

Company No.: 662315-U

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2019
(the figures have not been audited)

	2019 Current Quarter	2018 Preceding Quarter	Changes (%)	2019 Current Year Cumulative to Date	2018 Preceding Year Cumulative to Date	Changes (%)
	31-Dec	31-Dec		31-Dec	31-Dec	
	(RM'000)	(RM'000)		(RM'000)	(RM'000)	
Continuing Operations						
Revenue	61,221	44,874	36%	232,288	210,439	10%
Cost of Sale	(49,073)	(33,987)	44%	(191,137)	(179,427)	7%
Gross Profit	12,148	10,887	12%	41,151	31,012	33%
Other Income	2,940	2,885	2%	6,298	9,659	-35%
Operating Expenses	(10,811)	(10,870)	-1%	(36,661)	(32,053)	14%
Finance Cost	(1,219)	(510)	139%	(2,745)	(1,035)	165%
Share of Profit/Loss From Joint Venture	-	7	-100%	-	71	-100%
Profit Before Taxation From Continuing Operations	3,058	2,399	27%	8,043	7,654	5%
Taxation:						
Company and Subsidiary Companies	4,343	2,119	105%	4,343	2,908	49%
Profit For The Year From Continuing Operations	7,401	4,518	64%	12,386	10,562	17%
Discontinued Operations						
Profit For The Year After Tax	-	-	-	-	-	-
Net Profit For the Year	7,401	4,518	64%	12,386	10,562	17%
Attributable to:						
Equity Holders of the Company	6,702	2,764	142%	7,117	7,016	1%
Non-Controlling Interest	699	1,754	-60%	5,269	3,546	49%
	7,401	4,518	64%	12,386	10,562	17%
(Losses)/Earnings Per Share						
Basic						
- Continuing Operations	1.50	1.10	37%	2.51	2.54	-1%
- Discontinued Operations	-	-	-	-	-	-
	1.50	1.10	37%	2.51	2.54	-1%
Diluted						
- Continuing Operations	1.50	1.10	37%	2.51	2.54	-1%
- Discontinued Operations	-	-	-	-	-	-
	1.50	1.10	37%	2.51	2.54	-1%

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T7 GLOBAL BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019
(the figures have not been audited)**

	2019 Current Quarter 31-Dec (RM'000)	2018 Preceding Quarter 31-Dec (RM'000)	Changes (%)	2019 Current Year Cumulative to Date 31-Dec (RM'000)	2018 Preceding Year Cumulative to Date 31-Dec (RM'000)	Changes (%)
Net Profit For the Year	7,401	4,518	64%	12,386	10,562	17%
Other Comprehensive Income/(Loss): <i>Items that will be Reclassified Subsequently to Profit or Loss</i>						
Exchange Differences on Translating Foreign Operations	(1,000)	(1,423)	-30%	9	0.1	8945%
Fair Value Changes in Short Term Investment	396	(1,988)	-120%	(903)	(3,338)	-73%
	(604)	(3,411)	-82%	(894)	(3,338)	-73%
Total Comprehensive (Loss)/Income For The Year	6,797	1,107	514%	11,492	7,224	59%
Attributable to:						
Equity Holders of the Company	6,093	(302)	-2118%	6,218	4,060	53%
Minority Interest	704	1,409	-50%	5,274	3,164	67%
	6,797	1,107	514%	11,492	7,224	59%

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T7 GLOBAL BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (the figures have not been audited)	As at 31-Dec-19 (RM'000)	As at 31-Dec-18 Audited (RM'000)
NON-CURRENT ASSETS		
Property, plant and equipment	59,034	53,071
Right-of-use asset	4,001	-
Investment Properties	1,250	1,250
Intangible Assets	1,863	2,137
Investment in Joint Venture	-	1,239
Other Investment	8,658	7,306
Deferred tax asset	16,788	7,056
Total Non-Current Assets	91,594	72,059
CURRENT ASSETS		
Inventories	20,806	28,130
Trade Receivables	98,310	51,477
Other Receivables	4,236	10,840
Contracts assets	24,289	41,502
Amount due from Joint Vebture	-	13,180
Tax Recoverable	325	663
Cash and Bank Equivalents	43,333	36,349
Total Current Assets	191,299	182,141
Assets classified as held for sale	-	1,285
Total Assets	282,893	255,485
NON-CURRENT LIABILITIES		
Borrowings	21,935	15,747
Deferred tax liabilities	626	860
Total Non-Current Liabilities	22,561	16,607
CURRENT LIABILITIES		
Trade Payables	23,161	41,908
Other payables	8,206	6,027
Contract Liabilities	3,274	4,843
Finance lease liabilities	906	1,168
Tax payable	1,404	1,644
Borrowings	23,725	24,679
Total Current Liabilities	60,676	80,269
Total Liabilities	83,237	96,876
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	154,733	120,505
Reserves	31,467	27,713
Treasury Shares	(6,988)	(6,326)
	179,212	141,892
Non-controlling interests	20,444	16,717
Total Equity	199,656	158,609
Total Liabilities and Equity	282,893	255,485

Company No.: 662315-U

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

**SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019**
(the figures have not been audited)

	2019 Current Quarter 31-Dec (RM'000)	2018 Preceding Year 31-Dec (RM'000)	2019 Current Year Cumulative to Date 31-Dec (RM'000)	2018 Preceding Year Cumulative to Date 31-Dec (RM'000)
Continuing Operations				
Gross interest income	1,012	582	1,442	1,274
Gross interest expenses	(1,219)	(72)	(2,745)	(1,035)
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
Net assets per shares attributable to ordinary equity holders of the parent	0.40		0.34	

T7 GLOBAL BERHAD
(Incorporated in Malaysia)CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019
(The figures have not been audited)

	Equity Attributable to Equity Holders of the Company										Total Equity RM'000
	Share Capital RM'000	Accumulated Losses RM'000	Capital Reserves RM'000	Available for sale Reserves RM'000	Foreign Currency Translation Reserve RM'000	Investment Revaluation Reserve RM'000	Share Issuance Scheme Reserve RM'000	Treasury Shares RM'000	Total RM'000	Non-Controlling Interest RM'000	
Balance as at 01.01.2019	120,505	(11,095)	37,488	-	0.09	1,320	-	(6,326)	141,892	16,717	158,609
Total comprehensive income/(loss) for the year	-	7,117	-	-	-	-	-	-	7,117	5,269	12,386
Issuance of shares pursuant to private placement	34,228	-	-	-	-	-	-	-	34,228	-	34,228
Own shares acquired	-	-	-	-	-	-	(662)	(662)	(662)	-	(662)
Foreign currency translation reserve realised	-	-	-	-	4.05	(903)	-	-	(899)	(1,542)	(2,441)
Acquisition/Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Reversed of Employee Benefits Reserve	-	-	-	-	-	-	-	-	-	-	-
Effects Of Impairment of Treasury Share	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	(2,464)	-	-	-	-	-	-	(2,464)	-	(2,464)
Balance as at 31.12.2019	154,733	(6,442)	37,488	-	4.14	417	(6,388)	(6,388)	179,212	20,444	199,656

T7 GLOBAL BERHAD
(Incorporated in Malaysia)CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018
(The figures have been audited)

	Equity Attributable to Equity Holders of the Company										Total Equity RM'000
	Share Capital RM'000	Accumulated Losses RM'000	Capital Reserves RM'000	Available for sale Reserves RM'000	Foreign Currency Translation Reserve RM'000	Investment Revaluation Reserve RM'000	Share Issuance Scheme Reserve RM'000	Treasury Shares RM'000	Total RM'000	Non-Controlling Interest RM'000	
Balance as at 01.01.2018	120,505	(16,345)	37,488	2,251	(1,578)	21	-	(4,397)	136,945	12,896	151,841
Effect on MFRS 9	-	(2,766)	-	(2,251)	-	4,637	-	-	(360)	-	(360)
Issuance of treasury shares	-	-	-	-	-	-	(1,929)	(1,929)	(1,929)	-	(1,929)
Profit for the financial year	-	7,016	-	-	-	-	-	-	7,016	3,547	10,563
Total comprehensive income/(loss) for the year	-	-	-	-	0.09	(3,338)	-	-	(3,338)	-	(3,338)
Foreign Currency translation differences for foreign operation	-	-	-	-	1,578	-	-	-	1,578	-	1,578
Acquisition/Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	274	274
Balance as at 31.12.2018	120,505	(11,095)	37,488	-	0.09	1,320	(6,326)	(6,326)	141,892	16,717	158,609

Company No. 662315-U

T7 GLOBAL BERHAD (Incorporated in Malaysia)			
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019 (The figures have not been audited)			
	As at 31-Dec-19	As at 31-Dec-18	Changes (%)
	(RM'000)	(RM'000)	
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss)/Profit before taxation from continuing operations	8,043	7,654	5%
(Loss)/Profit before taxation from discontinued operations	-	-	-
Total profit before taxation	8,043	7,654	5%
Adjustments:			
Non-cash items	4,274	6,387	-33%
Non-operating items	322.10	(8,932)	-104%
Operating profit before changes in working capital	12,640	5,110	147%
Changes in working capital			
Net change in current assets	(15,170)	1,447	-1148%
Net change in current liabilities	(5,400)	(62,245)	-91%
Cash used in operating activities	(7,930)	(55,689)	-86%
Tax paid	(786)	(3,390)	-77%
Net cash used in operating activities	(8,716)	(59,079)	-85%
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received	1,442	1,274	13%
Net cash inflow from disposal of subsidiary company	-	32,200	-100%
Acquisition of a subsidiary company	-	274	-100%
Acquisition of other investment	(4,257)	(2,760)	54%
Dividend received	-	58	-100%
Proceed from disposal of property, plant and equipment	1,850	0.17	1114358%
Proceed from disposal of other investment	338	2,317	-85%
Purchase of property, plant and equipment	(10,742)	(27,491)	-61%
Net cash used in investing activities	(11,368)	5,872	-294%
CASH FLOW FROM FINANCING ACTIVITIES			
Issuance of shares pursuant to private placement	34,228	-	-
Repurchase of treasury share	(662)	(1,930)	-66%
Finance/(Repayment) of Hire-purchase	(1,289)	(1,074)	20%
Advance from/(Repayment to) joint venture	-	(9,408)	-100%
Interest paid	(2,745)	(1,034)	165%
Dividend paid	(2,464)	-	-
Drawdown borrowing	-	18,940	-100%
Net cash generated from financing activities	27,069	5,494	393%
Net change in cash and cash equivalents	6,984	(47,713)	-115%
Opening cash and cash equivalents	36,349	84,061	-57%
Effect of exchange rate changes	-	91	-
Closing cash and cash equivalents	43,333	36,439	19%

NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with IAS 34 Interim Financial Reporting, MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements as at and for the year ended 31 December 2018.

The financial information presented herein has been prepared in accordance with the accounting policies used in preparing the audited financial statements as at and for the year ended 31 December 2018 under the Malaysian Financial Reporting Standards (MFRS) framework.

A2 Seasonal or Cyclical Factors

The business operations of the Group were not affected by any seasonal or cyclical factors in the oil and gas industry.

A3 Unusual Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income or cash flows in the interim financial report for the period ended 31 December 2019.

A4 Change in Estimates of Amounts Reported Previously

There were no changes in estimates of amounts reported in prior interim periods or prior financial year that have a material effect on the current interim financial period.

A5 Issues of Debt

There was no issuance of debt for the current financial period under review.

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A6 Dividends Declared or Paid

The Single-tier interim dividend of 0.5 sen per ordinary share was declared on 08/07/2019 and paid on 06/08/2019.

A7 Segmental Information

Segmental analysis for the current quarter is set out below:

Cumulative as at 31 December 2019	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	138,568	93,720	232,288
Segment results	3,872	5,474	9,346
Share of profit from joint venture			0
Finance cost			(1,303)
Profit before taxation			8,043
Taxation			4,343
Net profit from continuing operations			12,386
Net profit/(loss) from discontinued operations			-
Net profit for the year			12,386

Cumulative as at 31 December 2018	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	118,337	92,102	210,439
Segment results	2,588	6,030	8,618
Share of profit from joint venture			71
Finance cost			(1,035)
Profit before taxation			7,654
Taxation			2,908
Net profit from continuing operations			10,562
Net profit/(loss) from discontinued operations			-
Net profit for the year			10,562

A8 Events after the Interim Period

No material event was registered after the interim period which will materially affect the earnings or income of the Group.

A9 Changes in the Composition of the Group

Save as disclosed above, there were no significant changes in the composition of the Group in the interim financial report.

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A10 Capital Commitment

No capital commitments were recorded in the current quarter under review.

A11 Related Party Transactions

The followings table provides the total amount of transactions which have been entered into with related parties during the year ended 31 December 2019 and 31 December 2018 as well as balances with related parties as of 31 December 2019 and 31 December 2018.

	Sales to related parties	Purchases from related parties	Amount owing by related parties	Amount owing to related parties
	RM'000	RM'000	RM'000	RM'000
2019	15,688	2,336	7,313	226
2018	7,820	3,329	1,361	-

A12 Contingent Liabilities

There were no significant changes in contingent liabilities since the last annual statement of financial position date and there were no additional contingent liabilities reported in the current financial quarter ended 31 December 2019.

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B ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B1 Variance of Results Against Preceding Quarter

For the current year quarter ended 31 December 2019, the Group recorded consolidated revenue of approximately RM61.23 million as compared to RM66.33 million recorded in the preceding quarter ended 30 September 2019. In the current quarter under review, the Group recorded a net profit after tax of RM7.40 million as compared to a net profit after tax of RM2.53 million recorded in the preceding quarter ended 30 September 2019.

Engineered Packages

The Group registered revenue of RM20.04 million in the current quarter as compared to RM33.98 million registered in the preceding quarter ended 30 September 2019 decrease in revenue by approximately 41.02%.

Products & Services

The products and services division registered revenue of RM41.19 million in the current quarter as compared to RM32.35 million registered in the preceding quarter ended 30 September 2019 increase by approximately 27.33%.

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B2 Variance of Results Against Preceding Period

For the current period ended 31 December 2019, the Group recorded consolidated revenue of approximately RM232.29 million. This represents an increase of approximately 10.38% as compared to RM210.44 million recorded in the corresponding period ended 31 December 2018.

The Group registered an overall profit after tax of RM12.39 million for current period ended December 2019 as compared to net profit after tax of RM10.56 million in the preceding period ended 31 December 2018.

Engineered Packages

Revenue for the current period derived from the engineered packages division which consists of mainly gas generation packages and offshore equipment packages registered revenue of approximately RM93.72 million as compared to RM92.10 million registered in the preceding year. This represents an increase of approximately 1.76%.

Products & Services

The products and services division registered revenue of approximately RM138.57 million in the current period as compared to RM118.34 million registered in the preceding year increase of approximately 17.09%.

B3 Current Year Prospects

In view of the current sustained oil prices and uncertainties affecting the global market demand, the oil and gas (O&G) sector is expected remains challenging for year 2020.

For T7 Global, oil and gas division will remain as the Group's core business. The Group will continue to bid for new contracts and will be looking for industry opportunities where T7 and our strategic alliances possess the relevant expertise and experience to venture into.

At the same time, the Company will also look into new ventures for potential business growth.

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B4 Variance of Actual and Profit Estimates

The Group has not provided any profit forecasts and therefore no comparison is available.

B5 Taxation

	Individual Quarter		Cumulative Year	
	31/12/2019 RM'000	31/12/2018 RM'000	31/12/2019 RM'000	31/12/2018 RM'000
a. Income Tax Expenses	3,436	3,172	5,345	3,845
b. (Over)/under provision in previous year	-	-	-	230
c. Deferred Tax Liabilities/(Assets)	(7,779)	(5,291)	(9,688)	(6,983)
d. Total	(4,343)	(2,119)	(4,343)	(2,908)

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B6 Status of Corporate Proposal

On 20/02/2020, T7 Global Bhd ("T7") had announced that Tanjung Offshore Services Sdn. Bhd. ("Tanjung Offshore"), a wholly-owned subsidiary of the Company and its consortium partner, VME Process Systems Malaysia Sdn Bhd had received a letter of award dated 30 January 2020 from PETRONAS Carigali Sdn Bhd for the provision of leasing, operating and maintenance of mobile offshore production unit (MOPU) for Bayan Redevelopment Project Gas Phase 2.

On 13/01/2020, T7 Global Bhd ("T7") had announced that Tanjung Offshore Services Sdn. Bhd. ("Tanjung Offshore"), a wholly-owned subsidiary of the Company had received the letter of award dated 19 December 2019 from Repsol Oil & Gas Malaysia Limited for the provision of maintenance, construction and modification services for PM3-CAA and PM-305.

On 16/11/2019, Fircroft Tanjung Sdn. Bhd., a subsidiary of Tanjung Offshore, has received the following letters of award from Mubadala Petroleum's entity, MDC Oil & Gas (SK320) Ltd (Mubadala Petroleum):-

a) Letter of award dated 17 October 2019 for the provision of third party manpower services (Technical, Health, Safety, Security and Environment (HSSE) and Production Operations) and

b) Letters of award dated 4 November 2019 for the provision of third party manpower services (Drilling and Exploration).

In addition, T7 Wenmax Sdn Bhd (formerly known as Wenmax Sdn. Bhd), a subsidiary of the Company's wholly-owned subsidiary, T7 Gastec Sdn. Bhd. (formerly known as Gas Generators (Malaysia) Sdn. Bhd.), had received a letter of award dated 8 September 2019 from Sarawak Shell Berhad and/or Sabah Shell Petroleum Company Limited for the provision of CPC pump part for Sabah Shell Berhad and/or Sarawak Shell Petroleum Company.

On 14/11/2019, T7 Global Bhd ("T7") had announced that Tanjung Offshore Services Sdn. Bhd. ("TOS"), a wholly-owned subsidiary of the Company had received the letter of award dated 10 October 2019 from Vestigo Petroleum Sdn. Bhd. For the provision of integrated well services for intervention, workover and abandonment.

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B7 Status of corporate proposal announced

The proposal of Private Placement exercise were announced on 3 May 2018, 10 July 2018, 27 July 2018, 20 August 2018, 17 December 2018, 26 December 2018, 24 April 2019, 6 May 2019, 3 June 2019 and 14 June 2019 has been fully completed on 17 June 2019.

Status of utilisation of proceeds

	Proposed Utilisation	Actual Utilisation	Balance to be utilised	Intended Timeframe for Utilisation
Working capital for projects:	RM'000	RM'000	RM'000	RM'000
Cost of setting up a specialised metal treatment plant for the new business	30,000	30,000	-	Within 12 months
Working capital requirements for the new business	5,000	4,803	197	Within 24 months
Project working capital for upgrading of combat management system for Royal Malaysian Navy's vessel	1,712	1,712	-	Within 18 months
Estimated expenses in relation to the Proposals	200	200	-	Within 1 months
Total	36,912	36,715	197	

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B8 Bank Borrowings

	31/12/2019	31/12/2018
	RM'000	RM'000
a) <u>Secured short term borrowings</u>		
i) Hire purchase and lease payables	24,631	25,847
Sub Total	24,631	25,847
a) <u>Secured long term borrowings</u>		
i) Hire purchase and lease payables	21,935	15,747
Sub Total	21,935	15,747
TOTAL BORROWINGS	46,566	41,594

B9 Material Litigation/ Special Notice

The Group is not engaged in any litigation, which has a material effect on the financial position of the Group, and the Directors are not aware of any proceedings pending or threatened or of any likely to give any proceedings which might materially and/or adversely affected the position or business of the Group.

B10 Dividend Declared or Paid

The Single-tier interim dividend of 0.5 sen per ordinary share was declared on 08/07/2019 and paid on 06/08/2019.

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B11 (Losses)/Earnings per share

	Quarter Ended		Period Ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Net (loss)/profit attributable to ordinary shareholders (RM'000)				
Continuing operations	7,401	4,518	12,386	10,562
Discontinued operations	-	-	-	-
	7,401	4,518	12,386	10,562
Basic				
Total number of ordinary shares ('000)	501,579	419,453	501,579	419,453
Adjusted weighted average number of ordinary shares ('000)	492,759	412,565	493,072	415,744
Basic (losses)/earnings per ordinary share (sen)				
Continuing operations	1.50	1.10	2.51	2.54
Discontinued operations	-	-	-	-
	1.50	1.10	2.51	2.54
Diluted				
Adjusted weighted average number of ordinary shares ('000)	492,759	412,565	493,072	415,744
Diluted (losses)/earnings per ordinary share (sen)				
Continuing operations	1.50	1.10	2.51	2.54
Discontinued operations	-	-	-	-
	1.50	1.10	2.51	2.54

Certain diluted earnings/(losses) per ordinary share are not presented, as the computation would result in anti-dilutive earnings per ordinary share.

B12 Qualification of Financial Statements

There was no qualification made on the preceding audited financial statements for the financial year ended 31 December 2018.

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