

Company No.: 662315-U

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2018
(the figures have not been audited)

	2018 Current Quarter 30-Jun (RM'000)	2017 Preceding Quarter 30-Jun (RM'000)	2018 Current Year Cumulative to Date 30-Jun (RM'000)	2017 Preceding Year Cumulative to Date 30-Jun (RM'000)
Continuing Operations				
Revenue	57,325	33,804	112,823	63,688
Cost of Sale	(52,208)	(28,580)	(101,123)	(55,746)
Gross (Loss)/Profit	5,117	5,224	11,700	7,941
Other Income	896	324	10,847	420
Operating Expenses	(5,199)	(5,634)	(19,503)	(8,261)
Finance Cost	(462)	(131)	(805)	(194)
Share of Profit/Loss From Joint Venture	(20)	536	(34)	674
(Loss)/Profit Before Taxation From Continuing Operations	332	319	2,205	580
Taxation: Company and Subsidiary Companies	1,723	-	1,723	-
(Loss)/Profit For The Year From Continuing Operations	2,055	319	3,928	580
Discontinued Operations				
Profit/(Loss) For The Year After Tax	-	-	-	-
Net (Loss)/Profit For the Year	2,055	319	3,928	580
Attributable to:				
Equity Holders of the Company	1,619	(1,498)	3,552	(1,241)
Non-Controlling Interest	436	1,817	376	1,821
	2,055	319	3,928	580
(Losses)/Earnings Per Share				
Basic				
- Continuing Operations	0.49	0.08	0.94	0.15
- Discontinued Operations	-	-	-	-
	0.49	0.08	0.94	0.15
Diluted				
- Continuing Operations	0.49	0.08	0.94	0.15
- Discontinued Operations	-	-	-	-
	0.49	0.08	0.94	0.15

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018
(the figures have not been audited)

	2018 Current Quarter 30-Jun (RM'000)	2017 Preceding Quarter 30-Jun (RM'000)	2018 Current Year Cummulative to Date 30-Jun (RM'000)	2017 Preceding Year Cummulative to Date 30-Jun (RM'000)
Net (Loss)/Profit For the Year	2,055	319	3,928	580
Other Comprehensive Income/(Loss): <i>Items that will be Reclassified Subsequently to Profit or Loss</i>				
Exchange Differences on Translating Foreign Operations	1	352	1,144	352
Fair Value Changes in Short Term Investment	477	1	(680)	1
	478	353	464	353
Total Comprehensive (Loss)/Income For The Year	2,533	672	4,392	933
Attributable to:				
Equity Holders of the Company	2,900	(1,145)	4,016	(888)
Minority Interest	(367)	1,817	376	1,821
	2,533	672	4,392	933

Company No.: 662315-U

T7 GLOBAL BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018 (the figures have not been audited)	As at 30-Jun-18 Unaudited (RM'000)	As at 31-Dec-17 Audited (RM'000)
NON-CURRENT ASSETS		
Associate Companies	290	1
Joint Venture	880	1,202
Other Investment	5,383	6,768
Property, Plant and Equipment	34,699	29,479
Intangible Assets	2,274	2,410
Other Receivables, Prepayment and Deposits	2,696	2,696
Total Non-Current Assets	46,220	42,557
CURRENT ASSETS		
Inventories	4,312	9,695
Trade Receivables	53,776	80,311
Other Receivables, Prepayment and Deposits	19,156	8,040
Amount Owing by Customers	129,140	31,854
Amount Owing by Joint Venture	3,420	3,504
Fixed Deposits With Licenced Banks	12,848	57,658
Cash and Bank Balances	49,464	26,404
Tax Recoverable	-	1,519
Other Investment	3,474	3,489
Total Current Assets	275,590	222,472
Assets classified as held for sale	-	21,593
Total Assets	321,811	286,622
NON-CURRENT LIABILITIES		
Hire Purchase and Lease Payables	8,627	8,648
Deferred Tax	405	405
Minority Interest	13,322	12,896
Total Non-Current Liabilities	22,354	21,950
CURRENT LIABILITIES		
Trade Payables	32,034	54,559
Amount Owing to Customers	112,915	25,874
Other Payables and Accruals	10,484	36,069
Hire Purchase and Lease Payables	838	7,659
Provision For Taxation	225	1,566
Total Current Liabilities	156,497	125,727
Total Liabilities	178,850	147,677
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	120,505	120,505
Reserves	26,853	22,837
Treasury Shares	(4,397)	(4,397)
Total Equity	142,961	138,945
Total Liabilities and Equity	321,811	286,622

Company No: 662315-U

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018
(The figures have not been audited)

	Equity Attributable to Equity Holders of the Company											
	Distributable						Non-Distributable					
	Share Capital RM'000	Accumulated Losses RM'000	Share Premium 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	Total Equity RM'000
Balance as at 01.01.2018	120,505	(15,345)	-	37,489	2,252	(1,579)	21	-	(4,397)	138,945	12,896	151,842
Total comprehensive income/(loss) for the year	-	3,551	-	-	(680)	1,144	0	-	-	4,015	376	4,391
Issuance of shares pursuant to private placement	-	-	-	-	-	-	-	-	-	-	-	-
Reduction of Par Value (from RM 0.50 to RM 0.10)	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition/Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	49	49
Transition to no-par regime	-	-	-	-	-	-	-	-	-	-	-	-
Reversed of Employee Benefits Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Effects Of Impairment of Treasury Share	-	-	-	-	-	-	-	-	-	-	-	-
Exercise of Warrant	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30.6.2018	120,505	(11,794)	-	37,489	1,572	(435)	21	-	(4,397)	142,961	13,321	156,282

TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017
(The figures have been audited)

	Equity Attributable to Equity Holders of the Company											
	Distributable						Non-Distributable					
	Share Capital RM'000	Accumulated Losses RM'000	Share Premium 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	Total Equity RM'000
Balance as at 01.01.2017	190,773	(112,781)	68,739	(19,579)	-	(1,123)	20	-	(4,397)	121,652	9,074	130,726
Total comprehensive income/(loss) for the year	-	(1,241)	-	-	-	352	1	-	-	(888)	1,821	933
Reduction of Par Value (from RM 0.50 to RM 0.10)	(152,618)	95,552	-	57,066	-	-	-	-	-	-	43	43
Transfer to reserve classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Reversed of Employee Benefits Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Exercise of Warrant	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30.6.2017	38,155	(18,470)	68,739	37,487	-	(771)	21	-	(4,397)	120,764	10,938	131,702

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T7 GLOBAL BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018 (The figures have not been audited)		
	As at 30-Jun-18 (RM'000)	As at 30-Jun-17 (RM'000)
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation from continuing operations	2,204	580
(Loss)/Profit before taxation from discontinued operations	-	-
Total (loss)/profit before taxation	2,204	580
Adjustments:		
Non-cash items	3,121	808
Non-operating items	(122)	(76)
Operating (loss)/profit before changes in working capital	5,203	1,311
Changes in working capital		
Net change in current assets	(52,906)	(45,784)
Net change in current liabilities	39,396	19,096
Cash (used in)/generated from operating activities	(8,306)	(25,377)
Tax paid	(122)	820
Net cash (used in)/generated operating activities	(8,428)	(24,557)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	880	215
Net cash inflow from disposal of subsidiary company	-	-
Net cash on acquisition of a subsidiary company	-	-
Acquisition of other investment	-	-
Addition of patent	-	-
Incorporation of joint venture	-	-
Dividend received	47	24
Proceed from disposal of property, plant and equipment	-	-
Proceed from redemption of other investment	-	1
Proceed from disposal of subsidiary company	-	-
Purchase of property, plant and equipment	(6,601)	(11,443)
Purchase of investment	-	-
Decrease in fixed deposits pledged	-	-
Net cash generated from/(used in) investing activities	(5,674)	(11,204)
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of shares pursuant to private placement	-	-
Finance/(Repayment) of Hire-purchase	(6,842)	7,239
Advance from/(Repayment to) joint venture	-	-
Interest paid	(805)	(162)
Drawdown of borrowing	-	-
Net cash generated/(used in) from financing activities	(7,647)	7,077
Net change in cash and cash equivalents	(21,749)	(28,684)
Opening cash and cash equivalents	84,062	54,372
Closing cash and cash equivalents	62,312	25,688

NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2018

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 2017.

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 2017 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 30 June 2018.

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 & Equity Securities

There were no issuance of debt and equity securities for the current financial period under review.

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A6 Dividends Declared or Paid

No dividend was declared or paid during the current financial quarter under review.

A7 Segmental Information

Segmental analysis for the current quarter is set out below:

Cumulative as at 30 June 2018	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	58,771	54,052	112,823
Segment results	1,621	1,423	3,044
Share of loss from joint venture			(34)
Finance cost			(805)
Profit before taxation			2,205
Taxation			1,723
Net profit from continuing operations			3,928
Net profit/(loss) from discontinued operations			-
Net profit for the year			3,928

Cumulative as at 30 June 2017	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	53,304	10,384	63,688
Segment results	642	(542)	100
Share of profit from joint venture			674
Finance cost			(194)
Profit before taxation			580
Taxation			-
Net profit from continuing operations			580
Net profit/(loss) from discontinued operations			-
Net profit for the year			580

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

On 07/08/2018, the Company's wholly owned subsidiary, T7 Marine Sdn. Bhd. ("T7 Marine") had received the Notice of Registration from the Companies Commission of Malaysia on the incorporation of T7 Subsea Sdn. Bhd. ("T7 Subsea").

T7 Subsea is incorporated with 100 ordinary shares with a total issued capital of RM100.00.

T7 Subsea is jointly owned by T7 Marine, DIV Diving Engineering Company Limited ("DIV") and Cornerstone Offshore Pte. Ltd. ("Cornerstone") with T7 Marine, DIV and Cornerstone hold 55 shares (55%), 30 shares (30%) and 15 shares (15%) respectively in T7 Subsea. The intended principal activities of T7 Subsea are to carry on various activities pertaining to underwater services in the oil and gas industry involving remote operated vehicle and diving services.

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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 30 June 2018 and 30 June 2017 as well as balances with related parties as of 30 June 2018 and 30 June 2017.

	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
2018	823	2,589	310	229
2017	431	1,374	431	320

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 30 June 2018.

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B ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B1 Variance of Results Against Preceding Quarter

For the current year quarter ended 30 June 2018, the Group recorded consolidated revenue of approximately RM57.33 million as compared to RM55.50 million recorded in the preceding quarter ended 31 March 2018. In the current quarter under review, the Group recorded a net profit after tax of RM2.06 million as compared to a net profit after tax of RM1.87 million recorded in the preceding quarter ended 31 March 2018.

Engineered Packages

The Group registered revenue of RM54.05 million in the current quarter as compared to RM17.46 million registered in the preceding quarter ended 31 March 2018 increase in revenue by approximately 209.56%.

Products & Services

The products and services division registered revenue of RM58.77 million in the current quarter as compared to RM38.03 million registered in the preceding quarter ended 31 March 2018 increase by approximately 54.54%.

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B2 Variance of Results Against Preceding Period

For the current period ended 30 June 2018, the Group recorded consolidated revenue of approximately RM112.82 million. This represents an increase of approximately 77.14% as compared to RM63.69 million recorded in the corresponding period ended 30 June 2017.

The increase in revenue by 77.14% was mainly due to contributions from the Origins and CWR contract secured from PETRONAS.

The Group registered an overall profit after tax of RM3.93 million for current period ended June 2018 as compared to net profit after tax of RM0.58 million in the preceding period ended 30 June 2017.

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 higher revenue of approximately RM55.05 million as compared to RM10.38 million registered in the preceding period. This represents an increase of approximately 430.35%.

Products & Services

The products and services division registered a higher revenue of approximately RM58.77 million in the current period as compared to the preceding period of RM53.30 million. The increase in revenue was mainly due to contributions from the Origins and CWR contract secured from PETRONAS.

B3 Current Year Prospects

Despite the challenges in the oil and gas industry, the Company will continue to focus in the oil and gas sector. 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	
	30/06/2018 RM'000	30/06/2017 RM'000	30/06/2018 RM'000	30/06/2017 RM'000
a. Income Tax Expenses	299	-	299	-
b. (Over)/under provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	(2,428)	521	(2,023)	521
d. Total	(2,129)	521	(1,724)	521

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B6 Status of Corporate Proposal

On 30/07/2018, T7 had issued circular to Shareholders in relation to the following proposals:

a) a private placement of up to twenty percent (20%) of the issued shares of T7 to third party investors to be identified later.

b) to seek its shareholders' approval on the authority to purchase its own shares of up to 10% of the issued shares of T7 through Bursa Malaysia Securities Berhad in accordance with Section 127(1) of the Companies Act 2016, and

c) proposed diversification of the existing principal activities of T7 and its subsidiaries to include manufacturing and treatment of aerospace parts.

B7 Status of corporate proposal announced

a) The proposal of Private Placement exercise were announced on 1 November 2017, 9 November 2017, 14 November 2017, 16 November 2017 and 27 November 2017 has been fully completed on 28 November 2017.

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
Provision of manpower injection awarded by PRPC Utilities and Facilities Sdn Bhd	2,000	2,000	-	Within 12 months
Contract to supply, deliver, install, testing and commissioning battery system awarded by PTS Resources Sdn Bhd	5,000	1,480	3,520	Within 12 months
Supply of manpower awarded by Repsol Oil & Gas Malaysia Ltd	6,926	6,926	-	Within 12 months
Estimated expenses in relation to the Proposed Private Placement	100	100	-	Within 1 months
Total	14,026	10,506	3,520	

b) The proposal of Disposal of Entire Equity Interest in 7 New Market Street Holdings Limited were announced on 17 October and 21 December 2017 has been fully completed on 18 January 2018.

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
Provision of professional manpower by Sarawak Shell Berhad (Fircroft)	3,306	3,306	-	Within 12 months
Operational Reliability & Integrity Gauging Instrument based Safeguard Project awarded by Petronas Carigali Sdn Bhd	8,564	6,683	1,881	Within 12 months
Supply of manpower under an Umbrella Contract awarded by Repsol Oil & Gas	12,469	8,939	3,530	Within 12 months
Estimated expenses in relation to the Proposed Disposal	400	400	-	Immediate
General working capital	6,712	6,712	-	Within 1 months
Total	31,451	26,040	5,411	

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B8 Bank Borrowings

	30/06/2018	30/06/2017
	RM'000	RM'000
a) <u>Secured short term borrowings</u>		
i) Hire purchase and lease payables	838	1,188
Sub Total	838	1,188
a) <u>Secured long term borrowings</u>		
i) Hire purchase and lease payables	8,627	9,048
Sub Total	8,627	9,048
TOTAL BORROWINGS	9,465	10,236

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

No dividend was declared or paid during the current quarter under review.

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B11 (Losses)/Earnings per share

	Quarter Ended		Period Ended	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
Net (loss)/profit attributable to ordinary shareholders (RM'000)				
Continuing operations	2,055	319	3,928	580
Discontinued operations	-	-	-	-
	<u>2,055</u>	<u>319</u>	<u>3,928</u>	<u>580</u>
Basic				
Total number of ordinary shares ('000)	419,453	381,546	419,453	381,546
Adjusted weighted average number of ordinary shares ('000)	416,976	379,069	416,976	379,069
Basic (losses)/earnings per ordinary share (sen)				
Continuing operations	0.49	0.08	0.94	0.15
Discontinued operations	-	-	-	-
	<u>0.49</u>	<u>0.08</u>	<u>0.94</u>	<u>0.15</u>
Diluted				
Adjusted weighted average number of ordinary shares ('000)	416,976	379,069	416,976	379,069
Diluted (losses)/earnings per ordinary share (sen)				
Continuing operations	0.49	0.08	0.94	0.15
Discontinued operations	-	-	-	-
	<u>0.49</u>	<u>0.08</u>	<u>0.94</u>	<u>0.15</u>

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 2017.

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