

Company No.: 662315-U

T7 GLOBAL BERHAD
(formerly known as Tanjung Offshore Berhad)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2017
(the figures have not been audited)

	2017 Current Quarter 31-Mar (RM'000)	2016 Preceding Quarter 31-Mar (RM'000)	2017 Current Year Cumulative to Date 31-Mar (RM'000)	2016 Preceding Year Cumulative to Date 31-Mar (RM'000)
Continuing Operations				
Revenue	29,884	11,990	29,884	11,990
Cost of Sale	(27,166)	(11,137)	(27,166)	(11,137)
Gross (Loss)/Profit	2,718	853	2,718	853
Other Income	96	156	96	156
Operating Expenses	(2,628)	(5,482)	(2,628)	(5,482)
Finance Cost	(63)	(26)	(63)	(26)
Share of Profit/Loss From Joint Venture	138	71	138	71
(Loss)/Profit Before Taxation From Continuing Operations	262	(4,428)	262	(4,428)
Taxation: Company and Subsidiary Companies	-	(287)	-	(287)
(Loss)/Profit For The Year From Continuing Operations	262	(4,715)	262	(4,715)
Discontinued Operations				
Profit/(Loss) For The Year After Tax	-	30	-	30
Net (Loss)/Profit For the Year	262	(4,685)	262	(4,685)
Attributable to:				
Equity Holders of the Company	258	(4,685)	258	(4,685)
Non-Controlling Interest	4	-	4	-
	262	(4,685)	262	(4,685)
(Losses)/Earnings Per Share				
Basic				
- Continuing Operations	0.07	(1.25)	0.07	(1.25)
- Discontinued Operations	-	0.01	-	0.01
	0.07	(1.24)	0.07	(1.24)
Diluted				
- Continuing Operations	0.07	(1.25)	0.07	(1.25)
- Discontinued Operations	-	0.01	-	0.01
	0.07	(1.24)	0.07	(1.24)

T7 GLOBAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017
 (the figures have not been audited)

	2017 Current Quarter 31-Mar (RM'000)	2016 Preceding Quarter 31-Mar (RM'000)	2017 Current Year Cumulative to Date 31-Mar (RM'000)	2016 Preceding Year Cumulative to Date 31-Mar (RM'000)
Net (Loss)/Profit For the Year	262	(4,685)	262	(4,685)
Other Comprehensive Income/(Loss): <i>Items that will be Reclassified Subsequently to Profit or Loss</i>				
Exchange Differences on Translating Foreign Operations	43	(4,486)	43	(4,486)
Fair Value Changes in Short Term Investment	8	-	8	-
	50	(4,486)	50	(4,486)
Total Comprehensive (Loss)/Income For The Year	313	(9,171)	313	(9,171)
Attributable to:				
Equity Holders of the Company	309	(9,171)	309	(9,171)
Minority Interest	4	-	4	-
	313	(9,171)	313	(9,171)

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T7 GLOBAL BERHAD (formerly known as Tanjung Offshore Berhad) (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017 (the figures have not been audited)	As at 31-Mar-17 Unaudited (RM'000)	As at 31-Dec-16 Audited (RM'000)
NON-CURRENT ASSETS		
Associate Companies	256	1
Joint Venture	659	775
Other Investment	3,483	3,277
Investment Property	21,812	21,773
Property, Plant and Equipment	19,490	16,374
Intangible Assets	2,716	2,788
Other Receivables, Prepayment and Deposits	3,240	3,240
Total Non-Current Assets	51,656	48,228
CURRENT ASSETS		
Inventories	2,907	3,069
Trade Receivables	39,274	35,900
Other Receivables, Prepayment and Deposits	13,403	5,528
Amount Owing by Customers	36,613	40,176
Amount Owing by Associate Company	-	-
Amount Owing by Joint Venture	2,929	2,935
Short Term Investment	3,860	-
Fixed Deposits With Licenced Banks	8,453	8,752
Cash and Bank Balances	36,460	45,610
Tax Recoverable	1,063	2,304
Total Current Assets	144,962	144,274
Total Assets	196,618	192,502
NON-CURRENT LIABILITIES		
Hire Purchase and Lease Payables	9,090	2,124
Deferred Tax	521	521
Minority Interest	9,078	9,074
Total Non-Current Liabilities	18,688	11,719
CURRENT LIABILITIES		
Trade Payables	49,388	20,580
Amount Owing to Customers	3,401	25,191
Other Payables and Accruals	1,646	12,488
Hire Purchase and Lease Payables	1,535	872
Total Current Liabilities	55,969	59,131
Total Liabilities	74,657	70,850
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	38,155	190,773
Reserves	88,203	(64,724)
Treasury Shares	(4,397)	(4,397)
Total Equity	121,961	121,652
Total Liabilities and Equity	196,618	192,502

Company No: 662315-U

T7 GLOBAL BERHAD
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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**
(The figures have not been audited)

	Equity Attributable to Equity Holders of the Company						Total Equity RM'000				
	Distributable			Non-Distributable							
	Share Capital RM'000	Accumulated Losses RM'000	Share Premium RM'000	Capital 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	(112,761)	68,739	(19,579)	(1,123)	20	-	(4,397)	121,652	9,074	130,726
Total comprehensive income/(loss) for the year	-	258	-	-	43	8	-	-	309	4	313
Reduction of Par Value (from RM 0.50 to RM 0.10)	(152,618)	95,552	-	57,066	-	-	-	-	(0)	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Reversed of Employee Benefits Reserve	-	-	-	-	-	-	-	-	-	-	-
Effects Of Impairment of Treasury Share	-	-	-	-	-	-	-	-	-	-	-
Exercise of Warrant	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2017	38,155	(16,971)	68,739	37,487	(1,080)	28	-	(4,397)	121,961	9,078	131,039

TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**
(The figures have been audited)

	Equity Attributable to Equity Holders of the Company						Total Equity RM'000				
	Distributable			Non-Distributable							
	Share Capital RM'000	Accumulated Losses RM'000	Share Premium RM'000	Capital 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 01.01.2016	190,768	(118,171)	68,739	(19,579)	3,989	(12)	1,081	(4,397)	122,418	-	122,418
Total comprehensive income/(loss) for the year	-	(4,685)	-	-	(4,486)	-	-	-	(9,171)	-	(9,171)
Exercise of Warrant	5	-	-	-	-	-	-	-	5	-	5
Balance as at 31.03.2016	190,773	(122,856)	68,739	(19,579)	(497)	(12)	1,081	(4,397)	113,252	-	113,252

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T7 GLOBAL BERHAD (formerly known as Tanjung Offshore Berhad) (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017 (The figures have not been audited)		
	As at 31-Mar-17 (RM'000)	As at 31-Mar-16 (RM'000)
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation from continuing operations	262	(4,428)
(Loss)/Profit before taxation from discontinued operations	-	30
Total (loss)/profit before taxation	262	(4,398)
Adjustments:		
Non-cash items	684	784
Non-operating items	4	(82)
Operating (loss)/profit before changes in working capital	950	(3,696)
Changes in working capital		
Net change in current assets	(30,652)	(1,445)
Net change in current liabilities	19,024	(3,326)
Cash (used in)/generated from operating activities	(10,678)	(8,467)
Tax paid	1,241	(724)
Net cash (used in)/generated operating activities	(9,438)	(9,191)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	85	367
Net cash inflow from disposal of subsidiary company	-	-
Net cash on acquisition of a subsidiary company	-	-
Incorporation of joint venture	-	-
Dividend received	5	4
Proceed from disposal of property, plant and equipment	-	-
Proceed from redemption of other investment	7	54
Purchase of property, plant and equipment	(3,793)	(22)
Purchase of investment	-	-
Decrease in fixed deposits pledged	-	450
Net cash generated from/(used in) investing activities	(3,697)	853
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of shares, net of transaction costs	-	5
Repayment of Hire-purchase	7,628	(175)
Interest paid	(93)	(288)
Net cash generated/(used in) from financing activities	7,535	(458)
Net change in cash and cash equivalents	(5,599)	(8,796)
Opening cash and cash equivalents	54,372	66,779
Closing cash and cash equivalents	48,773	57,983

NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2017

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 2016.

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 2016 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 March 2017.

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 31 March 2017	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	22,025	7,859	29,884
Segment results	59	128	187
Share of profit from joint venture			138
Finance cost			(63)
Profit before taxation			262
Taxation			-
Net profit from continuing operations			262
Net profit/(loss) from discontinued operations			-
Net profit for the year			262

Cumulative as at 31 March 2016	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	7,943	4,047	11,990
Segment results	(3,925)	(548)	(4,473)
Share of profit from joint venture			71
Finance cost			(26)
Loss before taxation			(4,428)
Taxation			(287)
Net loss from continuing operations			(4,715)
Net profit/(loss) from discontinued operations			30
Net loss for the year			(4,685)

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 9 May 2017 the Company received the Notice of Registration dated 9 May 2017 from the Companies Commission of Malaysia on the incorporation of a subsidiary by T7 Aero Sdn. Bhd. ("T7 Aero"), namely "T7 Kilgour Sdn. Bhd." ("T7 Kilgour").

T7 Kilgour is incorporated in Malaysia with an issued capital of RM10.00 comprising 10 ordinary shares. The directors of T7 Kilgour are Tan Sri Datuk Seri Tan Kean Soon, Datuk Seri Dr. Nik Norzrul Thani bin bin N. Hassan Thani, Tan Kay Vin, Paula Jose Kilgour and Raymond Kilgour.

T7 Kilgour Sdn. Bhd. is jointly owned by T7 Aero and KOV Limited with T7 Aero and KOV Limited hold 6 shares and 4 shares respectively in T7 Kilgour. The intended principal activities of T7 Kilgour are manufacturing aerospace components and assemblies especially metal, treatment and capabilities and such other related services and activities in aerospace.

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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 March 2017 and 31 March 2016 as well as balances with related parties as of 31 March 2017 and 31 March 2016.

	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
2017	-	754	-	355
2016	143	756	143	756

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 March 2017.

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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 March 2017, the Group recorded consolidated revenue of approximately RM30 million. This represents a decrease of approximately 19.53% as compared to RM37.28 million recorded in the preceding quarter ended 31 Dec 2016. In the current quarter under review, the Group recorded a net profit after tax of RM0.26 million as compared to a net profit after tax of RM9.80 million recorded in the preceding quarter ended 31 Dec 2016.

Engineered Packages

The Group registered revenue of RM7.86 million in the current quarter as compared to RM4.82 million registered in the preceding quarter ended 31 Dec 2016. This represents an increase of approximately 63.07%.

Products & Services

The products and services division registered revenue of RM22.03 million in the current quarter as compared to RM32.23 million registered in the preceding quarter ended 31 Dec 2016 decrease in revenue by approximately 31.65%.

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B2 Variance of Results Against Preceding Period

For the current period ended 31 March 2017, the Group recorded consolidated revenue of approximately RM30 million. This represents an increase of approximately 150% as compared to RM12 million recorded in the corresponding period ended 31 March 2016.

The increase in revenue by 150% was mainly due to contributions from the Origins and CWR contract secured from PETRONAS.

The Group registered an overall profit after tax of RM0.26 million for current period ended March 2017 as compared to net loss after tax of RM4.68 million in the preceding period ended 31 March 2016.

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 a higher revenue of approximately RM7.86 million as compared to RM4.05 million registered in the preceding period. This represents an increase of approximately 94.07%.

The increase in revenue by 94.07% was mainly due to contributions from various contracts.

Products & Services

The products and services division registered a higher revenue of approximately RM22.03 million in the current period as compared to the preceding period of RM7.94 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 business. 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	
	31/03/2017 RM'000	31/03/2016 RM'000	31/03/2017 RM'000	31/03/2016 RM'000
a. Income Tax Expenses	-	287	-	287
b. (Over)/under provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	521	-	521	-
d. Total	521	287	521	287

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B6 Status of Corporate Proposal

On 29/09/2016, the Company proposed to undertake the following proposals:

- (i) proposed reduction of its existing issued and paid-up share capital via the cancellation of RM0.40 of the par value of every existing ordinary share of RM0.50 each in Tanjung pursuant to Section 64 of the Companies Act, 1965 ("**Proposed Par Value Reduction**");

and

- (ii) proposed establishment of a new employees' share option scheme ("**Scheme**") of up to ten percent (10%) of the issued and paid-up share capital (excluding treasury shares) of the Company at any one time during the duration of the Scheme for the eligible executive directors and employees of Tanjung and its subsidiary companies ("**Proposed ESOS**").

On behalf of the Board, RHBIB wishes to announce that under Paragraph 6.43 of the Main Market Listing Requirements of Bursa Securities, the effective date for the implementation of the employees' share option scheme ("**ESOS**") has been fixed on 28 March 2017.

RHBIB had on 29 March 2017 submitted the confirmation of the ESOS including the final Bylaws in relation to the ESOS to Bursa Securities.

B7 Status of Memorandum of Understanding ("MOU")

On 9 May 2017 the Company received the Notice of Registration dated 9 May 2017 from the Companies Commission of Malaysia on the incorporation of a subsidiary by T7 Aero Sdn. Bhd. ("T7 Aero"), namely "T7 Kilgour Sdn. Bhd." ("T7 Kilgour").

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B8 Bank Borrowings

	RM'000
a) <u>Secured short term borrowings</u>	
i) Hire purchase and lease payables	1,535
Sub Total	1,535
a) <u>Secured long term borrowings</u>	
i) Hire purchase and lease payables	9,090
Sub Total	9,090
TOTAL BORROWINGS	10,625

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	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Net (loss)/profit attributable to ordinary shareholders (RM'000)				
Continuing operations	262	(4,715)	262	(4,715)
Discontinued operations	-	30	-	30
	<u>262</u>	<u>(4,685)</u>	<u>262</u>	<u>(4,685)</u>
Basic				
Total number of ordinary shares ('000)	381,546	381,546	381,546	381,546
Adjusted weighted average number of ordinary shares ('000)	<u>379,069</u>	<u>379,062</u>	<u>379,069</u>	<u>379,062</u>
Basic (losses)/earnings per ordinary share (cent)				
Continuing operations	0.07	(1.25)	0.07	(1.25)
Discontinued operations	-	0.01	-	0.01
	<u>0.07</u>	<u>(1.24)</u>	<u>0.07</u>	<u>(1.24)</u>
Diluted				
Adjusted weighted average number of ordinary shares ('000)	379,069	379,062	379,069	379,062
SIS:				
No of unissued shares ('000)#	-	-	-	-
WARRANTS:				
No of unexercised warrant A ('000)#	-	-	-	-
No of unexercised warrant B ('000)#	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Diluted weighted average number of ordinary shares ('000)	379,069	379,062	379,069	379,062
Diluted (losses)/earnings per ordinary share (cent)				
Continuing operations	0.07	(1.25)	0.07	(1.25)
Discontinued operations	-	0.01	-	0.01
	<u>0.07</u>	<u>(1.24)</u>	<u>0.07</u>	<u>(1.24)</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 2016.

B13 Realised and Unrealised Losses or Profits

The breakdown of accumulated losses of the Group as at 31 March 2017 and 31 March 2016 divided into realised and unrealised losses or profits are as disclosed, pursuant to the directive, is as follows:

	As at 31 March 2017 RM'000	As at 31 March 2016 RM'000
Total accumulated losses of the Group :		
- Realised	(16,971)	(122,856)
- Unrealised		-
	<hr/>	<hr/>
Total Group accumulated losses as per consolidated accounts	<u>(16,971)</u>	<u>(122,856)</u>