
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel : 03-2692 4022
Fax : 03-2732 1010

PRINCIPAL BANKERS

**Al Rajhi Banking & Investment
Corporation (Malaysia) Berhad**
GF, Mezzanine & Basement
East Block, Wisma Golden Eagle
Realty 142-C Jln Ampang
50450 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Malayan Banking Berhad
No. 2 Wisma Prima Peninsular
Jalan Setiawangsa II
Taman Setiawangsa
54200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

**United Overseas Bank
(Malaysia) Berhad**
Level 7, Menara UOB, Jalan Raja Laut
50350 Kuala Lumpur,
Wilayah Persekutuan, Malaysia

REGISTRAR

**Tricor Investor &
Issuing House Services Sdn. Bhd.**

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel : 03-2783 9299
Fax : 03-2783 9222
Email : is.enquiry@my.tricorglobal.com
Website : www.tricorglobal.com

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad

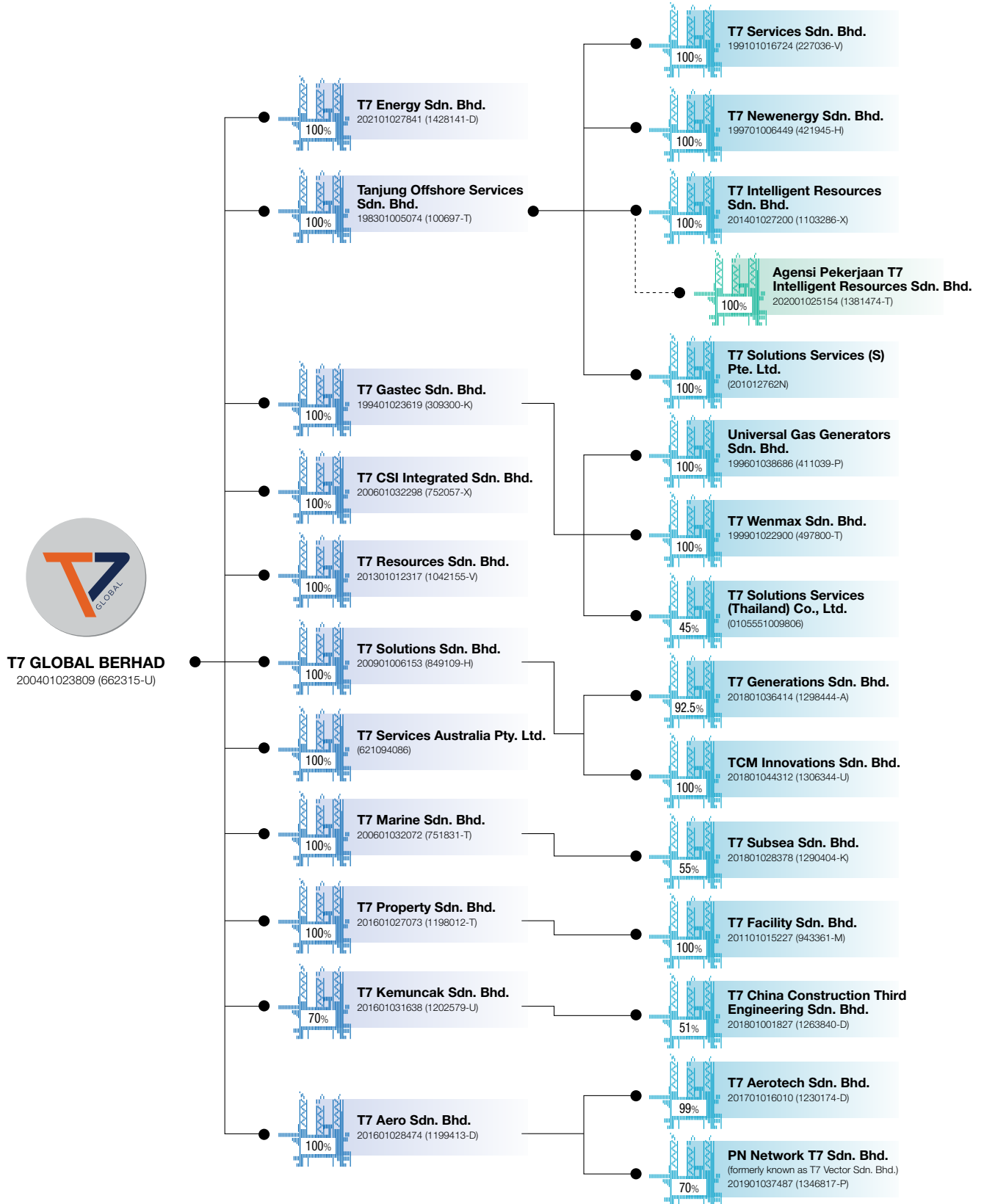
STOCK INFORMATION

Stock Name and Code :
T7GLOBAL (7228)

Warrant Name and Code :
T7GLOBAL-WC (7228WC)

Bloomberg :
T7G:MK | 7228WC:MK

GROUP CORPORATE STRUCTURE



WHAT WE DO

T7 Global Berhad is an investment holding company with three principal businesses namely Energy, Aerospace & Defence and Construction.

Energy

- ▶▶ Engineering, Procurement and Construction (EPC)
- ▶▶ Operation and Maintenance (O&M)
- ▶▶ Offshore Construction Services (OCS)
- ▶▶ Integrated Well Services (IWS)
- ▶▶ Specialist Products and Technology (SPT)
- ▶▶ Recruitment and Manpower Services (RMS)

Aerospace & Defence

- ▶▶ **Aerospace Metal Surface Treatment**
 - Surface Enhancement and Cleaning
 - Non-Destructive Testing (NDT)
 - Chemical Processing
 - Painting and Part-Marking
 - Laboratory Testing
- ▶▶ **Marine Services, Naval and Security Technology**
 - Integrated Bridge System (IBS) and Combat Management System (CMS)
 - Commercial and Naval Ship Maintenance

Construction

- ▶▶ Infrastructure and Building Construction
- ▶▶ Specialised Facility Construction



T7 Global's Energy Division ("**T7 Energy**") is an integrated solution provider capable of serving across the energy value chain, in particular Upstream Oil & Gas business.

T7 Energy possess in-house capability and technology to engineer solutions that is fit-for-purpose for our customers.

Detailed description for Energy Division:-

Engineering, Procurement and Construction (EPC)

T7 Energy is in the EPC business of offshore oil & gas structures for complex greenfield and brownfield projects with vast experience beyond the turnkey EPC from design, construction, commissioning to operation and maintenance of the asset.

Notably, T7 Energy specializes in the mobile offshore facility such as the Mobile Offshore Production Unit (MOPU). In most cases, the MOPU is a Build-Own-Operate (BOO) concept, the MOPU will be leased to the customer and operated by T7 Energy. This present a plug & play solution which enable the commercial viability of marginal and/ or remote fields.

Over the years, T7 Energy has delivered a variety of mobile offshore facility such as accommodation jack-up, early production facility, water injection facility, and gas compression MOPU.

Operation and Maintenance (O&M)

In the brownfield segment, T7 Energy possesses a reliable asset management solution which can be customised to align with the customer's operating philosophy. The objective is to help the customer to achieve an optimal operating efficiency along with a reduction in operating downtime and to maintain a safe working environment.

The O&M team's main activities consist of maintenance, construction and modification (MCM), offshore splash zone maintenance and brownfield hookup and commissioning (HUC).

T7 Energy recognises the importance of brownfield rejuvenation as there are many matured assets in the region which require proper maintenance. Therefore, an integrated approach to facility operations and maintenance is crucial to ensure good production uptime.

Offshore Construction Services (OCS)

T7 Energy provides offshore construction services related to offshore transportation and installation of offshore structures. This includes activities such as offshore logistics, jacket and topside installation, underwater intervention works and offshore decommissioning.

The OCS team is well known for platform-based underwater intervention services via diving and remotely operated vehicle (ROV) solutions.

Integrated Well Services (IWS)

T7 Energy possesses the right assets and expertise to execute integrated well services for well production enhancement and well abandonment activities. The scope ranges from well work-over, and well intervention to well plug and abandonment.

WHAT WE DO

(CONT'D)

The IWS team collaborate with renowned well services companies to execute complex projects in a cost-effective manner, while ensuring the optimisation of well performance. The team offers services across the decommissioning and abandonment value chain from concept study, and engineering to project execution.

Specialist Products and Technology (SPT)

T7 Energy offers a wide range of specialist products and technology across the oil and gas, oleo-chemical, marine, petrochemical and general industries. Exclusive partnerships with reputable technology companies enable T7 Energy to leverage on their expertise to provide high value integrated engineered solutions to our customers:-

- ▶ On-Site Gas Generation Package (available on BOT and BOO basis)
- ▶ Water Injection Module (available on BOT and BOO basis)
- ▶ Automation, ICSS, SIS and FGS Solution
- ▶ Integrated Metering Solution
- ▶ Lifecycle Services

In addition, T7 Energy offers a wide range of engineered products comprising:-

- ▶ Gas Processing Technology
- ▶ Rotating Equipment (API Compressors and Pumps)
- ▶ Field Instrument, Gauges, Valves and Fittings
- ▶ Flow Measurement Equipment
- ▶ Piping and Instrument Valves (SBB, DBB, MonoFlange and Needles) and Subsea Valves
- ▶ Manual Valves (Ball, Gate, Globe, Check and Butterfly)
- ▶ Interlocking Devices and Power Tools
- ▶ Marine Hoses, Special Piping and Fittings
- ▶ Control and Automation Equipment

Recruitment and Manpower Services (RMS)

T7 Energy via T7 Intelligent Resources Sdn. Bhd. provides a full suite of skilled recruitment and manpower services to a variety of industries, upstream and downstream Oil & Gas, ICT, Renewable Energy, Rail and Infrastructure.

Since its inception, the RMS team has specialised in providing technical resources to customers for various projects and development. Additionally, the team possesses a strong track record in senior corporate hiring with a number of customers opting for the team's services time and again.

In the RMS business, it is the people that make the difference. The team's focus is to identify, attract and onboard the very best people for the customers and to provide the highest level of service.

AEROSPACE AND DEFENCE



In line with the Malaysia Aerospace Industry Blueprint 2030, we have established T7 AeroTech Sdn. Bhd. to pursue high-value manufacturing in the Aerospace Industry. The team aims to become the preferred treatment house in the Southeast Asia region and to provide world-class services to the Aerospace Industry and other related industries.

The team provides a wide range of special processes which comply with the highest standards and quality-related approvals (Nadcap & AS9100), along with approvals from prime customers and aerospace Original Equipment Manufacturers (OEMs). The list of special processes are as follows:-

- ▶ Surface Enhancement and Cleaning
- ▶ Chemical Processing
- ▶ Painting and Part Marking
- ▶ Non-Destructive Testing (NDT)
- ▶ Laboratory Testing

T7 Aero Sdn. Bhd. and T7 Marine Sdn. Bhd. are integrated engineering solutions providers primarily involved in the Aerospace and Defence industry. Both have strategic partnerships with international OEMs to support the industry in terms of niche technology and digital solutions for the Malaysian armed forces and other government agencies. The team products and services include commercial and naval ships Maintenance, Repair and Overhaul (MRO), Integrated Vessel System for naval ships and Security Solutions.

CONSTRUCTION



T7 Global's Construction Division ("**T7 Construction**") via T7 Kemuncak Sdn. Bhd. offers various general construction and infrastructure works. The entity is registered under category G7 with the Construction Industry Development Board (CIDB). The business objective is to develop sustainable construction opportunities with the local government and corporations.

T7 Construction focuses on infrastructure and building works, which entail the following:-

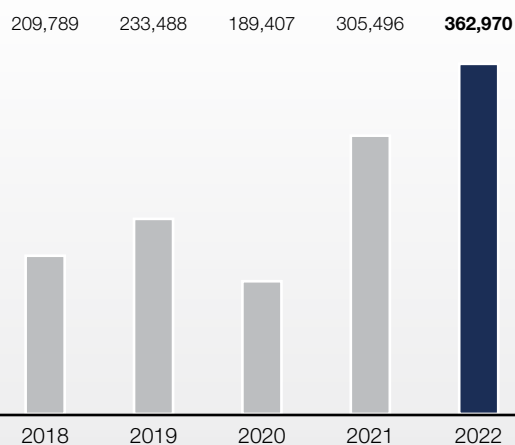
- ▶ Design, construction and completion of railway, water infrastructure, roads, bridges and other infrastructure construction;
- ▶ Construction of specialized buildings and facilities

FIVE YEARS FINANCIAL HIGHLIGHTS

Financial Year(s) Ended 31 December	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Revenue	209,789	233,488	189,407	305,496	362,970
Profit before Tax (PBT)	7,654	8,148	7,496	18,995	33,698
Profit after Tax (PAT)	10,562	12,508	3,079	13,016	20,239
PBT Margin (%)	3.6%	3.5%	3.9%	6.2%	9.3%
PAT Margin (%)	5.0%	5.4%	1.6%	4.3%	5.6%
Basic Earnings Per Share (Sen)	1.69	1.68	1.54	1.68	2.75

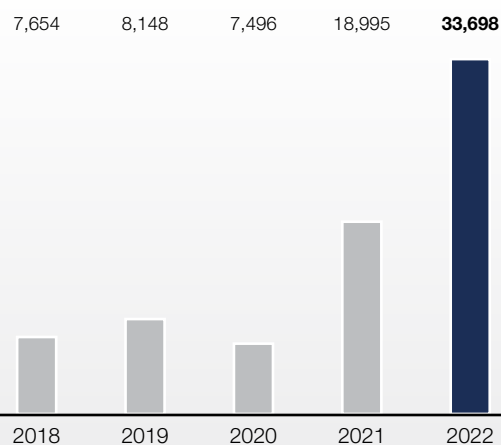
REVENUE

(RM'000)



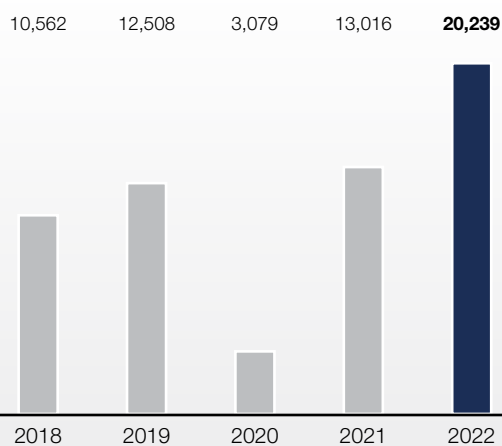
PROFIT BEFORE TAX (PBT)

(RM'000)



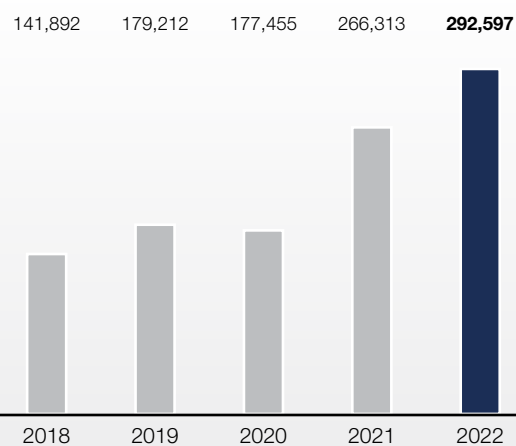
PROFIT AFTER TAX (PAT)

(RM'000)



SHAREHOLDERS' FUNDS

(RM'000)



CHAIRMAN'S STATEMENT



Dear Esteemed Shareholders,

On behalf of the Board of Directors (“**Board**”), I am pleased to present to you the Annual Report and Audited Financial Statements of T7 Global Berhad (“**T7 Global**” or “**the Group**”) for the financial year ended 31 December 2022 (“**FYE 2022**”).

In the global economy, there were some positive developments with the reopening of China's economy and better-than-expected growth outturns in major economies, supported by resilient domestic demand. Nevertheless, the global economy continues to be weighed down by elevated cost pressures and higher interest rates. Headline inflation moderated slightly from high levels, but core inflation remained above historical averages. Some central banks are expected to continue raising interest rates to manage inflationary pressures. This will continue to pose headwinds to the global growth outlook. The growth outlook remains subject to downside risks, mainly from an escalation of geopolitical tensions, higher-than-anticipated inflation outturns, and a sharp tightening in financial market conditions.

The Malaysian economy expanded strongly by 8.7% in 2022 driven by the recovery in private and public sector spending following the full reopening of the economy. After the strong performance in 2022, the economy is expected to moderate in 2023 amid a slower global economy. Growth will remain driven by domestic demand. Household spending will be underpinned by sustained improvements in employment and income prospects. Tourist arrivals are expected to continue rising, further lifting tourism-related activities. The continued progress of multi-year infrastructure projects will support investment activity. The implementation of projects from the recently re-tabled Budget 2023 would provide upside risks to the domestic growth outlook. Downside risks continue to stem mainly from global developments, including from weaker-than-expected growth outturns or much tighter and more volatile global financial conditions.

CHAIRMAN'S STATEMENT

(CONT'D)

Headline and core inflation are expected to moderate over the course of 2023, but will continue to be elevated amid lingering demand and cost factors. The extent of upward pressures to inflation will remain partly contained by existing price controls and fuel subsidies, and the remaining spare capacity in the economy. The balance of risk to the inflation outlook is tilted to the upside and continues to be highly subject to any changes to domestic policy on subsidies and price controls, as well as global commodity price developments.

National energy company Petroliam Nasional Berhad ("**PETRONAS**") announced that the global economic activity is experiencing a broad-based and sharper-than-expected slowdown as well as the lingering effects of the COVID-19 pandemic. The resultant labour shortages, record-high commodity prices and global supply chain disruptions will all weigh heavily on the outlook. Cost-of-living crisis caused by persistent inflationary pressures and tightening financial conditions can already be seen globally. As we face the ongoing market uncertainties combined with the complexity of the energy transition, industries today are compelled to depart from business-as-usual. We need to actively shape the direction of the industry, anticipate market requirements and find solutions to meet these demands. Responding with agile strategies and willingness to embrace innovation as well as new solutions to face the new normal, is important in facing rapid changes.

Following the above, the Board takes cognizance of the external headwinds which may pose further challenges to the Group's operations and will continue to be prudent in our investments and exercise a higher degree of risk management.

Despite the above, we are pleased to say that the Group has performed steadily over the past few years, driven by execution of contracts in hand. In addition, the Group continues to replenish its orderbook during the year, with approximately RM1 billion worth of contracts secured from various clients.

For the FYE 2022, the Group had achieved new heights, with full year revenue and profit after tax of RM362.97 million and RM20.2 million respectively, driven by higher execution of works related to IWS and O&M for clients such as Petronas Carigali Sdn. Bhd. and Hibiscus Oil & Gas Malaysia Limited (formerly known as Repsol Oil & Gas Malaysia Limited).

The Board and Management are strongly committed towards the Group's businesses and improving operating efficiencies across our portfolio and delivering steady growth for the Company.

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

As ESG is becoming increasingly important in today's operating landscape, T7 Global recognises that contributions made through our ESG programs have significant impacts on the environment and communities. The Group strives to sustain a balanced approach in fulfilling its key objectives of sustainable shareholder returns and caring for the environment and its people. For the year 2022, the Group committed noteworthy time and effort in ESG programmes in order to offer meaningful contributions to various stakeholders.

As a responsible corporate citizen, we firmly believe in progressing with the society and embedding it as part of our DNA and corporate culture. In this regard, the Group had focused its resources in developing well plug and abandonment and facility decommissioning solutions for its clients.

APPRECIATION

On behalf of the Board, I would like to extend my deepest appreciation to the management, employees and business associates for their continuous commitment towards the Group's operations during the year.

I would also like to express my gratitude to our valued shareholders for their unwavering support. My heartiest appreciation to my fellow Directors, for their constant support and utmost contribution to the Group throughout the years which has enabled the Group to achieve its best performance to date in FYE 2022.

We remain focused in project execution and will continue to deliver higher shareholders' returns in the year ahead.

Yours sincerely,

Datuk Seri Dr. Nik Norzrul Thani Bin N. Hassan Thani
Acting Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT



To our valued shareholders,

T7 Global is a Malaysia-based leading integrated solutions provider in the oil and gas industry with strong and growing presence over Southeast Asia serving diverse range of customers that include multinational and national oil companies. Over the years, T7 Global has grown both organically and through strategic acquisitions, alliances with local and international renowned technology partners. T7 Global is committed to deliver sustainable long-term growth for our shareholders and becoming a net-zero carbon emissions upstream player by 2050.

INDUSTRY REVIEW

In line with PETRONAS' call for great collaborations amongst industry players and other industries for more efficient solutions, we are continuously upgrading our capabilities with technologies to offer the solutions needed to meet the world's growing demand for energy services.

The industry is faced with greater demands for sustainable environmental solutions, we are pushing forward our competitive end of field life services such as offshore decommissioning solutions to ensure projects are feasible.

At the same time, PETRONAS is expected to spend approximately RM60 billion in annual capital expenditure in financial year ended ("FYE") 2023, where upstream activities will remain robust and should augur well for the domestic oil and gas industry.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

(CONT'D)

FINANCIAL PERFORMANCE

The Group delivered a record performance for the FYE 2022. Revenue increased by approximately 19% from RM305.5 million in FYE 2021 to RM363.0 million in FYE 2022, while profit after tax and minority interest increased by 93% from RM10.6 million to RM20.4 million. The increase was mainly due to the higher execution of works related to IWS and O&M for clients such as Petronas Carigali Sdn. Bhd., Hibiscus Oil & Gas Malaysia Limited (formerly known as Repsol Oil & Gas Malaysia Limited) and Carigali Hess Operating Company Sdn. Bhd.. The management is confident in delivering a better financial performance for the year 2023 due to its resilient orderbook and the current favourable industry outlook.

As at 31 December 2022, T7 Global reported a healthy balance sheet with total assets of approximately RM1.0 billion and shareholders' equity of approximately RM292.0 million.

BUSINESS MILESTONES

During the FYE 2022, the Group has announced several significant contracts awarded by:-

- 1) Petronas Carigali Sdn. Bhd., for the provision of platform based underwater inspection services;
- 2) Busrakham G11 Limited, for the provision of leasing, operation and maintenance of Mobile Offshore Production Unit in Nong Yao Field, Southern Gulf of Thailand;
- 3) Hibiscus Oil & Gas Malaysia Limited, for the work order in relation to workover and plug and abandonment integrated well services; and
- 4) Malaysia Airports (Sepang) Sdn. Bhd., for the design, construction, installation, integration, completion, testing and commissioning of proposed baggage handling system asset replacement program at Terminal 1, KL International Airport.

ADAPTING TO NEW NORMS AND REMAIN AGILE DURING MARKET VOLATILITY

Over the last 5 years, the Board of Directors and management team have strategised the Group's business plans to align the corporate structure and enhance the operation's efficiency. We have taken initiatives to refine our internal operations to deliver long-term and sustainable growth. In line with these initiatives, we have our vision and business development to achieve our goals.

1. Cost Control Program

The Group has initiated a cost control exercise with the aim to transform the Group into a leaner organisation. We have reviewed all operating, administrative control, supply chain and management activities and their related cost across the Group. This is to ensure that we are able to control our operating costs during industry downturns. By implementing these strategies, we should be more competitive and be able to pass these benefits to our customers and ultimately improve earnings for the Group.

2. Risk Management Team

The Group has formed a risk management team comprising independent Directors and top management personnel. Proactively addressing the challenges and opportunities of our business will ensure that every aspect of our business and/or investment opportunities brought up by any stakeholders of the Group will be carefully assessed and assuring proper due diligences are carried out professionally.

The Group's most immediate concern was the health and welfare of the employees and stakeholders affected by COVID-19 which we will handle with utmost care and professionalism. Standard operating procedures and policies were put in place to ensure minimal interruption to operations.

In addition, the risk management team is constantly monitoring the progress of the Bayan Mobile Offshore Production Unit ("MOPU") project which has increased the gearing of the Group since FYE 2020. We are pleased to inform that the Bayan MOPU (named TSEVEN ELISE) has been safely delivered at Bayan Field in 4Q2022. Furthermore, we will be closely monitoring the progress of the Nong Yao MOPU in FYE 2023 to ensure the project is delivered on time and with minimal cost variations.

Together with the ongoing initiatives and diversification of our business model, we are confident that T7 Global will be competitive moving forward which will create sustainable long-term growth and value for our shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

(CONT'D)

RISK MANAGEMENT AND INTERNAL CONTROL

The overall risk management objective of T7 Global is to identify potential problems before they occur so that risk handling activities may be planned and invoked as needed across our business divisions. The Group seeks to minimise potential adverse effects on its financial performance through proper risk management planning and controls. Risk management is carried out through regular risk review analysis, internal control systems and adherence to Group's risk management policies. The Board of Directors of T7 Global regularly reviews these risks and approves the appropriate control environment frameworks.

Dependence on skilled professionals/engineers is one of the key risk factors. As an oil and gas services group in providing maintenance services to customers in oil and gas, we require certified, skilled, and experienced technical professionals to execute the projects and contracts awarded to our Group.

Due to supply and demand conditions and competition among other companies, the number of personnel with the relevant qualifications and experience in the industry may be limited. Our cost of operations may be higher if we are required to compete for such skilled and experience technical professionals. Nonetheless, in line with our continuous requirements for skilled-based human resources, we also provide technical training as part of our other products and services segment.

Legal risk is the risk of financial loss or damage to the Group's reputation arising from failure to comply with contractual terms or the Group's interest is not properly protected. The Group's Legal Department has assessed and identified the key terms and conditions of the existing major contracts for ongoing monitoring and management of the contracts by the respective business units.

The safety of people and assets is of utmost priority in the oil and gas industry and any adverse incident could result in significant financial loss and damage to the Group. T7 Global has established comprehensive safety policies and processes that clearly set out the safety measures which must be strictly adhered to by our employees and contractors. Periodic audits of our health and safety procedures and practices, drills, continuous health and safety meetings and reviews are conducted internally and externally.

We are mindful of risks that are inherent in the business environment. Hence, our focus is to mitigate these risk factors through best practices and good corporate governance.

DIVIDEND

During FYE 2022, the Group did not declare any dividend as the Group is conserving cashflow for expansion purposes.

BUSINESS OUTLOOK AND PROSPECTS

While the industry currently shows signs of a promising outlook, the Group is constantly mindful of all events such as micro and macro-economic factors and geopolitical risks which may impact us in any way and we will continue to strive to secure valuable opportunities on win-win terms for both the Group and our clients through entering into longer term contracts with reputable and financially sound clients.

For T7 Global, the Energy Division will remain as the Group's core business. The Group continues to pursue new works and to look for industry opportunities where we possess the relevant expertise and experience to venture into. We will utilise our existing technical expertise and track record to secure a diversified client base for the sustainability of our businesses.

As at 31 December 2022, T7 Global's order book stood at approximately RM2.6 billion, which provides a visibility of 10 years to the Group. T7 Global will continuously tender for more projects, both locally and overseas. We are optimistic that we will be able to replenish our order book and maintain the Group's growth momentum moving forward. Barring any unforeseen circumstances, the Group expects to grow its profitability for the forthcoming financial year 2023. The Group will focus on, amongst others, the completion of the MOPU project for Busrakham G11 Limited, which is expected to be operational by the first quarter of FYE 2024.

We have commenced our aerospace business in 2020, providing surface metal treatment services to serve the local and regional markets. Although the industry was hit hard by the COVID-19 pandemic in FYE 2020, we persevered and had obtained reopening of full certification for our metal surface treatment facility in Serendah. We are optimistic of the recovery journey ahead given the reopening of global economies and positive outlook of the aerospace industry.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

(CONT'D)

BUSINESS OUTLOOK AND PROSPECTS (CONT'D)

For the Construction Division, the Group clinched a 3-year baggage handling system (BHS) replacement program for KLIA Terminal 1 as part of a consortium with Siemens Logistics Pte. Ltd., the world's leading BHS solutions provider. This is our maiden project for the airport logistic industry and we will be lookout locally and in the region for similar projects.

Whilst aware of both challenges and opportunities going forward, we welcome 2023 with a clear business strategy, staying committed towards achieving our business objectives and delivering greater value to our shareholders. We continue to align our business strategies with our sustainability plans to continue to grow the business in the long term.

APPRECIATION

As we conclude the year 2022, I would like to convey my heartfelt appreciation to the management team and to my fellow board members for your utmost dedication to the Group through these difficult times. I sincerely express appreciation to all our employees for the dedication and commitment to the Group, all of you have played a pivotal role in the Group's continuous growth.

On behalf of the Board, I would also like to express our gratitude to our stakeholders, clients, partners and customers for their continuous support to our group. To our shareholders who have supported us, they have motivated us to strive for another year of positive performance to maximize value within the Group for all our stakeholders.

Yours sincerely,

Tan Sri Datuk Seri Tan Kean Soon, J.P.
Executive Deputy Chairman

DIRECTORS' PROFILE

Datuk Seri Dr. Nik Norzrul Thani Bin N. Hassan Thani

NATIONALITY Malaysian **AGE** 63 **GENDER** Male **POSITION** Acting Executive Chairman
Member of Share Issuance Scheme Committee



Datuk Seri Dr. Nik Norzrul Thani Bin N. Hassan Thani (**"Datuk Seri Dr. Nik"**) holds a Ph.D. in Law from the School of Oriental and African Studies, University of London and a Masters in Law degree from Queen Mary College, University of London. He studied law at the University of Buckingham, United Kingdom. Datuk Seri Dr. Nik also holds a Post-Graduate Diploma in Syariah Law and Practice (with Distinction) from the International Islamic University of Malaysia. He is a Barrister of Lincoln's Inn and an Advocate and Solicitor of the High Court of Malaya. He was called to the Bar of England and Wales in 1985 and to the Malaysian Bar in 1986. He was a Visiting Fulbright Scholar, Harvard Law School from 1996 to 1997, Chevening Visiting Fellow at the Oxford Centre of Islamic Studies, Oxford University and was formerly the Acting Dean/Deputy Dean of the Faculty of Laws, International Islamic University Malaysia. He is also a Fellow of the Financial Services Institute of Australasia (FINSIA) and a member of Chartered Institute of Marketing (United Kingdom) and has also been admitted as a Practising Member of the Chartered Institute of Islamic Finance Professionals (CIIF).

Datuk Seri Dr. Nik serves in the following prominent associations/bodies/corporations:

- Chairman of Malaysia-Singapore Business Council (MSBC) (appointed by the Minister of International Trade & Industry)
- Non-Independent Non-Executive Director of Sime Darby Plantation Berhad
- Non-Independent Non-Executive Director of Pertama Digital Berhad
- Independent Non-Executive Director of Amanah Saham Nasional Berhad (ASNB)
- Independent Non-Executive Chairman of Malaysian Rating Corporation Berhad
- Independent Non-Executive Director of Cagamas Holdings Berhad
- Chairman of the Appeals Committee of Bursa Malaysia
- Deputy Chairman of Malaysia Crime Prevention Foundation (MCPF) Kuala Lumpur

Datuk Seri Dr. Nik is practising with Malaysia's largest law firm, Zaid Ibrahim & Co. (in association with KPMG Law). The firm is also a member of KPMG's Global Legal Services network, spanning across 84 jurisdictions and comprise of 3,200 lawyers with deep expertise and experience to provide top quality legal advice as part of an integrated solution.

Datuk Seri Dr. Nik was appointed to the Board of T7 Global Berhad on 23 March 2015.

DIRECTORS' PROFILE

(CONT'D)

Tan Sri Datuk Seri Tan Kean Soon, J.P.

NATIONALITY Malaysian **AGE** 59 **GENDER** Male **POSITION** Executive Deputy Chairman
Member of Share Issuance Scheme Committee



Tan Sri Datuk Seri Tan Kean Soon, J.P. ("**Tan Sri Tan**") has more than 30 years of experience in leading various oil and gas upstream and downstream companies with a track record of outstanding performance in this highly competitive industry. Tan Sri Tan is the Chairman and Chief Executive Officer of CP Energy & Services Sdn. Bhd., a corporation founded by Tan Sri Tan in 1992. Under Tan Sri Tan's helm, the company grows steadily and has rapidly expanded its presence in the ASEAN region.

Tan Sri Tan also serves in the following prominent associations/bodies/corporations:-

- Life Honorary Advisor & Treasurer of Federation of Chinese Associations Malaysia (Huazong)
- Advisor to the Minister of Human Resources, Malaysia for aspect related to occupational safety and health
- Member of National Council for Occupational Safety & Health (NCOSH)/Majlis Negara bagi Keselamatan dan Kesihatan Pekerjaan (MNKKP)
– Chairman of International Cooperation in NCOSH
- Director of Malaysia-China Business Council (MCBC)
– Chairman of MCBC Sub-Committee on "Construction & Development"
- Member of Malaysia Singapore Business Council (MSBC)
- Chairman of Malaysia Crime Prevention Foundation (MCPF) Kuala Lumpur
- Ordinary Life Member of Malaysia Crime Prevention Foundation (MCPF)
- Member of The Malaysian Oil & Gas Services Council (MOGSC) and Malaysian Petroleum Club

Tan Sri Tan was appointed to the Board of Directors of T7 Global Berhad on 23 June 2014 and he is the father of Tan Kay Vin, the Executive Director of T7 Global Berhad.

Tan Sam Eng

NATIONALITY Malaysian **AGE** 71 **GENDER** Female **POSITION** Independent Non-Executive Director
Chairperson of Audit and Risk Management Committee
Member of Remuneration Committee



Tan Sam Eng is a Chartered Accountant and a Chartered Secretary. She is a member of the Malaysian Institute of Accountants (MIA), a Fellow Member of the Association of Chartered Certified Accountants (ACCA), and also a Member of the Chartered Tax Institute of Malaysia (CTIM). She has more than 30 years of professional experience which involves in all aspects of financial practice such as auditing, taxation, corporate finance and advisory works. Her auditing experience covers practically the whole spectrum of Malaysian business environment including property development, engineering, communications, transportation, plantations, manufacturing and trading.

Ms. Tan Sam Eng does not have any directorships in other public companies and public listed companies.

She was appointed to the Board of T7 Global Berhad on 23 March 2015.

DIRECTORS' PROFILE

(CONT'D)

Tan Kay Vin

NATIONALITY Malaysian **AGE** 32 **GENDER** Male **POSITION** Executive Director



Tan Kay Vin ("**Kay Vin**") is currently heading the Aerospace and Defence Division and the Construction Division as well as the Group Corporate Affairs Department. He joined T7 Global Berhad in 2015 as the Manager of Group Corporate Affairs.

Kay Vin is primarily responsible for spearheading the non-energy divisions of the Group and maintaining close rapport with the Group's clients, authorities, investment community and other stakeholders.

Kay Vin holds a Bachelor of Commerce, majors in actuarial science and finance from University of New South Wales, Sydney. Prior to joining T7 Global Berhad, Kay Vin has various working experiences with financial institutions and insurance companies including Maybank Investment Berhad and Malayan Banking Berhad, Mitsui Sumitomo Insurance Group and PricewaterhouseCoopers Malaysia.

Kay Vin also serves in the following prominent associations/bodies/corporations:-

- Board of Directors of the Malaysia Aerospace Industry Association (MAIA)
- Committee Member of Malaysia Crime Prevention Foundation (MCPF) Kuala Lumpur

Kay Vin was appointed to the Board of Directors of T7 Global Berhad on 5 March 2018. He is the son of Tan Sri Datuk Seri Tan Kean Soon, J.P, the Executive Deputy Chairman and the major shareholder of T7 Global Berhad.

Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R)

NATIONALITY Malaysian **AGE** 64 **GENDER** Male **POSITION** Independent Non-Executive Director
Chairman of Nomination Committee
Member of Audit and Risk Management Committee



Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R) is an alumni of the Harvard Business School having attended the Advanced Management Program (AMP) in Boston. He obtained his Master in Business Administration from the University of Strathclyde Business School, Scotland and Master of Arts in International Relations from the National University of Malaysia. He also completed the Executive Business Management Program at the Kenan-Flagler Business School, University of North Carolina. He is also a Distinguished Graduate in Political Warfare of the Fu Hsing Kang College, Republic of China as well as the US Naval War College, Newport, Rhode Island, United States of America. He has served the King and Country for 42 years and has held numerous positions in the Malaysian Armed Forces. He achieved the peak in his career when he assumed command of the Royal Malaysian Navy as Chief on 18 November 2015. He is the Chairman of Lagenda Properties Berhad and Director of TRC Synergy Berhad as well as other private companies.

He was appointed to the Board of Directors of T7 Global Berhad on 15 April 2019.

DIRECTORS' PROFILE

(CONT'D)

CP (R) Dato' Sri Wan Ahmad Najmuddin Bin Mohd

NATIONALITY Malaysian **AGE** 65 **GENDER** Male **POSITION** Independent Non-Executive Director
Member of Audit and Risk Management Committee
Chairman of Remuneration Committee
Member of Nomination Committee



CP (R) Dato' Sri Wan Ahmad Najmuddin Bin Mohd has served in the police force for more than 40 years and in March 2019, he retired as the Director of Criminal Investigation Department (CID) at the Royal Malaysia Police (PDRM).

Prior to this, he was the Chief of Police for the state of Johor. He has also the privilege to serve as the Special Officer to the Minister of Home Affairs and Aide De Camp (ADC) to his Royal Highness Yang Di-Pertuan Agong.

He holds a Degree in Law from International Islamic University Malaysia (IIUM) followed by a Master of Science (Police Studies) from University Kebangsaan Malaysia (UKM). He is currently the Managing Partner at Messrs. Wan & Ting and serves as an Advocates and Solicitors of High Court of Malaya.

In September 2020, he was appointed to the Board of Directors of Talent Corporation Malaysia Berhad (TalentCorp) under the Ministry of Human Resources (MOHR).

He was appointed to the Board of Directors of T7 Global Berhad on 28 June 2019.

Tan Sri Dato' Sri Koh Kin Lip, J.P.

NATIONALITY Malaysian **AGE** 74 **GENDER** Male **POSITION** Independent Non-Executive Director



Tan Sri Dato' Sri Koh Kin Lip, J.P. ("**Tan Sri Richard Koh**") graduated from Plymouth Polytechnic (now known as Plymouth University), United Kingdom with a Higher National Diploma in Business Studies and a Council's Diploma in Management Studies.

He began his career in Standard Chartered Bank, Sandakan in 1977 as a trainee assistant. In 1978, he joined his family business and was principally involved in administrative and financial matters. In 1985, he assumed the role as Chief Executive Officer of his family business. In 1987, he was pivotal and instrumental in the formation of Rickoh Holdings Sdn. Bhd., the flagship company of the family businesses. Rickoh Holdings Sdn. Bhd. and group of companies had since continued to grow via diversifying their business activities which comprise, among others, properties investments/holdings, properties letting, property development, securities investments, oil palm plantations, sea and land transportation for crude palm oil and palm kernel, information technology, hotel business, car park operator, insurance agency, trading in golf equipment and accessories, river sand mining, bricks manufacturing, and quarry operations.

He was appointed to the Board of Directors of T7 Global Berhad on 2 September 2020.

DIRECTORS' PROFILE

(CONT'D)

Datuk Seri Rahim Bin Ismail

NATIONALITY Malaysian **AGE** 64 **GENDER** Male **POSITION** Independent Non-Executive Director



Datuk Seri Rahim Bin Ismail ("**Datuk Seri Rahim Ismail**") has over 39 years of experience in the oil and gas industry. He was the Senior Advisor and a member of Extended Leadership Team at Repsol Oil and Gas Malaysia Ltd. (previously known as Talisman Energy), a Multinational Oil and Gas Company. His vast network in the industry has enabled him to successfully perform key strategic and advisory roles in supporting Repsol's business growth and sustainability in Malaysia and globally.

He started his career in January 1982 with Malayan Banking Berhad (Maybank) and later joined Petroliaam Nasional Berhad (PETRONAS) in August the same year. Throughout his 27 years with PETRONAS, he held multiple managerial and leadership roles including in Corporate, Upstream and Downstream sectors, Work Programme and Budget (WPB) & Planning, Supply Chain Management Entrepreneur Management and Development, Education and Human Resource and Downstream Commercial and Marketing. He also played an instrumental role in representing the industry to chart strategies and policies through various Government initiatives under the Economic Planning Unit (EPU), Prime Minister Department and Ministry of Finance (MOF).

Datuk Seri Rahim Ismail graduated from University of Malaya in 1982 and holds a degree in Economics (Honours). In 1992, he enrolled in International Contract Law and Contract programme at Georgetown University, Washington DC, USA. He also attended Senior Management Programme at INSEAD France in 2003 and MBA programme for CEO and Senior Executive organised by Uni Strategic of Singapore in 2014.

He retired from PETRONAS in 2007, and subsequently joined Talisman Energy (now known as Repsol) as Senior Advisor, providing key strategic advice and direction for the company in Malaysia, before officially retiring in 2020. He currently serves as Senior Advisor of Country Star Sdn. Bhd. a renewable energy solutions provider. He is also a co-founder of Borealis Healthcare Sdn. Bhd., a pharmaceutical and medical products distributor in Malaysia.

Datuk Seri Rahim Ismail was appointed to the Board of T7 Global Berhad on 1 March 2023.

Attendance record of the Directors at the Board of Directors' Meetings

The attendance records of the Directors at the Board of Directors' Meetings can be found in the Corporate Governance Overview Statement in this Annual Report.

Family relationship with any Director and/or major shareholder

Save as disclosed above, none of the Directors has any family relationship with any Director and/or major shareholder of the Company.

Conflict of interest

None of the Directors has any conflict of interest with the Group.

Conviction of Offence

None of the Directors has any conviction for offences within the past five (5) years, other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT PROFILE

Please refer to the profiles of **Datuk Seri Dr. Nik Norzrul Thani Bin N. Hassan Thani** (Acting Executive Chairman), **Tan Sri Datuk Seri Tan Kean Soon, J.P.** (Executive Deputy Chairman) and **Tan Kay Vin** (Executive Director) for their profiles on pages 13 to 15, respectively.

TAN KAY ZHUIN

Group Chief Executive Officer | T7 Global Berhad | Malaysian | Age 34 | Male |



Tan Kay Zhuin has been the Group Chief Executive Officer of T7 Global Berhad since 5 September 2022. He oversees the Group's operations and manages all 3 divisions. He first joined T7 Global's subsidiary, Tanjung Offshore Services Sdn. Bhd. in 2016, heading the offshore construction and maintenance segment.

He started his career as a production engineer with KrisEnergy Limited in Singapore in 2014. He later joined Toyo Engineering Corporation in Japan as a petroleum engineer.

He holds a Bachelor's degree in Petroleum Engineering (Hons) from University of New South Wales, Sydney.

He is the son of Tan Sri Datuk Sri Tan Kean Soon, J.P., the Executive Deputy Chairman and major shareholder of the Company and brother of Tan Kay Vin, the Executive Director of the Company.

ONG FEE PENG

Group Chief Financial Officer | T7 Global Berhad | Malaysian | Age 57 | Male |



Ong Fee Peng, an accountant by profession, was appointed as Group Chief Financial Officer of T7 Global Berhad on 31 July 2015. He is primarily responsible for the Group's overall financial and accounting functions.

He is a registered Chartered Accountant with the Malaysian Institute of Accountant and has more than 27 years of working experiences across the full spectrum of the areas of Investment bank, accounting, audit, manufacturing, construction, stock broking, building management system and corporate finance.

AZMAN YAKIM

Head of Energy Division | Malaysian | Age 46 | Male |



Azman Yakim is the Head of Energy Division of T7 Global Berhad, serving all sectors in upstream, midstream and downstream.

Previously, he was the Senior Vice President, Oil & Gas Business for Siemens Malaysia and Global Corporate Account Manager for Siemens AG. He holds a Bachelor's Degree in CAD/CAM Engineering from the University of Malaya and Masters Degree in Business Administration (MBA) minor in Finance from the University of Derby.

He has more than 20 years of professional experience in the Energy, Oil & Gas and Utilities Sector, where he has worked with reputable names in the industry such as General Electric (GE), Dresser- Rand (D-R) and Emerson prior to working in Siemens AG.

KEY SENIOR MANAGEMENT PROFILE

(CONT'D)

DATUK TAN KEAN SENG

Deputy Head of Energy Division | Malaysian | Age 52 | Male |



Datuk Tan Kean Seng is currently the Deputy Head of Energy Division of T7 Global Berhad. He joined the Group in 2015, heading the specialist products and technology (SPT) segment of the Energy Division.

He has more than 20 years of experience in operations, products and business development in the oil and gas industry. He holds a Bachelor of Science in Business Administration from Central Missouri State University, United States of America.

He is the brother of Tan Sri Datuk Seri Tan Kean Soon, J.P., the Executive Deputy Chairman and major shareholder of the Company.

NOOR HANIZA BINTI ZAINUDDIN

Head of Group Quality, Health, Safety and Environment ("QHSE") | Malaysian | Age 43 | Female |



Noor Haniza Binti Zainuddin is currently the Head of Group QHSE. She joined Tanjung Offshore Services Sdn. Bhd., a wholly owned subsidiary of T7 Global Berhad in 2007 as a HSE Executive.

She holds a Bachelor's Degree in Chemical Engineering from the Universiti Sains Malaysia (USM) and Executive Master in Safety, Health and Environment from Universiti Malaysia Pahang (UMP).

She has more than 17 years of experience in QHSE and currently leads the Group's QHSE and Licensing Department. She progressed through various projects onshore and offshore in HSE roles, set up the ISO 9001, ISO 45001 and ISO 14001 for the Group of T7 Global since 2007 and appointed as a Management Representative (MR) for the QHSE Management System. She is Certified Safety, Health & Officer (SHO) by DOSH, Certified Environmental Professional in Scheduled Waste Management (CepSWaM) by EIMAS, Quality Management System (QMS) Lead Auditor, Train the Trainer (TTT) and also a member of Board of Engineers Malaysia.

Notes:

Save as disclosed above, none of the members of the senior management team has:

1. any directorship in public companies and listed issuers;
2. any family relationship with any directors and/or major shareholders of the Company unless otherwise stated;
3. any conflict of interest with the Company;
4. any conviction for offences (other than traffic offences) within the past five (5) years; and
5. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MESSAGE FROM GROUP CHIEF EXECUTIVE OFFICER

I am pleased to present our 2022 Sustainability Statement detailing our ESG management and initiatives undertaken in the current year and our ongoing sustainability journey.

The year 2022 saw the reopening of global economies as the COVID-19 situation became more endemic. Consequently oil & gas activities remained robust during the year and the Group recorded 4 million manhours without loss time due to injury. We remain absolutely committed to the wellbeing of our employees and our contractors. I am proud of our teams for keeping health and safety our top priority.

There are increasing calls for action on better ESG practices and governance to address ongoing issues such as rising material costs and better environmental practices. In this regard, we have further embedded ESG practices into our operations.

We engage regularly with our stakeholders to understand their ESG related initiatives, commitments and targets. With that in mind, we have set out an integrated approach to balance our passion and to create a positive environment within our community, whilst also delivering on our promise of value creation for our shareholders. Our decision making now factors in several ESG criteria, with the objective of having a responsible assessment of our activities.

With the Bayan Mobile Offshore Production Unit (MOPU) (named TSEVEN ELISE) safely delivered at Bayan Field, our focus in 2023 will be on the successful completion of the Nong Yao MOPU. Our priority is to ensure that our projects have minimal impact to the environment, yet remaining practical and economical. We will continue to do our part to preserve the planet and people with our continuous ESG efforts.

Our objective is to manage our business to achieve sustainable growth which is in line with our sustainability framework and to meet the expectations of regulatory bodies to ensure transparent ESG disclosures. During the year, I am glad to report that we have proactively transitioned towards adopting and implementing stringent sustainability reporting based on best energy industry standards, identified 4 new key material matters and established a sustainability policy which is synchronised with the UNSDGs. Finally, we have also adopted a new UNSDG 13 for Climate Action to align with our commitment to combat climate change and addressing potential environmental impact from our operations.

We will continue to adhere to all applicable laws and regulations in our businesses in order to maintain high standards of corporate governance with zero tolerance against bribery, corruption and unethical conduct. Our whistleblowing functions are robust with zero legal action on anti-competitive behaviour and zero violation of legislations recorded in 2022.

As an upcoming player in the energy industry in Asia, we continue to invest in human capital and safety training to ensure a productive workforce and business continuity. The Group also recorded higher financial performance in 2022 with total economic value generated at RM20 million, an increase of 55% year on year. The commendable performance was attributable to the focus and dedication of our top management and employees towards to the Group.

As we move into a new year, we value the strong support from various stakeholders. My appreciation goes to our Board, management and employees as well as all stakeholders for their continuous support and dedication throughout the year. I believe that our future generation will have a better future if we all prioritise sustainability in our practices.

Tan Kay Zhuin

Group Chief Executive Officer
T7 Global Berhad



ABOUT THIS SUSTAINABILITY REPORT

Making A Difference Sustainably

We are pleased to present T7 Global Berhad's ("**T7 Global**" or "**the Group**") financial year ended ("**FYE**") 2022 Sustainability Statement (the "**Sustainability Statement**") which encapsulates how we approach our Environmental, Social, and Governance ("**ESG**") topics, goals, and performances. This Sustainability Statement serves as a communication tool that provides stakeholders with a comprehensive overview of our sustainability progress, strategy, framework and initiatives, along with how we generate sustainable value.

The Sustainability Statement reflects the Group's unwavering dedication to advancing sustainability and fostering openness in our Energy, Aerospace & Defence and Construction businesses. By consistently reporting and engaging with stakeholders, the Group aims to enhance our sustainability performance while offering reliable asset management solutions for complex greenfield and brownfield projects, working towards a sustainable future.

ABOUT THIS SUSTAINABILITY REPORT

(CONT'D)

THE HIGHLIGHTS OF OUR SUSTAINABILITY JOURNEY

For FYE 2022, we have proactively transitioned towards adopting and implementing stringent sustainability reporting based on the best energy industry standards. Such reporting aims to provide meaningful disclosure and reflect our commitment to promoting sustainable integrated solutions. Beyond this, T7 Global has also achieved several key milestones this reporting year, furthering our commitments to develop sustainable engineering solutions.

We conducted a materiality assessment which led to identifying four (4) new key material matters, allowing us to better understand and manage our material matters. To ensure our sustainability commitments are steered in the appropriate direction, we also established a sustainability policy. Our policy aims to synchronise our goals and targets with the United Nations Sustainable Development Goals ("**UN SDGs**") throughout the entire organisation, starting at the Board level and cascading down.

As a player in the energy and aerospace sectors, we also adopted UN SDG 13: Climate Action to align with our commitment to combating climate change and addressing our integrated operations' potential environmental impact. Through analysis and disclosure of our direct Scope 1 and indirect Scope 2 Greenhouse Gas ("**GHG**") emissions, T7 Global better understands our carbon footprint and seeks to implement the proper mitigation measures.

Reporting Scope and Boundary

GRI 2-1 | 2-2 | 2-3 | 2-6

Our Sustainability Statement has been prepared for FYE 2022 which discloses data obtained from T7 Global and our business segments from 1 January 2022 to 31 December 2022. The ESG disclosures in our statement cover the following:

- i. T7 Global Berhad: Head office
- ii. Energy Division
- iii. Aerospace & Defence Division
- iv. Construction Division

REPORTING FRAMEWORK

T7 Global's Sustainability Statement has been prepared with reference to Bursa Malaysia Securities Berhad Main Market Listing Requirements ("**MMLR**"), the Sustainability Reporting Guide (3rd edition) issued by Bursa Malaysia Securities Berhad, and FTSE4Good Bursa Malaysia ("**F4GBM**"). Our Statement is also guided by the Global Reporting Initiative ("**GRI**") Standards, our support for the UN SDGs and the Task Force on Climate-Related Financial Disclosures ("**TCFD**") recommendations. These guidelines ensure transparent and reliable reporting with regard to our sustainability performance and goals.

Assurance Statement

GRI 2-5

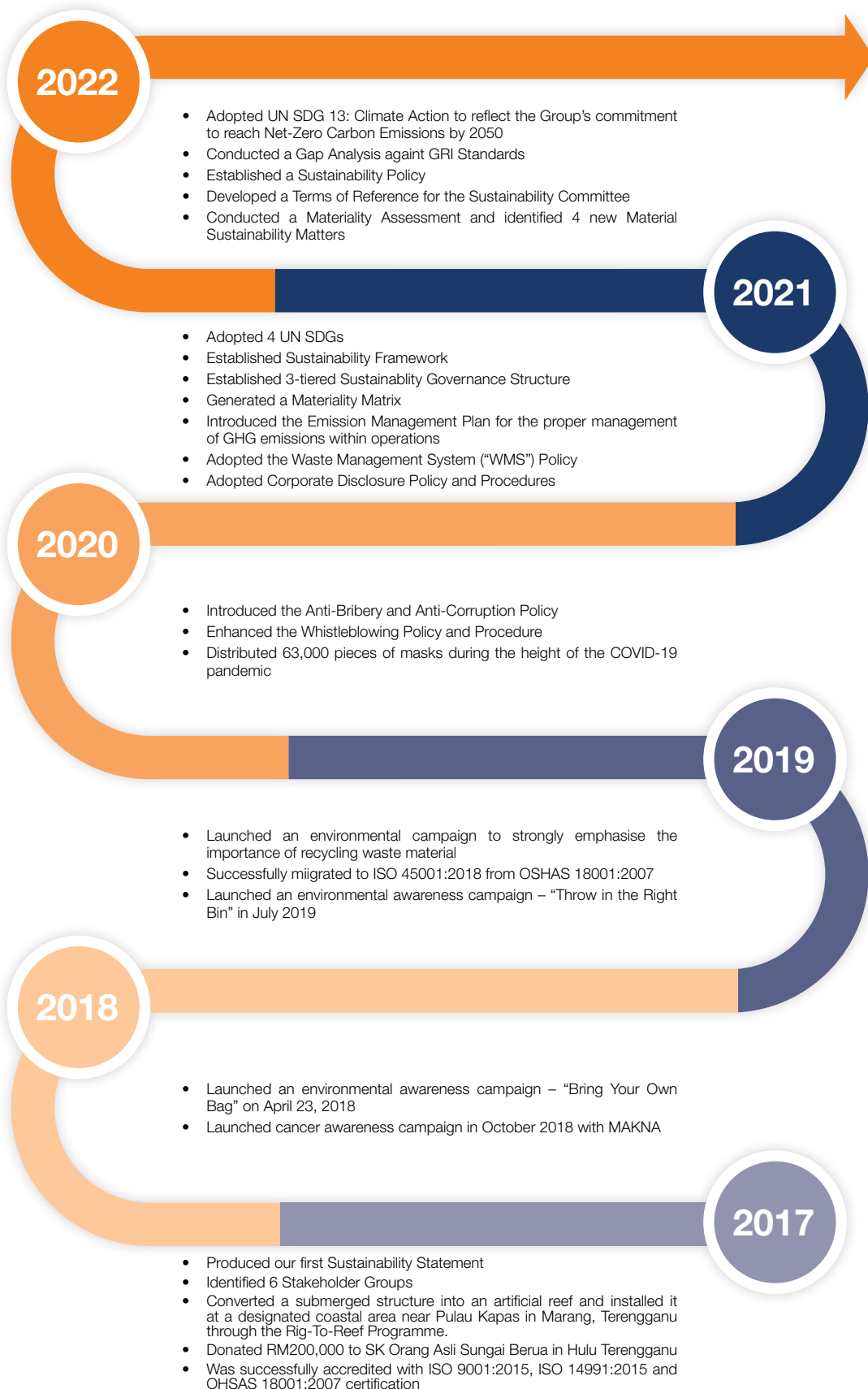
The sustainability indicators disclosed within this report have been internally sourced, verified and validated by the respective divisions and information owners. T7 Global strives to improve our data collection and analysis processes to enhance data accuracy and quality. Thus, we aim to incorporate third-party assurance in the future.

Feedback

GRI 2-3

To continuously enhance our disclosures and sustainability practises for meaningful reporting, we greatly value feedback from our esteemed stakeholders. Should you have any queries, do not hesitate to contact us at corpcomm@t7global.com.my.

SUSTAINABILITY JOURNEY



SUSTAINABILITY JOURNEY

(CONT'D)

Enhanced our

ESG Framework

Developed a

Sustainability Policy



Adopted

UN SDG 13
Climate Action



New Material Sustainability Matters

4

- Waste Management
- Biodiversity
- Data Privacy and Security
- Water Management

Economic Value
Generated

RM363 million

2021: RM305.4 million

19%
Increase

Economic Value
Retained

RM20.2 million

2021: RM13 million

55%
Increase

300

Bamboos Planted
at UMW High Value Manufacturing Park



Training Hours

3,594.5

2021: 2030.5 hours



Community
Development and Investment

RM24,500

to schools and food relief

World-class safety
performance

4.4 million

manhours with **zero**
Lost Time Injury

77%
Increase

SUSTAINABILITY APPROACH

Sustainability has been a fundamental aspect of T7 Global's strategy since our inception, and we recognise how it has rapidly developed into an essential factor affecting all business sectors. In light of this, T7 Global remains dedicated to comprehending and incorporating sustainable practices into our business strategy to strike a balance between our shareholders, employees and society at large which is crucial to the longevity of our business.

ESG Framework

GRI 2-22

Our ESG Framework provides a structured approach that guides the Group's strategic decisions and actions to achieve our vision and mission. The framework is built on the three pillars of Value Creation, Environment, and People First which link material sustainability matters to UN SDGs for the benefit of both the Group and our key stakeholders.

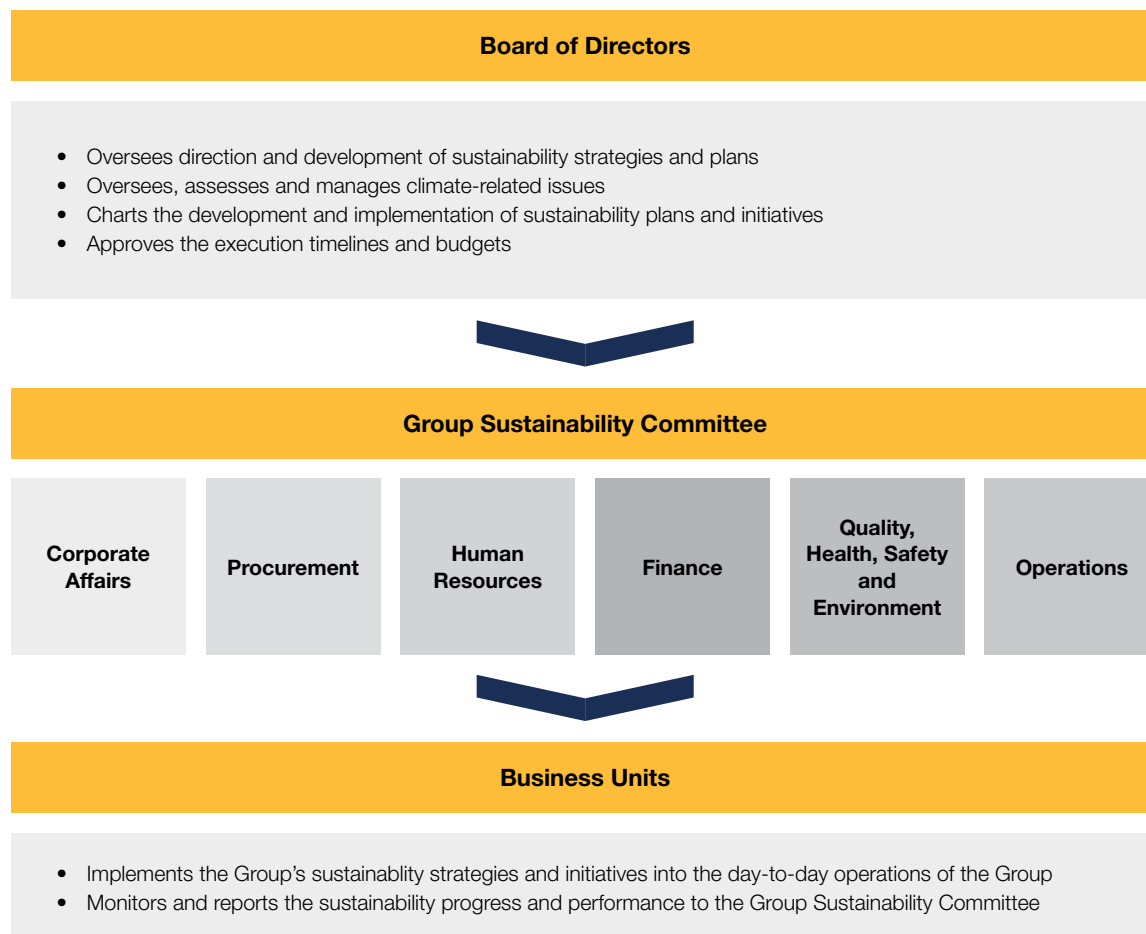


SUSTAINABILITY APPROACH

(CONT'D)

Sustainability Governance Structure

GRI 2-9 | 2-10 | 2-11 | 2-12 | 2-13 | 2-14 | 2-17 | 2-18



The Group's three-tiered governance structure is headed by the Board of Directors ("**the Board**") which provides leadership and oversight of the Group Sustainability Committee ("**GSC**") and the Business Units ("**BU**").

T7 Global recognises the critical role of the Board in overseeing our business practices, including the development and implementation of our sustainability strategy. The Board works to identify and manage the Group's ESG risks and opportunities and approve sustainability policies and material matters. Additionally, the Board maintains transparency and accountability throughout the organisation, and makes informed decisions through effective governance systems.

The GSC advises the Board on ESG initiatives and oversees the BU's implementation of approved strategies in day-to-day operations. At the same time, the BU engages with stakeholders, monitors sustainability performance, and reports to the GSC.

T7 Global upholds a robust corporate governance standard by ensuring that five (5) out of eight (8) members of the Board are Independent Directors. The Group abides by the regulatory mandate that requires either two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors. T7 Global's Independent Directors are chosen through a rigorous selection process based on their independence and compliance with the independence criteria outlined in the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

The Group ensures that none of the Independent Directors has served the Group for more than nine (9) years to bolster our corporate governance practices. Though there is no formal policy in place to limit the tenure of independent directors to this duration, T7 Global recognises that Board diversity, including gender, background, skill sets and industry experience is essential to achieving success.

SUSTAINABILITY APPROACH

(CONT'D)

Sustainability Governance Structure (cont'd)

GRI 2-9 | 2-10 | 2-11 | 2-12 | 2-13 | 2-14 | 2-17 | 2-18

The Board is composed of five (5) non-executive and three (3) executive members. A majority of our Board members possess extensive experience in the oil and gas and aerospace industries, providing valuable insight into the decision-making process. T7 Global is dedicated to promoting diversity and inclusion in our Board composition, recognising that diverse perspectives and backgrounds contribute to impartial decision-making and effective governance. Hence, the Group strives to ensure that our Board includes male and female representation.

Sustainability Policy

GRI 2-23 | 2-24

The Group is dedicated to integrating sustainable development into our corporate culture. In recognition of the importance of sustainability and mitigating climate change, the Group established a Sustainability Policy in 2022 to guide us in strategically managing our risks and opportunities and integrating sustainable practises into our operations.

In order to create long-term value for our stakeholders, this policy was established to identify relevant ESG indicators and incorporate sustainability into daily operations and decision-making throughout our value chain. It also aims to align the Group's strategies with pertinent international sustainability principles including the UN SDGs.

The policy has been reviewed and approved by the Board of Directors and is subject to periodic revisions to reflect any updates in the Group's sustainability practices. T7 Global's business divisions and related third parties working with or on behalf of the Group, are subject to the Sustainability Policy.

T7 GLOBAL BERHAD
SUSTAINABILITY POLICY
**Value Creation**

T7 Global is committed to sustaining excellence in our everyday operations, creating confidence in the Group's governance systems and social license to operate. The Group is committed to upholding the highest levels of integrity, ethical behaviour, and good corporate governance procedures.

Environmental Sustainability

T7 Global acknowledges the significance of operating in an environmentally responsible way and aims to reduce our environmental impact through efficient energy management and sustainable water and material use. We are committed to incorporating monitoring systems to identify climate-related risks and consequently evaluate and improve our environmental performance to build climate resilience across our operations.

People First

We uphold universal human rights by adhering to international standards such as the Universal Declaration of Human Rights and the ILO Declaration. As a responsible corporate citizen, we prioritise employee well-being through the implementation of health and safety best practices and by promoting diversity and inclusivity.

SUSTAINABILITY APPROACH

(CONT'D)

Task Force on Climate-Related Financial Disclosures (TCFD) Reporting Recommendations

GRI 201-2

Climate change is a significant global threat and its effects are taking place at an alarming rate. As a result, there has been a growing sense of urgency to address the effects of climate change over the past few years.

In support of the Paris Agreement on Climate Change aimed at limiting the average increase of global temperatures to 1.5°C, T7 Global aims to reduce our carbon footprint. We are guided by the TCFD recommendations to communicate our climate-related disclosures covering the governance, strategy, risk management and metrics and targets pillars.

Governance	<p>Climate-related risks are the potential negative impacts of climate change on a company, while climate-related opportunities are the potential positive impacts. At T7 Global, the Board of Directors ("the Board") oversees climate-related risks and opportunities. During Board meetings, sustainability-related topics, including climate-related risks, are reviewed and discussed. At the management level, the Group Sustainability Committee ("GSC") assists the Board in assessing and managing climate-related risks and opportunities.</p>
Strategy	<p>We are currently assessing the extent to which the effects of climate change will affect our business and our wide range of stakeholders. To do so, we are identifying the main climate change risks to which T7 Global is exposed that we believe may have short-to long-term effects on the Group. In 2022, we conducted a materiality assessment that provided the basis for T7 Global's climate and sustainability strategies and our subsequent ESG performance measures of their success. Additionally, we have adopted a Sustainability Policy with climate risk mitigation elements to guide us in performing sustainable business operations.</p>
Risk Management	<p>The Group identifies, assesses and manages current and emerging climate-related risks through our Risk Management Framework. In 2022, we conducted a risk assessment on climate change and identified it as a component of the Group's risk universe.</p>
Metrics and Targets	<p>Since 2020, we monitored our Scope 1 and Scope 2 GHG emissions and will report them for the first time in FYE 2022. We also identified all our contributions to climate change via our energy and water consumption over the past three years. Additionally, we have an Emissions Management Plan in which we set KPIs, formed baselines, tracked daily emissions, and developed emission reduction strategies.</p>

SUSTAINABILITY APPROACH

(CONT'D)

THE GROUP'S CONTRIBUTION TO THE UN SDGs

T7 Global aligns our activities with the UN SDGs, reflecting our values and focus on society's critical challenges. We remain dedicated to the core areas of UN SDG 3 (Good Health and Well-Being), SDG 5 (Gender Equality) SDG 8 (Decent Work and Economic Growth) and SDG 14 (Life Below Water), as these remain pertinent to our operations. To further bolster our sustainability journey this year, we included SDG 13 (Climate Action) as part of our commitment to reach net zero by 2050.

UN SDG 3:
Good Health and Well-being

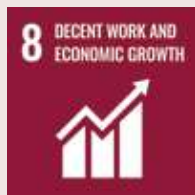
Promote the health and well-being of employees, contractors and communities through a strong QHSE culture.


UN SDG 5:
Gender Equality

Proactively encourage female participation in the energy industry and enable their access to equal opportunities for leadership.


UN SDG 8:
Decent Work and Economic Growth

Safeguard the rights of workers according to international standards and investing in developing a pool of local talent.


UN SDG 13:
Climate Action

Committed to reaching net-zero carbon emissions by 2050 through proper management of GHG within our operations.


UN SDG 14:
Life Below Water

Protect and strengthen the health and resiliency of marine ecosystems through reef conservation efforts.



SUSTAINABILITY APPROACH

(CONT'D)

STAKEHOLDER ENGAGEMENT

GRI 2-29 | 3-3

A critical aspect of our sustainability strategy is the incorporation of stakeholder perspectives. We maintain close relationships with our stakeholders to have a comprehensive understanding of their diverse opinions and changing needs across our business operations.

By incorporating stakeholder insights into our business plans and strategies, we are able to create long-term value. We continually communicate with stakeholders through various channels, address their concerns and align our business strategy with their key priorities. The result of this engagement helps us identify market trends, anticipate potential challenges and align our sustainability efforts with the broader interests of the economy, society and environment.

Stakeholders	Area of Interest	Engagement Channels	Frequency
Shareholder/Investors	Financial performance	Annual Report Annual General Meetings Investor Relations Website Press release	Annually Annually Quarterly Regularly
	Governance and management	Annual General Meetings	Annually
	Corporate social responsibility	Annual Report	Annually
	Regulatory compliance	Investor Relations Website	Throughout the year
	Dividend policy	Annual General Meetings	Annually
Government and Regulators	Legal compliance	Regular reporting Regulatory affairs and compliance teams	According to regulatory inquiries
	Transparency	Regular reporting Regulatory affairs and compliance teams	According to regulatory inquiries
	Ethics and social responsibility	Regular communications via phone calls, emails or in-person meetings	Quarterly Annually
Employees	Opportunities for growth and development	Training and development programmes	Throughout the year
	Work-life balance	Employee feedback and survey	Throughout the year
	Workplace culture	In-person meetings	Throughout the year
	Communication and feedback	Employee feedback and survey	Throughout the year
Customers	Quality of products and services	Communication via email, phone and social media	Bi-weekly
	Customer support	Communication via email, phone, and social media	As and when required
	Transparency	Communication via email, phone, and social media	As and when required

SUSTAINABILITY APPROACH

(CONT'D)

Stakeholders	Area of Interest	Engagement Channels	Frequency
Suppliers, Contractors, and Vendors	Payment terms	Supplier portals	Weekly
	Communications	Regular communication via phone calls, emails or video conferencing Supplier portals Supplier events	Daily As and when required
	Quality standards	Annual performance review	Annually
	Production schedule	Regular communications via phone calls, emails, or video conferencing	Weekly
Business Partners	Contract term	Business review meetings	Quarterly
	Quality and consistency	Survey and feedback mechanisms Joint innovation	Monthly
	Business compliance	Business review meetings	Quarterly
	Brand reputation	Joint sustainability initiatives	Monthly
Local Communities	Environmental impact	Sustainability Report	Annually
	Social impact	Sustainability Report Community engagement programme Social media	Annually As and when required Regularly

MATERIAL ASSESSMENT**Materiality Assessment**

GRI 3-1

T7 Global adopts a systematic approach to identify material topics that represent the most significant impact on our stakeholders and business operations. It is through regularly conducting a comprehensive materiality assessment that we achieve an in-depth understanding of our materiality matters, allowing us to align our sustainability framework to specific focus areas and ensuring a clear and focused approach towards sustainability.

1. Identification

Material sustainability matters from FYE2022 were identified according to their relevance to the Group's risk and opportunities. These material sustainability matters were adjusted to better represent the Group's current policies.

2. Prioritisation

Material of the Sustainability Committee were engaged using appropriate survey tools to rank material sustainability matters in terms of importance to the business.

3. Validation

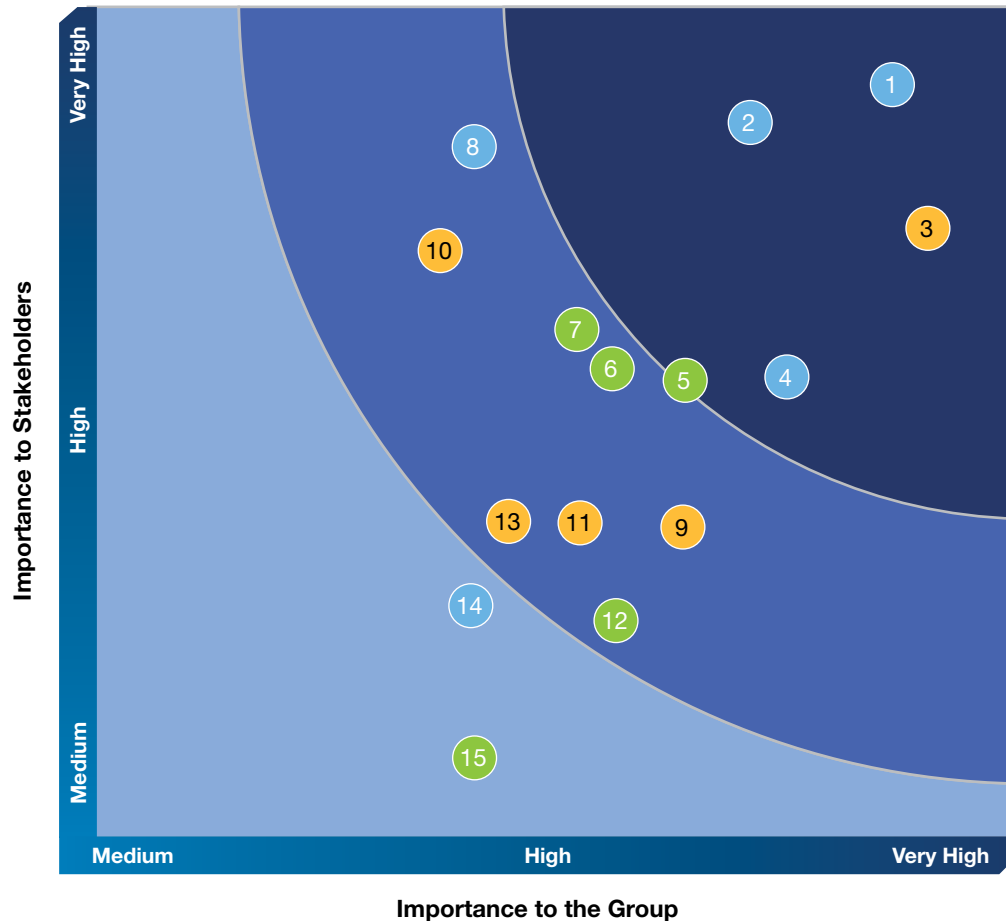
The responses were collected and analysed to develop a materiality matrix that depicts the ranking of each material sustainability matter. The matrix is presented to the Board for verification.

MATERIAL ASSESSMENT

(CONT'D)

Materiality Matrix

GRI 3-1 | 3-2



Value Creation

1. Reliable and Efficient Operation
2. Governance and Business Ethics
4. Economic Performance and Impact
8. Data Privacy and Security
14. Digital Transformation

Environment

5. Waste Management
6. GHG and Climate Resilience
7. Biodiversity
12. Energy Management
15. Water Management

People First

3. Occupational Health and Safety
9. Supply Chain Management
10. Community Development and Investment
11. Workforce Diversity and Inclusivity
13. Employee Recruitment, Development and Retention

In FYE 2022, four (4) new material sustainability matters have been identified which are Waste Management, Water Management, Data Privacy and Security, and Biodiversity. Our top five (5) material sustainability matters that were most important to business operations and stakeholders include Reliable and Efficient Operations, Governance and Business Ethics, Occupational Health and Safety, Economic Performance and Impact, and Waste Management. These key areas reflect the significant progress in our governance in recent years.

MATERIAL ASSESSMENT

(CONT'D)

Mapping of Material Matters

GRI 3-2 | 3-3

The table below highlights the interconnectedness between our three pillars, our material matters, respective GRI Indicators, our stakeholders and relevant SDGs.

Pillars	UN SDGs	Material Matter	GRI Indicator	Stakeholder Group
Value Creation		Reliable and Efficient Operation Governance and Business Ethics Economic Performance and Impact Data Privacy and Security Digital Transformation	2 : General Disclosures 3 : Material Topics 201 : Economic Performance 203 : Indirect Economic Impacts 205 : Anti-Corruption 418 : Customer Privacy	Shareholder/Investors Government and Regulators Employees Customers Suppliers, contractors and vendors Business Partners
Environment	 	Waste Management GHG and Climate Resilience Biodiversity Energy Management Water Management	2 : General Disclosures 3 : Material Topics 302 : Energy 303 : Water and Effluents 304 : Biodiversity 305 : Emissions 306 : Waste	Shareholder/Investors Government and Regulators Local Communities
People First	 	Occupational Health and Safety Supply Chain Management Community Development and Investment Workforce Diversity and Inclusivity Employee Recruitment, Development and Retention	2 : General Disclosures 3 : Material Topics 204 : Procurement Practices 401 : Employment 403 : Occupational Health and Safety 404 : Training and Education 405 : Diversity and Equal Opportunity 413 : Local Communities	Shareholder/Investors Government and Regulators Employees Suppliers, contractors and vendors Local Communities

VALUE CREATION

Governance and Business Ethics

GRI 2-15 | 2-19 | 2-20 | 2-23 | 2-24 | 2-25 | 2-26 | 2-27 | 205-1 | 205-2 | 205-3

As T7 Global expands its presence in Southeast Asia, we believe it is crucial to maintain strong governance and uphold high ethical standards to meet the expectations of our shareholders. Our policies and compliance standards are the cornerstone of our operations and we ensure that they are supported by multiple layers of oversight from the Board, Management and employees.

Our Anti-Bribery and Anti-Corruption Policy, Whistle-Blowing Policy and Procedures and Code of Ethics and Conduct are all effectively communicated and implemented across the Group. We also provide annual training for our directors, employees, suppliers and shareholders to ensure compliance with these policies and make the policies accessible on our corporate website. Moreover, we also established a hotline and email channel to provide confidentiality and encourage open-door communication for employees to report their concerns.

Our efforts have been successful, as there were no reported cases of corruption or bribery, zero reports made through our Whistleblowing system, and zero instances of non-compliance with our Code of Ethics and Conduct for FYE 2022.

T7 Global Policies	Description	GRI Disclosure
Code of Ethics and Conduct	Outlines the fundamental principles and ethical standards for all members of the Group and serves as a framework for strong corporate integrity and professionalism.	2-23, 2-24
Anti-Bribery and Anti-Corruption Policy	Outlines our zero-tolerance approach to bribery and corruption and demonstrates our determination to operate in an ethical and transparent manner in our business activities.	2-24, 205-1, 205-2
Whistle-Blowing Policy and Procedure	Provides a confidential mechanism for employees to report any suspected misconduct which is then investigated by the organisation to ensure appropriate action is taken.	2-24, 2-26
Conflicts of Interest Policy	The Conflicts of Interest Policy requires all members to prioritise the interests of the Group over their personal interests to maintain the integrity of the Group's operations.	2-15, 2-24
Policies and Procedures to Assess the Suitability, Objectivity and Independence of External Auditors	Evaluation of the objectivity and independence of external auditors.	2-5, 2-24
Remuneration Policies	Guidelines on how executive and non-executive directors are compensated for their contributions to the Group.	2-19, 2-20, 2-24
Directorship Policy	A policy to limit the holding of directorships in non-affiliated, for-profit organisations to prevent conflicts of interest.	2-10, 2-15, 2-17, 2-18, 2-24
Asset Policy	A policy to protect the Group's assets and ensure efficient usage to create value for stakeholders.	2-24
Corporate Disclosure Policy	The Group's Corporate Disclosure Policy is reviewed and updated annually to ensure accurate and transparent disclosure of essential information for informed investment decisions.	2-24
Sustainability Policy	To identify relevant ESG indicators and incorporate sustainability into daily operations and decision-making throughout our value chain.	2-24
Policy on Gender Diversity	To achieve diversity at the Board and executive levels for the sustainable development of the Group.	2-9, 2-24, 405-1
Related Party Transaction	To ensure that all related party transactions undertaken by the group are carried out fairly and in accordance with typical commercial practices, which will not harm the interests of the group and its minority shareholders.	2-24

Detailed policies are publicly available on our website at www.t7global.com.my.

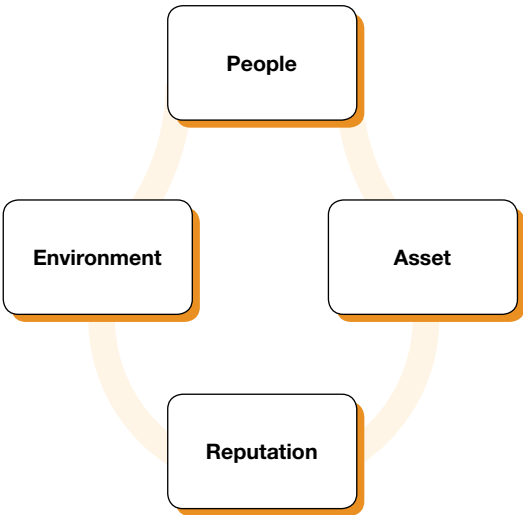
VALUE CREATION

(CONT'D)

Reliable and Efficient Operations

GRI 3-3

Ensuring the long-term success of our business requires effective risk management, which is crucial to maintaining the confidence and trust of our stakeholders. Our Group Risk Management Framework provides a comprehensive and systematic approach to identifying, measuring, and mitigating risks and opportunities. The accompanying table summarises our key risks related to our material sustainability matters.



T7 Global places great importance on ensuring the reliability and efficiency of our operations, with a particular focus on safeguarding our People, Environment, Asset and Reputation (“PEAR”). By implementing stringent procedures and mitigating risk through our risk management approach, we can maintain high performance levels. Our Risk Management System which monitors our day-to-day activities across business units and corporate functions, plays a vital role in preventing unsustainable and unsafe acts, in addition to identifying and controlling threats to our capital and earning potential. This comprehensive approach allows us to operate with confidence and integrity, delivering results that benefit both our clients and our organisation. The accompanying table summarises our PEAR risks related to our material sustainability matters.

Risks	Our Action
<p>Workplace Safety and Health Risks</p> <p>Working with hazardous materials and heights, dealing with hot surfaces and electricity, and exposure to radiation and toxic substances, among other hazards, pose significant safety and health risks to workers in the workplace.</p> <p>Related SDGs:</p> <div> <div> 3 GOOD HEALTH AND WELL-BEING </div> <div> 8 DECENT WORK AND ECONOMIC GROWTH </div> </div>	<p>Control Barriers</p> <p>We prevent workplace hazards by implementing various measures such as proper training and handling procedures, equipment inspections, supervision, proper storage, permit-to-work systems, appropriate PPE, stop work policies, the buddy system, medical fitness checks and hygiene practices.</p> <p>Recovery Barriers</p> <p>In the event of an emergency, we have an Emergency Response Plan, marked evacuation routes, accessible firefighting systems, lifesaving appliances, on-site first aid and medical response, portable eyewash stations, life buoys, alarm systems, and site medical facilities, which can help minimise damage and harm depending on the situation.</p>

VALUE CREATION

(CONT'D)

Reliable and Efficient Operations (cont'd)

GRI 3-3

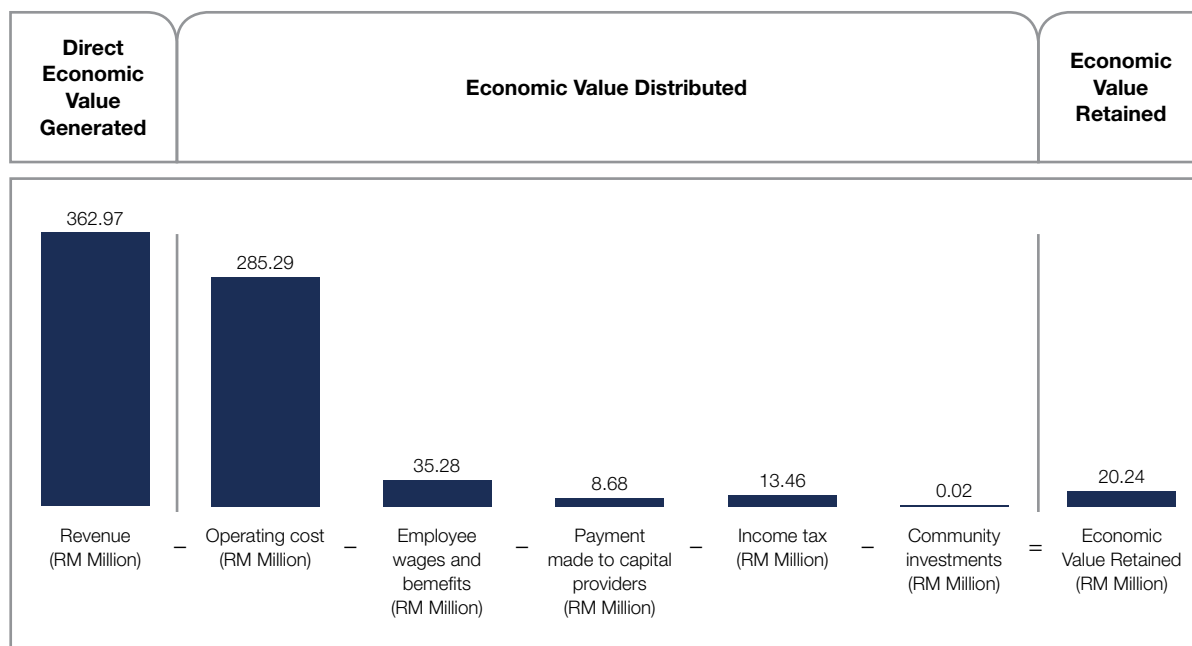
Risks	Our Action
<p>Environmental Risks</p> <p>Improper handling of refined hydrocarbons and toxic substances, boat collisions, gas leaks, and inadequate training can lead to severe environmental hazards, emphasising the need for appropriate safety measures to ensure sustainability.</p> <p>Related SDGs:</p> <div>   </div>	<p>Control Barriers</p> <p>To prevent such risks, we conduct risk assessments, practise housekeeping, segregate storage areas, use warning signages and barricades, supervise regularly, provide training and awareness of handling, validate maintenance tags, and utilise collision avoidance systems.</p> <p>Recovery Barriers</p> <p>We ensure that we have established effective recovery barriers and minimised the impact of incidents by implementing measures such as keeping an emergency spill kit readily available, using secondary containment measures, and disposing of contaminated items such as hazardous waste in accordance with relevant regulations.</p>
<p>Risks To Our Assets</p> <p>Improper training and extreme weather conditions can result in structural, component, and equipment damage, which poses a significant risk to both people and the environment. Additionally, data privacy and security risks may lead to the loss of sensitive data, intellectual property, and financial losses.</p> <p>Related SDGs:</p> <div>    </div>	<p>Control Barriers</p> <p>To prevent or minimise such risks and ensure the safety and security of assets and personnel, we implement crucial control barriers, including regular supervision, proper training and awareness, routine equipment inspections, continuous weather monitoring, weather limitation parameters, secondary communication channels, licenses to operate, a planned maintenance system, security surveillance, and a data privacy and security system.</p> <p>Recovery Barriers</p> <p>We actively inform and monitor any abnormal situations and conduct security checks, taking prompt action to prevent further damage to the environment and assets to ensure quick recovery from potential losses caused by asset risks.</p>
<p>Reputational risks</p> <p>Reduced investor confidence and legal action may arise from workplace hazards, such as fires, COVID-19 infections, toxic pollution, and unsafe conditions, underscoring the importance of implementing risk management strategies.</p> <p>Related SDGs:</p> <div>  </div>	<p>Control Barriers</p> <p>Effective risk management includes establishing a code of conduct, complying with laws and regulations, and communicating with stakeholders to manage reputational risks.</p> <p>Recovery Barriers</p> <p>Establishing clear communication channels, conducting thorough investigations to identify root causes, implementing corrective actions to prevent future incidents, and analysing and communicating findings promptly and transparently can help rebuild trust and maintain a positive reputation.</p>

VALUE CREATION

(CONT'D)

Economic Performance and Impact

GRI 3-3 | 201-1 | 203-1 | 203-2



We are pleased to report that T7 Global has achieved impressive financial results for FYE 2022. Our sustained commitment to operational efficiency and ESG integration has enabled us to achieve robust growth and maintain strong margins. For FYE 2022, T7 Global's revenue surged by approximately 18.8% to approximately RM363 million, with a 55.5% increase in Economic Value Retained.

Data Privacy and Security

GRI 3-3 | 418-1

T7 Global is dedicated to ensuring the privacy and security of personal and confidential data, both in our possession and in the possession of our customers and stakeholders. We understand the importance of protecting sensitive information and implemented robust processes, procedures and controls to safeguard against data breaches, unauthorised access and theft.

T7 Global's Data Privacy and Security

 <p>Data Loss Prevention Monitor and block unauthorised access to sensitive data using machine learning and AI.</p>	 <p>Storage with Built-in Data Protection Storage with built-in data protection features like RAID, checksums and mirroring.</p>	 <p>Backup, Snapshots & Replication Ensure data can be recovered in the event of a disaster or loss.</p>	 <p>Firewalls Control network traffic, configure them to allow only trusted sources and implement intrusion prevention and detection systems to monitor and respond to attacks.</p>
 <p>Authentication & Authorisation Strong authentication and authorisation mechanisms to control access to sensitive data, including multi-factor authentication and role-based access control.</p>	 <p>Encryption Strong encryption algorithms, hardware-based encryption and key management practices to ensure data protection.</p>	 <p>Endpoint Protection Centralised management console and data loss prevention features to safeguard against malware, viruses and prevent data loss.</p>	 <p>Data Erasure Ensure sensitive data is securely deleted.</p>

VALUE CREATION

(CONT'D)

Digital Transformation

GRI 3-3 | 418-1

The Group is fully committed to embracing digital transformation as a key enabler of business resilience and sustainability. As a forward-thinking organisation, we recognise the importance of leveraging digital technologies to drive sustainable growth and deliver value to all our stakeholders, including customers, employees, shareholders and the wider community. We understand that the rapid evolution of digital technologies and shifting market dynamics present us with opportunities to harness digitalisation and drive growth towards a sustainable future. Our priority is to create value for all our stakeholders by proactively embracing digital technologies to enhance our performance, optimise operational excellence and support business growth.

At the core of our digital strategy is a commitment to foster a digital culture that aligns with our sustainability goals. We believe that digital transformation can play a key role in creating a more resilient and sustainable future for our organisation and the communities we serve.

To achieve our digital transformation objectives, we actively invest in digitalisation and developing our digital capabilities to stay ahead of the curve in the ever-changing energy landscape. Our approach involves connecting and managing all our key processes, including sales, purchasing and accounting. By centralising and streamlining these processes, we are enhancing our operational efficiency and improving our ability to deliver value to our stakeholders.

In addition, we also centralised our HR management system to optimise our human capital management processes. By leveraging digital technologies, we can better manage employee data, monitor performance and provide timely feedback to our teams. This approach enables us to foster a culture of continuous improvement and drive sustainable growth.

To further our efforts, we implemented a comprehensive document management system that guarantees the accessibility and security of essential information. Such a system will enable us to organise, store and manage all our digital documents and data securely and efficiently, ultimately improving our decision-making processes and supporting our sustainability goals.

ENVIRONMENT

TOWARDS A NET ZERO FUTURE

T7 Global prioritises environmental sustainability by reducing emissions and water usage, optimising energy and waste generation, and supporting biodiversity. We are committed to minimising our environmental impacts while maintaining economic performance and stakeholder commitment. Addressing climate change and managing our carbon footprint is a significant focus, and the Group operates in an environmentally-conscious and sustainable manner.

In line with our environmental commitments, our disclosures will encompass data from our T7 Global Berhad headquarters and three (3) business divisions. The Bayan Mobile Offshore Production Unit (“**MOPU**”) will be leased to Petronas Carigali Sdn. Bhd. upon becoming operational in 2023.

GHG and Climate Resilience

GRI 3-3 | 305-1 | 305-2

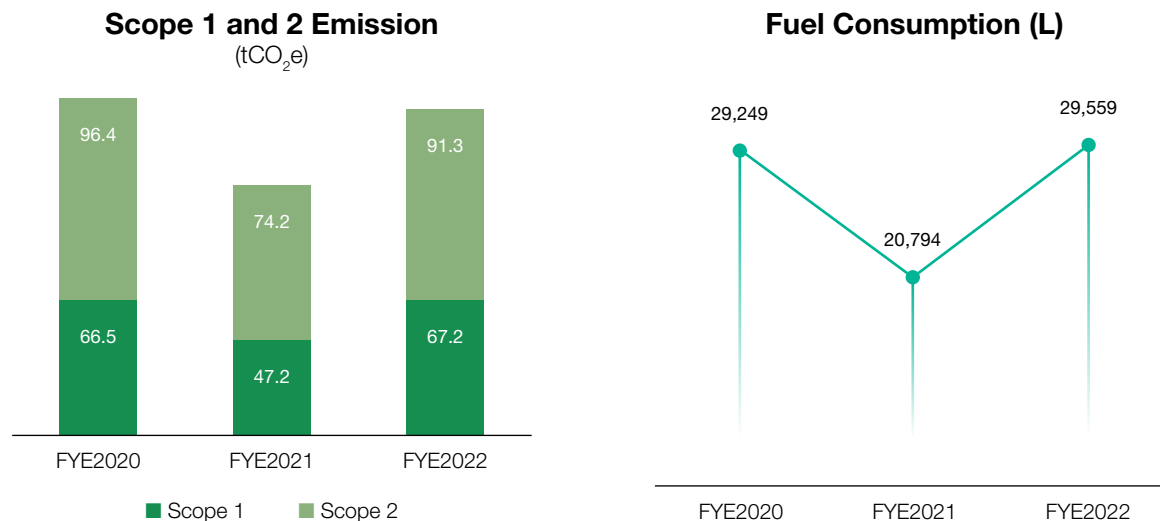
We are dedicated to achieving our net-zero carbon emission goals in upstream operations by 2050 by implementing an effective decarbonisation management plan to lower Greenhouse Gas (“**GHG**”) emissions. T7 Global has established an Emissions Management Plan for the Bayan MOPU project to track and monitor emissions resulting from flaring and venting once it becomes operational. The plan involves setting KPIs, establishing baselines, monitoring daily emissions and creating strategies for emissions reduction.

EMISSION MANAGEMENT PLAN

Leadership	<ul style="list-style-type: none"> Recognising emissions as part of our business Setting the tone right from the top 	<ul style="list-style-type: none"> Include ESG in decision-making criteria Prioritise and focus on sustainability
Strategy	<ul style="list-style-type: none"> Minimise and justify all GHG emissions Actively manage - not accept 	<ul style="list-style-type: none"> Invest in net zero carbon projects
Planning	<ul style="list-style-type: none"> Monthly environmental meetings with senior management Set KPIs for environmental performance 	<ul style="list-style-type: none"> 5-Year plans addressing environmental sustainability
Culture	<ul style="list-style-type: none"> Increase focus on emissions Use cost and economic parameters Use CO2 cost in operational decisions 	<ul style="list-style-type: none"> Understand and react to supply chain culture Engage environmental teams offshore to reduce waste
Improve Operational Efficiencies	<ul style="list-style-type: none"> Review and reduce generator spinning reserve Reassess operational parameters for generator load 	<ul style="list-style-type: none"> Incremental reduction in power demand
Monitoring	<ul style="list-style-type: none"> Digital dashboard Daily emissions monitoring and management Analysis as part of normal business 	<ul style="list-style-type: none"> Additional offshore surveillance Measuring flare/CO2 losses Establish optimal performance as baseline
Capital Investment	<ul style="list-style-type: none"> Identification, assessment and implementation of opportunities to incrementally change the carbon intensity of our operations 	
Reduced Venting / Flaring	<ul style="list-style-type: none"> Reduce trips Improve generator reliability 	<ul style="list-style-type: none"> Improve compressor reliability Manage single point failure systems

ENVIRONMENT

(CONT'D)



This year's total GHG emissions amounted to 158.5 tCO₂e, indicating an increase of 30.6% from the previous year.

To gain a better understanding of where these emissions are coming from, we analysed our Scope 1 and Scope 2 emissions using the latest available emissions factor. Scope 1 emissions which include direct emissions from our operations such as fuel (petrol) combustion, increased by 42% compared to the previous year. Meanwhile, our Scope 2 emissions, which include indirect emissions from the consumption of purchased electricity increased by 23%.

By analysing our Scope 1 and Scope 2 emissions, we can identify the sources of our GHG emissions and develop strategies to reduce them. Moving forward, we are committed to implementing measures to mitigate our impact on the environment and work towards our decarbonisation goal.

ENVIRONMENT

(CONT'D)

Energy Management

GRI 3-3 | 302-1 | 302-3

T7 Global recognises the importance of energy management in the short and long term. By decreasing energy consumption, we reduce costs and contribute to corporate social responsibility. As such, we plan to launch our Energy Efficiency Policy to guide us in our energy management initiatives.

T7 GLOBAL BERHAD ENERGY EFFICIENCY POLICY

**Purpose**

Our company is committed to reducing energy consumption and improving energy efficiency in our operations. This policy outlines our goals and strategies for achieving these objectives.

Goals

- Reduce energy consumption in our operations by 10% over the next five years.
- Identify and implement energy efficiency measures that result in cost savings.
- Promote a culture of energy efficiency among our employees and stakeholders.

Strategies

- Conduct regular energy audits to identify opportunities for energy savings.
- Implement energy efficiency measures in our buildings, including lighting, HVAC, and other equipment.
- Encourage employees to adopt energy-efficient practices, such as turning off lights and equipment when not in use.
- Incorporate energy efficiency considerations into our purchasing decisions, including selecting energy-efficient equipment and appliances.
- Promote the use of renewable energy sources where feasible.
- Monitor and report on our energy consumption and efficiency performance.

Responsibilities

- The company's management team is responsible for setting energy efficiency goals and providing the necessary resources to achieve them.
- All employees are responsible for implementing energy efficiency measures in their work areas and promoting a culture of energy efficiency.
- The company's energy manager is responsible for conducting energy audits, implementing energy efficiency measures, and monitoring energy consumption and efficiency performance.

Communication

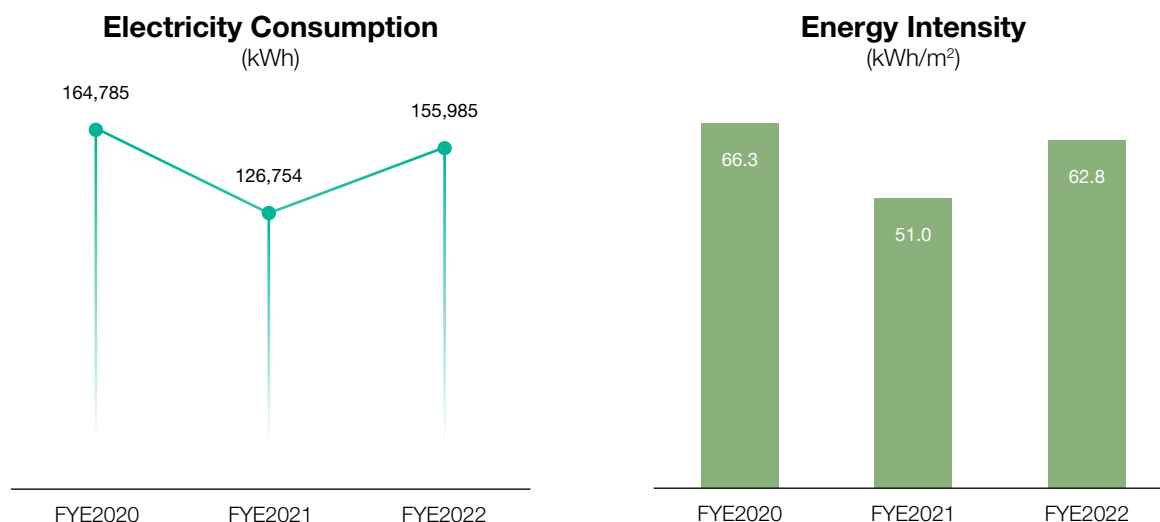
- This policy will be communicated to all employees, stakeholders, and the public.
- Regular updates on the company's energy consumption and efficiency performance will be provided through annual reports and other communications channels.

Review

This policy will be reviewed annually to ensure that it remains relevant and effective. The company's energy efficiency goals and strategies will be updated as necessary to reflect changes in technology, regulations, and other factors.

ENVIRONMENT

(CONT'D)



During FYE 2022, our T7 Global Headquarters and business divisions experienced an increase in electricity consumption from 126,754 kWh to 155,985 kWh. This can be attributed to the acquisition of a new office for a recently awarded project.

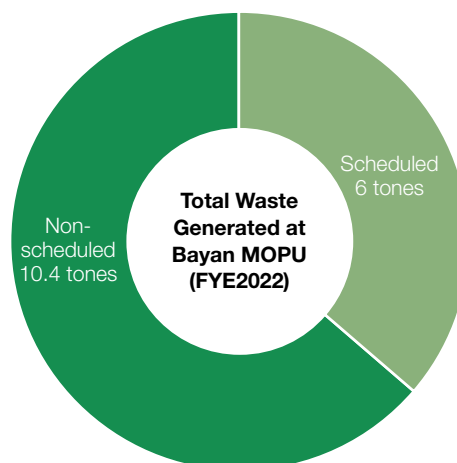
Waste Management

GRI 2-23 | 2-24 | 3-3 | 306-2 | 306-3 | 306-5

Optimal waste management is crucial to minimising the impacts of our daily operations. To this end, T7 Global has aligned with the International Maritime Organisation (“IMO”) standards and complies with ISO 14001 to guide effective waste management across the Group.

Our Waste Management System Policy serves as the foundation of our sustainability efforts, highlighting our commitment to responsible waste management. Regular communication with employees and annual waste awareness campaigns ensure that waste management is an essential part of our culture.

In FYE 2022, our Bayan MOPU generated 6 tonnes of scheduled waste primarily from our Hook-Up and Commissioning (“HUC”) activities, and 10.4 tonnes of non-scheduled waste.



ENVIRONMENT

(CONT'D)

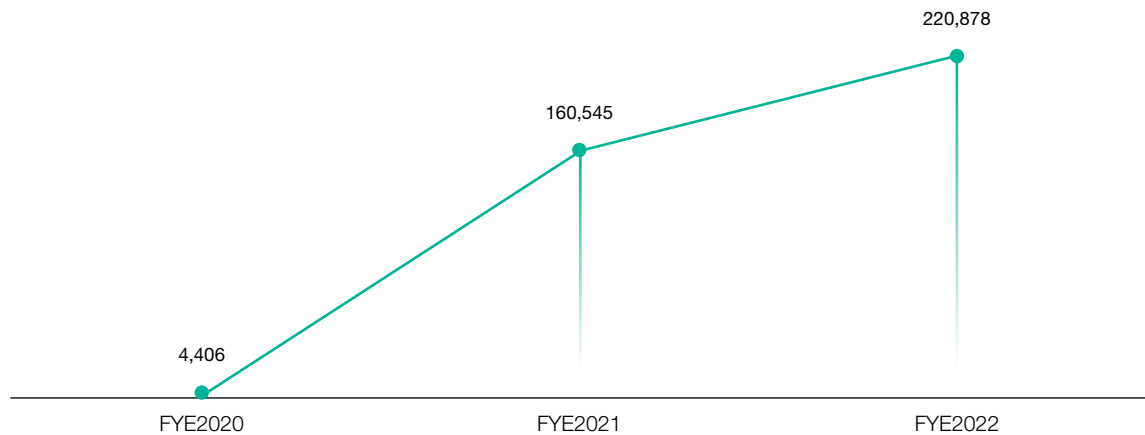
Water Management

GRI 3-3 | 303-1 | 303-5

T7 Global utilises water primarily for potable purposes and for production operations at our various onshore and offshore sites. As such, we recognise the importance of effective water management and implemented water-efficiency measures across our various business units. We believe it is crucial to increase our water efficiency to ensure our systems run efficiently with minimal environmental impact.

Water Consumption

(m³)



Due to COVID-19 restrictions in FYE 2020, our water consumption was initially low but increased steadily as operations resumed, resulting in a 37% year-on-year increase to 220,878 m³ in the current reporting period.

Biodiversity

GRI 2-27 | 3-3 | 304-1 | 304-2 | 304-3

We understand the importance of preserving the natural world and recognise our role in protecting biodiversity. We take this responsibility seriously and have taken steps to ensure that we minimise the harm our operations may have on the environment.

Energy Division

An Environmental Impact Assessment (“EIA”) approved by the Department of Environment (“DOE”) was conducted prior to our Bayan MOPU development. This rigorous assessment ensured that any potential negative impacts on the environment, such as disturbances to the seabed habitat, were identified and minimised.

To further demonstrate our commitment to environmental stewardship, we developed an Environmental Management Plan (“EMP”) for the Bayan MOPU project which serves as a comprehensive guide for managing environmental matters throughout the project's execution and operation phases. It outlines strategies for minimising potential environmental impacts, such as the implementation of best practices for waste management, spill prevention and response, and habitat restoration. The EMP also includes a comprehensive monitoring and compliance programme, which ensures that our operations are always in line with environmental regulations and our own internal standards.

Aerospace & Defence Division

On the 14th of December 2022, we collaborated with UMW to cultivate 300 bamboo saplings throughout the UMW High Value Manufacturing (“HVM”) Park to contribute to the park's existing green certification status. The bamboo saplings were carefully planted in designated areas throughout the park to enhance the surrounding green space, reduce noise and dust, and improve air quality.

ENVIRONMENT

(CONT'D)

T7 AeroTech UMW CSR Bamboo Trees Planting at UMW HVM Park



PEOPLE FIRST

Our people are the driving force behind our success as an organisation. We strive to create a safe and inclusive culture where employees feel valued while supporting them in building fulfilling careers here at T7 Global. To this end, we emphasise work-life balance as part of our corporate culture and encourage the development of new talent and future-proof skills for the betterment of the organisation as a whole.

Occupational Health and Safety

GRI 3-3 | 403-1 | 403-2 | 403-3 | 403-4 | 403-5 | 403-6 | 403-7 | 403-8 | 403-9 | 403-10

At T7 Global, we place the health and well-being of our employees at the heart of our business operations. Over the last few years, we have consistently achieved top-quartile Quality, Health, Safety, and Environment (“QHSE”) performance across our operating locations. This performance is the result of steadfast dedication to QHSE at every level of our organisation.

Our QHSE Management System serves as a roadmap for identifying, controlling, and mitigating risks, as well as deriving Key Performance Indicators (“KPIs”) for each business unit. By following this process, we can achieve enhanced business resilience, reduce operational incidents and ultimately provide a safer working environment for our staff, contractors and nearby communities. To maintain the excellence of our QHSE Management System, we continually assess the system for opportunities to improve.

T7 Global complies with multiple international standards in managing, planning and delivering our products and services such as ISO 9001:2015 (Quality Management System), ISO 45001:2018 (Occupational Health and Safety Management System), ISO 14001:2015 (Environmental Management System) and AS9100D which is a quality management system for the aerospace industry, applicable to our aerospace operation T7 AeroTech.

Our Certifications				
Operations	ISO 9001:2015	ISO 14001:2015	ISO 45001:2018	AS9100D
T7 Global Berhad	✓	✓	✓	
Tanjung Offshore Services Sdn. Bhd. (“TOSSB”)	✓	✓	✓	
T7 Gastec Sdn. Bhd.	✓	✓	✓	
T7 Wenmax Sdn. Bhd.	✓			
T7 Kemuncak Sdn. Bhd.	✓			
T7 AeroTech Sdn. Bhd.				✓

Additionally, to ensure a safe workplace, we expect our contractors to comply with our QHSE requirements and we evaluate every contract based on the nature of the risk. Contracts with a high degree of risk are subject to additional scrutiny, including pre-qualification reviews and ongoing evaluations with contractor representatives.

PEOPLE FIRST

(CONT'D)

Fostering a Safe Culture at Workplace

We take a preventive approach to safety measures with the primary goal of obtaining zero operational incidents. Achieving this requires that potential risks be recognised, managed and reduced at the commencement of every operation which ultimately improves our QHSE performance and makes the workplace safer for everyone. The Group considers continuous training to be highly beneficial as it helps to raise employee and contractor awareness while establishing a consistent safety culture throughout our network.

We are pleased to report zero injuries and fatalities in 2022 which we attribute to our rigorous QHSE system. In addition, 4,399,833 working hours without Lost Time Injury were recorded across our operations.

	FYE2020	FYE2021	FYE2022
Total work-hours recorded	837,649	3,488,965	4,399,833
Number of recordable work-related incident	0	0	0
Lost Time Injury Frequency Rate (LTIFR)*	0	0	0

*Based on rate of incident per million man-hours worked

In FYE 2022, our TOSSB division held an Integrated Well Services Plug and Abandon (“**IWS P&A**”) Campaign. As part of this campaign, participants received monthly 30- to 45-minute training sessions on the following programs:

Training Programmes	Programme Description
TOSSB Safety Case Training	To provide training to all personnel responsible for Safety Management System.
DROPS Awareness Training	To raise awareness of dropped object prevention, hazard identification, risk assessment and management. The training is conducted by a certified Trained Trainer approved by DROPs focusing only on the crews involved in HWU Operations.
DROPS Intervention Campaign	A visual examination of all exposed components, fixings, and safety devices, following the inspection checklist provided in the Planned Maintenance System (“ PMS ”).
Right Tools, Right Job, Right Way Campaign	To increase situational awareness of all crew members pertaining to the use of the right tools for the right job to prevent work-related accidents.
Hands and Fingers Campaign	Introducing five ways to think about hand-related risks during operations: planning, training/competency, positioning, PPE and selection of tools.

Our Aerospace Division held three training programmes to ensure the safety of our employees at the metal surface treatment plant:

Training Programmes	Training Programmes	No. of attendees
5S Training	2	30
Safety Reporting	2	30
Spill Kit Training	2	12

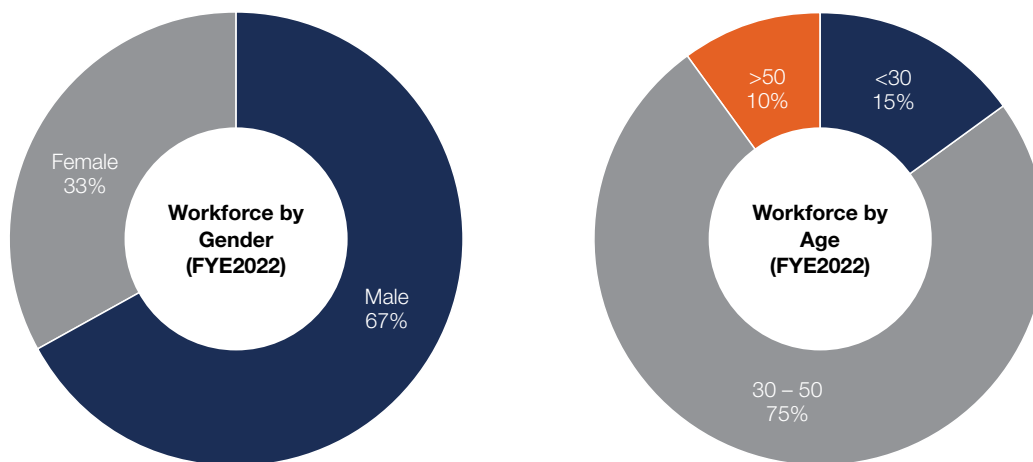
PEOPLE FIRST

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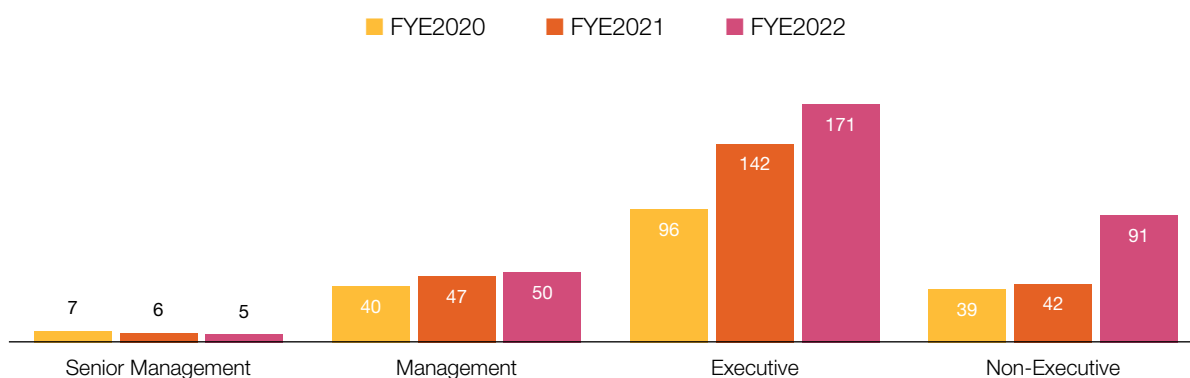
Workforce Diversity and Inclusivity

GRI 2-7 | 3-3 | 405-1 | 405-2

At T7 Global, we value a diverse and inclusive working environment as we believe that employees perform at their best when they feel valued and supported. To achieve this, we offer equal opportunities for recruitment, promotion and training for all employees regardless of gender, age or ethnicity.



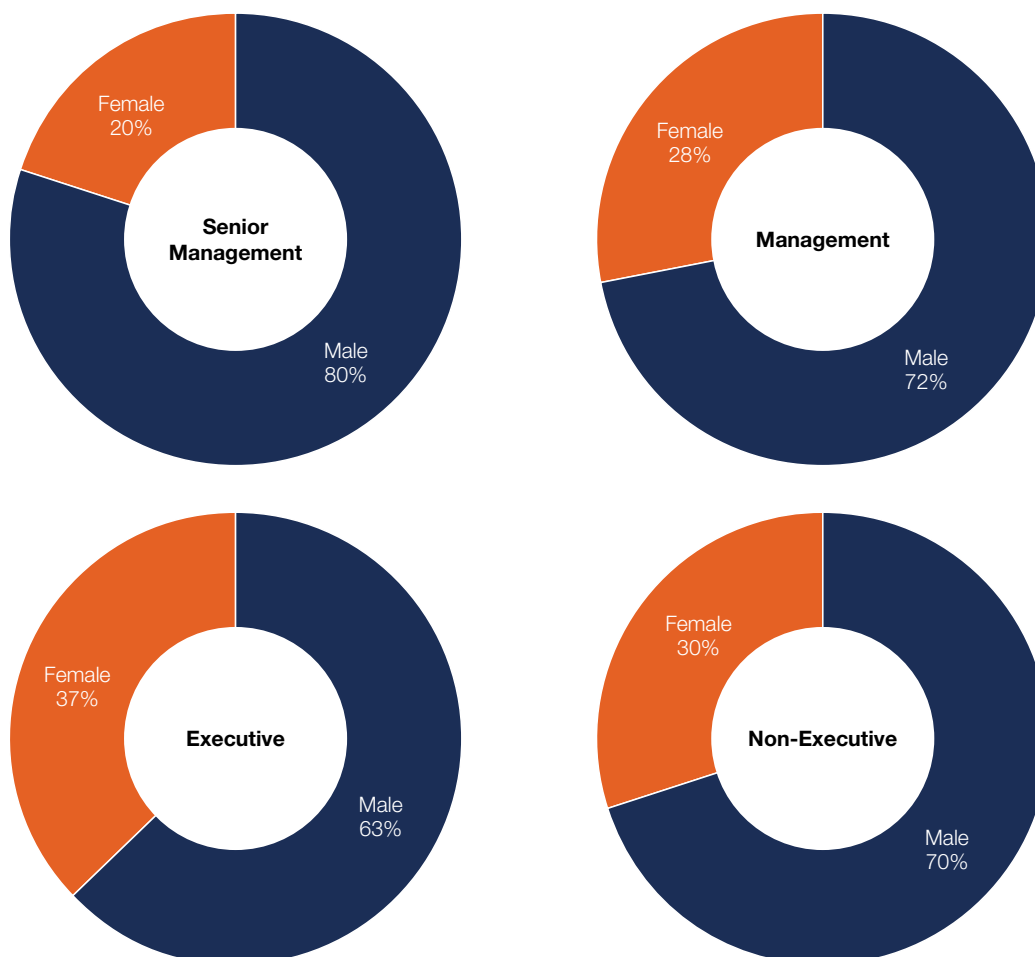
Incorporating different age groups and genders is crucial for promoting diversity and inclusion in the workplace. We are pleased to report that the Group has provided employment opportunities to three hundred and seventeen (317) individuals this year. Our commitment to creating a diverse and inclusive workforce is reflected in the fact that 33% of our employees are women. Our Board consists of one (1) female member and seven (7) male members. Fourteen (14) management positions within the Group are held by women, representing 28% of all management positions. This is a 2% increase from the previous year which demonstrates our dedication to promoting gender diversity and equality within our organisation.

Workforce Breakdown by Employee Category

PEOPLE FIRST

(CONT'D)

Gender Breakdown by Employee Category



Ratio of Basic Salary of Men to Women by Employee Category

Employment Level	Male	Female
Senior Management	4	1
Management	2.57	1
Executive	1.71	1
Non-Executive	2.37	1

T7 Global is committed to creating a workplace free from discrimination and harassment. We recognise the importance of ensuring that all employees feel safe, respected, and valued, and we took significant steps to establish support mechanisms to help achieve this goal. One of our primary support mechanisms is a reporting system that allows employees to report any incidences of discrimination or harassment in the workplace. It is designed to be confidential, easy to use and accessible to all employees.

Throughout 2022, we were pleased to note that there were zero incidents of discrimination reported through this system. We believe this is a positive indication that our efforts to create a respectful and inclusive workplace are having a tangible impact. We will continue to prioritise this issue and strive to maintain a workplace culture that is free from discrimination and harassment.

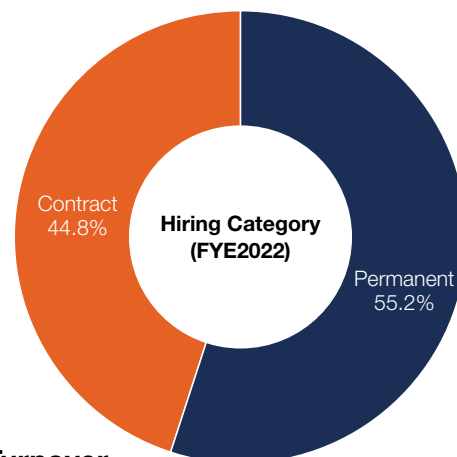
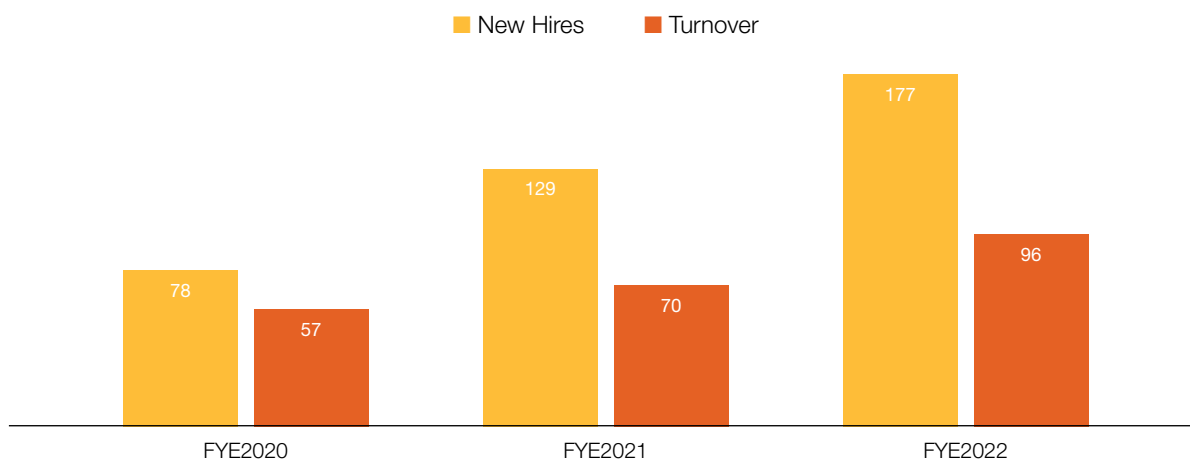
PEOPLE FIRST

(CONT'D)

Employee Recruitment Development and Retention

GRI 3-3 | 401-1 | 401-2 | 401-3 | 404-1 | 404-2 | 404-3

We believe that an agile workforce contributes the most to the overall progression of an organisation, and we are proud to have talented employees who make up the distinctive T7 Global culture. Fostering an inclusive, motivated and passionate team is our priority. In line with national employment strategies, we endeavour to hire the local community locally as much as possible with 99.4% of our employees hired locally this year. This reporting year, we recorded our permanent and contract employees to comprise 55.2% and 44.8% of our workforce respectively.

**Total Number of New Hires and Turnover****Employment Benefits**

At T7 Global, we understand that as our employees progress through their careers, their needs and priorities may change. To ensure that we retain our top performers, we offer a comprehensive range of benefits and programmes in addition to financial incentives to support our full-time employees at every stage of their professional journey.

EMPLOYMENT BENEFITS

Parental Leave in 2022	Male	Female
Total number of employees who took parental leave	2	14
Total number of employees who returned to work after parental leave ended	1	4

PEOPLE FIRST

(CONT'D)

Employment Benefits (cont'd)

By providing these benefits and programmes, we aim to create a supportive and inclusive work environment that values our employees' well-being and professional growth.

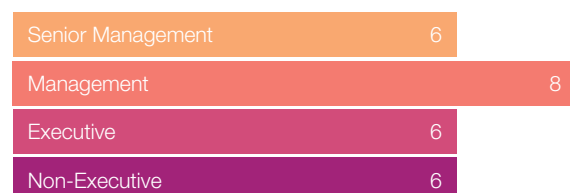
Developing the Best Talent

Due to the importance of the energy sector and digital transformation, we increased our focus on developing the skills necessary in these fields to secure our Group's future. In developing our talents, we continued to invest in industry-leading training programmes in 2022.

There were 48 training programmes conducted in FYE 2022 which accumulated a total of 3,594.5 training hours with over 400 attendees.



Average Training Hours by Employee Category



Average Training Hours by Gender



The Group implements regular performance reviews, enabling employees to improve their skills and personal development in line with their individual career aspirations. 53.9% of our workforce received a performance evaluation during this reporting period.

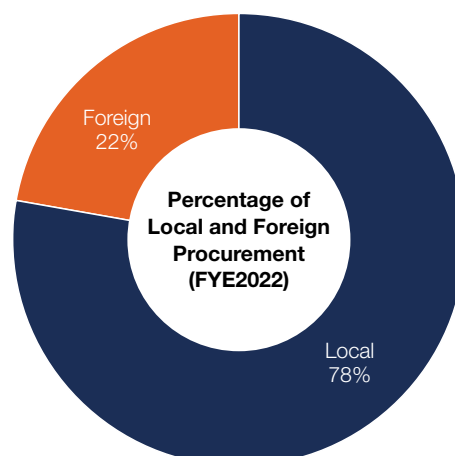
Supply Chain Management

GRI 3-3 | 204-1

A key element of our sustainability strategy is ensuring responsible supply chain management. For T7 Global, complying with applicable laws and regulations and operating in line with basic human rights and decency is ethical and necessary for the successful functioning of the Group.

To enhance our business management processes, our procurement policies ensure that our partners and contractors fully align with our sustainability strategies and ESG targets. These policies require them to comply with our QHSE Management System and our Code of Conduct and Ethics.

In order to promote long-term sustainability in procurement and improve local development, we aim to work with local suppliers as much as we can. In 2022, our spending proportion on local suppliers was 78%, allowing us to support the local economy and reduce our carbon footprint by minimising transportation needs.



PEOPLE FIRST

(CONT'D)

Community Development and Investment

GRI 3-3 | 413-1 | 413-2

Acknowledging our responsibility as a socially responsible corporate citizen, we understand the significance of improving the well-being of the nearby communities. In FYE 2022, our Group allocated a total of RM 24,500 towards community development programmes.

10 February
2022



Angpow Contribution in conjunction with CNY to the Students at SK Sg Berua Hulu Terengganu.

28 April
2022



Flood Relief Donation to SK Sg Berua Hulu Terengganu.

16 May
2022



Donation to SRJK (C) Chio Min Kulim.

8 December
2022

WE THANK YOU
FOR YOUR
GENEROUS
DONATION /
SPONSORSHIP

It's a huge success for St John's Institution Naval Cadet Band in Malaysia World Band Competition (MWBC) / National Band Competition (NATCOMP) competition 8-11 December 2022 at Alor Setar



Sponsorship for St. John Institution Naval Cadet Band to participate at Malaysia World Band Competition (MWBC) National Band Competition (NATCOMP) 8-10 Dec 2022 Alor Setar Kedah.

30 December
2022



Flood Relief Mission Contribution - Humanitarian Mission to Lighten the Burden of Flood Victims on the East Coast

CLOSING STATEMENT

Our sustainability ambitions act as our guide as we navigate the 'new normal' of the COVID-19 endemic stage, and we remain firmly committed to our pursuit of excellence as we deftly meet all challenges and obstacles.

This year, we conducted a thorough materiality assessment and discovered four (4) new sustainability material matters. Through this, we become closely acquainted with the changing needs of our stakeholders and what is material to our integrated operations. Moreover, we embedded a culture of sustainability and intend to ensure continued compliance by adhering to our newly established Sustainability Policy, guided by our ESG Framework. We also took our first steps towards implementing TCFD recommendations, enhancing our compliance with Bursa Enhanced Reporting and strengthening our disclosures.

Sustainability is a commitment, and we must continuously evolve for further success. Therefore, as we build upon our accomplishments, T7 Group will continue to anchor sustainability within our business activities and work to secure future prosperity for all.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	22
	2-2 Entities included in the organisation's sustainability reporting	22
	2-3 Reporting period, frequency and contact point	22
	2-5 External assurance	22
	2-6 Activities, value chain and other business relationships	22
	2-7 Employees	47
	2-8 Workers who are not employees	49
	2-9 Governance structure and composition	27, 34
	2-10 Nomination and selection of the highest governance body	27
	2-11 Chair of the highest governance body	27
	2-12 Role of the highest governance body in overseeing the management of impacts	27
	2-13 Delegation of responsibility for managing impacts	27
	2-14 Role of the highest governance body in sustainability reporting	27
	2-15 Conflicts of interest	34
	2-16 Communication of critical concerns	34
	2-17 Collective knowledge of the highest governance body	27
	2-18 Evaluation of the performance of the highest governance body	27
	2-19 Remuneration policies	34
	2-20 Process to determine remuneration	34
	2-22 Statement on sustainable development strategy	25
	2-23 Policy commitments	9, 27, 34, 42
	2-24 Embedding policy commitments	9, 27, 34, 42
	2-25 Processes to remediate negative impacts	34
	2-26 Mechanisms for seeking advice and raising concerns	34
	2-27 Compliance with laws and regulations	34, 43
	2-29 Approach to stakeholder engagement	30
GRI 3: Material Topics 2021	3-1 Process to determine material topics	31, 32
	3-2 List of material topics	32, 33
	3-3 Management of material topics	Throughout
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	37
	201-2 Financial implications and other risks and opportunities due to climate change	28, 35
	201-3 Defined benefit plan obligations and other retirement plans	49
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	37
	203-2 Significant indirect economic impacts	37

GRI CONTENT INDEX

(CONT'D)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers 38	50
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	34
	205-2 Communication and training about anti-corruption policies and procedures	34
	205-3 Confirmed incidents of corruption and actions taken	34
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	9
	302-3 Energy intensity	9
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	43
	303-5 Water consumption	43
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	43
	304-2 Significant impacts of activities, products and services on biodiversity	43
	304-3 Habitats protected or restored	43
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	39
	305-2 Energy indirect (Scope 2) GHG emissions	39
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	42
	306-2 Management of significant waste-related impacts	42
	306-3 Waste generated	42
	306-5 Waste directed to disposal	42
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	49
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	49
	401-3 Parental leave	49
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	45
	403-2 Hazard identification, risk assessment, and incident investigation	45
	403-3 Occupational health services	45
	403-4 Worker participation, consultation, and communication on occupational health and safety	45
	403-5 Worker training on occupational health and safety	45
	403-6 Promotion of worker health	45
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45
	403-8 Workers covered by an occupational health and safety management system	45
	403-9 Work-related injuries	45
	403-10 Work-related ill health	45

GRI CONTENT INDEX

(CONT'D)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	49
	404-2 Programmes for upgrading employee skills and transition assistance programmes	49
	404-3 Percentage of employees receiving regular performance and career development reviews	49
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	34, 47
	405-2 Ratio of basic salary and remuneration of women to men	47
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	47
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	50
	413-2 Operations with significant actual and potential negative impacts on local communities	50
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	37, 38

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The primary objectives of the Audit Committee and Risk Management Committee ("**ARMC**") are as follows:

- Assist the Board in discharging its statutory duties and responsibilities relating to internal controls, accounting and reporting practices, compliance and risk management of holding company and each of its subsidiaries.
- Monitor compliance within the Group policies to ensure the objectivity and effectiveness of the Group's internal control measures.
- Serve as the focal point for communication between External Auditors, Internal Auditors and management to make certain the integrity of the management and adequacy of disclosure to shareholders.
- Serve as an independent party when reviewing financial information presented by the management before distribution to shareholders and general public.
- Serve as the focal point for communication between Executive Director and/or Group Chief Financial Officer on whether the Company's risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Company.

COMPOSITION OF THE ARMC

The members of the ARMC consist of Independent Non-Executive Directors ("**INEDs**") and their respective meeting attendance records during the financial year ended 31 December 2022 are as follows:-

Name	Designation/Directorate	Meetings Attended
Tan Sam Eng	Chairperson INED	5/5
CP (R) Dato' Sri Wan Najmuddin Bin Mohd	Member INED	5/5
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R)	Member INED	5/5

The composition of the ARMC complies with Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") ("**Listing Requirements**") and Practice 9.4 of the Malaysian Code on Corporate Governance whereby all three (3) ARMC members are Independent Non-Executive Directors. None of the Independent Directors are alternate directors.

Ms. Tan Sam Eng, the Chairperson of the ARMC, is a member of the Malaysian Institute of Accountants (MIA), a Fellow Member of the Association of Chartered Certified Accountants (ACCA), and also a Member of the Chartered Tax Institute of Malaysia (CTIM). In this respect, the Company complies with Paragraph 15.09(1)(c) of the Listing Requirements and in compliance with Practice 9.1 of the Malaysian Code on Corporate Governance 2021, the Chairperson of the ARMC is not the Chairman of the Board.

The latest Terms of Reference of the ARMC was revised on 6 April 2022 and a copy of it is accessible on the Company's website at www.t7global.com.my.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

SUMMARY OF WORKS DURING THE FINANCIAL YEAR

During the financial year ended 31 December 2022, the summary of works undertaken by the ARMC was as follows:-

- Reviewed the Group's compliance with the Listing Requirements and the applicable approved accounting standards issued by Malaysian Accounting Standards Board ("**MASB**").
- Reviewed the quarterly unaudited financial statements and its explanatory notes thereon and thereafter recommended the same to the Board of Directors for approval.
- Reviewed the ARMC Report and Statement on Risk Management and Internal Control prior to their inclusion in the Group's Annual Report.
- Reviewed the list of related party transactions that may arise within the Group including any transaction, procedure or course of conduct that raises the questions of management's integrity.
- Reviewed and approved the annual audit plan on the internal audit, including the scope of work for the financial year.
- Reviewed the annual report and the audited financial statements of the Group prior to submission to the Board of Directors for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the Companies Act 2016 and the applicable approved accounting standards issued by the MASB.
- Reviewed the external auditor's scope of work and their audit plan.
- Reviewed with the external auditors the results of their audit, the audit report and internal control and recommendations in respect of improvements in internal control procedures noted in the course of their audit.
- Met with the External Auditors without the presence of the Management and Executive Directors.
- Reviewed the internal audit report prepared by the external consultant.
- Reviewed the related party transactions and conflict of interest areas in relation to related party transactions framework, sales of products and provision of services, procurement and expenses as well as finance functions.

INTERNAL AUDIT FUNCTION

The Group has engaged an internal audit professional firm, i.e. OAC Consulting Sdn. Bhd. during the year to perform the internal audit function of the Group. The internal audit firm reports directly to the ARMC and administratively to the Group Chief Financial Officer. The works of the internal audit firm are guided by the Code of Conduct that provides its independence in evaluating and reporting on adequacy, integrity and effectiveness of the overall internal control system, risk management and corporate governance in the Group using a systematic and disciplined approach. The summary of works of internal audit includes the following:-

- Review the existence of processes to monitor the effectiveness and efficiency of operations and the achievement of the objectives of T7 Global;
- Review the efficiency and effectiveness of the internal control system for safeguarding of assets and providing consistent and accurate financial and operational data;
- Promote risk awareness and the value and nature of an effective internal control system;
- Review compliance with T7 Global's policies, procedures, and regulations; and if such policies, procedures and regulations are inadequate, the outsourced internal auditors will make the necessary recommendations to ensure proper policies are in place;
- Assist Management in accomplishing its objectives by adopting a systematic and disciplined audit approach to evaluating and improving the governance process within T7 Global's operations;
- Challenge and provide alternatives to accepted practices; and
- Add value and improve operational activities.

Other initiatives undertaken by the internal audit professional firm in the financial year ended 31 December 2022 include the review of risk management policies in key subsidiaries and operational review of project management within the Group. The corresponding reports of the audit reviews performed were presented to the ARMC and forwarded to the Management for attention and corrective actions. The Management is responsible for ensuring that the recommended corrective actions are taken within the required timeframe. The cost incurred in relation to the internal audit function during the year was RM25,000/-.

During the year, various Management and reporting meetings were held to ensure that the internal audit policies are implemented and communicated effectively throughout all divisions within the Group.

This ARMC Report is made in accordance with a resolution passed by the Directors at the Board of Directors' Meeting held on 4 April 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("**the Board**") is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 December 2022 ("**Statement**"). This Statement is prepared pursuant to Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**")'s Main Market Listing Requirements ("**Listing Requirements**").

The Board is also guided by the latest "Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers" issued by the Task Force on Internal Control with the support and endorsement of the Bursa Malaysia Securities and Part II of Principle B, Intended Outcome 10.0, Practices 10.1 and 10.2 read together with Guidance 10.1 and 10.2 as set out in the Malaysian Code on Corporate Governance ("**the Code**") - Risk Management and Internal Control Framework.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system from time to time in response to the changes to the business environment or regulatory guidelines.

The Board ensures that the system manages the Group's key areas of risk within an acceptable risk profile to increase the likelihood that the Group's policies and business objectives will be achieved. The Board continually reviews the system to ensure that the risk management and internal control system provides a reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

BOARD RESPONSIBILITIES

The Board is responsible for the Group's internal control and risk management system to safeguard shareholders' investment and the Group's assets as well as reviewing the adequacy and effectiveness of the said system.

The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements is adequate and effective to safeguard the interests of shareholders, customers, employees and the Group's assets.

In view of the limitations inherent in any system of risk management and internal control, these systems are designed to manage, rather than eliminate, the risk of failure to achieve the Group's business and corporate objectives. These systems can therefore only provide reasonable, but not absolute assurance, against material misstatement or loss.

RISK MANAGEMENT GOVERNANCE

Risk management is regarded by the Board to be an integral part of the business operations. The Board maintains an on-going commitment to enhance the Group's control environment and processes. The key risks relating to the Group's operations and strategic and business plans are addressed at Management's meetings. Significant risks identified by the Management are to be brought to the attention of the Board at their scheduled meetings.

The abovementioned practices/initiatives put in place by the Board serve as the on-going practice used to identify, evaluate and manage significant risks during the financial year under review. The Board continuously evaluates the Group's corporate governance and internal control systems in order to improve the effectiveness and efficiency of the risk management function and the internal control systems of the Group.

The Group Risk Management Framework which sets out the fundamental principles on risk governance is to drive the development of risk management practices and tools which enable the identification, measurement and continuous monitoring of all applicable risks of the Group including the identification of emerging risks.

The Board established a governance structure that is designed to govern the Group's business activities to be consistent with the Group's overall business objectives and risk appetite conducted within clearly defined lines of responsibility, authority limits, and accountability aligned to risk management and control responsibilities subjected to adequate risk management and internal controls.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

SYSTEM OF INTERNAL CONTROL AND COMPLIANCE PROCESS

The Group maintains a system of internal control that serves to safeguard its assets, identify and manage risk, ensure compliance with statutory and regulatory requirements, and to ensure operational results are closely monitored and substantial variances are promptly explained.

Whilst the Board maintains control and direction over appropriate strategic, financial, organisational and compliance issues, it has delegated the implementation of the system of internal controls to the executive management, led by the Group Chief Executive Officer (“**CEO**”). The Group CEO, who is empowered to manage the business of the Group, has primary operational responsibility for the system of internal controls.

The Management of the Group identifies key compliance risk areas as guided by the Group Compliance Framework and conducts ongoing compliance checks. Reports on the compliance status of the entities are submitted to the Group’s Audit and Risk Management Committee (“**ARMC**”) for review. The Group Compliance Framework is established to outline the governance structure on compliance risk management functions and control responsibilities.

The ARMC of the Group reviews internal control issues identified by the respective internal auditors, the external auditors and management, and evaluate the adequacy and effectiveness of their risk management and internal control systems. They also review the internal audit functions with particular emphasis on the scope and frequency of audits and the adequacy of resources.

The Group’s risk appetite sets out the level of risk tolerance and limits to govern, manage and control the Group’s risk-taking activities. The strategic objectives, business plans, desired risk profile and capital plans are required to be aligned with the risk appetite.

The Board convenes meetings on quarterly basis in order to maintain full and effective supervision. The Group CEO, being the principal channel of communication between the Board and the Management, will lead the presentation of Board papers and provide comprehensive explanation on key issues. In arriving at any decisions based on recommendations by Management and the ARMC, a thorough deliberation and discussion by the Board is a prerequisite.

The Board recognised all risks can be controlled or eliminated by an effective system on internal control. Key features of the Group’s internal controls include:-

- An organisational structure with clearly defined lines of responsibility and relevant authority has been set up for the Group.
- The Group’s Management with the assistance of a centralised human resource function sets the policies for recruitment, training and appraisal of the employees within the Group.
- Policies and procedures which sets out the compliance standards for daily operations for the respective business units of the Group.
- The Management meets monthly to review the operational and financial performance of the businesses in the Group and its subsidiaries, and to discuss key business, operational and management issues.
- The Board of Directors receives and reviews quarterly performance reports on the Group and its subsidiaries from the Management, and discuss on significant business and risk issues.

CODE OF ETHICS AND CONDUCT

Code of Ethics and Conduct is represented to the Board, the Management team and all employees as a reference of conduct. The policy of T7 Global Berhad complies with all governmental laws, rules, and regulations applicable to its businesses. Code of Ethics is applied when it is stricter than the local law and regulations. Code of conducts includes the following four main sections:

- **Conflicts of Interest Policy**

It is T7 Global Berhad’s policy that all Directors, Management and employees are expected to avoid conflict between personal interests and the interests of the Group. If conflict exists, interests of the Group are priority to personal interests.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

CODE OF ETHICS AND CONDUCT (CONT'D)

- **Asset Policy**

All Directors, Management and employees are expected to protect the assets of the Group, and use all assets efficiently in the best interests of the Group.

- **Directorships Policy**

The Group restricts the holding of directorships in non-affiliated, profit organisations by officers and employees and to prohibit the acceptance by any officer or employee of such directorships that would involve a conflict of interest with, or interfere with, the discharge of the officer's or employee's duties to the corporation.

- **Whistle-Blowing Policy and Procedures and Open-Door Communication**

The Group has a whistle-blowing policy and procedure to provide opportunity for all stakeholders including employees, shareholders and others to raise their concerns of any malpractice within the Group. The objective of the policy and procedure is to provide and facilitate a mechanism for whistle-blower to report concern about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or any abuse of power.

This will enable each case/issue can be investigated and for appropriate action to be taken to ensure that the matter is resolved effectively and within the Group wherever possible.

If an employee notices any misconduct, wrongdoings, corruption, fraud, waste and/or any abuse of power, he or she should report to immediate supervisor. Each supervisor is expected to be made available for its subordinates for this purpose and any relevant investigation should be conducted by the supervisor. If the employee is dissatisfied with the review or investigation from the supervisor, further review by the Executive Deputy Chairman and the Acting Chairman are encouraged. Investigation team will be set up to investigate the issue and take actions. Reviews should contribute to the level of management appropriate to resolve the issue. If the issue cannot be resolved, the whistle-blowers can escalate the report to the ARMC Chairperson. The ARMC will deliberate the matter reported and decide on the appropriate action.

- **Anti-Bribery and Anti-Corruption Policy and Procedures**

In addition to the existing Code of Ethics and Conduct for Directors and Whistleblowing Policy, as well as financial and non-financial controls implemented, such as segregation of incompatible functions, multiple signatories for transactions, and actions to be taken during situations of conflicts of interest, the Group has adopted an Anti-Bribery and Anti-Corruption Policy in line with the enforcement of the new provision, Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business in order to prevent acts of bribery and corruption.

The Group will perform a continuous review of its anti-bribery and anti-corruption management systems to assess the comprehensiveness of its systems, policies and procedures with a view towards enhancing them and to address any shortcomings, so as to provide assurance to the Group that its systems, policies and procedures are 'reasonable and proportionate' to the nature and size of the Group and that they meet the requirements of the Guidelines on Adequate Procedures.

In adherence to this Policy, the Group has adopted a zero-tolerance approach to all forms of corruption and bribery. The Group is committed to conduct its business with the highest level of integrity and ethics and to comply with applicable laws, rules and regulations on anti-bribery and anti-corruption.

The Group practices an open-door policy and encourages employees to share their concerns and suggestions using the reporting channels stated in the Whistleblowing Policy.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

RELATED PARTY TRANSACTIONS POLICY

In addition to the above, the Group has implemented Related Party Transactions Policy to further enhance its corporate governance. The policy is designed to ensure the related party transactions are carried out in the ordinary course of business, are made at arm's length and on normal commercial terms which are not more favourable to the related party or parties than those generally available to the public and are not on terms that are detrimental to the minority shareholders of T7 Global Berhad.

The above policies are available for reference on the Group's website at www.t7global.com.my.

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Bursa Malaysia Securities's Listing Requirements, the External Auditors have conducted a limited assurance engagement on this Statement for inclusion in the Annual Report for the financial year ended 31 December 2022. Their assurance engagement was performed pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management in accordance with ISAE 3000 (Revised 2015) and Internal Control issued by Malaysian Institute of Accountants.

Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respect, in accordance with disclosure required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers as set out, nor it is factually inaccurate. AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control system.

CONCLUSION

For the financial year under review, there were no significant internal control deficiencies or material weakness resulting in material losses or contingencies requiring disclosure in the Annual Report.

The Board is of the view that the existing risk management and internal control systems of the Group is adequate to safeguard shareholders' investment and the Group's assets.

However, the Board recognises the fact that the Group's system of risk management and internal control practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board is committed to continuously strengthen the Group's system of internal control and risk management framework.

This Statement is made in accordance with a resolution passed by the Directors at the Board of Directors' Meeting held on 4 April 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**Board**") of T7 Global Berhad ("**T7 Global**") recognises and is committed in upholding a high benchmark of corporate governance and ensuring controls, systems and processes are well sustained for the Group. The Board will continuously evaluate the status of the Group's corporate governance practices and procedures with a view to adopt and implement the practices of the Malaysian Code on Corporate Governance ("**MCCG**") wherever applicable in the best interests of the stakeholders of the Group.

The Board takes note of the updates on the Malaysian Code on Corporate Governance ("**MCCG**") issued by the Securities Commission Malaysia with effect on 28 April 2021 ("**MCCG 2021**"). MCCG 2021 introduces new practices and additional guidance to strengthen the corporate governance culture of public listed companies.

The Board is pleased to present the following Corporate Governance Overview Statement ("**CG Statement**") that describe the extent of how the Group has applied and complied the three (3) principles which are set out in the MCCG 2021 throughout the financial year under review:-

- (a) Principle A: Board leadership and effectiveness;
- (b) Principle B: Effective audit and risk management; and
- (c) Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

This CG Statement should also be read together with the Corporate Governance Report of the Company which is available on the Company's corporate website at www.t7global.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Composition

As at the date of notice of Nineteenth Annual General Meeting ("**AGM**"), T7 Global has eight (8) Directors – the Acting Executive Chairman, the Executive Deputy Chairman, an Executive Director and five (5) Independent Non-Executive Directors. The Board composition is in compliance with Paragraph 15.02 of the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") which states that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors and Practice 5.2 of MCCG 2021 to have at least half of the Board comprising Independent Directors.

All the Directors act in the best interest of the Group and believe that the current Board composition fairly reflects the interests of its shareholders to provide effective leadership, strategic direction and necessary governance to the Group. These Directors collectively have skills and experiences from different field of business, in terms of commercial, financial, technical, corporate and legal for the effective management of the Group's businesses. The Directors' profiles are set out in the Directors' Profile section of this Annual Report.

The Group has also formalised a set of ethical standards through a code of conduct, which is subject to periodical review, to ensure Directors practice ethical, business-like and lawful conduct, including proper use of authority and appropriate decorum when acting as the Board.

The Board conducted assessments on the independence of the Independent Directors and is satisfied that the Independent Directors have met the independence criteria stated in the Listing Requirements. Five (5) out of eight (8) Board members are Independent Directors.

All Board members fulfil the requirements to serve as Directors in no more than five (5) public listed companies to ensure sufficient time has been devoted to carry out their responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (cont'd)

None of the Independent Directors has served the Group exceeding a cumulative term of nine (9) years. At present, the Group does not have a formal policy to limit the tenure of Independent Director to nine (9) years. However, the Board is mindful of the recommendation in the MCCG 2021 to ensure effectiveness of Independent Directors.

The Board comprises Board members with different gender, background, skill sets and experiences in various industries, which enable T7 Global to make a difference. A brief summary of the key skills and experience held by each Director is as follows:

Name	Title	Key Skills and Experience
Datuk Seri Dr. Nik Norzul Thani Bin N. Hassan Thani	Acting Executive Chairman	More than 30 years in the legal industry.
Tan Sri Datuk Seri Tan Kean Soon, J.P.	Executive Deputy Chairman	More than 30 years of oil and gas industry experience, leading various projects within upstream and downstream sector.
Tan Sam Eng	Independent Non-Executive Director	More than 30 years of auditing, taxation, corporate finance and advisory experiences.
Tan Kay Vin	Executive Director	More than 9 years of experience in the Finance and Aerospace industry.
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R)	Independent Non-Executive Director	Served the Royal Malaysian Navy and Malaysian Armed Forces for more than 40 years. 16th Chief of Royal Malaysian Navy.
CP (R) Dato' Sri Wan Ahmad Najmuddin Bin Mohd	Independent Non-Executive Director	Advocate and Solicitor High Court of Malaya. Served the Royal Malaysia Police Force for more than 40 years and retired in March 2019 as Commissioner of Police with last position held as Director of Criminal Investigation Department.
Tan Sri Dato' Sri Koh Kin Lip, J.P.	Independent Non-Executive Director	More than 30 years of property and oil palm plantation industry experience.
Datuk Seri Rahim Bin Ismail	Independent Non-Executive Director	More than 30 years of oil and gas industry experience.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Roles and Responsibilities of the Board

The Board of T7 Global meets at least five times a year. Circular resolutions will be passed for resolving additional matters.

The Chairman ensures smooth and effective functioning within the Board. The Executive Directors are responsible for overseeing the day-to-day operations and affairs of the Group. The Non-Executive Directors, both independent and non-independent, are responsible in providing insights, unbiased and independent views, advice and judgement towards the Board and bring impartiality to Board deliberations and decision making. The Non-Executive Directors play a vital check and balance role by challenging and scrutinising the Management's proposals and make recommendations in an objective manner to the decision-making process at the Board level.

The Company is in compliance with the recommendation Practice 1.4 of the MCCG 2021 which states that the Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee and the Board took note on Guidance 1.4 of the MCCG 2021 whereby it states that the Chairman of the Board should not be involved in the Board Committees to ensure there is check and balance as well as objective review by the Board.

The Board is fully aware of its responsibilities and has adopted key roles in strategising the direction of the Group and has assumed the following duties in demonstrating the following fiduciary and leadership roles:-

- Overseeing and monitoring the conduct of business, financial performance and any major capital-intensive investments of the Group;
- Reviewing and implementing appropriate budgets and strategic business plans of the Group, monitoring compliance with applicable financial reporting standards and integrity and adequacy of all financial information disclosure;
- Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures to effectively monitor and manage risks;
- Reviewing the adequacy and integrity of the internal control and management information systems of the Group; and
- Developing a corporate code of conduct within the Group to address any conflicts of interest relating to the stakeholders of the Group, and establishing and overseeing the development and implementation of the corporate communication policies with shareholders, stakeholders and the public.

Functions of the Board and Delegation to Management

During FYE 2022, there were four (4) Independent Directors to provide valuable opinion on T7 Global's matters such as strategy, performance and key performance indicators of management team, resource management, risk management, code of conducts and ethics and other matters. Day-to-day operation and management are delegated by Acting Executive Chairman and Executive Deputy Chairman.

The Board regularly controls and reviews its delegation and authority level to Acting Executive Chairman and Executive Deputy Chairman. In order to prevent any abuse of authority, strict procedure of authority and different levels of independence review are followed. Procedures of authority are clearly set up and all operational decisions are made after review.

Board Leadership and Responsibility in Discharging Fiduciary and Leadership Functions

The Board is the ultimate authority of T7 Global, which is responsible for authorising and reviewing all long-term and short-term business and strategic plans unless the matter requires shareholders' approval. Specific goals set up with key performance indicators for management to implement those plans. Along with Independent Director's extensive experiences and expertise in various fields of business and industries, the management strives to achieve goals so as to protect minority shareholder's rights. Management reviews all matters reserved to the committees comprised solely of Independent Directors and the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Qualified and Competent Company Secretaries

In compliance with Practice 1.5 of the MCCG 2021, the Board is supported by experienced and competent Company Secretaries in discharging its duties and responsibilities. The Board receives regular advices, updates and notifications from the Company Secretaries to ensure compliance with applicable laws, regulations and corporate governance matters. The Company Secretaries attend and ensure that all Board and Board Committee meetings are properly convened and all deliberations and decisions are properly minuted and kept. They are also responsible in ensuring that Board's policies and procedures are followed, and the applicable statutory and regulatory requirements are observed.

Review of Board Charter

Review of Board Charter is conducted as per request in order to ensure the Board remains consistent with the Board's objectives and responsibilities and any new regulations that may have an impact on the discharge of the Board's responsibilities, more important, aligning with T7 Global's business strategy.

The Board had on 6 April 2022 reviewed and approved the revised Board Charter of the Company.

The revised Board Charter of the Company is available for reference on the Company's website at www.t7global.com.my.

Code of Ethics and Conduct

The Company established appropriate standards of business conduct and ethical behavior to govern the exercise of the duties and responsibilities as Directors of the Company in order to uphold good corporate integrity.

The Code of Ethics and Conduct sets out the general principles and standards of business conduct and ethical behavior for the Directors and employees of the Group in the performance and exercise of their responsibilities or when representing the Group and includes the expectation of professionalism and trustworthiness from the Directors and employees of the Group.

The Board had on 29 June 2020 reviewed and approved the revised code of ethics and conduct of the Company.

Whistleblowing Policy and Procedures

The Board has on 29 June 2020 adopted a revised Whistleblowing Policy and Procedure to facilitate the whistle blower to report or disclose through established channels about any violations or wrongdoings they may observe in the Group without fear of retaliation and should they act in good faith when reporting such concerns.

A copy of the Whistleblowing Policy and Procedure is available for viewing on the Company's website at www.t7global.com.my.

Anti-Bribery and Anti-Corruption Policy

The Board has approved the Anti-Bribery and Anti-Corruption Policy and Procedures, which sets out the Group's overall position to prevent bribery and corruption practices in relation to its business activities in all forms and matters that might confront the Group in its day-to day operations.

Related Party Transactions Policy

The Board has on 27 February 2023 adopted the Related Party Transactions Policy to strengthen the Group's corporate governance framework.

A copy of the said policy is available for viewing on the Company's website at www.t7global.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Sustainability, Strategies, Priorities and Target

For best practices to sustainability governance, the Board is accountable for sustainability strategy and has empowered senior management for sustainability performance management.

T7 Global has placed great importance to carry out activities with high ethical standards to promote responsible practices among its stakeholders i.e. employees, shareholders/investors, business partners, customers and suppliers in order to achieve a sustainable development in the market place.

Opportunities and risks are assessed by the Audit and Risk Management Committee ("**ARMC**") at the beginning of the projects. The ARMC scrutinise any possible risk which may be encountered by the Group, followed by risk control and mitigation strategies.

Corporate Disclosure Policies and Procedures

The Board has, based on the recommendation of the MCCG 2021, adopted a Corporate Disclosure Policies and Procedures to ensure accurate, clear, timely and complete disclosure of material information necessary for informed investing and take reasonable steps to ensure that all who invest in the Group's securities enjoy equal access to such information to avoid an individual or selective disclosure. The said policy will be reviewed and improved from time to time.

The said policy applies to all Directors, Management, officers and employees of the Group. The policy shall be assessed, reviewed and updated annually by the corporate finance department, in accordance with the needs of T7 Global and as and when there are regulation changes that may have an impact on the Board in discharging their responsibilities. Any change and/or updates to the policy shall be recommended to the Board for approval.

The Corporate Disclosure Policies and Procedures of the Company is available for reference on the Company's website at www.t7global.com.my.

SUPPLY OF INFORMATION

The Board recognises that the decision-making process is highly dependent on the quality of information furnished. As such, the Board members have full and unrestricted access to all information concerning the Group's affairs. Prior to the Board or Board Committee meetings, all the Board members are provided with the agenda and Board papers containing information relevant to the business of the meeting to enable them to obtain further explanations, where necessary, in order to be properly briefed before the meeting. The Board papers including information on major financial, operational and corporate matters of the Group. The Board members also have access to the advice and services of the Company Secretaries, Senior Management and independent professional advisers including the external auditors.

Along with good governance practices and in order to enhance transparency and accountability, the Board has established and put in place the following policies and procedures which are made available at the website of the Group. These include the following:-

- Code of Ethics and Conduct
- Shareholders' Right relating to General Meeting
- Whistleblowing Policy and Procedures
- Anti-Bribery and Anti-Corruption Policy
- Related Party Transactions Policy

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

SUPPLY OF INFORMATION (CONT'D)

Board Diversity

The Board recognises that Board diversity is an essential element contributing to the sustainable development of the Group and it does not discriminate on the basis of ethnicity, age, gender, nationality, political affiliation, religious affiliation, marital status, education background or physical ability. The target on the composition in terms of gender of its Board members or members of Key Senior Management is at least 30% female. The Board endeavours to assist the development of a pipeline of high-calibre candidates by encouraging a diverse age range of senior individuals to take on additional responsibilities and roles to gain valuable board experience as well as appoint at least one person from an ethnic minority background to the Board or Key Senior Management to encourage ethnic diversity and conform to industry best practices.

The Group had on 6 April 2022 reviewed and adopted the Policy on Gender Diversity. A copy of the said Policy is available for viewing on the Company's website at www.t7global.com.my.

The Group values woman's contribution to the economy and promotes talented women to Management and leadership positions in operations. To date, there is a female Director within the Board, namely Ms. Tan Sam Eng who was appointed to the Board since 23 March 2015.

The Nomination Committee ("**NC**") shall oversee the procedures in addition to the Board recruitment, Board performance evaluation and succession planning processes. We shall always aim to provide a suitable working environment that is free from harassment and discrimination in order to attract and retain women participation in the Board, and also to have diversity in ethnicity and age on board as well as workforce.

As at the date of this Annual Report, the diversity in the race/ethnicity of the existing Directors is as follows:-

	Race/Ethnicity				Gender		
	Malay	Chinese	Indian	Total	Male	Female	Total
Number of Directors	5	3	0	8	7	1	8

The existing Directors' age distribution falling within the respective age group is as follows:

Age Group (Years)	<51	51-60	>61	Total
Number of Directors	1	1	6	8

Workforce Diversity

The Group is committed to a diverse and inclusive culture which is essential to the Group's future growth. The Group's gender and race/ethnicity diversity are made up of the following:-

Race/Ethnicity			
Malay	Chinese	Indian	Others
69%	19%	4%	8%

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

SUPPLY OF INFORMATION (CONT'D)

Workforce Diversity (cont'd)

The Group's workforce diversity in terms of age is made up of the following:-

Age Group (Years Old)			
21-30	31-40	41-50	Above 50
22%	42%	26%	10%

Male	Female
67%	33%

Board Meetings

The attendance record of individual Directors at the Board meetings for the financial year ended 31 December 2022 is as follows:

Name	Attendance
Datuk Seri Dr. Nik Norzul Thani Bin N. Hassan Thani	5/5
Tan Sri Datuk Seri Tan Kean Soon, J.P.	5/5
Tan Sam Eng	5/5
Tan Kay Vin	5/5
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R)	5/5
CP (R) Dato' Sri Wan Ahmad Najmuddin Bin Mohd	5/5
Tan Sri Dato' Sri Koh Kin Lip, J.P.	5/5
Datuk Seri Rahim Bin Ismail	N/A

The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors. This, amongst others, is evidenced by the attendance record of the Directors at Board meetings.

The minimum 50% attendance requirement at the Board meetings as stipulated in the Listing Requirements has been complied with.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

DIRECTOR'S TRAINING

All Directors of the Group have completed the Mandatory Accreditation Programme (“**MAP**”) by Bursa Malaysia Securities. The Group does not have a formal training program for new Director but they receive briefings and updates on the Group's businesses, operations, risk management, internal control, finance and relevant legislation, rules and regulations. The briefings and updates aim at communication to the newly appointed Directors, the Group's vision and mission, its philosophy and nature of the business, current issues within the Group, the corporate strategy and the expectation of the Group concerning input of the Director.

The Directors are encouraged to attend various external and internal professional courses, briefings and seminars relevant to the Group to keep themselves abreast with latest development in the industry, regulatory updates or changes and to enhance their skills and knowledge.

The Board acknowledges that the Directors through varied experiences and qualifications provided the desired contribution and support to the functions of the Board. Directors' training is an on-going process as Directors recognise the need to continually develop and refresh their knowledge and skills, and to update themselves on market development.

Additionally, the Directors are also updated on a continuing basis on new and/or revised requirements to the Listing Requirements as and when the same were advised by Bursa Malaysia Securities. The Directors will continue to undergo other relevant training programmes, conferences and seminars that may further enhance their skills and knowledge. The individual Directors are to evaluate and determine relevant programmes, seminars, briefings or dialogues available that would best enable them to enhance their knowledge and contributions towards the Group.

During the financial year under review, the training record of the individual Directors are as follows:-

No.	Name	Title	Courses
1	Datuk Seri Dr. Nik Norzul Thani Bin N. Hassan Thani	Acting Executive Chairman	<ul style="list-style-type: none"> Related Party Transactions Simplified
2	Tan Sri Datuk Seri Tan Kean Soon, J.P.	Executive Deputy Chairman	<ul style="list-style-type: none"> Related Party Transactions Simplified
3	Tan Sam Eng	Independent Non-Executive Director	<ul style="list-style-type: none"> Related Party Transactions Simplified
4	Tan Kay Vin	Executive Director	<ul style="list-style-type: none"> Related Party Transactions Simplified
5	Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R)	Independent Non-Executive Director	<ul style="list-style-type: none"> Related Party Transactions Simplified PLC Transformation Programme
6	CP (R) Dato' Sri Wan Ahmad Najmuddin Bin Mohd	Independent Non-Executive Director	<ul style="list-style-type: none"> Related Party Transactions Simplified
7	Tan Sri Dato' Sri Koh Kin Lip, J.P.	Independent Non-Executive Director	<ul style="list-style-type: none"> Related Party Transactions Simplified
8	Datuk Seri Rahim Bin Ismail	Independent Non-Executive Director	<ul style="list-style-type: none"> Not applicable

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD COMMITTEE

The Board has established different Board committees to assist the Board in discharging its duties. These committees are as follows:-

Audit and Risk Management Committee

The composition of the Audit and Risk Management Committee, its function and a summary of its activities are set out in the Audit and Risk Management Committee Report of this Annual Report.

Nomination Committee ("NC")

The Board recognises the importance in having a Board with appropriate mix of skills, competencies and expertise, as well as the fundamental to how policies and strategies are shaped and contribute to the quality of decision making.

Therefore, the formal procedures for term of reference were set up by NC as follows:-

- Nomination, selection, election and succession policies;
- Nomination, selection, election and succession policies for members of the Board and Board Committees have been set up aligning with T7 Global's overall corporate strategy;
- Director appointment criteria evaluation;
- Extensive assessment is conducted for new Director candidates, which includes reference check, skills set and interviews
- Review annually the overall composition of the Board in terms of size and skills, balance between Executive Directors and Non-Executive Directors, independence and mix of other core competencies required for the Group;
- Assess annually the effectiveness of the Board and several key personnel in the Management as a whole; and
- Overseeing Board induction and training programmes.

The NC meets at least once in each financial year and additional meetings may be arranged at any time when necessary.

The NC held meetings for the review of new nominee(s) proposed to be appointed to the Board, as Executive Director(s) and as Independent Director(s) of the Group during the financial year then ended and also reviewed the existing Directors retiring by rotation pursuant to Clause 123 of the Company's Constitution and those who are eligible for re-election at the forthcoming AGM.

The composition of the Board has been reviewed by the NC and the NC is of the view that the current Board composition is appropriate and effective, taking into account the nature and scope of the Group's operations. The Board is satisfied that the current Board composition fairly reflects the interests of the minority shareholders in the Group and provides the appropriate balance and size to govern the Group effectively. The Board comprises persons who as a group provide the relevant core competencies and mix of skills in the areas of oil and gas, financial, legal and business to meet the Group's requirements. The Directors' objective judgement on corporate affairs and collective experience and knowledge are invaluable to the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD COMMITTEE (CONT'D)

Nomination Committee ("NC") (cont'd)

The composition of the NC of the Company and the details of attendance of meetings during the financial year under review are as follows:-

Name	Designation/Directorate	Attendance*
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R)	Chairman Independent Non-Executive Director	2/2
CP (R) Dato' Sri Wan Ahmad Najmuddin Bin Mohd	Member Independent Non-Executive Director	2/2

* During the financial year ended 31 December 2022, there were two (2) NC Meetings held on 21 February 2022 and 25 August 2022.

The summary of activities carried out by the NC during the financial year are as follows:

- Reviewed and assessed the suitability of candidate for appointment as Director;
- Reviewed the current composition of the Board, mix of skills, experience, gender diversity and other qualities of the Board;
- Reviewed the assessment of the effectiveness of the Board as a whole, the Board Committees, the contribution and performance of each individual Directors and the term of office and effectiveness of the Audit and Risk Management Committee as a whole;
- Reviewed and recommended to the Board on the re-election of Directors retiring at the AGM;
- Reviewed the meetings attendance of the Board and members of the Board Committees and the sufficiency of time commitment of the Directors in discharging their roles and responsibilities in the Company;
- Reviewed the training programmes attended by the Board and the training needs of the Directors for the financial year ending 31 December 2022; and
- Reviewed the length of service of each Independent Non-Executive Director pursuant to Practice 4.2 of the Code and to assess the independence of the Independent Non-Executive Directors.

The Board had on 6 April 2022 reviewed and approved the revised Terms of Reference of the NC.

The revised terms of reference of the NC is available for reference on the Company's website at www.t7global.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD COMMITTEE (CONT'D)

Remuneration Committee ("RC")

The Board has established a remuneration policy and procedure to facilitate the RC to review, consider and recommend to the Board the levels and elements of remuneration of Directors with executive functions and the Senior Management. The Board as a whole recommends to shareholders the allowances of the Non-Executive Directors and the Executive Chairman after considering the recommendation of the RC.

The RC meets at least once a year in each financial year and additional meetings may be called any time when necessary.

The composition of the RC of the Company and the details of attendance of meetings during the financial year under review are as follows:-

Name	Designation/Directorate	Attendance
CP (R) Dato' Sri Wan Ahmad Najmuddin Bin Mohd	Chairman Independent Non-Executive Director	1/1
Tan Sam Eng	Member Independent Non-Executive Director	1/1

The remuneration packages of the Executive Directors are approved by the Board. The Directors' remuneration scheme is structured to attract, retain and motivate them in order to achieve sustainable growth and business success.

The Board reviews the remuneration of the Executive Directors annually subject to their respective service contracts whereby the respective Executive Directors are not allowed to involve in the discussion or contribute to any decision making on their own remuneration package.

The Board believes that appropriate and competitive remuneration is important to attract, retain and motivate Directors of the necessary calibre, expertise and experience to lead the Group. In line with this philosophy, remuneration for the Executive Directors is aligned to individual and corporate performance. For Non-Executive Directors, the fees are set based on the responsibilities shouldered by the respective Directors. Individual Directors do not participate in determining their own remuneration package.

The RC recommends policy for assessing compensation package for Executive Directors. It also reviews and recommends to the Board for approvals, the remuneration packages and other employment conditions for the Executive Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD COMMITTEE (CONT'D)

Remuneration Committee ("RC") (cont'd)

The remuneration of Executive Directors is made up of basic salaries, monetary incentives and fringe benefits; and is linked to the achievement of corporate performance targets. Salaries for Executive Directors consist of both fixed (i.e. base salary) and variable (performance-based incentive) remuneration components. The remuneration levels of Executive Directors are structured to enable the Company to attract and retain the most qualified Executive Directors. The Company may provide competitive benefits to Executive Directors, such as a fully expensed car or cash alternative in lieu of car, company driver, fuel expenses, private medical insurance and life insurance. Allowances relating to business expenses (i.e. entertainment and travel) incurred are reimbursed such that no additional compensation is given to the Executive Directors.

The remuneration of Non-Executive Directors is made up of Directors' fees, meeting allowances and other benefits. The level of remuneration for Non-Executive Directors shall reflect the experience and level of responsibilities undertaken by the Non-Executive Director concerned. The remuneration of a Non-Executive Director shall and is not based on commission, percentage of profits, or turnover. Non-Executive Directors are not entitled to receive performance-based bonuses nor participate in short-term and/or long-term incentive plans. The remuneration of Non-Executive Directors is reviewed by the RC and the Board annually.

The Board had on 6 April 2022 adopted the revised Directors and Senior Management's Remuneration Policy.

A copy of the said Policy together with the terms of reference of RC are available for viewing on the Company's website at www.t7global.com.my.

The details of the remuneration of Directors during the financial year ended 31 December 2022 are as follows:-

Company

	Directors' Fees (RM)	Salaries (RM)	Allowance (RM)	Benefits-in-kind (RM)	Others Emoluments (RM)	Total (RM)
Independent Non-Executive Director						
Tan SE	57,000	–	–	–	–	57,000
TSK	57,000	–	–	–	–	57,000
DSW	56,750	–	–	–	–	56,750
TSR	51,000	–	–	–	–	51,000
Subtotal	221,750	–	–	–	–	221,750
Executive Director						
DS Nik	–	–	–	–	–	–
TS Tan	–	–	–	–	–	–
Tan KV	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–
Total	221,750	–	–	–	–	221,750

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD COMMITTEE (CONT'D)

Remuneration Committee ("RC") (cont'd)

Group

	Directors' Fees (RM)	Salaries (RM)	Allowance (RM)	Benefits-in-kind (RM)	Others Emoluments (RM)	Total (RM)
Independent Non-Executive Director						
Tan SE	57,000	–	–	–	–	57,000
TSK	57,000	–	–	–	–	57,000
DSW	56,750	–	–	–	–	56,750
TSR	51,000	–	–	–	–	51,000
Subtotal	221,750	–	–	–	–	221,750
Executive Director						
DS Nik	420,000	–	–	–	–	420,000
TS Tan	–	1,140,000	–	–	380,412	1,520,412
Tan KV	–	498,000	–	–	205,922	703,922
Subtotal	420,000	1,638,000	–	–	586,334	2,644,334
Total	641,750	1,638,000	–	–	586,334	2,866,084

Notes:

Tan SE : Tan Sam Eng
 TSK : Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R)
 DSW : Dato' Sri Wan Ahmad Najmuddin Bin Mohd
 TSR : Tan Sri Dato' Sri Koh Kin Lip, J.P.
 DS Nik : Datuk Seri Dr. Nik Norzrul Thani Bin N. Hassan Thani
 TS Tan : Tan Sri Datuk Seri Tan Kean Soon, J.P.
 Tan KV : Tan Kay Vin

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD COMMITTEE (CONT'D)

Share Issuance Scheme Committee ("SISC")

The SISC shall be vested with such powers and duties as are conferred upon it by the Board including the following powers:-

- To administer the Share Issuance Scheme ("**SIS**") and to grant share options in accordance to the By-Laws;
- To recommend to the Board to establish, amend, and revoke By-Laws, rules and regulations to facilitate the implementation of the SIS;
- To construct and interpret the provisions hereof in the best interest of the Group; and
- Generally, to exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interest of the Group.

The SISC members are as follows:-

Name	Designation
Datuk Seri Dr. Nik Norzrul Thani bin N. Hassan Thani	Member Acting Executive Chairman
Tan Sri Datuk Seri Tan Kean Soon, J.P.	Member Executive Deputy Chairman

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The Audit and Risk Management Committee assists the Board in reviewing and scrutinising the information in terms of the appropriateness, accuracy and completeness of disclosure and in ensuring that the Group's financial statements comply with applicable financial reporting standards. The Audit and Risk Management Committee reviews and monitors the accuracy and integrity of the Group's quarterly and annual financial statements and submits these statements to the Board for approval and release within the stipulated time frame.

Assessment of External Auditors

In line with Practice 9.3 of the MCCG, the Audit and Risk Management Committee has assessed the suitability, objectivity and independence of the External Auditors. The assessment is conducted on yearly basis by the Audit and Risk Management Committee, using the prescribed External Auditors' Evaluation Form, with emphasis of evaluation based on the competence, adequacy of experience and resources, quality of the audit performances, independence and objectivity of the External Auditors, reasonableness of audit fees and comparison of audit and non-audit fees.

The Company's External Auditors are invited to attend the Audit and Risk Management Committee meetings when deemed necessary. The External Auditors are to meet with the AC without the presence of the Management at least twice during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Assessment of External Auditors (cont'd)

The Audit and Risk Management Committee, as part of its review, has obtained assurance from the External Auditors confirming that they have in place policies on rotation for partners of an audit engagement to ensure objectivity, independence and integrity of the audit and declared their independence throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Annually, the Audit and Risk Management Committee also reviews the appointment, performance and remuneration of the External Auditors including audit and non-audit services, to ensure that the independence and objectivity of the External Auditors are not compromised, before recommending them to the shareholders for re-appointment in the AGM.

The Audit and Risk Management Committee was satisfied with the performance, suitability and independence of the External Auditors of the Company based on the quality of services and sufficiency of resources they provided to the Group, in terms of the firm and the professional employees assigned to the audit.

Risk Management and Internal Control Framework

The Board acknowledges that risk management is an integral part of good management practices. Risk is inherent in all business activities. It is not the Group's objective to eliminate risk totally, but to review, prioritise and manage risks involved in all the Group's activities and to balance between the cost of managing and treating risks, and the anticipated benefits that will be derived.

The risk management and internal control functions were assumed and overseen by the Audit and Risk Management Committee of the Company. The Management is responsible for implementing Board approved policies and procedures on risk management by identifying and evaluating risks, and monitoring the risks vis-a-vis achievement of business objectives within the risk appetite parameters.

The Board has established an internal audit function which is currently outsourced to a professional firm. Functionally, the Internal Auditors report to the Audit and Risk Management Committee directly and they are responsible for conducting reviews and appraisals of the effectiveness of the governance, internal controls and processes within the Group.

Further details of the Group's state of risk management and internal control systems are reported in the Statement on Risk Management and Internal Control set out in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

RELATIONSHIP WITH SHAREHOLDERS

T7 Global values every shareholder. The Board acknowledges it is a need to establish high quality, ongoing dialogue and communication with shareholders and maintain trust. Therefore, the shareholder communication policy was created to serve as a guide and management of shareholder's requirements.

Information is disseminated through the following channels:-

- Annual Report;
- Circulars/Statement to shareholders;
- Various disclosures and announcement to Bursa Securities; and
- Company's website at www.t7global.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

RELATIONSHIP WITH SHAREHOLDERS (CONT'D)

Access to Information

In addition, shareholders and investors can have a channel of communication with the Group Corporate Finance to direct any queries and provide feedback to the Group.

Email : corpcomm@t7global.com.my

The stakeholders may obtain up-to-date information about T7 Global Berhad by assessing the website, <http://www.t7global.com.my> or by accessing Bursa Malaysia Securities website <http://www.bursamalaysia.com>. Information required by the shareholders such as financial results, board charter, code of ethics and conduct, and so on can be found from the corporate's website. The shareholders are informed of their rights to demand for poll prior to the commencement of each general meeting.

Conduct of General Meetings

The main forum of dialogue with shareholders of the Company is the Company's AGM. The AGM represents the primary platform for interactions between shareholders, Directors and Senior Management of the Company. The Company provides information in the Notice of AGM, which are sent to shareholders at least 28 days prior to the AGM, on the details of general meeting, resolutions to be tabled for approval and shareholders' entitlement to attend general meeting, and their right to appoint proxy(ies) to encourage shareholders' participation at general meeting.

All Directors, Senior Management and the External Auditors will attend the general meetings. During the general meetings, shareholders who attend the general meetings are encouraged and given sufficient opportunity as well as time by the Board to raise questions pertaining to the Annual Report, resolutions being proposed and the business of the Company or the Group in general prior to seeking approval from members and proxies on the resolutions. All Directors and the chair of every Board Committees, as well as Senior Management, where appropriate, will provide feedbacks, answers and clarifications to the questions raised from the shareholders during the general meetings.

As part of the safety measures, the Company will continue to conduct virtual general meetings through live streaming and using Remote Participation and Voting Facilities to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at the forthcoming AGM. The shareholders who attended the AGM via Remote Participation could also submit their questions during the Meetings for the Board to respond.

In line with Paragraph 8.29A of the Listing Requirements on the requirement for poll voting for any resolution set out in the notice of general meetings, at the Eighteenth AGM held last year, poll voting was used to facilitate the voting process for resolutions tabled. An independent scrutineer was also appointed to scrutinise the polling process.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board has identified the following key focus areas and future priorities of the Company for corporate governance, moving forward:-

- to align the Group's business activities towards the achievement of its vision and objectives;
- to continue on improving on its efficiencies across all business divisions and exploring new business opportunities to grow the Company;
- to work towards promoting greater standards of corporate governance and instill a risk and governance awareness culture through the organisation; and
- to intensify the Group's efforts in the areas such as, but not limited to, risk management, anti-bribery and anti-corruption compliance and Environmental, Social and Governance (ESG).

This Corporate Governance Statement and Corporate Governance Report are made in accordance with a resolution passed by the Directors at the Board of Directors' Meeting held on 4 April 2023.

STATEMENT ON DIRECTORS' RESPONSIBILITY

FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the annual financial statements of the Group and of the Company are drawn up in accordance with the applicable approved Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The annual financial statements are prepared with reasonable accuracy from the accounting records of the Group and Company so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and their financial performance and cash flows for the financial year ended.

In the preparation of the annual financial statements, the Directors have also:-

- Adopted the appropriate and relevant accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent; and
- Assessed the Group's and the Company's ability to continue as going concern, and confirmed that the annual financial statements are prepared using the going concern basis of accounting.

The Directors are also responsible for:-

- Ensuring that the Group and the Company keep proper accounting and other records to enable the explanation of transactions and preparation of financial statements; and
- Taking the necessary steps to ensure appropriate systems and internal controls are in place to safeguard the assets of the Group and of the Company, as well as to prevent and detect fraud and any other irregularities.

The Directors confirmed that they have complied with the above requirements for the annual financial statements for the financial year ended 31 December 2022.

This statement on Directors' responsibility for preparing the financial statements is made in accordance with a resolution passed by the Directors at the Board of Directors' Meeting held on 4 April 2023.

ADDITIONAL COMPLIANCE INFORMATION

a) Audit and Non-Audit Services

For the financial year ended 31 December 2022, Grant Thornton Malaysia PLT, the external auditors have rendered certain audit and non-audit services to the Company and the Group, a breakdown of which is listed as below for information:-

	Company (RM)	Group (RM)
Audit services rendered		
Statutory audit in respect of the financial year ended 31 December 2022	69,000	429,900
Non-audit services rendered		
Review of the Statement on Risk Management and Internal Control for Annual Report 2022	10,000	10,000
Total	79,000	439,900

b) Material Contracts

There was no material contract entered into by the Group involving the interests of the Directors, Chief Executive who is not a Director or major shareholders, either still subsisting at the end of the financial year ended 31 December 2022 or, if not then subsisting, entered into since the end of the previous financial year.

c) Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

The information on RRPT for the financial year under review are as follows:-

Transacting Company within T7 Global Group	Transacting Party	Nature of Transaction	Interested Related Parties (Note)	Aggregate Value of the Transactions conducted pursuant to the shareholder mandate during the FYE 2022 (RM)
Tanjung Offshore Services Sdn. Bhd. ("TOS")	Crystal ZVS Sdn. Bhd.	Renting of office space of 5,274 square feet at Lot C-L 16-01, 02, 03 and 3A, KL Trillion. No. 338 Jalan Tun Razak 50400 Kuala Lumpur from Crystal ZVS for a period of 3 years with rental payable on a monthly basis.	TKS ^(a) Tan Kay Vin ^(b) Crystal ZVS ^(f)	531,612
TOS	Blue Ocean Sdn. Bhd.	Renting of office space of 6,567 square feet at Lots C-L16-05, 06, 07 and 08 at KL Trillion, No. 338, Jalan Tun Razak 50400 Kuala Lumpur and from Blue Ocean for a period of 3 years with rental payable on a monthly basis.	TKS ^(a) Puan Sri Shirley Law Siong Hiong ^(c) Tan Kay Zhuin ^(e) Blue Ocean ^(g)	661,958

ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

c) Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT") (cont'd)

Transacting Company within T7 Global Group	Transacting Party	Nature of Transaction	Interested Related Parties (Note)	Aggregate Value of the Transactions conducted pursuant to the shareholder mandate during the FYE 2022 (RM)
TOS	CP Energy	Selling to and purchasing from CP Energy of industrial equipment, machineries, spare parts and lubricants oil, rental paid to CP Energy.	TKS ^(a) Tan Kay Vin ^(b) Puan Sri Shirley Law Siong Hiong ^(c) CP Energy ^(d)	5,603,189
T7 Gastec Sdn. Bhd.	CP Energy	Selling to and purchasing from CP Energy of industrial equipment, machineries, spare parts and lubricants oil. T7G to provide engineered products, design and fabrication works for processing packages to CP Energy.	TKS ^(a) Tan Kay Vin ^(b) Puan Sri Shirley Law Siong Hiong ^(c) CP Energy ^(d)	NIL
T7 Wenmax Sdn. Bhd.	CP Energy	Selling to and purchasing from CP Energy of industrial equipment, machineries, spare parts and lubricants oil.	TKS ^(a) Tan Kay Vin ^(b) Puan Sri Shirley Law Siong Hiong ^(c) CP Energy ^(d)	1,056,932
T7 Marine Sdn. Bhd.	CP Energy	Selling to and purchasing from CP Energy of industrial equipment, machineries, spare parts and lubricants oil.	TKS ^(a) Tan Kay Vin ^(b) Puan Sri Shirley Law Siong Hiong ^(c) CP Energy ^(d)	NIL
T7 Services Sdn. Bhd.	CP Energy	Selling to and purchasing from CP Energy of industrial equipment, machineries, spare parts and lubricants oil. T7S to provide project management, procurement and engineering work to CP Energy.	TKS ^(a) Tan Kay Vin ^(b) Puan Sri Shirley Law Siong Hiong ^(c) CP Energy ^(d)	NIL
T7 Kemuncak Sdn. Bhd.	CP Energy	Providing services (including but not limited to oil and gas), selling to and purchasing from CP Energy of industrial equipment, machineries, spare parts and lubricants oil.	TKS ^(a) Tan Kay Vin ^(b) Puan Sri Shirley Law Siong Hiong ^(c) CP Energy ^(d)	1,563,125

ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

c) Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT") (cont'd)

Transacting Company within T7 Global Group	Transacting Party	Nature of Transaction	Interested Related Parties (Note)	Aggregate Value of the Transactions conducted pursuant to the shareholder mandate during the FYE 2022 (RM)
T7 Aero Sdn. Bhd.	CP Energy	Selling to and purchasing from CP Energy of industrial equipment, machineries, spare parts and lubricants oil.	TKS ^(a) Tan Kay Vin ^(b) Puan Sri Shirley Law Siong Hiong ^(c) CP Energy ^(d)	NIL
T7 AeroTech Sdn. Bhd.	CP Energy	Selling to and purchasing from CP Energy of industrial equipment, machineries, spare parts and lubricants oil.	TKS ^(a) Tan Kay Vin ^(b) Puan Sri Shirley Law Siong Hiong ^(c) CP Energy ^(d)	335,697

Nature of relationship

- (a) TKS, a Director and Major Shareholder of T7 Global, the spouse of Puan Sri Shirley Law Siong Hiong and parent of Tan Kay Vin and Tan Kay Zhuin, is a director and shareholder of CP Energy and Crystal ZVS.
- (b) Tan Kay Vin, a son of TKS and Puan Sri Shirley Law Siong Hiong and younger brother of Tan Kay Zhuin, is a Director of T7 Global as well as a director and shareholder of CP Energy and Crystal ZVS.
- (c) Puan Sri Shirley Law Siong Hiong, the spouse of TKS and parent of Tan Kay Vin and Tan Kay Zhuin, as well as a Substantial Shareholder of T7 Global, is a director and shareholder of CP Energy and Blue Ocean.
- (d) CP Energy, a company connected to TKS by virtue of him, his spouse and Tan Kay Vin's interests in CP Energy, pursuant to Section 8 of the Act.
- (e) Tan Kay Zhuin, a son of TKS and Puan Sri Shirley Law Siong Hiong and elder brother of Tan Kay Vin, is a director and shareholder of Blue Ocean.
- (f) Crystal ZVS, a company connected to TKS by virtue of his and Tan Kay Vin's interest in Crystal ZVS, pursuant to Section 8 of the Act.
- (g) Blue Ocean, a company connected to TKS by virtue of his spouse and Tan Kay Zhuin's interest in Blue Ocean, pursuant to Section 8 of the Act.
- (h) Philip Sim Wai Han, is a Shareholder and Director of both T7 Subsea and COPL.

ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

d) Utilisation of proceeds raised from corporate proposals

There were no proceeds raised from corporate proposals during the financial year ended 31 December 2022.

e) Employees' Share Option Scheme ("ESOS") Options

At the Extraordinary General Meeting held on 22 December 2016, the Company's shareholders approved the establishment of ESOS options for the eligible Directors and employees of the Group. The ESOS shall be in force for a period of ten (10) years commencing from 28 March 2018 and will expire on 27 March 2028.

During the financial year ended 31 December 2022, none of the ESOS options was granted to the eligible Directors and employees of the Group.

In accordance with the Company's By-Laws of the ESOS, not more than 50 per centum (50%) of the Company's ordinary shares available under the ESOS shall be allocated, in aggregate, to Directors and senior management of the Group. Percentage of options and shares granted to Directors and senior management under the ESOS is set out below:

Description	Directors and Senior Management	
	During the financial year	Since commencement up to 31 December 2022
ESOS	–	–

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are described in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit after tax for the financial year	20,238,967	17,755,595
Attributable to:-		
Owners of the Company	20,352,636	17,755,595
Non-controlling interests	(113,669)	–
	20,238,967	17,755,595

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

The Directors do not recommend any final dividend payment for the current financial year.

DIRECTORS' REPORT

(CONT'D)

DIRECTORS

The name of the Directors of the Company and its subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report are:-

Datuk Seri Dr. Nik Norzrul Thani Bin Nik Hassan Thani*
Tan Sri Datuk Seri Tan Kean Soon, J.P.*
Tan Sam Eng
Tan Kay Vin*
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R)
CP (R) Dato' Sri Wan Ahmad Najmuddin Bin Mohd
Tan Sri Dato' Sri Koh Kin Lip, J.P.
Datuk Seri Rahim Bin Ismail (Appointed on 1 March 2023)

* Directors of the Company and certain of its subsidiaries.

In accordance with Clause 123 of the Company's Constitution, Tan Sri Datuk Seri Tan Kean Soon, J.P. and CP (R) Dato' Sri Wan Ahmad Najmuddin Bin Mohd will retire from the Board by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

The Directors of the subsidiaries since the beginning of the financial year to the date of this report, not including those Directors listed above are:-

Ariyathach Vangsiriphajara
Dato' Yong Chong Long
Julaluck Thapanathamchai
Law Siong Hiong
Mohd Akram Bin Che Hamat
Muhamad Azarudin Bin Abdullah
Noor Haniza Binti Zainuddin
Ong Fee Peng
See Chan @ Chan Seng Fwee
Sim Wai Han
Tan GuoFu
Tan Kay Shen
Tan Kay Zhuin
Tan Kean Seng
Zhang Zhong Qing
Nurul Syifaq Binti Malek (Appointed on 9 November 2022)
Nurul Huzaity Binti Hasni (Appointed on 16 February 2023)
Nor Afida Binti Zairafie (Appointed on 9 November 2022)
Shamsina Binti Mustapur (Appointed on 3 June 2022)
Ybhg. Jeneral Tan Sri Dato' Sri Abdul Aziz Bin Zainul (B) (Appointed on 7 July 2022)
Norazilawati Binti Ahmad (Appointed on 25 April 2022 and Resigned on 16 February 2023)
Abd Halim Bin Hashim (Resigned on 3 June 2022)
Mohd Azman Bin Mohd Yakim (Resigned on 9 November 2022)
Paula Jose Kilgour (Resigned on 25 April 2022)
Rimayana Binti Ibrahim (Resigned on 7 July 2022)

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 in Malaysia, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at the financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) are as follows:-

	At 1.1.2022	Number of ordinary shares		At 31.12.2022
		Bought	Sold	
Interests in the Company				
Direct interests				
Datuk Seri Dr. Nik Norzrul Thani				
Bin Nik Hassan Thani	1,000,000	—	—	1,000,000
Tan Sri Datuk Seri Tan Kean Soon, J.P.	75,257,250	7,809,000	—	83,066,250
Tan Kay Vin	13,770,300	—	—	13,770,300
Admiral Tan Sri Dato' Seri Panglima				
Ahmad Kamarulzaman				
Bin Hj Ahmad Badaruddin (R)	1,305,500	—	—	1,305,500
CP (R) Dato' Sri Wan Ahmad Najmuddin				
Bin Mohd	2,772,000	—	—	2,772,000
Tan Sri Dato' Sri Koh Kin Lip, J.P.	17,244,524	—	—	17,244,524
Tan Sam Eng	—	600,000	—	600,000
Deemed interests				
Datuk Seri Dr. Nik Norzrul Thani				
Bin Nik Hassan Thani*	21,770,600	33,370,000	—	55,140,600
Tan Sri Datuk Seri Tan Kean Soon, J.P.#	63,358,100	550,400	—	63,908,500
Tan Sam Eng#	—	300,000	—	300,000

* Deemed interest by virtue of his shareholdings in Abyssina Resources (M) Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Deemed interest by virtue of shares held by his/her spouse and children pursuant to Section 59(11)(c) of the Companies Act 2016.

Except as disclosed, none of the other Directors in office at the end of the financial year held any interest in shares of the Company or its any related corporations during the financial year.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital and no issuance of debentures during the financial year.

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivables by the Directors of the Company and its subsidiaries are as follows:-

	Incurring by the Company RM	Incurring by the Subsidiaries RM	Total RM
Salaries and other emoluments	–	2,570,862	2,570,862
Defined contribution plans	–	612,493	612,493
Directors' fees	221,750	420,000	641,750
	221,750	3,603,355	3,825,105

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

TREASURY SHARES

There were no repurchase or resale of treasury shares during the financial year.

As at 31 December 2022, the Company held 17,348,800 treasury shares out of the total 757,054,856 issued ordinary shares. Further relevant details are disclosed in Note 17 to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 22 December 2016, the Company's shareholders approved the establishment of ESOS for the eligible Directors and employees of the Group. The ESOS shall be in force for a period of ten (10) years commencing from 28 March 2017 and will expire on 27 March 2027.

The salient features of the ESOS are disclosed in Note 32 to the financial statements. However, the ESOS has not been granted since 22 December 2016.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains Directors' and Officers' liabilities insurance for the purpose of Section 289 of the Companies Act 2016, throughout the financial year which provides appropriate insurance coverage for the Directors and Officers of the Company and its subsidiaries. The amount of indemnity coverage and insurance premium paid during the financial year amounted to RM30,000,000 and RM52,000 respectively.

In addition, the Group has taken a Keyman policy on the life of a Director of the subsidiary, with the total amount of premium paid in financial year ended 2020 amounting to RM1,636,511. The policy was taken up pursuant to the terms of the banking facilities granted to a subsidiary and the policy is assigned to the said bank as security. The policy provides a guaranteed refund with cash value of RM1,469,411 at the end of the term of five (5) years, maturing on 22 November 2025 and unless there are claims outstanding with the said bank, all proceeds at maturity shall be paid and attributable to the subsidiary.

DIRECTORS' REPORT

(CONT'D)

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

- (a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:-

- (a) any charge on assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (b) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

DIRECTORS' REPORT

(CONT'D)

AUDITORS

The total amount of fees paid to or receivables by the Auditors, Grant Thornton Malaysia PLT, as remuneration for their services as Auditors of the Company and its subsidiaries are amounted to RM79,000 and RM360,900 respectively.

There was no indemnity given to or insurance effected for the Auditors of the Company.

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors.

TAN SRI DATUK SERI TAN KEAN SOON, J.P.

DIRECTORS

**DATUK SERI DR. NIK NORZRUL THANI
BIN NIK HASSAN THANI**

Kuala Lumpur
18 April 2023

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 96 to 196 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors.

.....
TAN SRI DATUK SERI TAN KEAN SOON, J.P.

.....
**DATUK SERI DR. NIK NORZRUL
THANI BIN NIK HASSAN THANI**

Kuala Lumpur
18 April 2023

STATUTORY DECLARATION

I, Ong Fee Peng, being the Officer primarily responsible for the financial management of T7 Global Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 96 to 196 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
18 April 2023)

.....
ONG FEE PENG
(MIA NO.: CA 25668)

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF T7 GLOBAL BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of T7 Global Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 96 to 196.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment Losses on Trade Receivables and Contract Assets

The Risk

Referring to Notes 14 and 15 to the financial statements. We focused on this area because the Group has material amounts of trade receivables that are past due but not impaired and contract assets. Management judgement is required in determining the completeness of the provision for the trade receivables and contract assets and assessing their adequacy through considering the expected recoverability.

Our Response

We have reviewed the ageing of trade receivables in comparison to previous years, testing the integrity of ageing by calculating the due date for a sample of invoices and reviewing the level of bad debts written off in the current year against the prior years. Besides, we have reviewed the ageing of the contract assets in comparison to previous years and reviewed the reversal of contract assets in the current year and prior years. We had also assessed the reasonableness of assumptions and judgements made by the management regarding the expected credit losses rates through examination of subsequent collections and subsequent billings.

INDEPENDENT AUDITORS' REPORT

(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Inventories - Valuation Net

The Risk

Referring to Note 13 to the financial statements. The Group holds a significant amount of inventories which are subject to a risk that the inventories become slow-moving or obsolete, such that they could not be sold or only be sold for selling prices that are less than the carrying value. There is inherent subjectivity and estimation required in determining the accuracy of inventory obsolescence provision and in making an assessment of its adequacy due to risks such as inventories prices not valid and inventories not stated at the lower of cost and net realisable value.

Our Response

For inventories, we tested the methodology for calculating the provisions, challenged the appropriateness and consistency of judgements and assumptions, and considered the nature and suitability of historic data used in estimating the provisions. In doing so, we obtained understanding on the ageing profile of inventories, the process for identifying specific problem inventories and historic loss rates.

Revenue Recognition

The Risk

Referring to Note 24 to the financial statements. There are significant accounting judgements involved including determining the stage of completion, the timing of revenue recognition and the calculation under the percentage of completion method made by management in applying the Group's revenue recognition policy to long term contract entered into by the Group. The nature of these judgements may result in them being susceptible to management override.

Contract revenue should include the amount agreed in the initial contract, plus revenue from alternations in the original contract work, plus claims and incentive payments that are expected to be collected and that can be measured reliably.

Our Response

We performed a range of audit procedures which include obtaining a sample of contracts or letter of awards, reviewing for change orders or variation orders, reviewing estimated profit and costs to complete and enquiring of key personnel regarding adjustments for job costing and potential contract losses. We also performed testing procedures over routine sales transactions.

Impairment Assessment on the Carrying Amounts of Investment in Subsidiaries

The Risk

Referring to Note 8 to the financial statements. There are significant judgements and estimates about future results and key assumptions applied to cash flow projections of a subsidiary in determining the recoverable amounts. In this instance, the recoverable amount is based on value-in-use. These key assumptions include different budgeted operating profit margins, growth rate, terminal values as well as determining an appropriate pre-tax discount rate.

Our Response

We have assessed and challenged the key assumptions used in forecasting revenues, operating profits margin and growth rates. We have assessed appropriateness of pre-tax discount rates used by management by comparing to the market data, weighted average cost of capital of the subsidiary and relevant risk factors and performed sensitivity analysis of our own to stress test the key assumptions used in the forecast.

INDEPENDENT AUDITORS' REPORT

(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As at the date of our report, except for the Directors' Report, the remaining other information has not been made available to us for our reading and accordingly we are unable to report in this regard.

However, if after reading the other information when available and we conclude there is a material misstatement therein, we will communicate same to the Directors of the Company.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on Auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT

(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (cont'd):

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group in order to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determined those matters that were of most significant in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

INDEPENDENT AUDITORS' REPORT

(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

Kuala Lumpur
18 April 2023

FOO LEE MENG
(NO: 03069/07/2023(J))
CHARTERED ACCOUNTANT

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	711,909,215	422,223,614	–	–
Right-of-use assets	5	34,161,662	25,206,561	–	–
Investment properties	6	16,200,000	6,950,773	–	–
Intangible assets	7	–	–	–	–
Investment in subsidiaries	8	–	–	182,033,814	149,179,161
Other investments	9	1,107,294	1,245,810	864,169	781,564
Other receivables	10	1,471,965	1,419,445	–	–
Amount due from subsidiaries	8	–	–	92,507,462	106,366,378
Cash and bank balances, deposits and placements	11	4,116,254	3,589,596	–	–
Deferred tax assets	12	4,764,900	12,963,000	–	–
Total non-current assets		773,731,290	473,598,799	275,405,445	256,327,103
Current assets					
Inventories	13	111,748,491	67,517,405	–	–
Trade receivables	14	81,516,619	100,591,169	–	–
Other receivables	10	10,568,068	30,017,965	–	750,500
Contract assets	15	16,560,229	60,024,974	–	–
Amount due from subsidiaries	8	–	–	1,593,200	1,591,479
Tax recoverable		5,710,017	4,199,435	–	–
Cash and bank balances, deposits and placements	11	33,046,603	93,336,065	392,746	1,157,892
Total current assets		259,150,027	355,687,013	1,985,946	3,499,871
TOTAL ASSETS		1,032,881,317	829,285,812	277,391,391	259,826,974

STATEMENTS OF FINANCIAL POSITION

(CONT'D)

	Note	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	249,949,521	249,949,521	249,949,521	249,949,521
Treasury shares	17	(9,699,396)	(9,699,396)	(9,699,396)	(9,699,396)
Reserves	18	24,356,513	18,529,494	57,047,983	57,047,983
Retained earnings/ (Accumulated losses)		27,990,668	7,533,483	(20,107,824)	(37,863,419)
		292,597,306	266,313,102	277,190,284	259,434,689
Non-controlling interests		(612,341)	(453,704)	–	–
Total equity		291,984,965	265,859,398	277,190,284	259,434,689
LIABILITIES					
Non-current liabilities					
Lease liabilities	19	11,705,859	5,092,068	–	–
Borrowings	20	389,750,060	292,841,634	–	–
Government grants	21	4,287,466	4,267,312	–	–
Deferred tax liabilities	12	853,585	297,432	–	–
Total non-current liabilities		406,596,970	302,498,446	–	–
Current liabilities					
Trade payables	22	43,445,449	52,862,340	–	–
Other payables	23	36,248,156	48,319,307	182,574	195,124
Contract liabilities	15	5,400	12,808,593	–	–
Amount due to a subsidiary	8	–	–	1	1
Lease liabilities	19	4,359,855	2,711,766	–	–
Borrowings	20	248,419,692	143,316,405	–	–
Government grants	21	248,548	517,250	–	–
Tax payable		1,572,282	392,307	18,532	197,160
Total current liabilities		334,299,382	260,927,968	201,107	392,285
TOTAL LIABILITIES		740,896,352	563,426,414	201,107	392,285
TOTAL EQUITY AND LIABILITIES		1,032,881,317	829,285,812	277,391,391	259,826,974

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
Revenue	24	362,970,032	305,495,532	1,207,406	4,707,406
Cost of sales		(272,214,839)	(242,179,161)	–	–
Gross profit		90,755,193	63,316,371	1,207,406	4,707,406
Other income		8,694,278	3,804,399	92,231	21,092
Operating expenses		(51,704,304)	(39,203,877)	(1,302,588)	(1,403,881)
Net (loss)/reversal on impairment of non-financial assets		–	(56,681)	32,854,653	3,338,208
Net loss on impairment loss on financial assets		(5,367,742)	(4,577,070)	(18,048,619)	(10,455)
Operating profit		42,377,425	23,283,142	14,803,083	6,652,370
Finance income	25	851,214	1,356,566	4,110,874	2,501,506
Finance costs	26	(9,530,328)	(5,644,294)	–	–
Profit before tax	27	33,698,311	18,995,414	18,913,957	9,153,876
Tax expense	28	(13,459,344)	(5,979,853)	(1,158,362)	(706,199)
Profit for the financial year		20,238,967	13,015,561	17,755,595	8,447,677
Other comprehensive, net of tax					
Items that will not be reclassified					
subsequently to profit or loss					
Net changes in fair value of equity investments designated at fair value through other comprehensive income		973	107,280	–	–
Revaluation reserve		5,856,507	–	–	–
Items that are or may be reclassified					
subsequently to profit or loss					
Exchange differences on translating of foreign operations		(880)	(8,193)	–	–
Other comprehensive income for the financial year, net of tax		5,856,600	99,087	–	–
Total comprehensive income for the financial year		26,095,567	13,114,648	17,755,595	8,447,677

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(CONT'D)

	Note	Group 2022 RM	2021 RM	Company 2022 RM	2021 RM
Profit/(Loss) for the financial year attributable to:					
Owners of the Company		20,352,636	10,559,362	17,755,595	8,447,677
Non-controlling interests		(113,669)	2,456,199	–	–
		20,238,967	13,015,561	17,755,595	8,447,677
Total comprehensive income/(loss) attributable to:					
Owners of the Company		26,207,623	10,663,802	17,755,595	8,447,677
Non-controlling interests		(112,056)	2,450,846	–	–
		26,095,567	13,114,648	17,755,595	8,447,677
Earnings per share attributable to owners of the Company:-					
Earnings per share					
- Basic (sen)	30	2.75	1.68		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Group	Attributable to Owners of the Company								
	Non-distributable					Distributable			
	Share Capital RM	Treasury Shares RM	Capital Reserve RM	Revaluation Reserve RM	Fair Value Reserve RM	Foreign Currency Translation Reserve RM	(Accumulated Losses)/ Retained Earnings RM	Non-controlling Interest RM	Total Equity RM
Balance at 1 January 2021	167,751,521	(9,699,396)	15,767,691	191,059	(600,387)	(3,227)	4,048,367	(3,581,348)	173,874,280
Transactions with owners:-									
Issuance of shares	82,198,000	-	-	-	-	-	-	-	82,198,000
Dividends (Note 29)	-	-	-	-	-	-	(3,082,530)	-	(3,082,530)
Acquisition of non-controlling interest	-	-	2,528,826	-	-	-	(3,450,624)	676,798	(245,000)
Total transactions with owners	82,198,000	-	2,528,826	-	-	-	(6,533,154)	676,798	78,870,470
Transfer of fair value through other comprehensive income reserve to retained earnings	-	-	-	-	541,092	-	(541,092)	-	-
Profit for the financial year	-	-	-	-	-	-	10,559,362	2,456,199	13,015,561
Other comprehensive income/(loss) for the financial year	-	-	-	-	107,280	(2,840)	-	(5,353)	99,087
Total comprehensive income/(loss) for the financial year	-	-	-	-	107,280	(2,840)	10,559,362	2,450,846	13,114,648
Balance at 31 December 2021	249,949,521	(9,699,396)	18,296,517	191,059	47,985	(6,067)	7,533,483	(453,704)	265,859,398

STATEMENTS OF CHANGES IN EQUITY

(CONT'D)

	Attributable to Owners of the Company				Distributable		Non-controlling Interest	Total Equity
	Non-distributable		Foreign Currency Translation Reserve		(Accumulated Losses)/ Retained Earnings			
Group (cont'd)	Share Capital RM	Treasury Shares RM	Capital Reserve RM	Revaluation Reserve RM	Fair Value Reserve RM	RM	RM	RM
Transactions with owners:-								
Disposal of non-controlling interest	-	-	-	-	-	76,581	(46,581)	30,000
Profit for the financial year	-	-	-	-	-	20,352,636	(113,669)	20,238,967
Other comprehensive income/(loss) for the financial year	-	-	-	5,856,507	973	(2,493)	1,613	5,856,600
Total comprehensive income/(loss) for the financial year	-	-	-	5,856,507	973	(2,493)	(112,056)	26,095,567
Transfer of fair value through other comprehensive income reserve to retained earnings	-	-	-	-	(27,968)	27,968	-	-
Balance at 31 December 2022	249,949,521	(9,699,396)	18,296,517	6,047,566	20,990	27,990,668	(612,341)	291,984,965

STATEMENTS OF CHANGES IN EQUITY

(CONT'D)

Company	Attributable to Owners of the Company				Distributable Retained Earnings/ (Accumulated Loss) RM	Total Equity RM
	Share Capital RM	Treasury Shares RM	Capital Reserve RM	Fair Value Reserve RM		
Balance at 1 January 2021	167,751,521	(9,699,396)	57,026,993	20,990	(43,228,566)	171,871,542
Transactions with owners:-						
Issuance of shares	82,198,000	-	-	-	-	82,198,000
Dividends (Note 29)	-	-	-	-	(3,082,530)	(3,082,530)
Total transactions with owners	82,198,000	-	-	-	(3,082,530)	79,115,470
Total comprehensive income for the financial year	-	-	-	-	8,447,677	8,447,677
Balance at 31 December 2021	249,949,521	(9,699,396)	57,026,993	20,990	(37,863,419)	259,434,689
Total comprehensive income for the financial year	-	-	-	-	17,755,595	17,755,595
Balance at 31 December 2022	249,949,521	(9,699,396)	57,026,993	20,990	(20,107,824)	277,190,284

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 RM	2021 RM	Company 2022 RM	2021 RM
OPERATING ACTIVITIES					
Profit before tax		33,698,311	18,995,414	18,913,957	9,153,876
Adjustments for:					
Amortisation of intangible assets		–	2	–	–
Amortisation of government grants		(248,548)	(387,938)	–	–
Depreciation of property, plant and equipment		5,329,354	5,598,206	–	–
Depreciation of right-of-use assets		2,755,563	2,021,532	–	–
Dividend income		(7,406)	(7,406)	(7,406)	(3,507,406)
Fair value gain on investment properties		(1,749,227)	(150,000)	–	–
Loss on disposal of property, plant and equipment		–	20,000	–	–
Impairment loss on:					
- Investment in subsidiaries		–	–	3,104,041	1,519,280
- Intangible assets		–	56,681	–	–
Impairment loss on ECLs:					
- Trade receivables		7,689,279	5,759,866	–	–
- Other receivable		750,000	–	750,000	–
- Amount due from subsidiaries		–	–	17,298,619	10,455
Interest expenses		9,530,328	5,644,294	–	–
Interest income		(851,214)	(1,356,566)	(4,110,874)	(2,501,506)
Net fair value loss/(gain) on other investments		102,170	241,614	(82,605)	202,714
Net unrealised (gain)/loss on foreign exchange		(962,933)	1,139,931	–	–
Reversal of impairment loss on investment in subsidiaries		–	–	(35,958,694)	(4,857,488)
Reversal of ECLs:					
- Trade receivables		(3,071,537)	(1,182,796)	–	–
Operating profit/(loss) before changes in working capital		52,964,140	36,392,834	(92,962)	19,925
Changes in working capital:-					
Inventories		(44,220,549)	(30,359,926)	–	–
Receivables		32,085,573	(47,632,702)	500	(500)
Payables		(22,294,174)	25,616,604	(12,550)	(182,388)
Contract assets/(liabilities)		30,661,552	(51,513,146)	–	–
Cash generated from/(used in) operations		49,196,542	(67,496,336)	(105,012)	(162,963)
Interest received		–	222,650	–	–
Tax paid		(5,035,698)	(6,256,007)	(1,336,990)	(347,918)
Net cash from/(used in) operating activities		44,160,844	(73,529,693)	(1,442,002)	(510,881)

STATEMENTS OF CASH FLOWS

(CONT'D)

	Note	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
INVESTING ACTIVITIES					
Addition of property, plant and equipment		(281,982,793)	(181,232,469)	–	–
Addition of right-of-use assets	A	(138,769)	(209,506)	–	–
Acquisition of investment in subsidiaries		–	–	–	(1)
Disposal/(Acquisition) of non-controlling interests		30,000	(245,000)	–	–
Acquisition of other investments		–	(14,651)	–	–
Dividend received		7,406	7,406	7,406	3,507,406
Interest received		798,694	1,083,271	4,110,874	2,501,506
Net cash outflow arising from acquisition of a subsidiary	8	–	(1,446,998)	–	–
Proceeds from disposal of other investment		37,319	666,430	–	–
Proceeds from government grants		–	306,983	–	–
Proceeds from disposal of property, plant and equipment		–	2,047,000	–	–
Advances to subsidiaries		–	–	(3,441,424)	(86,164,273)
Net cash (used in)/from investing activities		(281,248,143)	(179,037,534)	676,856	(80,155,362)
FINANCING ACTIVITIES					
Dividend paid		–	(3,082,530)	–	(3,082,530)
Drawdown of bankers' acceptances		32,832,058	33,512,523	–	–
Drawdown of fixed loans		–	11,951,827	–	–
Drawdown of invoice financing		257,928,576	61,592,377	–	–
Drawdown of revolving credit		37,900,000	28,347,000	–	–
Drawdown of term loans		86,970,837	163,387,034	–	–
Drawdown of trust receipts		16,197,192	32,938,038	–	–
Fixed deposits pledged as security		17,939,901	(23,205,734)	–	–
Issuance of shares pursuant to private placement		–	82,198,000	–	82,198,000
Interest paid		(22,540,170)	(13,127,222)	–	–
Collection account pledged as security		(805,450)	–	–	–
Repayment to subsidiaries		–	–	–	(44,666)
Repayment of lease liabilities		(3,079,015)	(2,108,080)	–	–
Repayment of bankers' acceptances		(36,131,166)	(37,508,615)	–	–
Repayment of fixed loans		(5,375,777)	(2,293,927)	–	–
Repayment of invoice financing		(127,548,896)	(30,928,832)	–	–
Repayment of onshore foreign currency loan		–	(12,074,580)	–	–
Repayment of revolving credit		(25,300,000)	(16,609,600)	–	–
Repayment of trust receipts		(29,131,715)	(30,193,986)	–	–
Repayment of term loans		(1,856,160)	(1,211,823)	–	–
Net cash from financing activities		198,000,215	241,581,870	–	79,070,804

STATEMENTS OF CASH FLOWS

(CONT'D)

	Note	Group 2022 RM	2021 RM	Company 2022 RM	2021 RM
CASH AND CASH EQUIVALENTS					
Net decrease		(39,087,084)	(10,985,357)	(765,146)	(1,595,439)
Brought forward		41,185,003	52,196,233	1,157,892	2,753,331
Effects on exchange rate changes on cash and cash equivalents		15,145	(25,873)	–	–
Carried forward	11	2,113,064	41,185,003	392,746	1,157,892

NOTES TO STATEMENTS OF CASH FLOWS

A. PURCHASE OF RIGHT-OF-USE ASSETS

		Group 2022 RM	2021 RM	Company 2022 RM	2021 RM
Total purchase of right-of-use assets	11,710,664	4,096,320	–	–	–
Less: Financed by lease liabilities	(11,340,895)	(3,886,814)	–	–	–
Less: Financed by other payable	(231,000)	–	–	–	–
	138,769	209,506	–	–	–

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	1 January 2022 RM	Drawdown RM	Repayment RM	Purchase of property, plant and equipment/ right-of-use assets RM	Unrealised foreign exchange RM	31 December 2022 RM
Lease liabilities	7,803,834	–	(3,079,015)	11,340,895	–	16,065,714
Bankers' acceptances	16,696,918	32,832,058	(36,131,166)	–	(84,579)	13,313,231
Fixed loans	14,287,322	–	(5,375,777)	–	–	8,911,545
Invoice financing	56,879,734	257,928,576	(127,548,896)	–	(832,243)	186,427,171
Revolving credit	14,700,000	37,900,000	(25,300,000)	–	–	27,300,000
Term loans	285,782,353	86,970,837	(1,856,160)	–	–	370,897,030
Trust receipts	29,131,715	16,197,192	(29,131,715)	–	–	16,197,192

STATEMENTS OF CASH FLOWS

(CONT'D)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

Group	1 January 2021 RM	Drawdown RM	Repayment RM	Purchase of property, plant and equipment/ right-of-use assets RM	Unrealised foreign exchange RM	31 December 2021 RM
Lease liabilities	6,025,100	–	(2,108,080)	3,886,814	–	7,803,834
Bankers' acceptances	20,693,010	33,512,523	(37,508,615)	–	–	16,696,918
Fixed loans	4,629,422	11,951,827	(2,293,927)	–	–	14,287,322
Invoice financing	26,216,189	61,592,377	(30,928,832)	–	–	56,879,734
Onshore foreign currency loan	12,074,580	–	(12,074,580)	–	–	–
Revolving credit	2,962,600	28,347,000	(16,609,600)	–	–	14,700,000
Term loans	123,607,142	163,387,034	(1,211,823)	–	–	285,782,353
Trust receipts	25,577,425	32,938,038	(30,193,986)	–	810,238	29,131,715

Company	1 January 2022 RM	Drawdown RM	Repayment RM	31 December 2022 RM
Amount due to a subsidiary	1	–	–	1

Company	1 January 2021 RM	Drawdown RM	Repayment RM	31 December 2021 RM
Amount due to subsidiaries	44,667	–	(44,666)	1

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2022

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office and the principal place of business of the Company are located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur and C-16-01, Level 16, KL Trillion Corporate Tower, 338 Jalan Tun Razak, 50400 Kuala Lumpur respectively.

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are described in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 18 April 2023.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and the Company are prepared under historical cost convention other than as disclosed in Note 3 and on the assumption that the Group has going concerns.

As at 31 December 2022, the Group recorded net current liabilities of RM75,149,355. The preparation of the financial statements on a going concern basis is dependent on the ability of the Group to generate sufficient cash flows from their operations, utilisation of available credit facilities and obtaining continuous financial support from their bankers and creditors to finance their operations, and achieving profitable operations. The Group remains positive that it will be able to generate sufficient cash flows from its operations from its existing projects and new projects being secured by the subsidiaries to increase the working capital of the Group. In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements on a going concern basis and the Group will be able to meet their liabilities as and when they fall due.

Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or additional amounts of liabilities that may be necessary if the Group is unable to continue as a going concern.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 Basis of Measurement (cont'd)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and its measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming the market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

The Group and the Company have established control framework in respect of measurement of fair values of financial instruments. The Board of Directors has overall responsibility for overseeing all significant fair value measurements. The Board of Directors regularly reviews significant unobservable inputs and valuation adjustments.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.4 MFRSs

2.4.1 Adoption of Amendments/Improvements to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 3 to the financial statements to all periods presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2022.

Initial application of the amendments/improvements to the standards did not have material financial impact to the financial statements.

2.4.2 Standards Issued but Not Yet Effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards, if applicable, when they become effective in the respective financial period.

Effective for financial period beginning on or after 1 January 2023:-

MFRS 17* and Amendments to MFRS 17*	Insurance Contracts
Amendments to MFRS 17*	Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for financial period beginning on or after 1 January 2024:-

Amendments to MFRS 16	Lease - Lease Liability in a Sales and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements - Non-current Liability with Convenants

Deferred to a date to be determined by the MASB

Amendments to MFRS 10 and MFRS 128*	Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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* Not applicable to the Group and the Company.

The initial application of the above applicable amendments to standards are not expected to have material financial impact to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results.

2.5.1 Estimation Uncertainty

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

2.5.1.1 Useful Lives of Depreciable Assets

The management assess that the useful lives represent the expected utility of the assets to the Group. The management estimates the useful lives of the property, plant and equipment and right-of-use assets to be within 3 to 99 years and reviews the useful lives of the depreciable assets at the end of each reporting year. Actual results, however, may vary due to change in the expected level of usage and technological developments which resulting the adjustment to the Group's assets.

The carrying amount of the Group's property, plant and equipment and right-of-use assets are disclosed in Notes 4 and 5 to the financial statements.

2.5.1.2 Amortisation of Intangible Assets

The development costs of gas generators are amortised on a straight-line basis over their useful lives of 15 years. The Group assesses annually the useful lives of the intangible assets and if the expectation differs from the original estimate, such difference will impact the amortisation expenses in the period in which such estimate had been charged.

2.5.1.3 Impairment of Non-financial Assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management make assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Further details of the carrying values, key assumptions applied in the impairment assessment of non-financial assets are disclosed in Notes 7 and 8 to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.1 Estimation Uncertainty (cont'd)

2.5.1.4 Provision for Expected Credit Losses ("ECLs") of Trade Receivables and Contract Assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the energy sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

2.5.1.5 Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The realisation of these inventories may be affected by market-driven changes that may occur in the future.

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 13 to the financial statements.

2.5.1.6 Income Taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters result is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.1 Estimation Uncertainty (cont'd)

2.5.1.7 Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses, unabsorbed capital allowances and unused tax credits to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences, unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

2.5.1.8 Fair Value Valuation of Investment Properties

The Group measures its investment properties at fair value with any change in fair value being recognised in profit or loss. Significant judgement is required in the determination of fair value which may be derived based on different valuation methods. In making the judgement, the Group evaluates based on past experience and reliance on the work of specialists. The Group engages independent valuation specialists to determine the fair values.

2.5.2 Significant Management Judgements

The following are significant management judgements made in applying the accounting policies of the Group and of the Company that have the most significant effect on the financial statements.

2.5.2.1 Revenue from Contracts with Customers

Revenue is recognised when or as the control of the asset is transferred to our customers and, depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time. If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress, based on the physical proportion of contract work-to-date certified by the Group and the customers.

Significant judgment is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction and installation based on actual costs incurred to-date over the estimated total construction and installation costs. The total estimated costs are based on approved budgets, which require assessments and judgments to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgments, management relies on past experience and the work of specialists. A change in the estimates will directly affect the revenue to be recognised.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.2 Significant Management Judgements (cont'd)

2.5.2.2 Deferred Tax Assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 3.4 to the financial statements, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

2.5.2.3 Classification Between Investment Properties and Owner-occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group accounts for the portions separately if the portions could be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

2.5.2.4 Significant Control Over a Subsidiary

Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Interest in T7 Solution Services (Thailand) Co., Ltd. ("T7SST")

Although T7 Gastec Sdn. Bhd. ("T7 Gastec") a wholly-owned subsidiary of the Company own less than half of the ownership interest and less than half of the voting power in T7SST, the Directors have determined that the T7 Gastec controls over T7SST. T7 Gastec controls T7SST by virtue of an agreement with other investors and having majority board representation in T7SST. Consequently, the Group consolidates its investment in the entity.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

3.1 Consolidation

3.1.1 Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group or the Company consider it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is stated at cost less any impairment losses in the Company's financial position, unless the investment is held for sale or distribution. The cost of investments includes transaction costs. Where an indication of impairment exists, the carrying amount of the subsidiaries is assessed and written down immediately to their recoverable amount.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

3.1.2 Basis of Consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting period.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance to Note 3.19 of the financial statements.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.3 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRSs.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3.1.4 Loss of Control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of the equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.5 Non-controlling Interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the financial year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if that results in a deficit balance.

3.1.6 Eliminations on Consolidation

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated on consolidation.

3.2 Foreign Currency Translation

The Group's consolidated financial statements are presented in RM, which is also the Company's functional currency.

3.2.1 Foreign Currency Transactions and Balances

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the profit or loss with the exception of all monetary items that forms part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising in translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign Currency Translation (cont'd)

3.2.2 Foreign Operations

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combination before 1 January 2012 (the date when the Group and the Company first adopted MFRSs) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations are translated to RM at exchange rates at the date of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group and the Company dispose of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group and the Company dispose of only part of its investment in an associate or joint venture that include a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in foreign currency translation reserve in equity.

3.3 Property, Plant and Equipment

Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All property, plant and equipment are subsequently stated at cost less accumulated depreciation and less any impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bring the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, Plant and Equipment (cont'd)

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life. All property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Freehold buildings	2%
Furniture and fittings	10% - 20%
Renovation	10%
Workshop tools	20%
Office equipment	10% - 33 1/3%
Motor vehicles	20%
Equipment	10% - 20%
Plant and machinery	10% - 33 1/3%

Freehold land is not depreciated but is subject to impairment test if there is indication of impairment.

Capital work-in-progress consists of mobile offshore production unit under construction/installation for intended use as production facilities. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property, plant and equipment under construction/installation until the property, plant and equipment are ready for their intended use. Assets under construction are not depreciated until they are completed and ready for their intended use.

The residual values, useful life and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and expected pattern of consumption of future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss in the financial year in which the asset is derecognised.

3.4 Investment Properties

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditures that are directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until its fair value becomes reliably determinable or construction is complete, whichever is earlier.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Investment Properties (cont'd)

The fair value of investment properties held by the Group as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made. The Group added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from the disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

3.5 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.5.1 As a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.5.1.1 Right-of-use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

Leasehold land and buildings	Over remaining lease term
Plant and machinery	14%
Motor vehicles	20%
Office equipment	10%

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policies for impairment of non-financial assets is set out in Note 3.11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

3.5.1 As a lessee (cont'd)

3.5.1.2 Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3.5.1.3 Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the short-term lease recognition exemption to their short-term leases of machinery, equipment and premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

3.5.2 As a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Goodwill

Goodwill arising on the acquisition of a subsidiary or a proportionately consolidated jointly-controlled entity, being the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated at the acquisition date to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. An impairment loss is recognised for a cash-generating unit when the recoverable amount of the unit is less than the carrying amount of the unit. Any impairment loss recognised is first allocated to reduce the carrying amount of any goodwill allocated to the unit and then, to the other assets of the unit within the scope of MFRS 136 Impairment of Assets pro rata on the basis of the carrying amount of each applicable asset in the unit. Any impairment loss recognised for goodwill is not reversed.

Goodwill arising on the acquisition of investments in associates is included within the carrying amount of the investments and is assessed for impairment as part of the investment.

If, after reassessment, the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

On disposal of a subsidiary or a proportionately consolidated jointly-controlled entity, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

3.7 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the profit or loss in the period in which it incurred.

The useful life of intangible assets is assessed to be either finite or indefinite. Intangible assets with finite life are amortised on straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by charging the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Intangible Assets (cont'd)

Intangible assets with indefinite useful life are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at cash-generating unit level. Such intangibles are not amortised.

The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gain or losses arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

3.7.1 Patents

Patents were acquired in business combinations and are amortised on a straight-line basis over the useful lives of 10 years.

3.7.2 Research and Development Costs

Research costs are expensed as incurred.

Deferred development costs arising from development expenditures on an individual project are recognised when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during development. Deferred development costs have a finite useful life and are amortised over the period of 15 years on a straight-line basis.

3.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.8.1 Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial Instruments (cont'd)

3.8.1 Financial Assets (cont'd)

Initial Recognition and Measurement (cont'd)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cashflows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:-

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at fair value through profit or loss.

At the reporting date, the Group and the Company do not have financial assets at fair value through OCI with recycling of cumulative gains and losses.

Financial Assets at Amortised Cost

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's financial assets at amortised cost include trade receivables, most of other receivables, amount due from subsidiaries, cash and bank balances, deposit and placements.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial Instruments (cont'd)

3.8.1 Financial Assets (cont'd)

Subsequent Measurement (cont'd)

Financial Assets Designated at Fair Value through OCI (Equity Instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 9 Financial Instruments. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statements of profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its overseas equity investments under this category.

Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the statements of profit or loss.

This category includes non-listed equity investments which the Group and the Company had not irrevocably elected to classify at fair value through OCI. Dividends on non-listed equity investments are recognised as other income in the statements of profit or loss when the right of payment has been established. The Group's and the Company's debt instruments at financial assets at fair value through profit or loss includes investments in quoted shares.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:-

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial Instruments (cont'd)

3.8.1 Financial Assets (cont'd)

Derecognition (cont'd)

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment

The Group and the Company recognise an allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost, contract assets, and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial Instruments (cont'd)

3.8.1 Financial Assets (cont'd)

Impairment (cont'd)

Impairment for Trade Receivables and Contract Assets

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure ECLs, trade receivables and contract assets are grouped into categories. The categories are differentiated by the different business risks and are subject to different credit assessments. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group considers the expected credit loss rates for trade receivables as a reasonable approximation of the loss rates for contract assets with similar risk characteristics.

Impairment for Financial Assets other than Trade Receivables and Contract Assets

The Group and the Company consider the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The assessment considers available, reasonable and supportable forward-looking information.

Credit Impaired

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The Group and the Company consider a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flows have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial Instruments (cont'd)

3.8.2 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities included trade payables, most of other payables, amount due to a subsidiary and borrowings.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; or
- Financial liabilities at amortised cost.

The Company has not designated any financial liabilities as at fair value through profit or loss.

Financial Liabilities at Amortised Cost

Financial liabilities are recognised initially at fair value plus transaction costs and thereafter, at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

Financial liabilities are classified as current liabilities for those having maturity dates of not more than 12 months after the reporting date, and the balance is classified as non-current.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial Instruments (cont'd)

3.8.3 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.8.4 Financial Guarantee Contracts

Financial guarantee contracts issued by the Group and the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specific debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

3.9 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on weighted average basis and includes invoices of goods purchased and expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

The cost of work-in-progress comprises the cost of raw materials, direct labour and a proportion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Write-down to net realisable value and inventory losses are recognised as an expense when it occurred and any reversal is recognised in the profit or loss in the period in which it occurs.

3.10 Cash and Cash Equivalents

Cash and cash equivalents in statements of cash flows comprise cash in hand, bank balances, deposits with licensed banks and highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

For the purpose of the financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the reporting date are classified as non-current assets.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Impairment of Non-financial Assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes to the financial statements:-

Note 2.5	-	Significant accounting estimates and judgements
Note 3.3	-	Property, plant and equipment
Note 3.5.1.1	-	Right-of-use assets
Note 3.7	-	Intangible assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's and of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses including impairment on inventories, are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and the Company estimate the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

Intangible assets with indefinite useful lives are tested for impairment annually as at the end of each reporting period, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Equity, Reserves and Distributions to Owners

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Retained earnings/(Accumulated losses) include all current and prior periods' accumulated profits/losses.

The revaluation reserve within equity comprises gains or losses due to the revaluation of properties. Foreign currency translation differences arising on the translation of the Group's foreign entities are included in the exchange translation reserve. Gains and losses on certain financial instruments are included in reserves for fair value through OCI financial assets.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grants the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Final dividends proposed by the Directors are not accounted for in shareholders' equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

The distribution of non-cash assets to owners is recognised as dividend payable when the dividend was approved by shareholders. The dividend payable is measured at the fair value of the shares to be distributed. At the end of the financial year and on the settlement date, the Company reviews the carrying amount of the dividend payable, with any changes in the fair value of the dividend payable recognised in equity. When the Company settles the dividend payable, the difference between the carrying amount of the dividend distributed and the carrying amount of the dividend payable is recognised as a separate line item in profit or loss.

All transactions with owners of the Company are recorded separately within equity.

3.13 Treasury Shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statements of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

3.14 Share-based Payments

The Group operates an equity-settled share-based payments scheme to allow the employees of the Group to acquire ordinary shares of the Company. The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution in the subsidiaries' financial statements. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity-settled employee benefits reserve in the Company's financial statements.

The fair value determined at the grant date is recognised as expense in profit or loss in accordance with MFRS 2 Share-based Payment over the periods during which the employees become unconditionally entitled to the options, based on the Group's estimate of the ordinary shares that will eventually vest, and adjusted for the effect of non-market-based vesting conditions. At the end of each reporting period, the Group revises the estimates of the number of options that are expected to become exercisable, and recognises the impact of the revision of the original estimates.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Government Grants

Government grants are recognised at fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grant are carries in the statements of financial position and allocated to profit or loss over the expected useful lives of 20 years of the related plant and machinery or over the period of the operating expenditure to which the grants are intended to compensate.

3.16 Revenue

Revenue from contracts with customers is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the “control” of the services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise in a contract with a customer to transfer to the customer either:-

- (a) good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Revenue from contracts with customers is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimate the amount of consideration to which it will be entitled based on the expected value or the most likely outcome.

If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative standalone selling prices of the goods or services promised in the contract.

The amount of variable consideration is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainly associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:-

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
- (b) the Group's and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's and the Company's performance do not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Revenue (cont'd)

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

For performance obligations where any one of the above conditions not met, revenue is recognised at a point in time at which the performance obligation is satisfied.

When the Group and the Company satisfy a performance obligation by delivering the promised goods or service, it creates a contract based on asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

3.16.1 Sales of Goods

Revenue relating to sales of goods is recognised net of sales returns and discount upon the transfer of control of the goods to the customers. Revenue is not recognised to extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

3.16.2 Installation Services

The Group provides installation services that is bundled together with the sale of equipment to customers.

The Group recognises revenue from installation services over time, using revenue method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from the sale of the machinery, equipment and generators are recognised at a point in time, generally upon delivery of the equipment.

3.16.3 Construction Contract

Revenue from a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date. The stage of completion is measured using the output method, which is based on the level of completion of the development phase of the project as certified by professional engineers or consultants.

Where the outcome of a contract cannot be reasonably estimated, revenue is recognised to the extent of construction contract costs incurred that is probable will be recoverable, and the contract costs shall be recognised as an expense in the year in which they are incurred.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in the profit or loss irrespective of whether construction work has commenced or not, or of the stage of completion of development activity, or of the amounts of profits expected to arise on other unrelated construction contracts.

The excess of revenue recognised in the profit or loss over the billings to customers of contracts is recognised as contract asset.

The excess of billings to customers of contracts over revenue recognised in the profit or loss is recognised as contract liability.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Revenue (cont'd)

3.16.4 Contract Balances

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3.16.5 Rendering of Services

Revenue from rendering of services is recognised upon the services completed.

3.16.6 Supply of Manpower

Revenue from supply of manpower is recognised upon the services provided.

3.16.7 Revenue from Other Sources

Rental Income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset.

Dividend Income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which is in the case of quoted securities is the ex-dividend date.

Management Fee Income

Management fees are recognised when services are rendered.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Employee Benefits

3.17.1 Short-term Employment Benefits

Short-term employment benefits, such as wages, salaries, bonuses, allowances and social security contributions, are recognised as expense when the employees have rendered services to the Group and the Company.

The expected cost of bonus payments is recognised when the Group and the Company have a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the Group and the Company have no realistic alternative but to make the payments.

3.17.2 Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as expenses in profit or loss as incurred. As required by law, the companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to the respective country's statutory pension schemes.

3.18 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Tax Expense

Tax expense comprises of current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

3.19.1 Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Current tax for current and prior periods is recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3.19.2 Deferred Tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 3.4 to the financial statements, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Sales and Service Tax ("SST")

Expenses and assets are recognised net of the amount of SST, except:

- When the SST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the SST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of SST included.

The amount of SST payable to taxation authority is included as part of payables in the statements of financial position.

3.21 Contingencies

3.21.1 Contingent Liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3.21.2 Contingent Assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

3.22 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group and the Company expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.23 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the board of directors that makes strategic decisions.

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, results, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, results, assets and liabilities are determined after elimination of intragroup balances and intragroup transactions as part of the consolidation process.

3.24 Earnings Per Ordinary Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company based on the weighted average number of ordinary shares in issue during the period.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group based on the weighted average number of shares in issue, for the effects of all dilutive potential ordinary shares during the period.

3.25 Related Parties

A related party is a person or entity that is related to the Group and the Company. A related party transaction is a transfer of resources, services or obligations between the Group and the Company and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group and the Company if that person:-

- (i) Has control or joint control over the Group and the Company;
- (ii) Has significant influence over the Group and the Company; or
- (iii) Is a member of the key management personnel of the corporate shareholders of the Group or the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:-

- (i) The entity and the Group or the Company are members of the same group;
- (ii) The entity is an associate or joint venture of the other entity;
- (iii) Both the Group or the Company and the entities are joint ventures of the same third party;
- (iv) The Group or the Company is a joint venture of a third entity and the other entity is an associate of the same third entity;
- (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or the Company for an entity related to the Group or the Company;
- (vi) The entity is controlled or jointly-controlled by a person identified in (a) above;
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the corporate shareholders of the Group or the entity; and
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the corporate shareholders of the Group or to the Group.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and buildings RM	Furniture and fittings RM	Renovation RM	Workshop tools RM	Office equipment RM	Motor vehicles RM	Equipment RM	Plant and machinery RM	Capital work- in progress RM	Total RM
Cost										
At 1.1.2021	21,943,325	1,530,241	4,422,513	233,777	10,313,474	545,006	13,999,821	45,394,666	207,245,486	305,628,309
Reclassification	-	-	-	-	-	-	-	17,157,101	(17,157,101)	-
Additions	-	1,090	-	4,036	474,142	-	45,629	1,902,178	178,805,394	181,232,469
Borrowing costs capitalised at rates of 4.01% to 6.32% per annum	-	-	-	-	-	-	-	-	8,018,994	8,018,994
Disposal	-	-	-	-	-	-	-	(2,067,000)	-	(2,067,000)
Foreign exchange difference	-	-	-	-	(15)	-	-	-	-	(15)
At 31.12.2021	21,943,325	1,531,331	4,422,513	237,813	10,787,601	545,006	14,045,450	62,386,945	376,912,773	492,812,757
Reclassification	-	-	-	-	-	-	-	657,474	(657,474)	-
Additions	-	220,075	67,800	-	751,844	-	425,352	6,215,842	274,301,880	281,982,793
Borrowing costs capitalised at rates of 4.03% to 7.32% per annum	-	-	-	-	-	-	-	-	14,675,646	14,675,646
Transfer to investment properties	(2,822,202)	-	-	-	-	-	-	-	-	(2,822,202)
Foreign exchange difference	-	-	-	-	10	-	-	-	-	10
At 31.12.2022	19,121,123	1,751,406	4,490,313	237,813	11,539,455	545,006	14,470,802	69,260,261	665,232,825	786,649,004

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (cont'd)	Freehold land and buildings RM	Furniture and fittings RM	Renovation RM	Workshop tools RM	Office equipment RM	Motor vehicles RM	Equipment RM	Plant and machinery RM	Capital work-in progress RM	Total RM
Accumulated depreciation										
At 1.1.2021	1,503,931	1,259,711	2,371,366	46,755	8,089,141	472,004	11,821,375	39,426,654	-	64,990,937
Charge for the financial year	301,100	119,358	515,216	47,228	689,255	42,284	1,083,408	2,800,357	-	5,598,206
At 31.12.2021	1,805,031	1,379,069	2,886,582	93,983	8,778,396	514,288	12,904,783	42,227,011	-	70,589,143
Charge for the financial year	301,098	83,377	310,911	47,563	729,578	22,051	950,184	2,884,592	-	5,329,354
Transfer to investment properties	(1,178,709)	-	-	-	-	-	-	-	-	(1,178,709)
Foreign exchange difference	-	-	-	-	1	-	-	-	-	1
At 31.12.2022	927,420	1,462,446	3,197,493	141,546	9,507,975	536,339	13,854,967	45,111,603	-	74,739,789

Net carrying amount

At 31.12.2022	18,193,703	288,960	1,292,820	96,267	2,031,480	8,667	615,835	24,148,658	665,232,825	711,909,215
At 31.12.2021	20,138,294	152,262	1,535,931	143,830	2,009,205	30,718	1,140,667	20,159,934	376,912,773	422,223,614

During the financial year ended 31 December 2022, the Group conducted an operational efficiency review at its property, plant and equipment, which resulted in changes in the expected usage of its certain plant and machinery. As a result the expected useful lives of these assets increased and then estimated residual value increased. The effect of these changes on depreciation expenses, recognised in administrative expenses in current and future periods is as follows:-

	2022 RM	2023 RM	2024 RM	2025 RM	2026 RM	Later RM
Decrease/(Increase) in depreciation expense	705,317	705,317	705,317	705,317	705,317	(3,526,585)

The Group's cost and carrying amounts of the freehold land is not segregated from the buildings as required details are not available and unreasonable expenses would be incurred.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

4.1 Equipment subject to operating lease

The Group lease some of its gas generators to third parties. All the leases are cancellable within 3 to 6 months prior written notice or payment of 3 to 6 months fee in lieu of notice.

4.2 Assets charged to secure banking facilities

The net carrying amount of assets pledged as securities for banking facilities are:-

	2022 RM	Group 2021 RM
Freehold land and buildings	18,193,703	18,438,354
Capital work-in-progress	478,308,461	–
	496,502,164	18,438,354

In prior financial year, included in the above freehold land and building with net carrying amount of RM472,103, the transfer of register name of title deed is still in progress.

The strata titles of freehold buildings with carrying amount of RM8,467,637 (2021: RM8,647,799) are yet to be issued by relevant authorities.

5. RIGHT-OF-USE ASSETS

The Group has leases for leasehold land and buildings, equipment, plant and machinery, motor vehicles and office equipment that run between 5 to 99 years.

The Group also have leases of premises, machinery and equipment with lease terms of 12 months or less. The Group apply the 'short-term lease' and 'lease of low-value assets' recognition exemption for these leases.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

5. RIGHT-OF-USE ASSETS (CONT'D)

Set out are the carrying amounts of right-of-use assets recognised and the movements during the financial year:-

Group	Leasehold land and buildings RM	Plant and machinery RM	Motor vehicles RM	Office equipment RM	Total RM
Cost					
At 1.1.2021	17,217,836	3,691,200	4,128,136	–	25,037,172
Additions	81,000	2,098,477	1,127,506	789,337	4,096,320
At 31.12.2021	17,298,836	5,789,677	5,255,642	789,337	29,133,492
Additions	–	10,000,000	1,450,866	259,798	11,710,664
At 31.12.2022	17,298,836	15,789,677	6,706,508	1,049,135	40,844,156
Accumulated depreciation					
At 1.1.2021	380,147	390,094	1,135,158	–	1,905,399
Charge for the financial year	313,934	746,125	834,843	126,630	2,021,532
At 31.12.2021	694,081	1,136,219	1,970,001	126,630	3,926,931
Charge for the financial year	315,554	1,045,992	1,090,826	303,191	2,755,563
At 31.12.2022	1,009,635	2,182,211	3,060,827	429,821	6,682,494
Net carrying amount					
At 31.12.2022	16,289,201	13,607,466	3,645,681	619,314	34,161,662
At 31.12.2021	16,604,755	4,653,458	3,285,641	662,707	25,206,561

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

5. RIGHT-OF-USE ASSETS (CONT'D)

As a lessee

- (a) The above office equipment, motor vehicles, plant and machinery are under finance lease arrangement.
- (b) The Group's cost and carrying amounts of the leasehold land is not segregated from the buildings as required details are not available and unreasonable expenses would be incurred.
- (c) The net carrying amount of leasehold land and buildings of the Group amounting to RM16,289,201 (2021: RM16,604,755) have been pledged as securities for banking facilities.

The maturity analysis of lease liabilities is disclosed in Note 35 to the financial statements.

The following are the amounts recognised in the profit or loss:-

	2022 RM	Group 2021 RM
Depreciation of right-of-use assets	2,755,563	2,021,532
Interest expense on lease liabilities	526,269	359,857
Expense relating to short-term leases	1,629,256	831,413
Expense relating to low-value leases	12,000	12,080
Total amount recognised in profit or loss	4,923,088	3,224,882

As a lessor

The Group has entered into operating lease on the equipment. The lease is cancellable with 3 months prior written notice or payment of 3 to 6 months fee in lieu of notice.

6. INVESTMENT PROPERTIES

Group	Leasehold land and buildings RM	Freehold land and building RM	Total RM
Fair value:-			
At 1.1.2021	3,100,773	1,100,000	4,200,773
Acquisition of a subsidiary	2,600,000	–	2,600,000
Fair value adjustment	100,000	50,000	150,000
At 31.12.2021	5,800,773	1,150,000	6,950,773
Transfer from property, plant and equipment	–	7,500,000	7,500,000
Fair value adjustment	399,227	1,350,000	1,749,227
At 31.12.2022	6,200,000	10,000,000	16,200,000

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

6. INVESTMENT PROPERTIES (CONT'D)

The Group's fair value amounts of the freehold land and leasehold land is not segregated from the buildings as required details are not available and unreasonable expenses would be incurred.

Income and expenses recognised in profit or loss

	2022 RM	Group 2021 RM
Rental income from investment properties	97,600	122,700
Direct operating expenses:		
- Income generating investment property	11,864	3,791
- Non-income generating investment properties	6,191	2,400

Fair value basis of investment properties

The fair value represents the amount at which the properties could be exchanged on an open market basis between a knowledgeable willing buyer and a knowledgeable willing seller on an arm's length basis at the reporting date.

The fair values of the Group's investment properties have been arrived at on the basis of valuations carried out by a firm of independent professional valuers on 31 December 2022 who have appropriate professional qualification and recent experience in the relevant location and assets being valued. The fair values of the investment properties were determined using the Comparison Method.

The Comparison Method entails comparing the property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, size, building construction and finishes, building services, management and maintenance, age and state of repair, market condition and other relevant characteristics. There has been no changes to the valuation technique during the financial year.

Level 2 fair value

Fair value measurement of the investment properties were categorised as follows:-

	2022 RM	Group 2021 RM
Recurring fair value measurement:-		
Leasehold land and buildings	6,200,000	5,800,773
Freehold land and building	10,000,000	1,150,000

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square feet of comparable properties.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

7. INTANGIBLE ASSETS

Group	Development costs RM	Patent RM	Goodwill on consolidation RM	Total RM
Cost				
At 1.1.2021	4,099,075	15,055	339,253	4,453,383
Acquisition of a subsidiary	–	–	56,681	56,681
At 31.12.2021/31.12.2022	4,099,075	15,055	395,934	4,510,064
Accumulated amortisation				
At 1.1.2021	2,849,132	14,234	–	2,863,366
Charge for the financial year	1	1	–	2
At 31.12.2021/31.12.2022	2,849,133	14,235	–	2,863,368
Accumulated impairment				
At 1.1.2021	1,249,942	820	339,253	1,590,015
Addition for the financial year	–	–	56,681	56,681
At 31.12.2021/31.12.2022	1,249,942	820	395,934	1,646,696
Net carrying amount				
At 31.12.2022	–	–	–	–
At 31.12.2021	–	–	–	–

The development costs incurred in developing gas generator is amortised on a straight-line basis over their useful lives of 15 years.

The patent is amortised on straight-line basis over their useful life for 10 years.

Impairment loss review of development costs, patent and goodwill on consolidation

In prior financial year, impairment loss on intangible assets of the Group had been recognised due to recoverable amounts of intangible assets was lower than the carrying amount.

Goodwill acquired in a business combination is allocated, at acquisition date, to the cash-generating unit ("CGU") that is expected to benefit from the business combination.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

7. INTANGIBLE ASSETS (CONT'D)

Impairment loss review of development costs, patent and goodwill on consolidation (cont'd)

Key assumptions made in determining the value-in-use are as follows:

- Cash flows were projected based on actual operating results and the five years business plan;
- The discount rate applied to the cash flows projections are derived from the weighted average cost of capital of the Group plus a reasonable risk premium; and
- The size of operation will remain at least or not lower than the current results.

The key assumptions used for determining the value in use, which are determined based on management's past experience and expectation of the future development, are as follows:-

	Group	
	2022 %	2021 %
Projected growth rate	—	—
Discount rate	—	—

The projected cash flows from use are derived from the most recent financial budgets approved by management.

With regards to the assessments, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying values of these units to differ materially from their recoverable amounts except for the changes in prevailing operating environment which is not ascertainable.

8. SUBSIDIARIES

Investment in subsidiaries

	Company	
	2022 RM	2021 RM
Unquoted shares, at cost	210,669,611	210,669,611
Less: Accumulated impairment losses	(28,635,797)	(61,490,450)
	182,033,814	149,179,161

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

8. SUBSIDIARIES (CONT'D)

Investment in subsidiaries (cont'd)

Investment in subsidiaries that are impaired

Investment in subsidiaries are impaired at reporting date when the fair value less cost to sales of the subsidiary is lower than cost of investment. The movement of accumulated impairment losses during the financial year is as follows:-

	Company	
	2022 RM	2021 RM
Brought forward	61,490,450	64,828,658
Charge for the financial year	3,104,041	1,519,280
Reversal	(35,958,694)	(4,857,488)
Carried forward	28,635,797	61,490,450

The recoverable amount was determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by the management covering a three-year period. The discount rates applied to the cash flow projections is 9% (2021: 9%) based on the weighted average cost of capital of the Company.

Details of the Company's subsidiaries are as follows:-

	Effective Interest		Principal Place of Business	Principal Activities
	2022 %	2021 %		
Held by the Company:				
Tanjung Offshore Services Sdn. Bhd.	100	100	Malaysia	Integrated service provider to the oil and gas and related industries.
T7 Gastec Sdn. Bhd.	100	100	Malaysia	Manufacturing and trading of all types of machinery, equipment and generators used for welding, cutting, cooking and other commercial applications.
T7 Marine Sdn. Bhd.	100	100	Malaysia	Repair and maintenance of vessels' monitoring system, owning and leasing offshore vessels to local and international oil industry.
T7 Solutions Sdn. Bhd.	100	100	Malaysia	To manufacture and to market of waste heat recovery units for the offshore oil and gas industry.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

8. SUBSIDIARIES (CONT'D)

Investment in subsidiaries (cont'd)

Details of the Company's subsidiaries are as follows (cont'd):-

	Effective Interest		Principal Place of Business	Principal Activities
	2022 %	2021 %		
<i>Held by the Company (cont'd):</i>				
T7 Property Sdn. Bhd.	100	100	Malaysia	Development of building projects for own operation, for renting of space in these buildings and construction.
T7 Aero Sdn. Bhd.	100	100	Malaysia	Precision engineering, manufacturing and trading of products, equipment and machines of all kinds relating to aircraft aerospace and investment holding.
T7 CSI Integrated Sdn. Bhd.	100	100	Malaysia	Supply, design, configure, intergrate, test, install and commission distributed control systems, programmable logic controllers, supervisory control and data acquisitions, safety shutdown systems, fire gas systems, fire addressable systems, liquid and gas analyser systems, control valves, instrumentation and electrical heat tracing systems and to train and supply manpower for after sales services.
T7 Services Australia Pty. Ltd. ^	100	100	Australia	Dormant.
T7 AeroTech Sdn. Bhd.	99.99	99.99	Malaysia	Manufacturing aerospace components and assemblies.
T7 Energy Sdn. Bhd.	100	100	Malaysia	Engineering services and other business support service activities N.E.C..
T7 Resources Sdn. Bhd.	100	100	Malaysia	Mineral trading.
T7 Kemuncak Sdn. Bhd.	70	70	Malaysia	Property, construction and investment holding.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

8. SUBSIDIARIES (CONT'D)

Investment in subsidiaries (cont'd)

Details of the Company's subsidiaries are as follows (cont'd):-

	Effective Interest		Principal Place of Business	Principal Activities
	2022 %	2021 %		
Held by Tanjung Offshore Services Sdn. Bhd.:				
T7 Services Sdn. Bhd.	100	100	Malaysia	Provision for engineering and professional manpower services to the oil and gas and related industries.
T7 Newenergy Sdn. Bhd.	100	100	Malaysia	Project management services to the engineering and energy industries.
T7 Intelligent Resources Sdn. Bhd.	100	100	Malaysia	Supplying manpower for the oil and gas industry and petrochemicals industry exclusively in Malaysia territory.
T7 Solutions Services (S) Pte. Ltd. ^	100	100	Singapore	Wholesale of general hardware and wholesale trade. However, the Company remains dormant during the financial year.
Held by T7 Gastec Sdn. Bhd.:				
Universal Gas Generators (M) Sdn. Bhd.	100	100	Malaysia	Engaged in the business of selling and letting gas generators.
T7 Wenmax Sdn. Bhd.	100	100	Malaysia	Engaged in the business as supplier of industrial equipment, machineries, spare parts, lubricants oil and provide installation services.
T7 Solutions Services (Thailand) Co., Ltd. *	45	45	Thailand	Manufacture and to market of waste heat recovery unit.
Held by T7 Marine Sdn. Bhd.:				
T7 Subsea Sdn. Bhd.	55	55	Malaysia	Underwater services in the oil and gas industry involving remote operated vehicle and diving services.
Held by T7 Aero Sdn. Bhd.:				
T7 AeroTech Sdn. Bhd.	0.01	0.01	Malaysia	Manufacturing aerospace components and assemblies.
PN Network T7 Sdn. Bhd. (formerly known as T7 Vector Sdn. Bhd.)	70	100	Malaysia	Repair and maintenance of other equipment.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

8. SUBSIDIARIES (CONT'D)

Investment in subsidiaries (cont'd)

Details of the Company's subsidiaries are as follows (cont'd):-

	Effective Interest		Principal Place of Business	Principal Activities
	2022	2021		
	%	%		
Held by T7 Solutions Sdn. Bhd.:				
T7 Generations Sdn. Bhd.	92.5	92.5	Malaysia	Sale of articles of clothing, articles of fur, clothing, accessories, footwear and other retail sale of new goods in specialised stores not elsewhere classified.
TCM Innovations Sdn. Bhd.	100	100	Malaysia	Provision of information communication technology system security, other information technology service activities, research and development on information communication technology.
Held by T7 Kemuncak Sdn. Bhd.:				
T7 China Construction Third Engineering Sdn. Bhd.	51	51	Malaysia	Provision of construction and civil engineering services.
Held by T7 Intelligent Resources Sdn. Bhd.				
Agensi Pekerjaan T7 Intelligent Resources Sdn. Bhd.	100	100	Malaysia	To carry on the business as private employment agency to recruit and place worker to another employer.
Held by T7 Property Sdn. Bhd.				
T7 Facility Sdn. Bhd.	100	100	Malaysia	Supply manpower for oil and gas industry, construction and metal works, fabrication, installation, piping and structure, blasting, painting and insulation.

* The financial statements of these companies are not audited by Grant Thornton Malaysia PLT.

^ No statutory audit was required as at the reporting date as the subsidiaries were remained dormant during the financial year. The Directors have consolidated the results of these subsidiaries based on their management financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

8. SUBSIDIARIES (CONT'D)

2022

Acquisition/Disposal of a subsidiary

On 30 March 2022, a wholly-owned subsidiary of the T7 Aero Sdn. Bhd., PN Network T7 Sdn. Bhd. issued 97,500 new ordinary shares which was acquired by T7 Aero Sdn. Bhd. for a cash consideration of RM97,500. Subsequently on 7 June 2022, T7 Aero Sdn. Bhd. disposed 30,000 ordinary shares representing 30% equity interest in PN Network T7 Sdn. Bhd. for a sales consideration of RM30,000.

2021

Incorporation of a subsidiary

On 26 August 2021, the Company had incorporated T7 Energy Sdn. Bhd., a wholly-owned subsidiary of the Company, with an issued and paid-up capital of RM1 comprising of 1 ordinary share.

Acquisition of a subsidiary

On 3 May 2021, a wholly-owned subsidiary of the Company, T7 Property Sdn. Bhd. acquired 1,553,000 ordinary shares representing 100% equity interest in T7 Facility Sdn. Bhd. for a total cash consideration RM2,500,000. After acquisition, T7 Facility Sdn. Bhd. become a wholly-owned subsidiary of T7 Property Sdn. Bhd..

Impact of the acquisition on the Consolidated Statements of Profit or Loss and Other Comprehensive Income

From the date of acquisition, T7 Facility Sdn. Bhd. is a dormant company and making loss of RM23,931 to the Group's profit after tax. If the contribution had taken place at the beginning of the financial year, the Group's profit after tax would have been RM12,991,630.

The fair value of the identifiable assets and liabilities of the subsidiary as at date of acquisition were as follows:-

	T7 Facility Sdn. Bhd. RM
Investment property	2,600,000
Cash and bank balance	1,053,002
Total assets	3,653,002
Other payables	(1,041,618)
Tax payable	(8,065)
Deferred tax liabilities	(160,000)
Total liabilities	(1,209,683)
Net assets assume acquired	2,443,319
Goodwill on acquisition	56,681
Cash consideration	2,500,000
Less: Cash and cash equivalents	(1,053,002)
Net cash outflows arising from acquisition of a subsidiary	1,446,998

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

8. SUBSIDIARIES (CONT'D)

2021 (cont'd)

Acquisition of non-controlling interest

- (a) On 29 January 2021, a wholly-owned subsidiary of the Company, Tanjung Offshore Services Sdn. Bhd., had acquired 245,000 ordinary shares representing 49% equity interest in T7 Intelligent Resources Sdn. Bhd. for a total cash consideration of RM245,000. After acquisition, T7 Intelligent Resources Sdn. Bhd. become a wholly-owned subsidiary of Tanjung Offshore Services Sdn. Bhd..
- (b) On 8 September 2021, the Company had made conversion of 2,500,000 of preference shares held in T7 AeroTech Sdn. Bhd. to ordinary shares that holds by the Company. After the conversion, T7 AeroTech Sdn. Bhd. became 99.99% owned subsidiary of the Company and the remaining balance of 0.01% is held by T7 Aero Sdn. Bhd..

The following summarises the effect of changes in the equity in T7 Intelligent Resources Sdn. Bhd., Agensi Pekerjaan T7 Intelligent Resources Sdn. Bhd. and T7 AeroTech Sdn. Bhd. that are attributable to owners of the Company.

	T7 Intelligent Resources Sdn. Bhd. RM	Agensi Pekerjaan T7 Intelligent Resources Sdn. Bhd. RM	T7 AeroTech Sdn. Bhd. RM	Total RM
Equity interest at 1 January 2021	1,582,854	(22,463)	(8,566,813)	(7,006,422)
Issuance of shares	–	499,999	–	499,999
Conversion of redeemable convertible preference shares	–	–	2,500,000	2,500,000
Effect of increase/(decrease) in Company's ownership interest	2,773,826	(21,583)	(3,429,041)	(676,798)
Share of comprehensive (loss)/income	(2,130,255)	(180,165)	5,411,849	3,101,429
Equity interest at 31 December 2021	2,226,425	275,788	(4,084,005)	(1,581,792)

Non-controlling interest in subsidiaries

2022

	Other individually immaterial subsidiaries
Percentage of ownership interest and voting interest (%)	7.5 - 55
Carrying amount of non-controlling interest (RM)	(612,341)
Loss allocated to non-controlling interest (RM)	(113,669)
Total comprehensive loss allocated to non-controlling interest (RM)	(112,056)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

8. SUBSIDIARIES (CONT'D)

Non-controlling interest in subsidiaries (cont'd)

2021

	Other individually immaterial subsidiaries
Percentage of ownership interest and voting interest (%)	7.5 - 55
Carrying amount of non-controlling interest (RM)	(453,704)
Profit allocated to non-controlling interest (RM)	2,456,199
Total comprehensive income allocated to non-controlling interest (RM)	2,450,846

Amount due from/(to) subsidiaries

	2022 RM	Company 2021 RM
Amount due from subsidiaries		
Non-current	93,776,373	106,366,378
Less: Allowance for ECLs	(1,268,911)	—
	92,507,462	106,366,378
Current	37,463,045	21,431,616
Less: Allowance for ECLs	(35,869,845)	(19,840,137)
	1,593,200	1,591,479
	94,100,662	107,957,857
Amount due to a subsidiary	(1)	(1)

The amount due from/(to) subsidiaries are non-trade related, unsecured, non-interest bearing and repayable on demand, except for RM93,776,373 (2021: RM106,366,378) amount due from subsidiaries subject to interest rate at 4.04% (2021: 4.01%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

8. SUBSIDIARIES (CONT'D)

Amount due from/(to) subsidiaries (cont'd)

The movements in the allowance for ECLs in respect of amount due from subsidiaries during the financial year were as follows:-

	2022 RM	Company 2021 RM
Brought forward	19,840,137	19,829,682
Charge for the financial year	17,298,619	10,455
Carried forward	37,138,756	19,840,137

The impairment loss was recognised to adjust the carrying amount of amount due from subsidiaries due to recoverable amount is lower than the carrying amount.

9. OTHER INVESTMENTS

	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
Non-current				
Quoted shares in Malaysia				
At fair value:-				
Financial assets at fair value through profit and loss	1,107,294	1,209,464	864,169	781,564
Quoted shares in overseas				
At fair value:-				
Financial assets at fair value through OCI	–	36,346	–	–
	1,107,294	1,245,810	864,169	781,564

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

10. OTHER RECEIVABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current				
Non-trade receivables (Note 10.1)	1,471,965	1,419,445	–	–
Current				
Non-trade receivables	2,127,528	1,555,554	750,000	901,270
Deposits	6,291,796	1,693,771	–	–
Deposits for purchase inventories	–	27,311,775	–	–
Prepayments	3,779,938	495,534	–	500
Proceeds from disposal of a subsidiary	–	3,227,050	–	3,227,050
Advances	6,205	–	–	–
	12,205,467	34,283,684	750,000	4,128,820
Less: Allowance for ECLs	(1,637,399)	(4,265,719)	(750,000)	(3,378,320)
	10,568,068	30,017,965	–	750,500
	12,040,033	31,437,410	–	750,500

Included in other receivables is as follow:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Rental deposits to companies in which certain Directors have interests	261,862	261,862	–	–
Amount due from non-controlling interests	195,660	750,015	–	750,000

The amount due from companies in which certain Directors have interest and non-controlling interests are non-trade related, unsecured, non-interest bearing and receivable on demand.

Other receivables that are impaired

All impaired other receivables are individually determined. The reconciliation of the allowance for ECLs is as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Brought forward	4,265,719	4,265,719	3,378,320	3,378,320
Charged for the financial year	750,000	–	750,000	–
Written off	(3,378,320)	–	(3,378,320)	–
Carried forward	1,637,399	4,265,719	750,000	3,378,320

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

10. OTHER RECEIVABLES (CONT'D)

10.1 The carrying amount of non-current of non-trade receivable is as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current				
Gross non-trade receivable				
- later than 1 year but not later than 5 years	1,636,511	1,636,511	—	—
Fair value adjustment calculated based on cash flows discounted using weighted average effective interest rate	(164,546)	(217,066)	—	—
Present value of non-trade receivable	1,471,965	1,419,445	—	—

The reconciliation of movements to fair value adjustment for the non-trade receivable is as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Brought forward	(217,066)	(267,711)	—	—
Unwinding interest on non-trade receivable carried at amortised cost	52,520	50,645	—	—
Carried forward	(164,546)	(217,066)	—	—

11. CASH AND BANK BALANCES, DEPOSITS AND PLACEMENTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current				
Deposits with licensed banks	4,116,254	3,589,596	—	—
Current				
Cash and bank balances	15,425,918	46,052,241	392,746	1,157,892
Deposits with licensed banks	17,620,685	47,283,824	—	—
	33,046,603	93,336,065	392,746	1,157,892
	37,162,857	96,925,661	392,746	1,157,892

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

11. CASH AND BANK BALANCES, DEPOSITS AND PLACEMENTS (CONT'D)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Presented in statements of financial position	37,162,857	96,925,661	392,746	1,157,892
Less: Deposits with licensed banks	(19,120,760)	(37,060,661)	–	–
Less: Collection account	(805,450)	–	–	–
Less: Bank overdrafts	(15,123,583)	(18,679,997)	–	–
Presented in statements of cash flows	2,113,064	41,185,003	392,746	1,157,892

Included in deposits with licensed banks of the Group with carrying amount of RM19,120,760 (2021: RM37,060,661) have been pledged to banks for banking facilities granted to the subsidiaries.

Included in deposits with licensed banks of the Group with carrying amount of RM805,450 (2021: RMNil) is held as collection account to obtain banking facilities and hence, are not available for general use.

The interest rates of the deposits with licensed banks of the Group ranging from 1.30% to 3.05% (2021: 1.30% to 5.00%) per annum and matured within a year.

12. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2022 RM	2021 RM
Brought forward	12,665,568	15,348,363
Acquisition of a subsidiary	–	(160,000)
Recognised in profit or loss	(8,754,253)	(2,522,795)
Carried forward	3,911,315	12,665,568
Presented after appropriate offsetting as follows:-		
Deferred tax assets	4,764,900	12,963,000
Deferred tax liabilities	(853,585)	(297,432)
	3,911,315	12,665,568

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

(a) The components and movement of deferred tax assets and liabilities are as follows:-

Deferred tax assets

Group	Property, plant and equipment RM	Right-of-use assets RM	Investment properties RM	Unabsorbed capital allowances RM	Unutilised tax losses RM	Unrealised foreign exchange RM	Allowance for impairment RM	Contract liability RM	Total RM
At 1 January 2021	1,183,000	10,000	-	6,676,000	7,268,000	-	1,085,000	-	16,222,000
Recognised in profit or loss	(1,435,000)	29,000	(5,000)	(1,798,000)	192,000	-	(242,000)	-	(3,259,000)
At 31 December 2021	(252,000)	39,000	(5,000)	4,878,000	7,460,000	-	843,000	-	12,963,000
Recognised in profit or loss	252,000	(39,000)	5,000	(4,175,100)	(3,800,000)	-	(441,000)	-	(8,198,100)
At 31 December 2022	-	-	-	702,900	3,660,000	-	402,000	-	4,764,900

Deferred tax liabilities

Group	Property, plant and equipment RM	Right-of-use assets RM	Investment properties RM	Unabsorbed capital allowances RM	Unutilised tax losses RM	Unrealised foreign exchange RM	Allowance for impairment RM	Contract liability RM	Total RM
At 1 January 2021	(897,483)	(30,957)	(30,000)	76,803	-	-	-	8,000	(873,637)
Acquisition of a subsidiary	-	-	(160,000)	-	-	-	-	-	(160,000)
Recognised in profit or loss	(397,454)	5,897	-	(70,204)	1,171,000	34,966	-	(8,000)	736,205
At 31 December 2021	(1,294,937)	(25,060)	(190,000)	6,599	1,171,000	34,966	-	-	(297,432)
Recognised in profit or loss	(2,999,212)	128,060	(568,000)	267,006	1,295,000	(34,966)	1,345,959	-	(556,153)
At 31 December 2022	(4,294,149)	103,000	(748,000)	273,605	2,466,000	-	1,345,959	-	(853,585)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

- (b) Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the subsidiaries can utilise the benefits therefrom.

	2022 RM	Group 2021 RM
Property, plant and equipment	–	1,068
Unabsorbed capital allowances	7,220,153	2,802,346
Unutilised tax losses	27,951,670	21,261,437
Allowance for impairment	6,004,147	4,825,279
	41,175,970	28,890,130

The Group's unabsorbed capital allowances and unutilised tax losses amounting to RM7,220,153 and RM27,951,670 (2021: RM2,802,346 and RM21,261,437) respectively can be carried forward to offset against future taxable profits.

Effective Year of Assessment ("YA") 2019 as announced in the Annual Budget 2022, the unutilised tax losses of the Company as of 31 December 2022 and thereafter will only be available for carry forward for a period of 10 consecutive years, the unutilised tax losses will be disregarded.

The expiry of the unutilised tax losses is as follows:-

	2022 RM	Group 2021 RM
Year of assessment		
2028	10,833,784	10,833,784
2029	1,110,649	271,890
2030	6,920,319	8,752,651
2031	4,514,472	1,403,112
2032	4,572,446	–
	27,951,670	21,261,437

NOTES TO THE FINANCIAL STATEMENTS

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13. INVENTORIES

	2022 RM	Group 2021 RM
Trading goods	7,380,367	12,136,985
Work-in-progress	104,368,124	55,380,420
	111,748,491	67,517,405
Recognised in profit or loss:-		
Inventories recognised as cost of sales	225,279,482	175,205,434

14. TRADE RECEIVABLES

	2022 RM	Group 2021 RM
Trade receivables	91,873,747	106,330,587
Retention sum	3,914,334	3,914,334
	95,788,081	110,244,921
Less: Allowance for ECLs	(14,271,462)	(9,653,752)
	81,516,619	100,591,169

Trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition. Interest is charged on overdue accounts at 1.50% (2021: 1.50%) per month.

The credit term granted by the Group to trade receivables range from 7 to 90 days (2021: 7 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Included in the trade receivables are as follows:-

	2022 RM	Group 2021 RM
Amount due from companies in which certain Directors have interest	5,533,827	26,356,217

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

14. TRADE RECEIVABLES (CONT'D)

The movements in the allowance for ECLs in respect of trade receivables during the financial year were as follows:-

Group	Individually impaired RM	Collectively impaired RM	Total RM
At 1 January 2021	6,138,111	950,730	7,088,841
Charge for the financial year	2,216,767	3,543,099	5,759,866
Reversal of ECLs	(806,080)	(376,716)	(1,182,796)
Written off	(2,012,159)	–	(2,012,159)
At 31 December 2021	5,536,639	4,117,113	9,653,752
Charge for the financial year	6,495,829	1,193,450	7,689,279
Reversal of ECLs	(649,669)	(2,421,868)	(3,071,537)
Written off	(32)	–	(32)
At 31 December 2022	11,382,767	2,888,695	14,271,462

15. CONTRACT ASSETS/(LIABILITIES)

	2022 RM	Group 2021 RM
Contract assets	16,560,229	60,024,974
Contract liabilities		
Deferred income	(5,400)	(8,638,591)
Deposits received	–	(4,170,002)
	(5,400)	(12,808,593)

Contract assets

The contract assets primarily relate to the Group's rights to consideration for work completed on supply on manpower services but not yet billed at the reporting date. Typically, the amount will be billed within 30 to 90 days (2021: 30 days to 90 days) and payment is expected within 30 to 60 days (2021: 30 to 60 days).

Deferred income

Deferred income represents the advance billing issued to customer for rental of equipment.

Deposits received

Deposits received relate to deposits made by customers for the construction projects which is partially performed or have yet to perform by the Group as at the reporting date. The Group applies the practical expedient in MFRS 15 on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a contract that has an original expected duration of less than one year.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

16. SHARE CAPITAL

	Group and Company Number of ordinary shares		Group and Company Amount	
	2022 Unit	2021 Unit	2022 RM	2021 RM
Issued and fully paid with no par value:-				
At 1 January	757,054,856	531,854,856	249,949,521	167,751,521
Issued during the financial year				
- Private placement	–	225,200,000	–	82,198,000
At 31 December	757,054,856	757,054,856	249,949,521	249,949,521

At the end of the reporting date, 17,348,800 (2021: 17,348,800) unit of ordinary shares are held by the Company as treasury shares (Note 17 to the financial statements), and number of outstanding ordinary shares issued and fully paid (excluding treasury shares) is 739,706,056 (2021: 739,706,056) units.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Company, all rights are suspended until those shares are reissued.

17. TREASURY SHARES

There were no repurchase and resale of treasury shares during the financial year.

At the end of the reporting date, the Group and the Company held 757,054,856 (2021: 757,054,856) of the Company's shares and number of ordinary shares after setting off against treasury shares is 739,706,056 (2021: 739,706,056).

18. RESERVES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-distributable:-				
Fair value reserve	20,990	47,985	20,990	20,990
Revaluation reserve	6,047,566	191,059	–	–
Capital reserve	18,296,517	18,296,517	57,026,993	57,026,993
Foreign currency translation reserve	(8,560)	(6,067)	–	–
	24,356,513	18,529,494	57,047,983	57,047,983

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

18. RESERVES (CONT'D)

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity designated at fair value through other comprehensive income until the assets are derecognised or impaired.

Revaluation reserve

Revaluation reserve arising from revaluation of properties are not available for distribution as dividends.

Capital reserve

The capital reserve included all the changes in the Group's ownership interest in a subsidiary that do not result in a loss of control and capital reduction.

Foreign currency translation reserve

The foreign currency translation reserve arose from the exchange differences on the translation of foreign operations.

19. LEASE LIABILITIES

	2022	Group
	RM	2021
		RM
Represented by:-		
Non-current	11,705,859	5,092,068
Current	4,359,855	2,711,766
	<hr/> 16,065,714	<hr/> 7,803,834

The maturity analysis of lease liabilities is disclosed in Note 35 to the financial statements.

The Group's total cash outflows for leases amounting to RM5,246,540 (2021: RM3,311,430).

The effective interest rates of the lease liabilities are ranging from 2.93% to 7.96% (2021: 2.93% to 6.89%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

20. BORROWINGS

	2022 RM	Group 2021 RM
Non-current		
Secured:-		
Term loans	349,871,284	19,930,584
Unsecured:-		
Fixed loans	3,143,975	8,911,543
Term loans	658,162	263,999,507
Invoice financing	32,759,307	—
Trust receipts	3,317,332	—
	389,750,060	292,841,634
Current		
Secured:-		
Term loans	20,055,330	1,551,989
Unsecured:-		
Bankers' acceptances	13,313,231	16,696,918
Fixed loans	5,767,570	5,375,779
Invoice financing	153,667,864	56,879,734
Revolving credit	27,300,000	14,700,000
Term loans	312,254	300,273
Bank overdrafts	15,123,583	18,679,997
Trust receipts	12,879,860	29,131,715
	248,419,692	143,316,405
	638,169,752	436,158,039

The above borrowings are secured by means of the followings:-

- i) A legal charge over the Group's certain property, plant and equipment;
- ii) A legal charge over the Group's leasehold land and buildings;
- iii) A legal charge over the capital work-in-progress of the Group;
- iv) Against assignment of insurance policy of a Director of its subsidiary and a subsidiary;
- v) Against assignment of contract payment/proceeds of subsidiaries;
- vi) Against future income of a subsidiary;
- vii) Against letter of undertaking of the Company;
- viii) Certain deposits with licensed banks of subsidiaries;
- ix) Charge over shares of a subsidiary;
- x) Corporate guarantee by a subsidiary; and
- xi) Corporate guarantee by the Company.

The borrowings bear interest rates ranging from 1.90% to 7.57% (2021: 1.85% to 6.57%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

21. GOVERNMENT GRANTS

	2022 RM	Group 2021 RM
At cost		
At 1 January	6,524,040	6,217,057
Additions	–	306,983
At 31 December	6,524,040	6,524,040
Accumulated amortisation		
At 1 January	1,739,478	1,351,540
Charge for the financial year	248,548	387,938
At 31 December	1,988,026	1,739,478
Net carrying amount	4,536,014	4,784,562
	2022 RM	Group 2021 RM
Current		
Amortised within the next 12 months	248,548	517,250
Non-current		
Amortised after the next 12 months	4,287,466	4,267,312
	4,536,014	4,784,562

The government grant received is in respect of the purchase of an asset and training expenses incurred under the scheme of Malaysia Investment Development Authority ("MIDA") by the government principal agency for promotion of the Metal Surface Treatment for Aerospace in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. TRADE PAYABLES

	2022 RM	Group 2021 RM
Trade payables	42,988,503	52,849,051
Retention sum	456,946	13,289
	43,445,449	52,862,340

The normal trade credit terms granted to the Group range from 30 to 90 days (2021: 30 to 90 days).

Included in trade payables is as follows:-

	2022 RM	Group 2021 RM
Amount due to companies in which certain Directors have interests	5,370,082	675,558

23. OTHER PAYABLES

	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
Non-trade payables	25,159,163	24,374,434	122,222	130,274
Accrued expenses	9,756,748	22,785,442	60,352	64,850
Deposits received	586,600	544,571	–	–
SST payable	745,645	614,860	–	–
	36,248,156	48,319,307	182,574	195,124

Included in other payables are as follow:-

	2022 RM	Group 2021 RM
Amount due to non-controlling interest	21,237,000	22,870,000
Amount due to companies in which certain Directors have interest	502,364	114,995

In financial year 2020, the Group entered into an agreement for the acquisition of its entire equity interest in a subsidiary, T7 Wenmax Sdn. Bhd. via a management buy-out for a total consideration of RM39,200,000. The outstanding amounting to RM21,237,000 (2021: RM22,870,000) will be repayment by installments.

The amounts due to non-controlling interest and companies in which certain Directors have interest are non-trade related, unsecured, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

24. REVENUE

24.1 Disaggregated Revenue Information

	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
<u>Revenue from contract with customers:-</u>				
Rendering of services	205,657,782	186,162,562	–	–
Supply of manpower	49,621,158	47,676,692	–	–
Installation services	69,098,220	2,325,672	–	–
Sales of goods	38,038,965	68,575,437	–	–
<u>Other revenue:-</u>				
Dividend income	7,406	7,406	7,406	3,507,406
Rental income	546,501	747,763	–	–
Management fee	–	–	1,200,000	1,200,000
	362,970,032	305,495,532	1,207,406	4,707,406
<u>Timing of revenue recognition:-</u>				
At a point in time	38,046,371	68,582,843	7,406	3,507,406
Over time	324,923,661	236,912,689	1,200,000	1,200,000
	362,970,032	305,495,532	1,207,406	4,707,406

24.2 Geographical Market

The Group's and the Company's revenue information based on geographical location are as follows:-

	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
Malaysia	356,686,811	262,411,214	1,207,406	4,707,406
Southeast Asia other than Malaysia	6,283,221	43,084,318	–	–
	362,970,032	305,495,532	1,207,406	4,707,406

24.3 Performance obligations

Information about the Group's performance obligations are summarised below:-

Rendering of services, supply of manpower and installation services

The performance obligation is satisfied over-time and payment is generally due upon completion of installation and acceptance of the customer. In some contracts, short-term advances are required before the installation service is provided.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

24. REVENUE (CONT'D)

24.3 Performance obligations (cont'd)

Rendering of services, supply of manpower and installation services (cont'd)

Contract value yet to be recognised as revenue

As at the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of the Group is RM457,146,261 (2021: RM218,938,825). The Group expected to recognise this revenue over the next 12 to 36 months.

Sales of goods

The performance obligation is satisfied at a point in time and payment is generally due upon completion of services performed.

25. FINANCE INCOME

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest income:				
- Cash at bank	332,392	444,135	405	22,182
- Fixed deposit	466,302	639,136	—	—
- Subsidiaries	—	—	4,110,469	2,479,324
- Overdue interest	—	222,650	—	—
- Unwinding interest on non-trade receivable carried at amortised cost	52,520	50,645	—	—
	851,214	1,356,566	4,110,874	2,501,506

26. FINANCE COSTS

	Group	
	2022 RM	2021 RM
Interest expenses:		
- Bankers' acceptances	488,055	652,418
- Bank guarantees	102,864	8,662
- Fixed loans	742,284	407,696
- Invoice financing	5,138,097	2,420,216
- Lease liabilities	526,269	359,857
- Letter of credit	86,115	163,626
- Revolving credit	903,741	222,246
- Trust receipts	168,831	86,668
- Term loans	1,047,660	945,101
- Loss on non-trade payable carried at amortised cost	—	280,997
- Overdrafts	326,412	96,807
	9,530,328	5,644,294

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

27. PROFIT BEFORE TAX

Profit before tax has been determined after charging/(crediting), amongst other, the following items:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration:-				
Grant Thornton Malaysia PLT:				
- Statutory audit	439,900	342,100	79,000	55,000
- Other services	-	8,000	-	-
Other external auditors	9,477	1,290	-	-
Amortisation of intangible assets	-	2	-	-
Amortisation of government grants	(248,548)	(387,938)	-	-
Depreciation of property, plant and equipment	5,329,354	5,598,206	-	-
Depreciation of right-of-use assets	2,755,563	2,021,532	-	-
Directors' fees	641,750	655,250	221,750	235,250
Dividend income	(7,406)	(7,406)	(7,406)	(3,507,406)
Fair value gain on investment properties	(1,749,227)	(150,000)	-	-
Loss on disposal of property, plant and equipment	-	20,000	-	-
Impairment loss of ECLs:				
- Trade receivables	7,689,279	5,759,866	-	-
- Amount due from subsidiaries	-	-	17,298,619	10,455
- Other receivables	750,000	-	750,000	-
Impairment loss on:				
- Investment in subsidiaries	2,306,110	-	3,104,041	1,519,280
- Intangible assets	-	56,681	-	-
Net fair value loss/(gain) on other investments	102,170	241,614	(82,605)	202,714
Net realised loss/(gain) on foreign exchange	6,673,720	2,244,206	(9,623)	(11,800)
Net unrealised (gain)/loss on foreign exchange	(962,933)	1,139,931	-	-
Reversal of ECLs:				
- Trade receivables	(3,071,537)	(1,182,796)	-	-
Reversal of impairment loss:				
- Investment in a subsidiary	-	-	(35,958,694)	(4,857,488)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

28. TAX EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax				
- Current financial year	4,276,589	3,649,781	1,068,880	711,420
- Under/(Over) provision in prior financial year	428,502	(192,723)	89,482	(5,221)
	4,705,091	3,457,058	1,158,362	706,199
Deferred tax				
- Current financial year	9,550,053	2,521,276	–	–
- (Over)/Under recognised in prior financial year	(795,800)	1,519	–	–
	8,754,253	2,522,795	–	–
	13,459,344	5,979,853	1,158,362	706,199

Malaysian income tax is calculated at the statutory tax rate 24% (2021: 24%) of the estimated taxable profit for the financial year.

Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.

The numerical reconciliation between the average effective tax rate and the statutory tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before tax	33,698,311	18,995,414	18,913,957	9,153,876
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	8,087,595	4,558,900	4,539,350	2,196,930
Tax effects in respect of:-				
Expenses not deductible for tax purposes	3,813,156	3,459,955	4,438,559	548,197
Income not subject to tax	(1,206,710)	(1,059,581)	(7,909,029)	(2,033,707)
Movement of deferred tax assets not recognised	2,948,601	(788,217)	–	–
(Over)/Under recognised deferred tax in prior financial year	(795,800)	1,519	–	–
Under/(Over) provision of tax expense in prior financial year	428,502	(192,723)	89,482	(5,221)
Changes in real property gain tax rate	184,000	–	–	–
	13,459,344	5,979,853	1,158,362	706,199

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

29. DIVIDENDS

	Group and Company	
	2022	2021
	RM	RM
In respect of the financial year ended 31 December 2021:-		
First interim single tier dividend of RM0.005 per ordinary share, paid on 8 October 2021	–	3,082,530

The Directors do not recommend any final dividend payment for the previous financial year.

30. EARNINGS PER SHARE

(a) Basic earnings per ordinary shares

Basic earnings per share are calculated by dividing profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares and including mandatorily convertible instruments held by the Company.

Profits attributable to ordinary shares

	2022	Group	2021
	RM		RM
Profit used for the computation of basic/diluted			
- Profit attributable to equity holders of the Company	20,352,636		10,559,362

Weighted average number of ordinary shares in issue

	2022	Group	2021
	RM		RM
Weighted average number of ordinary shares after deducting treasury shares used for the computation of basic	739,706,056		626,773,061
Basic earnings per ordinary shares	2.75		1.68

(b) Diluted

There are no diluted earnings per share because the Company does not have any convertible financial instruments as at the end of the year.

NOTES TO THE FINANCIAL STATEMENTS

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31. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Salaries, wages and other emoluments	17,449,426	12,783,945	124,672	136,976
Defined contribution plans	3,556,268	2,561,224	—	—
	21,005,694	15,345,169	124,672	136,976

Included in the employee benefit expenses is the Directors' remuneration as below:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Existing Directors of the Company				
Salaries, wages and other emoluments	2,570,862	2,108,000	—	—
Defined contribution plans	612,493	252,960	—	—
	3,183,355	2,360,960	—	—
Past Director of a subsidiary				
Salaries, wages and other emoluments	—	162,000	—	—
Defined contribution plans	—	19,440	—	—
	—	181,440	—	—
	3,183,355	2,542,400	—	—

32. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 22 December 2016, the Company's shareholders approved the establishment of ESOS for the eligible Directors and employees of the Group. The ESOS shall be in force for a period of ten (10) years commencing from 28 March 2017 and will expire on 27 March 2027.

The salient features of the ESOS are as follows:-

- the maximum number of new shares of the Company which may be issued and allotted pursuant to the exercise of the share options shall not in aggregate exceed ten percent (10%) of the issued and paid-up share capital of the Company at any point of time during the duration of the ESOS.
- any employee (including Executive Directors) shall be eligible to participate in the ESOS if, as at the date of offer, that person is at least eighteen (18) years of age or above and is employed full time.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

32. EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

The salient features of the ESOS are as follows (cont'd):-

- (c) not more than ten per centum (10%) (or such percentage as allowable by the relevant authorities) of the shares available under the ESOS should be allocated to any individual director or employee who, either singly or collectively through his/her associates, holds twenty per centum (20%) or more in the issued and paid-up share capital of the Company.
- (d) the option price shall be the higher of either the 5-day weighted average market price of the Company's shares at the date of offer, with a discount of not more than 10% as may be permitted by relevant authorities from time to time during the duration of the ESOS or the par value of the Company's share.
- (e) options are exercisable, in whole or in part (provided that an Option is exercised in part in respect of 100 shares or any multiple thereof) as follows:-

Maximum Percentage of Options Exercisable from Acceptance Date				
Year 1	Year 2	Year 3	Year 4	Year 5
20%	40%	60%	80%	100%
Year 6	Year 7	Year 8	Year 9	Year 10
100%	100%	100%	100%	100%

- (f) the options shall not carry any voting rights at any general meeting of the Company and shall not be entitled to any dividends, rights and/or other distributions.
- (g) the new shares to be allotted and issued upon exercise of any option shall upon allotment rank pari passu in all respects with the existing shares of the Company.

The ESOS has not been granted since 22 December 2016.

33. RELATED PARTY DISCLOSURES

The Group and the Company have related party relationship with its significant investors, subsidiaries, Directors and key management personnel.

33.1 Transactions with related parties:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Rental expenses paid to companies in which certain Directors have interest	1,277,570	1,270,570	—	—
Management fee charged to a subsidiary	—	—	1,200,000	1,200,000
Interest income charged to subsidiaries	—	—	4,110,469	2,479,324
Sales to companies in which certain Directors have interest	2,955,754	37,206,950	—	—

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

33. RELATED PARTY DISCLOSURES (CONT'D)

33.1 Transactions with related parties (cont'd):-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Purchase from companies in which certain Directors have interest	4,572,595	5,267,090	—	—
Purchase from a company in which certain Directors have interest - capitalised in property, plant and equipment	916,316	667,506	—	—
Payment made on behalf and reimbursed from companies in which certain Directors have interest	83,481	74,308	—	—
Administrative expense charged by a company in which certain Directors have interest	30,278	—	—	—
Advance to subsidiaries	—	—	20,620,492	93,752,915
Payment made on behalf and reimbursed to subsidiaries	—	—	19,289	41,566
Payment made on behalf and reimbursed from subsidiaries	—	—	1,735,380	518,723

The Group and the Company undertakes the above transactions on agreed terms and prices with its related parties in the normal course of business.

The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 8, 10, 14, 22 and 23 to the financial statements.

The Directors are of the opinion that all the transactions above have been entered into the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly and entity that provides key management personnel services to the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

33. RELATED PARTY DISCLOSURES (CONT'D)

33.2 Compensation of key management personnel

Key management includes all the Directors of the Company and its subsidiaries and certain members of senior management of the Group and of the Company.

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors' fees	641,750	655,250	221,750	235,250
Salaries and other emoluments	3,460,862	2,270,000	–	–
Defined contribution plans	720,295	272,400	–	–
	4,822,907	3,197,650	221,750	235,250

34. OPERATING SEGMENTS

General information

The information reported to the Group's chief operating decision maker to make decisions about resources to be allocated and for assessing their performance is based on the nature of the activities of the Group. The Group's operating segments are as follows:-

Products and services segment : Rendering of services, repair, maintenance and installation, sales of products and services and supply of manpower.

Engineered packages segment : Rendering of services, repair, maintenance and installation services of engineered packages.

Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements. Transactions between reportable segments are measured on the basis that is similar to those external customers. There are no significant changes from prior financial year in the measurement methods used to determine reported segment results.

All the Group's assets are allocated to reportable segments other than assets used centrally for the Group and current and deferred tax assets. Jointly used assets are allocated on the basis of the revenues earned by individual segments.

All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current and deferred tax liabilities. Jointly incurred liabilities are allocated in proportion to the segment assets.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

34. OPERATING SEGMENTS (CONT'D)

Analysis of the Group's revenue, results, assets, liabilities and other information by operating segment are shown below:-

Group 2022	Product and services RM	Engineered packages RM	Total RM	Eliminations RM	Note	Consolidated RM
Revenue						
External revenue	360,722,634	2,247,398	362,970,032	-		362,970,032
Intersegment revenue	5,820,503	72,412,065	78,232,568	(78,232,568)	A	-
Total revenue	366,543,137	74,659,463	441,202,600	(78,232,568)		362,970,032
Results						
Segment profit/(loss)	47,033,580	2,883,007	49,916,587	(20,998,506)	B	28,918,081
Finance income	14,706,943	93	14,707,036	(13,855,822)		851,214
Finance costs	(17,576,146)	(2,586,740)	(20,162,886)	10,632,558		(9,530,328)
Depreciation and amortisation	(5,086,631)	(2,189,533)	(7,276,164)	(560,205)		(7,836,369)
Tax expense	(13,469,426)	10,082	(13,459,344)	-		(13,459,344)
Other non-cash expenses	(2,212,643)	(545,109)	(2,757,752)	-	C	(2,757,752)
Assets						
Segment assets	1,732,296,372	75,435,760	1,807,732,132	(785,325,732)	D	1,022,406,400
Additions to non-current assets other than financial instruments	293,645,061	48,396	293,693,457	-	E	293,693,457
Liabilities						
Segment liabilities	(631,344,949)	(30,934,032)	(662,278,981)	582,579,976	F	(79,699,005)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

34. OPERATING SEGMENTS (CONT'D)

Analysis of the Group's revenue, results, assets, liabilities and other information by operating segment are shown below (cont'd):-

Group (cont'd) 2021	Product and services RM	Engineered packages RM	Total RM	Eliminations RM	Note	Consolidated RM
Revenue						
External revenue	270,832,088	34,663,444	305,495,532	–		305,495,532
Intersegment revenue	57,572,884	2,074,439	59,647,323	(59,647,323)	A	–
Total revenue	328,404,972	36,737,883	365,142,855	(59,647,323)		305,495,532
Results						
Segment profit/(loss)	24,273,447	1,661,674	25,935,121	(8,631,832)	B	17,303,289
Finance income	16,353,544	–	16,353,544	(14,996,978)		1,356,566
Finance costs	(19,609,315)	(1,342,583)	(20,951,898)	15,307,604		(5,644,294)
Depreciation and amortisation	(4,136,365)	(2,536,852)	(6,673,217)	(558,585)		(7,231,802)
Tax expense	(5,931,270)	(460,852)	(6,392,122)	412,269		(5,979,853)
Other non-cash expenses	(4,524,654)	(1,360,642)	(5,885,296)	–	C	(5,885,296)
Assets						
Segment assets	1,500,640,781	118,326,094	1,618,966,875	(806,843,498)	D	812,123,377
Additions to non-current assets other than financial instruments	185,280,393	48,396	185,328,789	–	E	185,328,789
Liabilities						
Segment liabilities	(671,143,002)	(70,891,097)	(742,034,099)	628,043,859	F	(113,990,240)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

34. OPERATING SEGMENTS (CONT'D)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

- A. Intersegment revenues are eliminated on consolidation.
- B. The following items are added to/(deducted from) segment profit to arrive at "profit after tax" presented in the profit or loss:-

	2022 RM	2021 RM
Segment profit	28,918,081	17,303,289
Finance income	851,214	1,356,566
Finance costs	(9,530,328)	(5,644,294)
Profit after tax	20,238,967	13,015,561

- C. Other major non-cash income/(expenses) consist of the following items as presented in the respective notes to the financial statements:-

	2022 RM	2021 RM
Impairment loss on ECLs:		
- Trade receivables	(7,689,279)	(5,759,866)
- Other receivables	(750,000)	—
Impairment on intangible assets	—	(56,681)
Loss on disposal of property, plant and equipment	—	(20,000)
Net fair value loss on other investments	(102,170)	(241,614)
Net fair value gain on investment properties	1,749,227	150,000
Reversal of ECLs:		
- Trade receivables	3,071,537	1,182,796
Unrealised gain/(loss) on foreign exchange	962,933	(1,139,931)
	(2,757,752)	(5,885,296)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

34. OPERATING SEGMENTS (CONT'D)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd):-

- D. The following items are added to segment assets to arrive at total assets reported in the statements of financial position:-

	2022 RM	2021 RM
Segment assets	1,022,406,400	812,123,377
Deferred tax assets	4,764,900	12,963,000
Tax recoverable	5,710,017	4,199,435
Total assets	1,032,881,317	829,285,812

- E. Additions to non-current assets other than financial instruments and deferred tax assets consist of:-

	2022 RM	2021 RM
Property, plant and equipment	281,982,793	181,232,469
Right-of-use assets	11,710,664	4,096,320
	293,693,457	185,328,789

- F. The following items are added to segment liabilities to arrive at total liabilities reported in the statements of financial position:-

	2022 RM	2021 RM
Segment liabilities	(79,699,005)	(113,990,240)
Lease liabilities	(16,065,714)	(7,803,834)
Borrowings	(638,169,752)	(436,158,039)
Government grants	(4,536,014)	(4,784,562)
Tax payable	(1,572,282)	(392,307)
Deferred tax liabilities	(853,585)	(297,432)
Total liabilities	(740,896,352)	(563,426,414)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

34. OPERATING SEGMENTS (CONT'D)

Geographical information

The Group's revenue and non-current assets information based on geographical location are as follows:-

	Revenue		Non-current assets	
	2022 RM	2021 RM	2022 RM	2021 RM
Malaysia*	356,686,811	262,411,214	773,730,917	473,598,391
Southeast Asia other than Malaysia	6,283,221	43,084,318	373	408
	362,970,032	305,495,532	773,731,290	473,598,799

* Company's home country

Non-current assets information presented above consist of the following items as presented in the statements of financial position:-

	Group	
	2022 RM	2021 RM
Property, plant and equipment	711,909,215	422,223,614
Right-of-use assets	34,161,662	25,206,561
Investment properties	16,200,000	6,950,773
Intangible assets	—	—
Other investments	1,107,294	1,245,810
Other receivable	1,471,965	1,419,445
Cash and bank balances, deposits and placements	4,116,254	3,589,596
Deferred tax assets	4,764,900	12,963,000
	773,731,290	473,598,799

Major customers

The following are major customers with revenue equal or more than 10 percent of the Group's revenue:-

Group	RM	%	Operating Segment
<u>2022</u>			
Customer A	96,355,802	27	Product and services.
Customer B	43,616,680	12	Product and services.
Customer C	41,061,004	11	Product and services.
<u>2021</u>			
Customer A	76,612,018	25	Product and services.
Customer B	39,867,418	13	Product and services.
Customer C	32,801,385	11	Product and services.
Customer D	31,633,155	10	Product and services.

NOTES TO THE FINANCIAL STATEMENTS

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35. FINANCIAL INSTRUMENTS

35.1 Category of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

- (i) Fair value through other comprehensive income ("FVOCI");
- (ii) Fair value through profit or loss designated upon initial recognition ("FVTPL"); and
- (iii) Amortised cost ("AC").

Group	Carrying amount RM	FVOCI RM	FVTPL RM	AC RM
2022				
Financial assets				
Trade receivables	81,516,619	–	–	81,516,619
Other receivables	8,260,095	–	–	8,260,095
Cash and bank balances, deposits and placements	37,162,857	–	–	37,162,857
Other investments	1,107,294	–	1,107,294	–
	128,046,865	–	1,107,294	126,939,571
Financial liabilities				
Trade payables	43,445,449	–	–	43,445,449
Other payables	35,502,511	–	–	35,502,511
Borrowings	638,169,752	–	–	638,169,752
	717,117,712	–	–	717,117,712
2021				
Financial assets				
Trade receivables	100,591,169	–	–	100,591,169
Other receivables	30,941,876	–	–	30,941,876
Cash and bank balances, deposits and placements	96,925,661	–	–	96,925,661
Other investments	1,245,810	36,346	1,209,464	–
	229,704,516	36,346	1,209,464	228,458,706
Financial liabilities				
Trade payables	52,862,340	–	–	52,862,340
Other payables	47,704,447	–	–	47,704,447
Borrowings	436,158,039	–	–	436,158,039
	536,724,826	–	–	536,724,826

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 Category of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):-

- (i) Fair value through other comprehensive income ("FVOCI");
- (ii) Fair value through profit or loss designated upon initial recognition ("FVTPL"); and
- (iii) Amortised cost ("AC").

Company	Carrying amount RM	FVOCI RM	FVTPL RM	AC RM
2022				
Financial assets				
Amount due from subsidiaries	94,100,662	—	—	94,100,662
Cash and bank balances, deposits and placements	392,746	—	—	392,746
Other investments	864,169	—	864,169	—
	95,357,577	—	864,169	94,493,408
Financial liabilities				
Other payables	182,574	—	—	182,574
Amount due to a subsidiary	1	—	—	1
	182,575	—	—	182,575
2021				
Financial assets				
Other receivable	750,000	—	—	750,000
Amount due from subsidiaries	107,957,857	—	—	107,957,857
Cash and bank balances, deposits and placements	1,157,892	—	—	1,157,892
Other investments	781,564	—	781,564	—
	110,647,313	—	781,564	109,865,749
Financial liabilities				
Other payables	195,124	—	—	195,124
Amount due to a subsidiary	1	—	—	1
	195,125	—	—	195,125

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

35.2 Net gains and losses arising from financial instruments

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<u>Net gains/(losses) on:-</u>				
Financial assets at FVOCI				
- recognised in other comprehensive income	973	107,280	—	—
Financial assets at FVTPL				
- recognised in profit or loss	(102,170)	(241,614)	82,605	(202,714)
Financial assets at AC				
- recognised in profit or loss	5,367,742	(4,577,070)	(18,048,619)	(10,455)

35.3 Financial risk management

The Group and the Company are mainly exposed to credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk. The Group and the Company have formal risk management policies and guidelines, as approved by the Board of Directors, which set out its overall business strategies, its tolerance for risks and its general risk management philosophy. Such policies are monitored and undertaken by the management.

The following sections explain key risks faced by the Group and the Company and its management. Financial assets and liabilities of the Group and of the Company are summarised in Note 3.8 to the financial statements.

35.3.1 Credit risk

Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in financial loss to the Group and the Company. For other financial assets, the Company adopts the policy of dealing with reputable institutions.

Following are the areas where the Group and the Company are exposed to credit risk.

Exposure to credit risk

Maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of financial assets recognised at reporting date as summarised below:-

	2022 RM	Group 2021 RM
Classes of financial assets:-		
Trade receivables	81,516,619	100,591,169
Other receivables	8,260,095	30,941,876
Contract assets	16,560,229	60,024,974
Cash and bank balances, deposits and placements	37,162,857	96,925,661
	143,499,800	288,483,680

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 Financial risk management (cont'd)

35.3.1 Credit risk (cont'd)

Exposure to credit risk (cont'd)

Maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of financial assets recognised at reporting date as summarised below (cont'd):-

	2022	Company
	RM	2021
		RM
Classes of financial assets:-		
Other receivable	–	750,000
Amount due from subsidiaries	94,100,662	107,957,857
Cash and bank balances, deposits and placements	392,746	1,157,892
	94,493,408	109,865,749

Credit risk concentration

The credit risk concentration profile by geographical on trade receivables of the Group as at the reporting date is as follows:-

	2022	Group
	RM	2021
		RM
By country:-		
Malaysia	79,655,861	79,675,898
United Arab Emirates	–	1,220,554
Southeast Asia other than Malaysia	1,860,758	19,694,717
	81,516,619	100,591,169

The Group determines concentration of credit risk by comparing the amount due from each individual customer against the total trade receivables and contract assets. The credit risk concentration profile of the Group's trade receivable and contract assets at the reporting date is as follows:-

Group	2022	2022	2021	2021
	RM	%	RM	%
<u>Trade receivables</u>				
Customer A	17,648,756	18	23,185,227	23
Customer B	14,603,164	15	18,317,445	18
Customer C	13,504,832	14	11,773,556	12
<u>Contract assets</u>				
Customer A	16,457,188	99	59,036,090	98

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 Financial risk management (cont'd)

35.3.1 Credit risk (cont'd)

Receivables and contract assets

Recognition and measurement of impairment loss

In managing credit risk of trade receivables and contract assets, the Group and the Company manage their debtors and take appropriate actions to recover long overdue balances. For trade receivables' and contract assets' credit term that are past due but not impaired, the Group's and the Company's debt recovery process is the Group and the Company will initiate a structured debt recovery process which is monitored via management reporting procedures.

The Group and the Company apply the simplified approach under MFRS 9 to measure expected credit losses, which uses a lifetime expected credit losses for all trade receivables and contract assets. The Group and the Company evaluate the credit losses on a case-by-case basis.

The Group and the Company assess the expected loss rates based on historical payment profiles of the trade receivables and contract assets and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on factors affecting the financial capability of the debtor and default or significant delay in payments. No significant changes to estimation techniques or assumptions were made during the reporting period.

At each reporting date, the Group and the Company assesses whether any of the trade receivables and contract assets are credit impaired. The gross carrying amounts of credit impaired trade receivables are written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Trade receivables that are written off are still subjected to enforcement activities.

As at the reporting date, the management is of the opinion that all necessary impairment that is required has been provided for and trade receivables have not been impaired are credit worthy debtors whereby impairment is not required.

None of the Group's and the Company's financial assets are secured by collateral or other credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS

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35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 Financial risk management (cont'd)

35.3.1 Credit risk (cont'd)

Receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

Set out below is the information about the credit risk exposure and ECLs on the Group's trade receivables and contract assets which are grouped together as they are expected to have similar risk nature:-

Group	Gross carrying amount RM	Loss allowances RM	Net balances RM
2022			
Current (Not past due)	56,220,053	(513,348)	55,706,705
1-30 days past due	9,055,244	(509,419)	8,545,825
31-60 days past due	2,463,272	(189,032)	2,274,240
61-90 days past due	713,122	(62,328)	650,794
More than 90 days past due	15,953,623	(1,614,568)	14,339,055
Collectively impaired	84,405,314	(2,888,695)	81,516,619
Individually impaired			
Current (Not past due)	510,405	(510,405)	–
More than 90 days past due	10,872,362	(10,872,362)	–
	11,382,767	(11,382,767)	–
Trade receivables	95,788,081	(14,271,462)	81,516,619
Trade receivables	95,788,081	(14,271,462)	81,516,619
Contract assets	16,560,229	–	16,560,229
	112,348,310	(14,271,462)	98,076,848

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 Financial risk management (cont'd)

35.3.1 Credit risk (cont'd)

Receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

Set out below is the information about the credit risk exposure and ECLs on the Group's trade receivables and contract assets which are grouped together as they are expected to have similar risk nature (cont'd):-

Group (cont'd)	Gross carrying amount RM	Loss allowances RM	Net balances RM
2021			
Current (Not past due)	25,662,945	(717,709)	24,945,236
1-30 days past due	35,640,601	(1,327,782)	34,312,819
31-60 days past due	2,506,507	(90,010)	2,416,497
61-90 days past due	19,655,366	(996,341)	18,659,025
More than 90 days past due	21,242,863	(985,271)	20,257,592
Collectively impaired	104,708,282	(4,117,113)	100,591,169
Individually impaired			
More than 90 days past due	5,536,639	(5,536,639)	–
	5,536,639	(5,536,639)	–
Trade receivables	110,244,921	(9,653,752)	100,591,169
Trade receivables	110,244,921	(9,653,752)	100,591,169
Contract assets	60,024,974	–	60,024,974
	170,269,895	(9,653,752)	160,616,143

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 Financial risk management (cont'd)

35.3.1 Credit risk (cont'd)

Other receivables

As at the reporting date, the management is of the opinion that all necessary impairment that is required has been provided for.

Intercompany balances

The Group and the Company provide advances to subsidiaries and monitors the ability of the subsidiaries to repay the advances on an individual basis.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Generally, the Company considers loans and advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when the subsidiaries' financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers the loan or advances to be credit impaired when the subsidiaries are unlikely to repay their loan or advance to the Company in full, the loan or advance is overdue for more than a year, or the subsidiaries are continuously loss making and having deficit in shareholders' funds.

The Company determines the probability of default for these loans and advances individually using internal information available.

As at the reporting date, the management is of the opinion that all necessary impairment that is required has been provided for.

Cash and bank balances, deposits and placements

The credit risk for cash and bank balances, deposits and placements are considered negligible, since the counterparties are reputable financial institutions with high quality external credit ratings and have no history of default. Consequently, the Group and the Company are of the view that the allowance is not material and hence, it is not provided for.

Corporate guarantee/Financial guarantee

The Group and the Company provide unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries and customers. The maximum exposure to credit risk is disclosed in Note 35.3.2 to the financial statements as at the reporting date. The Group and the Company monitor on an ongoing basis the results and repayments made by the subsidiaries and customers. As at the end of the reporting year, there was no indication that the subsidiaries and customers would default on repayment.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 Financial risk management (cont'd)

35.3.2 Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting its obligations as and when they fall due. The Group's and the Company's exposure to liquidity risk arises particularly from payables, loans and borrowings and it maintains a level of cash and cash equivalents deemed adequate by management to ensure it has sufficient liquidity to meet its obligations as and when they fall due.

Analysis of financial instruments by remaining contractual maturities

The following financial liabilities of the Group and the Company are subjected to liquidity risk:-

Group	Carrying amount RM	Total RM	Contractual cash flows		
			Current On demand/ Within one year RM	Non-current	
				2 to 5 years RM	More than 5 years RM
2022					
Non-derivative financial liabilities					
Secured					
Borrowings	369,926,614	460,613,176	37,825,152	151,300,608	271,487,416
Unsecured					
Trade payables	43,445,449	43,445,449	43,445,449	—	—
Other payables	35,502,511	35,502,511	35,502,511	—	—
Lease liabilities	16,065,714	18,435,003	5,296,546	13,138,457	—
Borrowings	268,243,138	281,412,744	261,533,570	11,029,315	8,849,859
	733,183,426	839,408,883	383,603,228	175,468,380	280,337,275
Performance guarantee*	32,708,651	32,708,651	32,708,651	—	—

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 Financial risk management (cont'd)

35.3.2 Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The following financial liabilities of the Group and the Company are subjected to liquidity risk (cont'd):-

Group (cont'd)	Carrying amount RM	Total RM	Contractual cash flows		
			Current On demand/ Within one year RM	Non-current	
				2 to 5 years RM	More than 5 years RM
2021					
Non-derivative financial liabilities					
Secured					
Borrowings	21,482,573	34,497,444	2,572,912	10,284,451	21,640,081
Unsecured					
Trade payables	52,862,340	52,862,340	52,862,340	—	—
Other payables	47,704,447	47,704,447	47,704,447	—	—
Lease liabilities	7,803,834	8,476,445	3,038,808	5,437,637	—
Borrowings	414,675,466	494,643,286	142,548,584	159,215,999	192,878,703
	544,528,660	638,183,962	248,727,091	174,938,087	214,518,784
Performance guarantee*	54,966,668	54,966,668	54,966,668	—	—
Company					
2022					
Non-derivative financial liabilities					
Unsecured					
Other payables	182,574	182,574	182,574	—	—
Corporate guarantee*	251,827,500	251,827,500	251,827,500	—	—
Performance guarantee*	32,708,651	32,708,651	32,708,651	—	—
	284,536,151	284,536,151	284,536,151	—	—

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 Financial risk management (cont'd)

35.3.2 Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The following financial liabilities of the Group and the Company are subjected to liquidity risk (cont'd):-

Company (cont'd)	Carrying amount RM	Total RM	Contractual cash flows		
			Current On demand/ Within one year RM	Non-current 2 to 5 years RM	More than 5 years RM
2021					
Non-derivative financial liabilities					
Unsecured					
Other payables	195,124	195,124	195,124	—	—
Amount due to a subsidiary	1	1	1	—	—
	195,125	195,125	195,125	—	—
Corporate guarantee*	148,841,554	148,841,554	148,841,554	—	—
Performance guarantee*	54,966,668	54,966,668	54,966,668	—	—
	203,808,222	203,808,222	203,808,222	—	—

* This exposure is included in liquidity risk for illustration only. No financial guarantee was called upon by the holders as at the end of the reporting period.

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the financial liabilities at the reporting date.

35.3.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

To mitigate the Group's and the Company's exposure to foreign currency risk, the Group and the Company are exposed to foreign currency risk on sales, purchases, investments and cash and cash equivalent that are denominated in a currency other than the functional currencies of Company. The currency giving rise to this risk is primarily Australian Dollar ("AUD"), Euro ("EURO"), Great Britain Pound ("GBP"), Japanese Yen ("JPY"), Singapore Dollar ("SGD"), United States Dollar ("USD") and Chinese Yuan Renminbi ("CNY").

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 Financial risk management (cont'd)

35.3.3 Foreign currency risk (cont'd)

The carrying amount of the Group's and the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:-

	AUD RM	EURO RM	GBP RM	JPY RM	SGD RM	USD RM	CNY RM
Group							
2022							
Trade receivables	-	53,629	2,597,264	115,102	255,531	37,920,839	-
Cash and bank balances, deposits and placements	46,074	654,268	531,281	3,499	341,006	856,739	-
Trade payables	-	-	(234,966)	(783,861)	-	(2,169,459)	-
Other payables	-	-	(243,209)	-	-	-	-
Borrowings	-	-	(558,945)	(694,932)	-	(44,502,905)	(202,944)
Net exposure	46,074	707,897	2,091,425	(1,360,192)	596,537	(7,894,786)	(202,944)
2021							
Trade receivables	-	53,878	809,231	-	1,047,335	75,697,222	-
Cash and bank balances, deposits and placements	46,975	1,208,412	303,457	1,716,114	506,062	7,048,127	-
Trade payables	-	-	(1,260,514)	(75,402)	-	(11,202,265)	(13,705,043)
Other payables	-	-	-	-	-	-	-
Borrowings	-	(239,120)	(1,967,524)	(475,880)	(990,592)	(32,495,039)	-
Net exposure	46,975	1,023,170	(2,115,350)	1,164,832	562,805	39,048,045	(13,705,043)
Company							
2022							
Cash and bank balances, deposits and placements	44,402	-	123,892	-	70,283	75,313	-
Net exposure	44,402	-	123,892	-	70,283	75,313	-
2021							
Cash and bank balances, deposits and placements	44,994	-	130,786	-	66,165	196,569	-
Net exposure	44,994	-	130,786	-	66,165	196,569	-

Certain of the other foreign currencies are not presented as the amounts are not material.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 Financial risk management (cont'd)

35.3.3 Foreign currency risk (cont'd)

Foreign currency risk sensitivity analysis

The following table illustrates the sensitivity of profit or loss with regards to the Group's and the Company's financial assets and financial liabilities and the RM/AUD exchange rate, RM/EURO exchange rate, RM/GBP exchange rate, RM/JPY exchange rate, RM/SGD exchange rate, RM/USD exchange rate and RM/CNY exchange rate assuming all other things being equal.

A +/-1% to +/-2% (2021: +/-1% to +/-2%) change in the RM/AUD, RM/EURO, RM/GBP, RM/JPY, RM/SGD, RM/USD and RM/CNY exchange rates at the reporting period is deemed possible. Both of these percentages have been determined based on average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's and the Company's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

If the RM had strengthened/weakened against the AUD, EURO, GBP, JPY, SGD, USD and CNY by 1% to 2% (2021: 1% to 2%), then the impact would be as follows:-

	<u>Effect on equity/profit for the years/equity</u>			
	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<u>RM/AUD</u>				
- Strengthened 2% (2021: 1%)	(921)	(470)	(888)	(450)
- Weakened 2% (2021: 1%)	921	470	888	450
<u>RM/EURO</u>				
- Strengthened 2% (2021: 1%)	(14,158)	(10,232)	—	—
- Weakened 2% (2021: 1%)	14,158	10,232	—	—
<u>RM/GBP</u>				
- Strengthened 2% (2021: 2%)	(41,829)	42,307	(2,478)	(2,616)
- Weakened 2% (2021: 2%)	41,829	(42,307)	2,478	2,616
<u>RM/JPY</u>				
- Strengthened 2% (2021: 1%)	27,204	(11,648)	—	—
- Weakened 2% (2021: 1%)	(27,204)	11,648	—	—
<u>RM/SGD</u>				
- Strengthened 1% (2021: 1%)	(5,965)	(5,628)	(703)	(662)
- Weakened 1% (2021: 1%)	5,965	5,628	703	662
<u>RM/USD</u>				
- Strengthened 2% (2021: 1%)	157,896	(390,480)	(1,506)	(1,966)
- Weakened 2% (2021: 1%)	(157,896)	390,480	1,506	1,966
<u>RM/CNY</u>				
- Strengthened 1% (2021: 2%)	2,029	274,101	—	—
- Weakened 1% (2021: 2%)	(2,029)	(274,101)	—	—

Exposures to foreign exchange rates vary during the financial year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's and the Company's exposure to currency risk.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 Financial risk management (cont'd)

35.3.4 Interest rate risk

Interest rate risk is caused by changes in market interest rate resulting in fluctuation in fair value or future cash flow of financial instruments of the Group and of the Company. The Group's and the Company's interest rate management objective is to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation.

The Group's borrowing is at fixed interest rates. The exposure to interest rates for the Group's short-term placement is considered immaterial.

The carrying amount of the Group's and the Company's financial instruments that are exposed to interest rate risk are as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fixed rate instruments				
<u>Financial assets</u>				
Amount due from subsidiaries	–	–	92,507,462	106,366,378
Other receivable	1,471,965	1,419,445	–	–
Deposits with licensed banks	17,711,939	47,373,420	–	–
<u>Financial liabilities</u>				
Lease liabilities	(16,065,714)	(7,803,834)	–	–
Borrowings	(252,149,139)	(131,695,689)	–	–
	(249,030,949)	(90,706,658)	92,507,462	106,366,378
Floating rate instrument				
<u>Financial liability</u>				
Borrowings	(386,020,613)	(304,462,350)	–	–

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss and does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 Financial risk management (cont'd)

35.3.4 Interest rate risk (cont'd)

Fair value sensitivity analysis for floating rate instruments

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rates of +/- 25 (2021: +/- 25) basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each year, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Effect on equity/ profit for the years (Decrease)/Increase Group	
	RM	RM
2022 (+/-25bp)	(965,052)	965,052
2021 (+/-25bp)	(761,156)	761,156

Fair value measurement

The carrying amounts of financial assets and liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term nature or they are floating rate instruments re-priced to market interest rates on or near the reporting date.

35.3.5 Equity price risk

Equity price risk is the risk that the value of an equity instrument will fluctuate as a result of changes in market prices. The Group and the Company are exposed to equity price risk mainly through the Group's and the Company's investment in quoted shares.

If the unit prices for quoted 'fair value through other comprehensive income' financial assets increased by 10% (2021: 10%), with all other variables being held constant, the Group's profit for the financial year and equity financial assets reserves at the end of the reporting period would increase approximately by RMNil (2021: RM3,635) respectively.

If the unit prices quoted 'fair value through profit or loss' financial assets increased by 10% (2021: 10%), with all other variables held constant, the Group's and the Company's profit for the financial year and equity financial assets reserves at the end of the reporting period would increase approximately by RM110,729 and RM86,417 (2021: RM120,946 and RM78,156) respectively.

If the unit prices for quoted 'fair value through other comprehensive income and fair value through profit or loss' financial assets decreased by 10%, with all other variables being held constant, it would have the equal but opposite effect on the amounts shown above.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities of the Group and of the Company at the reporting date approximately their fair values due to their short-term nature, insignificant impact of discounting or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

It was not practicable to estimate the fair value of the Group's and of the Company's investment in unquoted shares due to the lack of comparable quoted prices in active market. In addition, it is impracticable to use valuation technique to estimate the fair value reliably as a result of significant variability in the inputs of the valuation technique. The Group and the Company do not intend to dispose of these investments in the near future.

The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For finance leases that market rate on interest is determined by reference to similar lease agreements. The interest rates used to discount estimated cash flows, when applicable are as follows:-

	Group	
	2022 %	2021 %
Fixed deposits	1.30 - 3.05	1.30 - 5.00
Other receivable	3.70	3.70
Lease liabilities	2.93 - 7.96	2.93 - 6.89
Borrowings	1.90 - 7.57	1.85 - 6.57

36.1 Fair value hierarchy

The carrying amounts of financial assets and liabilities of the Group and of the Company at the reporting date approximately their fair values because they are floating rate instruments which are re-priced to market rates on or near reporting date or they have a short maturity period.

Fair value measurement of financial instruments

The following table summarises the method used in determining the fair value of financial assets on a recurring basis as at 31 December 2022 and 31 December 2021:-

Financial assets	Group			
	Fair value as at			
	2022 RM	2021 RM	Fair value hierarchy	Valuation techniques and key inputs
Quoted investment - FVOCI	–	36,346	Level 1	Quoted bid prices in an active market.
Quoted investment - FVTPL	1,107,294	1,209,464	Level 1	Quoted bid prices in an active market.

Financial assets	Company			
	Fair value as at			
	2022 RM	2021 RM	Fair value hierarchy	Valuation techniques and key inputs
Quoted investment - FVTPL	864,169	781,564	Level 1	Quoted bid prices in an active market.

There were no transfers between Level in 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

37. CAPITAL MANAGEMENT

The primary objective of the management of the Group's and of the Company's capital structure is to optimise the balance between debts and equity to achieve a low cost of capital and maximise the return to stakeholders.

The capital structure of the Group and of the Company consists of debts (comprising lease liabilities and borrowings) and equity (comprising issued ordinary shares, retained earning/accumulated losses and other reserves). The Group and the Company monitor their capital using a gearing ratio, based on total borrowings divided by total capital. The Directors review the capital structure on a quarterly basis, and consider the cost of capital and the risks associated with each class of capital. During the current financial year, no significant changes were made in the objectives, policies or processes for managing capital.

The gearing ratio at the end of the reporting period was as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Lease liabilities (Note 19)	16,065,714	7,803,834	—	—
Borrowings (Note 20)	638,169,752	436,158,039	—	—
	654,235,466	443,961,873	—	—
Equity attributable to owners of the Company	292,597,306	266,313,102	260,244,323	259,434,689
Gearing ratio (times)	2.24	1.67	—	—

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40,000,000. The Company has complied with this requirement.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of T7 Global Berhad (“**T7 Global**” or “**the Company**”) will be conducted on a virtual basis at the broadcast venue at T7 Global’s Boardroom, C-16-01, Level 16, KL Trillion Corporate Tower, 338 Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan (“**Broadcast Venue**”) via Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“**Tricor**”) via TIIH Online website at <https://t7ih.online> on Wednesday, 21 June 2023 at 10:00 a.m. for the following purposes:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and the Auditors thereon. *(Please refer to Explanatory Note 1)*
2. To approve the payment of Directors’ fees of RM225,000/- for the period from 22 June 2023 to the Twentieth Annual General Meeting of the Company in year 2024. *(Ordinary Resolution 1)*
3. To approve the payment of benefits payable to the Non-Executive Directors up to an amount of RM178,000/- for the period from 22 June 2023 to the Twentieth Annual General Meeting of the Company in year 2024 pursuant to Section 230(1)(b) of the Companies Act 2016. *(Ordinary Resolution 2)*
4. To re-elect the following Directors who are retiring in accordance with Clause 123 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
 - (i) YBhg. Tan Sri Datuk Seri Tan Kean Soon, J. P. *(Ordinary Resolution 3)*
 - (ii) YBhg. CP (R) Dato’ Sri Wan Ahmad Bin Najmuddin Bin Mohd. *(Ordinary Resolution 4)*
5. To re-elect YBhg. Datuk Seri Rahim Bin Ismail, a Director who is retiring in accordance with Clause 106 of the Company’s Constitution and being eligible, has offered himself for re-election. *(Ordinary Resolution 5)*
6. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 6)*

Special Business

To consider and if thought fit, with or without any modification, to pass the following as Ordinary Resolutions:-

7. **ORDINARY RESOLUTION NO. 1**
- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 *(Ordinary Resolution 7)*

“**THAT** subject always to the Companies Act 2016, the Constitution of the Company and the approvals from the relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby authorised and empowered pursuant to the Companies Act 2016, to issue and allot shares of the Company, at any time, at such price, to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company (excluding Treasury Shares) for the time being as stipulated under Paragraph 6.03(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

THAT in connection with the above, pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 58 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate;

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company;

AND THAT the Directors of the Company, whether solely or jointly, be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Main Market of Bursa Malaysia Securities Berhad; **AND** be hereby authorised to do all such acts and things including executing all relevant documents as he/they may consider expedient or necessary to complete and give full effect to the abovesaid mandate."

8. ORDINARY RESOLUTION NO. 2

- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

(Ordinary Resolution 8)

"THAT, subject always to the Companies Act 2016 (**"the Act"**), the Company's Constitution and the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, approval be and is hereby given to the Company and its subsidiaries to enter into all transactions involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the Group (**"Related Parties"**) as described in the Circular/Statement to Shareholders dated 28 April 2023 (**"Recurrent RPTs"**) provided that such transactions are:-

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the day-to-day operations;
- (iii) carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (iv) are not to the detriment of the minority shareholders,

(**"RRPT Mandate"**).

AND THAT such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed; or
- (b) the expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 340 of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by a resolution passed by shareholders in a general meeting; or

whichever is earlier; and the aggregate value of the Recurrent RPTs be disclosed in the annual report of the Company.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give full effect to the RRPT Mandate."

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

9. **ORDINARY RESOLUTION NO. 3**

- **PROPOSED NEW SHAREHOLDERS' MANDATE FOR NEW RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

(Ordinary Resolution 9)

"THAT, subject always to the Companies Act 2016 (**"the Act"**), the Constitution of the Company and the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, approval be and is hereby given to the Company and its subsidiaries to enter into all transactions involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the Group (**"Related Parties"**) as described in the Circular/Statement to Shareholders dated 28 April 2023 (**"Recurrent RPTs"**) provided that such transactions are:-

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the day-to-day operations;
- (iii) carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (iv) are not to the detriment of the minority shareholders,

("RRPT Mandate").

AND THAT such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed; or
- (b) the expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 340 of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by a resolution passed by shareholders in a general meeting; or

whichever is earlier; and the aggregate value of the Recurrent RPTs be disclosed in the annual report of the Company.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give full effect to the RRPT Mandate."

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

10. ORDINARY RESOLUTION NO. 4

- PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

(Ordinary Resolution 10)

"**THAT**, subject always to the Companies Act 2016 ("**the Act**"), the provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities, upon such terms and conditions as the Directors in their discretion deem fit and expedient in the best interest of the Company, provided that:-

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company shall not exceed ten percent (10%) of the total number of issued shares of the Company as at the point of purchase(s); and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); and

That upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares so purchased in their absolute discretion in the following manner:-

- (i) cancel all the shares so purchased; and /or
- (ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Malaysia Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder; and/or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Malaysia Securities and any other relevant authority for the time being in force.

THAT such authority conferred by this Resolution shall commence immediately upon the passing of this Resolution and shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following this AGM at which such resolution was passed, at which time the authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

AND FURTHER THAT the Directors of the Company be authorised to do all acts, deeds and things and to take all such steps as they may deem fit, appropriate, expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities and to take all such steps, and do all such acts and things as they may deem fit and expedient in the interest of the Company."

11. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)
TAN LOO EE (SSM PC NO. 201908002686) (MAICSA 7063694)

Company Secretaries

Dated: 28 April 2023

Explanatory Notes: -

1. Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2022

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Items 2 and 3 of the Agenda - Directors' Fees and Benefits

Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the Directors, and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at the general meeting.

The proposed Ordinary Resolution 1, if approved, will authorise the payment of Directors' fees to the Non-Executive Directors ("**NEDs**") of the Company for the period from 22 June 2023 to the Twentieth Annual General Meeting ("**AGM**") of the Company in year 2024 and to be payable on a monthly basis in arrears after each month of completed service of the Directors. This Resolution is to facilitate payment of Directors' fees on current financial year basis.

The proposed Ordinary Resolution 2, if approved, will authorise the payment of Directors' benefits to the NEDs by the Company. The benefits payable to the NED for the period from 22 June 2023 to the Twentieth AGM of the Company in year 2024 are derived from the estimated meeting allowance based on the number of scheduled meetings and unscheduled meetings (when necessary) for the Board and Board Committees, and number of NEDs involved in the meetings.

In the event that the Directors' fees and benefits payable proposed are insufficient due to enlarged Board size, approval will be sought at the next AGM for additional Directors' fees and benefits to meet the shortfall.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

Explanatory Notes (cont'd): -

3. Items 4 and 5 of the Agenda – Re-election of Directors

The Nomination Committee has considered the performance and contribution of each of the retiring Directors and has also assessed the independence of the Independent Non-Executive Directors seeking re-election. The retiring Directors have completed the Directors' Declarations of Fit and Proper and they are found to be fit and proper for re-election as Directors.

Based on the results of the Board Evaluation conducted for the financial year ended 31 December 2022, the performance of each of the retiring Directors was found to be satisfactory. The retiring Independent Non-Executive Directors have also fulfilled the independence criteria set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Board has endorsed the Nomination Committee's recommendation to seek shareholders' approval for the re-election of the retiring Directors. The retiring Directors had abstained from deliberations and decisions on their re-election at the Nomination Committee and Board meetings.

The details and profiles of the Directors who are standing for re-election at the Nineteenth Annual General Meeting are provided in the Company's Annual Report 2022.

4. Item 6 of the Agenda – Re-appointment of Auditors

The Audit and Risk Management Committee and the Board had, on 4 April 2023, considered the re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company. The Audit and Risk Management Committee and the Board collectively agreed and are satisfied that Grant Thornton Malaysia PLT meets the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

5. Item 7 of the Agenda – Authority to Issue Shares Pursuant to the Companies Act 2016

The Company wishes to renew the mandate on the authority to issue and allot shares pursuant to the Companies Act 2016 at the Nineteenth AGM of the Company (hereinafter referred to as the "**General Mandate**").

The Company had been granted a general mandate by its shareholders at the Eighteenth AGM of the Company held on 29 June 2022 (hereinafter referred to as the "**Previous Mandate**"). As at the date of this Notice, no new shares in the Company were issued pursuant to the Previous Mandate.

The proposed resolution, if passed, will provide flexibility to the Directors of the Company to undertake any possible fund raising activities, including but not limited to placement of shares, for the purpose of funding Company's future investment projects, working capital, acquisitions and/or such other purposes as the Directors may deem fit, without having to convene a general meeting, provided that the aggregate number of the shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company (excluding Treasury Shares). This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

Pursuant to Section 85(1) of the Companies Act 2016 be read together with Clause 58 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

The proposed Ordinary Resolution 7, if passed, will exclude your pre-emptive rights to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

Explanatory Notes (cont'd): -

6. **Item 8 of the Agenda – Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The proposed Ordinary Resolution 8, if passed, will provide a renewed mandate for the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. This mandate shall lapse at the conclusion of the next AGM unless authority for the renewal is obtained from the shareholders of the Company at a general meeting.

Please refer to the Circular/Statement to Shareholders dated 28 April 2023 for further information.

7. **Item 9 of the Agenda – Proposed New Shareholders' Mandate for New Recurrent Related Party Transactions of a Revenue or Trading Nature**

The proposed Ordinary Resolution 9, if passed, will provide a new shareholders' mandate for new recurrent related party transactions. The new shareholders' mandate will enable the Group to enter into the recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. This mandate shall lapse at the conclusion of the next AGM unless authority for the renewal is obtained from the shareholders of the Company at a general meeting.

Please refer to the Circular/Statement to Shareholders dated 28 April 2023 for further information.

8. **Item 10 of the Agenda - Proposed Renewal of Share Buy-Back Authority**

The proposed Ordinary Resolution 10, if passed, would empower the Directors of the Company to purchase the Company's ordinary shares of up to ten per centum (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the Company's retained profits based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s).

Please refer to the Circular/Statement to Shareholders dated 28 April 2023 for further information.

Notes: -

1. The AGM of the Company will be held as virtual meeting via live streaming and online remote voting using the Remote Participation and Voting Facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("**Tricor**") through its website at <https://t7ih.online>. Please follow the procedures as set out in the Administrative Guide which is available at the Company's website www.t7global.com.my/19thAGM.
2. Members and/or proxy(ies) and/or corporate representative(s) and/or attorneys are to attend, speak (including posing questions to the Board of Directors via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the AGM via the RPV facilities provided by Tricor at <https://t7ih.online>.
3. In respect of deposited securities, only members whose names appear in the Record of Depositors on 13 June 2023 (General Meeting Record of Depositors) shall be eligible to attend the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

Notes (cont'd): -

4. A member who is entitled to participate and vote at the AGM via RPV is entitled to appoint more than one (1) proxy to participate and vote in his stead. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
5. A proxy may but does not need to be a member of the Company. Notwithstanding this, a member entitled to participate and vote at the AGM is entitled to appoint any person as his proxy to participate and vote instead of the member at the AGM. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at the AGM shall have the same rights as the member to speak at the AGM.
6. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of an officer or attorney duly authorised.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
8. A member who has appointed a proxy or attorney or authorised representative to participate and vote at the AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV at TIIH Online website at <https://tiih.online>. Please follow the Procedures for RPV in the Administrative Details for the AGM.
9. The appointment of a proxy may be made by electronic means or in a hard copy form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) By electronic form

The form of proxy can be electronically lodged with the Share Registrar of the Company via TIIH Online website at <https://tiih.online> (applicable to individual members only). Kindly refer to the Administrative Details on the procedures for electronic lodgement of form of proxy via TIIH Online.
 - (ii) In hard copy form

In the case of an appointment made in hard copy form, the form of proxy must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.
10. Please ensure ALL the particulars as required in the form of proxy are completed, signed and dated accordingly.
11. Last date and time for lodging the form of proxy is **Monday, 19 June 2023 at 10:00 a.m.**
12. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

Notes (cont'd): -

13. A corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan. The certificate of appointment should be executed in the following manner:
- (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

ADMINISTRATIVE DETAILS FOR THE ANNUAL GENERAL MEETING

As part of the safety measures, the Board of Directors of T7 Global Berhad (“**T7 Global**” or the “**Company**”) (“**Board**”) has decided that the annual general meeting of the Company (“**AGM**” or “**Meeting**”) shall be conducted on **a virtual basis through live streaming whilst the online remote voting** will be via Remote Participation and Voting (“**RPV**”) as set out below:-

Date	Time	Meeting Platform
Wednesday, 21 June 2023	10:00 a.m.	TIIH Online website at https://tiih.online (Domain registration number with MYNIC: D1A282781)

Both facilities are available on Tricor Investor & Issuing House Services Sdn Bhd’s (“**Tricor**”) TIIH Online website at <https://tiih.online>. This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021, that listed issuers are encouraged to continue leveraging technology in conducting general meetings beyond Movement Control Order.

The venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. No shareholders/proxy(ies) from the public will be physically present at the main venue.

REMOTE PARTICIPATION AND VOTING

Members are to participate (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM using RPV provided by Tricor via its TIIH Online website at <https://tiih.online>.

Members who appoint proxies to participate via RPV in the AGM must ensure that the duly executed forms of proxy are deposited in a hard copy form or by electronic means to Tricor no later than Monday, 19 June 2023 at 10:00 a.m.

A member who has appointed a proxy or representative to participate at this AGM via RPV must request his/ her proxy to register himself/herself for RPV at TIIH Online website at <https://tiih.online>.

As the AGM is a Virtual Meeting, members who are unable to participate in the Meeting may appoint the Chairman of the Meeting as his/her proxy and indicate the voting instructions in the proxy form.

ADMINISTRATIVE DETAILS FOR THE ANNUAL GENERAL MEETING

(CONT'D)

PROCEDURES TO REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES

Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the AGM using the RPV facilities:

Procedures	Action
BEFORE THE AGM	
1. Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, access the website at https://tiih.online. Register as a user under the “e-Services”, select the “Sign Up” button and followed by “Create Account by Individual Holder”. Refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified via e-mail. If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
2. Submit your request to attend AGM remotely	<ul style="list-style-type: none"> Registration is open from 28 April 2023 until the day of the AGM on Wednesday, 21 June 2023. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the AGM to ascertain their eligibility to participate the AGM using the RPV. Login with your user ID and password and select the corporate event: (Registration) T7 GLOBAL BERHAD 19th AGM. Read and agree to the Terms & Conditions and confirm the Declaration. Select “Register for Remote Participation and Voting” Review your registration and proceed to register. System will send an e-mail to notify that your registration for remote participation is received and will be verified. After verification of your registration against the Record of Depositors as at 13 June 2023, the system will send you an e-mail on or after 19 June 2023 to approve or reject your registration for remote participation. <p><i>(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV).</i></p>

ADMINISTRATIVE DETAILS FOR THE ANNUAL GENERAL MEETING

(CONT'D)

PROCEDURES TO REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES (CONT'D)

Procedures	Action
ON THE DAY OF THE AGM	
3. Login to TIIH Online	Login with your user ID and password for remote participation at the AGM at any time from 9:00 a.m. i.e. 1 hour before the commencement of the AGM on Wednesday, 21 June 2023 at 10:00 a.m.
4. Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: "(LIVE STREAM MEETING) T7 GLOBAL BERHAD 19th AGM" to engage in the proceedings of the AGM remotely. If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will endeavor to respond to questions submitted by remote participants during the AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
5. Online Remote Voting	<ul style="list-style-type: none"> Voting session commences from 10:00 a.m. on 21 June 2023 until a time when the Chairman announces the completion of the voting session of the AGM. Select the corporate event: "(REMOTE VOTING) T7 GLOBAL BERHAD 19th AGM". Read and agree to the Terms & Conditions and confirm the Declaration. Select the CDS account that represents your shareholdings. Indicate your votes for the resolutions that are tabled for voting. Confirm and submit your votes.
6. End of remote participation	Upon the announcement by the Chairman on the closure of the AGM, the live session will end.

Note to users of the RPV:

- We will make available to you the rights to join the live streamed meeting and to vote remotely once your application to join the meeting is approved. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
- The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

ADMINISTRATIVE DETAILS FOR THE ANNUAL GENERAL MEETING

(CONT'D)

NO DOOR GIFT/FOOD VOUCHER

There will be no distribution of door gifts or food vouchers for the AGM since the meeting is being conducted on a virtual basis.

We would like to thank our members for your kind co-operation and understanding in these challenging times.

RECORD OF DEPOSITORS

The date of Record of Depositors for the AGM is 13 June 2023. As such, only members whose name appears in the Record of Depositors of T7 Global as at 13 June 2023 shall be entitled to participate in the AGM.

POLL VOTING

- The Voting at the AGM will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting and Scrutineer Solutions Sdn Bhd as Scrutineers to verify the poll results.
- Shareholders can proceed to vote on the resolutions at any time from the commencement of the AGM at 10:00 a.m. but before the end of the voting session which will be announced by the Chairman of the Meeting. Kindly refer to item(s) of the above procedures for RPV for guidance on how to vote remotely from TIH Online website at <https://t7ih.online>.
- Upon completion of the voting session for the AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

- Only members whose names appear on the Record of Depositors as at 13 June 2023 shall be eligible to participate at the AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
- In view that the AGM will be conducted on a virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.
- If you wish to participate in the AGM yourself, please do not submit any Form of Proxy for the AGM. You will not be allowed to participate in the AGM together with a proxy appointed by you.
- Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Monday, 19 June 2023 at 10.00 a.m.**:

(i) In Hard copy:

By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;

ADMINISTRATIVE DETAILS FOR THE ANNUAL GENERAL MEETING

(CONT'D)

ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY (CONT'D)

- (cont'd)

(ii) By Electronic form:

All shareholders can have the option to submit proxy forms electronically via TIIH Online and the steps to submit are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of form of proxy	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. Select the corporate event: T7 GLOBAL BERHAD 19th AGM - "Submission of Proxy Form". Read and agree to the Terms and Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. Review and confirm your proxy(s) appointment. Print the form of proxy for your record.
ii. Steps for corporate or institutional shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Access TIIH Online at https://tiih.online Under e-Services, the authorised or nominated representative of the corporate or institutional shareholder selects the "Sign Up" button and followed by "Create Account by Representative of Corporate Holder". Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>Note: The representative of a corporate or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</i></p>
Proceed with submission of form of proxy	<ul style="list-style-type: none"> Login to TIIH Online at https://tiih.online Select the corporate exercise name: "T7 GLOBAL BERHAD 19th AGM: Submission of Proxy Form". Agree to the Terms & Conditions and Declaration. Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required data. Submit the proxy appointment file. Login to TIIH Online, select corporate exercise name: "T7 GLOBAL BERHAD 19th AGM: Submission of Proxy Form". Proceed to upload the duly completed proxy appointment file. Select "Submit" to complete your submission. Print the confirmation report of your submission for your record.

ADMINISTRATIVE DETAILS FOR THE ANNUAL GENERAL MEETING

(CONT'D)

PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD OF DIRECTORS

In order to enhance the efficiency of the proceedings of the AGM, shareholders may in advance, before the AGM, submit questions to the Board of Directors via Tricor's TIH Online website at <https://t7ih.online>, by selecting "e-Services" to login, post your questions and submit it electronically no later than 21 June 2023. The Board of Directors will endeavour to address the questions received at the AGM.

RECORDING OR PHOTOGRAPHY

Strictly **NO** unauthorised recording or photography of the proceedings of the AGM is allowed.

ANNUAL REPORT

- The Annual Report is available on the Company's website at www.t7global.com.my/19thAGM and Bursa Malaysia's website at www.bursamalaysia.com under Company's announcements.
- You may request for a printed copy of the Annual Report at <https://t7ih.online> by selecting "Request for Annual Report" under the "Investor Services".
- Kindly consider the environment before you decide to request for the printed copy of the Annual Report. The environmental concerns like global warming, deforestation, climate change and many more affects every human, animal and nation on this planet.

T7 Global Berhad would like to thank all its shareholders for their kind co-operation and understanding in these challenging times.

ENQUIRY

If you have any enquiries on the above, please contact our Share Registrar during office hours on Mondays to Fridays from 8.30 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603-2783 9299
Fax Number : +603-2783 9222
Email : is.enquiry@my.tricorglobal.com

ANALYSIS OF SHAREHOLDINGS

AS AT 30 MARCH 2023

Total number of issued shares (inclusive of treasury shares)	: 757,054,856
Class of Shares	: Ordinary Share
Voting rights	: One vote per ordinary share
Treasury Shares held as at 30 March 2023	: 17,348,800

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
1 to 99	265	4.670	4,679	0.000
100 to 1,000	756	13.322	404,923	0.055
1,001 to 10,000	2,523	44.458	14,770,494	1.997
10,001 to 100,000	1,721	30.326	59,878,886	8.095
100,001 to 36,985,301 (*)	408	7.189	536,209,224	72.490
36,985,302 and above (**)	2	0.035	128,437,850	17.363
Total	5,675	100.000	739,706,056	100.000

Remarks: * - Less than 5% of issued shares
** - 5% and above of issued shares

DIRECTORS' SHAREHOLDINGS AS AT 30 MARCH 2023

(as per Register of Directors' Shareholdings)

The respective shareholdings of the Directors of T7 Global Berhad based on the Register of Directors' Shareholdings are as follows:

No.	Name	Direct	No. of Ordinary Shares held		%
			%	Indirect	
1.	Tan Sri Datuk Seri Tan Kean Soon, J. P.	83,066,250	11.230	63,908,500 ^(a)	8.640
2.	Tan Kay Vin	13,770,300	1.862	—	—
3.	Datuk Seri Dr. Nik Norzrul Thani Bin Nik Hassan Thani	1,000,000	0.135	55,140,600 ^(b)	7.454
4.	Tan Sam Eng	600,000	0.081	300,000	0.041
5.	Tan Sri Dato' Sri Koh Kin Lip, JP	17,244,524	2.331	—	—
6.	Admiral Tan Sri Dato' Seri Panglima Ahmad Kamazulzaman Bin Hj Ahmad Badaruddin (R)	1,305,500	0.176	—	—
7.	CP (R) Dato' Sri Wan Ahmad Najmuddin Bin Mohd	2,772,000	0.375	—	—
8.	Datuk Rahim Bin Ismail	—	—	—	—

Remarks:-

- (a) Deemed interest by virtue of his spouse and sons' shareholdings in the Company pursuant to Section 59(1)(c) of the Companies Act 2016.
- (b) Deemed interest by virtue of his interest in Abyssina Resources (M) Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

(CONT'D)

SHAREHOLDING OF CHIEF EXECUTIVE WHO IS NOT A DIRECTOR OF THE COMPANY AS AT 30 MARCH 2023

The shareholding of the Group Chief Executive Officer of T7 Global Berhad is as follows:

No.	Name	Direct	No. of Ordinary Shares held		%
			%	Indirect	
1.	Tan Kay Zhuin	13,781,000	1.863	—	—

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 30 MARCH 2023 (as per Register of Substantial Shareholders)

The list of substantial shareholders of T7 Global Berhad and its shareholdings based on the Register of Substantial Shareholders of the Company are as follows:

No.	Name	Direct	No. of Ordinary Shares held		%
			%	Indirect	
1.	Tan Sri Datuk Seri Tan Kean Soon, J. P.	83,066,250	11.230	* 63,908,500	8.640
2.	Puan Sri Shirley Law Siong Hiong	37,773,800	5.107	—	—
3.	Datuk Seri Dr. Nik Norzrul Thani Bin N. Hassan Thani	1,000,000	0.135	**55,140,600	7.454
4.	Abyssina Resources (M) Sdn. Bhd.	55,140,600	7.454	—	—

Remarks:-

* Deemed interest by virtue of his spouse and sons' shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.

** Deemed interest by virtue of his interest in Abyssina Resources (M) Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	% of Issued Share Capital
1	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATUK SERI TAN KEAN SOON, J. P.	73,297,250	9.909
2	ABYSSINA RESOURCES (M) SDN. BHD.	55,140,600	7.454
3	ANUGERAH BAKTI SDN. BHD.	32,680,600	4.418
4	PTS OFFSHORE & MARINE SDN. BHD.	30,420,000	4.112
5	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR PUAN SRI SHIRLEY LAW SIONG HIONG	30,063,400	4.064
6	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	29,061,700	3.928
7	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	15,690,000	2.121

ANALYSIS OF SHAREHOLDINGS

(CONT'D)

THIRTY LARGEST SHAREHOLDERS (CONT'D)

No.	Name	No. of Shares	% of Issued Share Capital
8	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' SRI KOH KIN LIP, J. P.	15,244,524	2.061
9	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KAY ZHUIN	13,508,000	1.826
10	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KAY SHEN	11,952,700	1.616
11	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KAY VIN	11,471,300	1.551
12	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KIM HEUNG (MY1989)	10,000,000	1.352
13	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR KENANGA SYARIAHEXTRA FUND (N14011960240)	9,824,000	1.328
14	TAN SRI DATUK SERI TAN KEAN SOON, J. P.	9,769,000	1.321
15	CARTABAN NOMINEES (TEMPATAN) SDN. BHD. CN CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH FUND SERIES 2	8,870,000	1.199
16	LIM SOON GUAN	8,800,000	1.190
17	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (DGF)	8,350,000	1.129
18	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR KOON POH TAT (PB)	8,223,500	1.112
19	MEGAXUS RESOURCES SDN. BHD.	8,033,311	1.086
20	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LAW SIONG HIONG (7003130)	7,710,400	1.042
21	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH OPPORTUNITIES FUND (50154 TR01)	7,595,500	1.027
22	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MARINE ENERGY SDN BHD	7,112,900	0.962
23	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR EPTA RESOURCES SDN. BHD. (MGN-ERS0001M)	6,938,800	0.938
24	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MDF)	6,441,500	0.871
25	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEE WEI MENG (7002982)	5,998,700	0.811
26	A EASY INTELLIGENCE (M) SDN. BHD.	5,000,000	0.676

ANALYSIS OF SHAREHOLDINGS

(CONT'D)

THIRTY LARGEST SHAREHOLDERS (CONT'D)

No.	Name	No. of Shares	% of Issued Share Capital
27	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR EPTA RESOURCES SDN. BHD.	4,936,700	0.667
28	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MDE)	4,800,000	0.649
29	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR LAI MING CHUN @ LAI POH LIN (PB)	4,000,000	0.541
30	ER SOON PUAY	3,985,700	0.539
TOTAL		454,920,085	61.500

Remark:-

The analysis of shareholdings is based on the total number of issued shares of the Company as at 30 March 2023 after deducting 17,348,800 ordinary shares bought back by the Company and held as Treasury Shares at 30 March 2023.

ANALYSIS OF WARRANT HOLDINGS FOR WARRANT C

AS AT 30 MARCH 2023

Total number of Warrants C Issued : 147,941,180

DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Warrants C Holders	%	No. of Warrants C Holders	%
1 to 99	551	12.217	14,239	0.010
100 to 1,000	1,583	35.100	895,677	0.605
1,001 to 10,000	1,877	41.619	6,908,767	4.670
10,001 to 100,000	399	8.847	12,316,304	8.325
100,001 to 7,397,058 (*)	99	2.195	113,146,743	76.481
7,397,059 and above (**)	1	0.022	14,659,450	9.909
Total	4,510	100.000	147,941,180	100.000

Remark: * Less than 5% of issued Warrants C
** 5% and above of issued Warrants C

DIRECTORS' WARRANT C HOLDINGS AS AT 30 MARCH 2023

(as per Register of Directors' Warrant Holdings)

The respective Warrant C holdings of the Directors of T7 Global Berhad based on the Register of Directors' Warrant Holdings are as follows:

No.	Name	Direct	No. of Warrants C held %	Indirect	%
1.	Tan Sri Datuk Seri Tan Kean Soon, J. P.	15,051,450	10.174	12,671,620 ^(a)	8.565
2.	Tan Kay Vin	2,754,060	1.862	—	—
3.	Datuk Seri Dr. Nik Norzrul Thani Bin Nik Hassan Thani	200,000	0.135	4,354,120 ^(b)	2.943
4.	Tan Sam Eng	80,000	0.054	3,400,600	2.299
5.	Tan Sri Dato' Sri Koh Kin Lip, JP	3,448,904	2.331	—	—
6.	Admiral Tan Sri Dato' Seri Panglima Ahmad Kamazulzaman Bin Hj Ahmad Badaruddin (R)	261,100	0.176	—	—
7.	CP (R) Dato' Sri Wan Ahmad Najmuddin Bin Mohd	554,400	0.375	—	—
8.	Datuk Rahim Bin Ismail	—	—	—	—

Remarks:-

- (a) Deemed interest by virtue of his spouse and sons' warrant holdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.
- (b) Deemed interest by virtue of his interest in Abyssina Resources (M) Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF WARRANT HOLDINGS FOR WARRANT C

(CONT'D)

WARRANT C HOLDING OF CHIEF EXECUTIVE WHO IS NOT A DIRECTOR OF THE COMPANY AS AT 30 MARCH 2023

The Warrant C holding of the Group Chief Executive Officer of T7 Global Berhad is as follows:

No.	Name	Direct	No. of Warrants C held %	Indirect	%
1.	Tan Kay Zhuin	2,756,200	1.863	—	—

THIRTY LARGEST WARRANT C HOLDERS

No.	Name	No. of Shares	% of Issued Share Capital
1	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATUK SERI TAN KEAN SOON, J. P.	14,659,450	9.909
2	NUSA NUSANTARA SDN. BHD.	6,512,740	4.402
3	ANUGERAH BAKTI SDN. BHD.	6,103,320	4.126
4	PTS OFFSHORE & MARINE SDN. BHD.	6,084,000	4.112
5	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR PUAN SRI SHIRLEY LAW SIONG HIONG	6,012,680	4.064
6	KVC VALVE (M) SDN. BHD.	5,780,640	3.907
7	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR EPTA RESOURCES SDN. BHD.	5,371,340	3.631
8	ZVS RESOURCES SDN. BHD.	5,023,820	3.395
9	ABYSSINA RESOURCES (M) SDN. BHD.	4,354,120	2.943
10	LIM SOON GUAN	4,298,100	2.905
11	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG ENG CHUAN (MM1124)	3,400,600	2.299
12	MEGAXUS RESOURCES SDN. BHD.	3,081,122	2.083
13	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' SRI KOH KIN LIP, J. P.	3,048,904	2.061
14	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KAY ZHUIN	2,701,600	1.826
15	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	2,578,000	1.743
16	LIM BEE SAN	2,534,000	1.713
17	LAI LEE TECK	2,533,000	1.712
18	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR A EASY INTELLIGENCE (M) SDN. BHD.	2,436,600	1.647

ANALYSIS OF WARRANT HOLDINGS FOR WARRANT C

(CONT'D)

THIRTY LARGEST WARRANT C HOLDERS (CONT'D)

No.	Name	No. of Shares	% of Issued Share Capital
19	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KAY SHEN	2,390,540	1.616
20	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KAY VIN	2,294,260	1.551
21	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KIM HEUNG (MY1989)	2,000,000	1.352
22	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR KOON POH TAT (PB)	2,000,000	1.352
23	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (DGF)	1,670,000	1.129
24	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR PUAN SRI SHIRLEY LAW SIONG HIONG (7003130)	1,460,000	0.987
25	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MDF)	1,288,300	0.871
26	ER SOON PUAY	1,197,260	0.809
27	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MARINE ENERGY SDN BHD	1,022,580	0.691
28	TAN TOW HOO	1,010,000	0.683
29	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MDE)	960,000	0.649
30	SOH SWEE SEE	946,000	0.639
TOTAL		104,752,976	70.807

LIST OF PROPERTIES

Title Identification/ Postal Address	Description and Existing Use/ Ownership	Date of Acquisition/ Date of Revaluation	Approximate Age of Building/Tenure/ Date of Expire of Lease	Land Area/ (Built-Up Area) sq.ft.	Net Book Value as at 31 December 2022 (RM)
GRN 38601 Lot No. 25929 Mukim of Setapak, District and State of Wilayah Persekutuan/No. 8-3, Jalan Puncak Setiawangsa 4, 54200 Kuala Lumpur	3-storey shop offices	20 June 2012/ 31 December 2020	Age of Building: 18 Years Tenure: Freehold	1,765/ (4,634)	2,500,000
GRN 38600 Lot No. 25930 Mukim of Setapak, District and State of Wilayah Persekutuan/No. 10, Jalan Puncak Setiawangsa 4, 54200 Kuala Lumpur	3-storey shop	26 June 2002	Age of Building: 18 Years Tenure: Freehold	1,765/ (4,634)	2,500,000
GRN 38599 Lot No. 25931 Mukim of Setapak, District and State of Wilayah Persekutuan/No. 12, Jalan Puncak Setiawangsa 4, 54200 Kuala Lumpur	3-storey shop	11 April 2007/ 31 December 2020	Age of Building: 18 Years Tenure: Freehold	1,765/ (4,634)	2,500,000
GRN 38598 Lot No. 25932 Mukim of Setapak, District and State of Wilayah Persekutuan/No. 14, Jalan Puncak Setiawangsa 4, 54200 Kuala Lumpur	3-storey shop	24 May 2007	Age of Building: 18 Years Tenure: Freehold	1,765/ (4,634)	2,500,000
Lot 5205-A, Kawasan Perindustrian Balakong Jaya 2, 43300 Balakong, Selangor Darul Ehsan, Malaysia	One unit of single storey detached factory annexed with 3-storey office/showroom	8 October 2016/ 31 December 2021	Age of Building: 5 Year Tenure: Freehold	45,940/ (32,738)	13,500,000
H.S. (D) 97483, PT29669, Mukim Sungai Buloh, Daerah Petaling, Selangor Darul Ehsan	Double storey terrace house at Tropicana Golf & Country Resort	1 June 2018/ 31 December 2021	Tenure : 99 years Leasehold Expiring : 25/10/2090	1,765/ (2,752)	1,400,000
Lot 29138 (Plot 8), Seksyen 20, 48200 Bandar Serendah, Daerah Hulu Selangor, Selangor	Land lot	3 November 2017/ 31 December 2021	Tenure : 99 years Leasehold Expiring : 05/06/2094	87,110	3,600,000
Lot 29138 (Plot 8), Seksyen 20, 48200 Bandar Serendah, Daerah Hulu Selangor, Selangor	Single storey factory and double storey office	1 January 2019/ 31 December 2021	Tenure : 99 years Leasehold Expiring : 05/06/2094	25,833	15,400,000
C-L7-5, 7th Floor, GRN 75607, Lot 919, Seksyen 88A (formerly known as H.S. (D) 116558, P.T. No. 246 Seksyen 88A), Bandar Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan	An office unit	21 February 2020/ 31 December 2021	Age of Building : 11 years Tenure : Freehold	1,184	1,776,000

LIST OF PROPERTIES

(CONT'D)

Title Identification/ Postal Address	Description and Existing Use/ Ownership	Date of Acquisition/ Date of Revaluation	Approximate Age of Building/Tenure/ Date of Expire of Lease	Land Area/ (Built-Up Area) sq.ft.	Net Book Value as at 31 December 2022 (RM)
C-L7-6, 7th Floor, GRN 75607, Lot 919, Seksyen 88A (formerly known as H.S. (D) 116558, P.T. No. 246 Seksyen 88A), Bandar Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan	An office unit	21 February 2020/ 31 December 2021	Age of Building : 11 years Tenure : Freehold	1,120	1,680,000
C-L7-7, 7th Floor, GRN 75607, Lot 919, Seksyen 88A (formerly known as H.S. (D) 116558, P.T. No. 246 Seksyen 88A), Bandar Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan	An office unit	21 February 2020/ 31 December 2021	Age of Building : 11 years Tenure : Freehold	1,120	1,680,000
C-L7-8, 7th Floor, GRN 75607, Lot 919, Seksyen 88A (formerly known as H.S. (D) 116558, P.T. No. 246 Seksyen 88A), Bandar Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan	An office unit	21 February 2020/ 31 December 2021	Age of Building : 11 years Tenure : Freehold	2,583	3,874,500
No. H.S.(D) 108189, P.T. No. 8896 (A-15) Bandar Ampang, Ulu Langat, Selangor	3-Storey Shop offices	1 December 2012/ 31 December 2020	Tenure : 99 years Leasehold Expiring : 27/06/2104	1,540	2,200,000
PN 12753, Lot No. 60665, Mukim of Teluk Kalung, District of Kemaman, Terengganu Darul Iman / H.S. (D) 7333, PT 9290 Mukim Teluk Kalung, District of Kemaman, Terengganu	Land Lot	31 July 2021	Age of Building : 9 years Tenure : 60 years Leasehold	215,278	2,600,000



T7 GLOBAL BERHAD
[Registration No. 200401023809 (662315-U)]
(Incorporated in Malaysia)

FORM OF PROXY

CDS account no.
No. of ordinary shares held
Mobile phone no.

*I/We (full name), _____

bearing *NRIC No./Passport No./Company No. _____

of (full address) _____

being a *member/members of T7 Global Berhad ("**the Company**") hereby appoint _____

_____ NRIC/Passport No. _____

(FULL NAME IN BLOCK CAPITALS)

of (full address) _____

and, _____ NRIC/Passport No. _____

(FULL NAME IN BLOCK CAPITALS)

of (full address) _____

or failing *him/her, the *Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Nineteenth Annual General Meeting ("**AGM**") of the Company which will be conducted on a virtual basis at the broadcast venue at T7 Global's Boardroom, C-16-01, Level 16, KL Trillion Corporate Tower, 338 Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan ("**Broadcast Venue**") via Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("**Tricor**") via TIH Online website at <https://tthh.online> on Wednesday, 21 June 2023 at 10:00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

Ordinary Business		For	Against
Ordinary Resolution 1	Payment of Directors' fees		
Ordinary Resolution 2	Payment of benefits payable to the Non-Executive Directors		
Ordinary Resolution 3	Re-election of YBhg. Tan Sri Datuk Seri Tan Kean Soon, J. P. as Director		
Ordinary Resolution 4	Re-election of YBhg. CP (R) Dato' Sri Wan Ahmad Najmuddin Bin Mohd as Director		
Ordinary Resolution 5	Re-election of YBhg. Datuk Seri Rahim Bin Ismail as Director		
Ordinary Resolution 6	Re-appointment of Grant Thornton Malaysia PLT as Auditors		
Special Business			
Ordinary Resolution 7	Authority to issue shares		
Ordinary Resolution 8	Proposed renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature		
Ordinary Resolution 9	Proposed new shareholders' mandate for new recurrent related party transactions of a revenue or trading nature		
Ordinary Resolution 10	Proposed renewal of authority for the Company to purchase its own shares		

Signed this _____ day of _____, 2023

* Signature(s)/Common Seal of Member(s)

* Strike out whichever not applicable

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies

	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%



Notes :-

1. The AGM of the Company will be held as virtual meeting via live streaming and online remote voting using the Remote Participation and Voting Facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("**Tricor**") through its website at <https://tiih.online>. Please follow the procedures as set out in the Administrative Guide which is available at the Company's website www.t7global.com.my/19thAGM.
2. Members and/or proxy(ies) and/or corporate representative(s) and/or attorneys are to attend, speak (including posing questions to the Board of Directors via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the AGM via the RPV facilities provided by Tricor at <https://tiih.online>.
3. In respect of deposited securities, only members whose names appear in the Record of Depositors on 13 June 2023 (General Meeting Record of Depositors) shall be eligible to attend the Meeting.
4. A member who is entitled to participate and vote at the AGM via RPV is entitled to appoint more than one (1) proxy to participate and vote in his stead. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
5. A proxy may but does not need to be a member of the Company. Notwithstanding this, a member entitled to participate and vote at the AGM is entitled to appoint any person as his proxy to participate and vote instead of the member at the AGM. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at the AGM shall have the same rights as the member to speak at the AGM.
6. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of an officer or attorney duly authorised.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
8. A member who has appointed a proxy or attorney or authorised representative to participate and vote at the AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV at TIIH Online website at <https://tiih.online>. Please follow the Procedures for RPV in the Administrative Details for the AGM.
9. The appointment of a proxy may be made by electronic means or in a hard copy form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) By electronic form
The form of proxy can be electronically lodged with the Share Registrar of the Company via TIIH Online website at <https://tiih.online> (applicable to individual members only). Kindly refer to the Administrative Details on the procedures for electronic lodgement of form of proxy via TIIH Online.
 - (ii) In hard copy form
In the case of an appointment made in hard copy form, the form of proxy must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.
10. Please ensure ALL the particulars as required in the form of proxy are completed, signed and dated accordingly.
11. Last date and time for lodging the form of proxy is **Monday, 19 June 2023 at 10:00 a.m.**
12. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
13. A corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan. The certificate of appointment should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Fold this flap for sealing

Then fold here

AFFIX
STAMP



The Share Registrar
T7 GLOBAL BERHAD
[Registration No. 200401023809 (662315-U)]

Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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www.t7global.com.my

T7 Global Berhad

Registration No. 200401023809 (662315-U)

C-16-01, Level 16, KL Trillion
Corporate Tower, Block C
338 Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

Tel: +603 2785 7777

Fax: +603 2785 7778

Email: t7@t7global.com.my