

Company No.: 662315-U

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

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

	2017 Current Quarter 31-Dec (RM'000)	2016 Preceding Year 31-Dec (RM'000)	Changes (%)	2017 Current Year Cumulative to Date 31-Dec (RM'000)	2016 Preceding Year Cumulative to Date 31-Dec (RM'000)	Changes (%)
Continuing Operations						
Revenue	102,740	37,283	176%	204,495	83,278	146%
Cost of Sale	(90,033)	(41,109)	119%	(180,120)	(81,362)	121%
Gross (Loss)/Profit	12,707	(3,826)	-432%	24,375	1,916	1172%
Other Income	13,157	38,918	-66%	13,874	43,626	-68%
Operating Expenses	(19,550)	(25,960)	-25%	(28,438)	(41,119)	-31%
Finance Cost	(93)	34	-374%	(430)	(35)	1129%
Share of Profit/Loss From Joint Venture	(188)	(64)	194%	427	437	-2%
(Loss)/Profit Before Taxation From Continuing Operations	6,033	9,102	-34%	9,808	4,825	103%
Taxation: Company and Subsidiary Companies	(4,146)	454	-1013%	(4,146)	(124)	3244%
(Loss)/Profit For The Year From Continuing Operations	1,887	9,556	-80%	5,662	4,701	20%
Discontinued Operations						
Profit/(Loss) For The Year After Tax	-	240	-100%	-	362	-100%
Net (Loss)/Profit For the Year	1,887	9,796	-81%	5,662	5,063	12%
Attributable to:						
Equity Holders of the Company	166	9,042	-98%	1,883	4,309	-56%
Non-Controlling Interest	1,721	754	1.282493	3,779	754	401%
	1,887	9,796	-81%	5,662	5,063	12%
(Losses)/Earnings Per Share						
Basic						
- Continuing Operations	0.47	2.52	-81%	1.47	1.24	18%
- Discontinued Operations	-	0.06	-100%	-	0.10	-100%
	0.47	2.58	-82%	1.47	1.34	10%
Diluted						
- Continuing Operations	0.47	2.52	-81%	1.47	1.24	18%
- Discontinued Operations	-	0.06	-100%	-	0.10	-100%
	0.47	2.58	-82%	1.47	1.34	10%

Company No: 662315-U

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 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	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 01.01.2017	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	-	1,883	-	-	2,252	(456)	1	-	-	3,680	3,779	7,459
Issuance of shares pursuant to private placement	13,613	-	-	-	-	-	-	-	-	13,613	-	13,613
Reduction of Par Value (from RM 0.50 to RM 0.10)	(152,618)	95,552	-	57,066	-	-	-	-	-	(0)	-	(0)
Acquisition/Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Transition to no-par regime	68,737	-	(68,739)	2	-	-	-	-	-	-	44	44
Reversed of Employee Benefits Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Effects Of Impairment of Treasury Share	-	-	-	-	-	-	-	-	-	-	-	-
Exercise of Warrant	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.12.2017	120,505	(15,345)	-	37,489	2,252	(1,579)	21	-	(4,397)	138,946	12,898	151,842

TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 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	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 01.01.2016	190,768	(116,171)	68,739	(19,579)	-	3,989	(12)	1,081	(4,397)	122,418	-	122,418
Total comprehensive income/(loss) for the year	-	4,309	-	-	-	(5,112)	32	-	-	(771)	754	(17)
Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-	0	8,320	8,320
Reversed of Employee Benefits Reserve	-	1,081	-	-	-	-	-	(1,081)	-	-	-	-
Exercise of Warrant	5	-	-	-	-	-	-	-	-	5	-	5
Balance as at 31.12.2016	190,773	(112,781)	68,739	(19,579)	-	(1,123)	20	-	(4,397)	121,652	9,074	130,726

Company No.: 662315-U

T7 GLOBAL BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (the figures have not been audited)	As at 31-Dec-17 Unaudited (RM'000)	As at 31-Dec-16 Audited (RM'000)
NON-CURRENT ASSETS		
Associate Companies	1	1
Joint Venture	1,202	775
Other Investment	6,768	3,277
Investment Property	31,642	21,773
Property, Plant and Equipment	19,431	16,374
Intangible Assets	2,410	2,788
Other Receivables, Prepayment and Deposits	2,696	3,240
Total Non-Current Assets	64,150	48,228
CURRENT ASSETS		
Inventories	13,179	3,069
Trade Receivables	80,311	35,900
Other Receivables, Prepayment and Deposits	8,039	5,528
Amount Owing by Customers	25,764	40,176
Amount Owing by Joint Venture	3,504	2,935
Fixed Deposits With Licenced Banks	57,658	8,752
Cash and Bank Balances	26,404	45,610
Tax Recoverable	1,519	2,304
Other Investment	3,488	-
Total Current Assets	219,866	144,274
Total Assets	284,016	192,502
NON-CURRENT LIABILITIES		
Hire Purchase and Lease Payables	8,648	2,124
Deferred Tax	405	521
Minority Interest	12,896	9,074
Total Non-Current Liabilities	21,949	11,719
CURRENT LIABILITIES		
Trade Payables	62,997	20,580
Amount Owing to Customers	19,784	25,191
Other Payables and Accruals	36,089	12,488
Hire Purchase and Lease Payables	2,685	872
Provision For Taxation	1,566	-
Total Current Liabilities	123,121	59,131
Total Liabilities	145,070	70,850
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	120,505	190,773
Reserves	22,838	(64,724)
Treasury Shares	(4,397)	(4,397)
Total Equity	138,946	121,652
Total Liabilities and Equity	284,016	192,502

Company No.: 662315-U

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**
(the figures have not been audited)

	2017 Current Quarter 31-Dec (RM'000)	2016 Preceding Year 31-Dec (RM'000)	Changes (%)	2017 Current Year Cumulative to Date 31-Dec (RM'000)	2016 Preceding Year Cumulative to Date 31-Dec (RM'000)	Changes (%)
Net (Loss)/Profit For the Year	1,887	9,796	-81%	5,662	5,063	12%
Other Comprehensive Income/(Loss):						
<i>Items that will be Reclassified Subsequently to Profit or Loss</i>	(808)	640	-226%	(456)	(5,112)	-91%
Exchange Differences on Translating Foreign Operations	2,252	-	#DIV/0!	2,253	32	6941%
Fair Value Changes in Short Term Investment	1,444	640	126%	1,797	(5,080)	-135%
Total Comprehensive (Loss)/Income For The Year	3,331	10,436	-68%	7,459	(17)	-43976%
Attributable to:						
Equity Holders of the Company	1,373	9,683	-86%	3,680	(771)	-577%
Minority Interest	1,958	754	1.59682	3,779	754	401%
	3,331	10,436	-68%	7,459	(17)	-43976%

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T7 GLOBAL BERHAD (Incorporated in Malaysia)			
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017 (The figures have not been audited)			
	As at 31-Dec-17	As at 31-Dec-16	Changes (%)
	(RM'000)	(RM'000)	
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss)/Profit before taxation from continuing operations	9,808	4,825	103%
(Loss)/Profit before taxation from discontinued operations	-	362	-100%
Total (loss)/profit before taxation	9,808	5,187	89%
Adjustments:			
Non-cash items	2,194	14,684	-85%
Non-operating items	(1,200)	(758)	58%
Operating (loss)/profit before changes in working capital	10,803	19,113	-43%
Changes in working capital			
Net change in current assets	(58,541)	(38,649)	51%
Net change in current liabilities	76,496	13,630	461%
Cash (used in)/generated from operating activities	28,758	(5,906)	-587%
Tax paid	(1,160)	(2,663)	-56%
Net cash (used in)/generated operating activities	27,598	(8,569)	-422%
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received	432	1,109	-61%
Net cash inflow from disposal of subsidiary company	84	-	
Net cash on acquisition of a subsidiary company	-	-	
Acquisition of other investment	(2,144)	-	
Addition of patent	(1)	-	
Incorporation of joint venture	-	-	
Dividend received	87	63	38%
Proceed from disposal of property, plant and equipment	176	-	
Proceed from redemption of other investment	-	87	-100%
Purchase of property, plant and equipment	(5,675)	(4,611)	23%
Purchase of investment	(10,113)	-	
Decrease in fixed deposits pledged	-	450	-100%
Net cash generated from/(used in) investing activities	(17,154)	(2,902)	491%
CASH FLOW FROM FINANCING ACTIVITIES			
Issuance of shares pursuant to private placement	13,613	5	272166%
Finance/(Repayment) of Hire-purchase	6,639	(536)	-1339%
Advance from/(Repayment to) joint venture	(569)	-	
Interest paid	(155)	(415)	-63%
Drawdown of borrowing	-	-	
Net cash generated/(used in) from financing activities	19,529	(946)	-2164%
Net change in cash and cash equivalents	29,973	(12,417)	-341%
Opening cash and cash equivalents	54,362	66,779	-19%
Effect of exchange rate changes	(273)	-	
Closing cash and cash equivalents	84,062	54,362	55%

NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 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 December 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 December 2017	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	126,020	78,475	204,495
Segment results	1,799	8,012	9,811
Share of profit from joint venture			427
Finance cost			(430)
Profit before taxation			9,808
Taxation			(4,146)
Net profit from continuing operations			5,662
Net profit/(loss) from discontinued operations			-
Net profit for the year			5,662

Cumulative as at 31 December 2016	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	61,810	21,238	83,048
Segment results	3,012	1,772	4,784
Share of profit from joint venture			438
Finance cost			(35)
Loss before taxation			5,187
Taxation			124)
Net loss from continuing operations			4,701
Net profit/(loss) from discontinued operations			362
Net loss for the year			5,063

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 12/01/2018, the Company's wholly owned subsidiary, T7 Kemuncak Sdn. Bhd. ("T7 Kemuncak") had received the Notice of Registration from the Companies Commission of Malaysia on the incorporation of T7 China Construction Third Engineering Sdn. Bhd. ("T7 CCTE").

T7 CCTE is incorporated with 100,000 ordinary shares with a total issued capital of RM100,000.00. The sole director of T7 CCTE is Tan Sri Datuk Seri Tan Kean Soon.

T7 CCTE is jointly owned by T7 Kemuncak and China Construction Third Engineering (M) Sdn. Bhd. ("CCTEM") with T7 Kemuncak and CCTEM hold 51,000 shares and 49,000 shares respectively in T7 CCTE. The intended principal activities of T7 CCTE are to provide construction and civil engineering services.

On 07/02/2018, Tanjung Drilltec Sdn. Bhd., a subsidiary of Tanjung Offshore Services Sdn. Bhd., which in turn a subsidiary of the Company has been struck off from the register of Companies Commission of Malaysia ("CCM") pursuant to Section 551(1) of the Companies Act 2016 ("Strike-Off"), based on information extracted from CCM's online database

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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 2017 and 31 December 2016 as well as balances with related parties as of 31 December 2017 and 31 December 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	351	2,361	342	44
2016	1,353	12,240	891	976

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 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 December 2017, the Group recorded consolidated revenue of approximately RM102.74 million as compared to RM38.07 million recorded in the preceding quarter ended 30 September 2017. In the current quarter under review, the Group recorded a net profit after tax of RM1.89 million as compared to a net profit after tax of RM3.20 million recorded in the preceding quarter ended 30 September 2017.

Engineered Packages

The Group registered revenue of RM60.79 million in the current quarter as compared to RM7.30 million registered in the preceding quarter ended 30 Sept 2017. This represents an increase of approximately 732.74%.

Products & Services

The products and services division registered revenue of RM41.95 million in the current quarter as compared to RM30.77 million registered in the preceding quarter ended 30 Sept 2017 an increase of approximately 36.33%.

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B2 Variance of Results Against Preceding Period

For the current period ended 31 December 2017, the Group recorded consolidated revenue of approximately RM204.50 million. This represents an increase of approximately 146.24% as compared to RM83.05 million recorded in the corresponding period ended 31 December 2016.

The increase in revenue by 146.24% was mainly due to contributions from the Origins and CWR contract secured from PETRONAS.

The Group registered an overall profit after tax of RM5.66 million for current period ended December 2017 as compared to net profit after tax of RM5.06 million in the preceding period ended 31 December 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 higher revenue of approximately RM78.48 million as compared to RM21.24 million registered in the preceding period. This represents an increase of approximately 269.49%.

Products & Services

The products and services division registered a higher revenue of approximately RM126.02 million in the current period as compared to the preceding period of RM61.81 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	
	31/12/2017 RM'000	31/12/2016 RM'000	31/12/2017 RM'000	31/12/2016 RM'000
a. Income Tax Expenses	4,165	827	4,165	1,405
b. (Over)/under provision in previous year	96	(1,776)	96	(1,776)
c. Deferred Tax Liabilities/(Assets)	(636)	495	(115)	495
d. Total	3,625	(454)	4,146	124

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B6 Status of Corporate Proposal

On 18/01/2018, T7 Global Bhd (“T7”) had announce that all the conditions precedent as set out in the conditional share sale agreement (“SSA”) with Chan Wai Hung and New Sok Chin (collectively referred to as the “Purchasers”) for the proposed disposal of its entire equity interest in 7NMSH which in turn holds 100% equity interest in 7 New Market Street Limited (“7NMS”). 7NMS is the owner of a 10-storey office block and 18 car park spaces located in Birmingham, United Kingdom (“Property”) have been fulfilled. Accordingly, the SSA has become unconditional and the Disposal is deemed completed.

On 28/11/2017, T7 had proposed to undertake a private placement of up to ten percent (10%) of the issued and paid-up share capital of T7 to third party investors and has been completed following the listing of and quotation for 37,906,828 Placement Shares on the Main Market of Bursa Securities..

B7 Status of corporate proposal announced

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	82	1,918	Within 12 months
Contract to supply, deliver, install, testing and commissioning battey system awarded by PTS Resources Sdn Bhd	5,000		5,000	Within 12 months
Supply of manpower awarded by Repsol Oil & Gas Malaysia Ltd	6,926	62	6,864	Within 12 months
Estimated expenses in relation to the Proposed Private Placement	100	11	89	Within 1 months
Total	14,026	155	13,871	

B8 Bank Borrowings

	31/12/2017	31/12/2016
	RM'000	RM'000
a) <u>Secured short term borrowings</u>		
i) Hire purchase and lease payables	2,685	872
Sub Total	2,685	872
a) <u>Secured long term borrowings</u>		
i) Hire purchase and lease payables	8,648	2,124
Sub Total	8,648	2,124
TOTAL BORROWINGS	11,333	2,996

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	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net (loss)/profit attributable to ordinary shareholders (RM'000)				
Continuing operations	1,887	9,557	5,662	4,701
Discontinued operations	-	240	-	362
	<u>1,887</u>	<u>9,797</u>	<u>5,662</u>	<u>5,063</u>
Basic				
Total number of ordinary shares ('000)	419,453	381,546	419,453	381,546
Adjusted weighted average number of ordinary shares ('000)	<u>404,340</u>	<u>379,069</u>	<u>385,387</u>	<u>379,067</u>
Basic (losses)/earnings per ordinary share (cent)				
Continuing operations	0.47	2.52	1.47	1.24
Discontinued operations		0.06		0.10
	<u>0.47</u>	<u>2.58</u>	<u>1.47</u>	<u>1.34</u>
Diluted				
Adjusted weighted average number of ordinary shares ('000)	404,340	379,069	385,387	379,067
Diluted (losses)/earnings per ordinary share (cent)				
Continuing operations	0.47	2.52	1.47	1.24
Discontinued operations		0.06		0.10
	<u>0.47</u>	<u>2.58</u>	<u>1.47</u>	<u>1.34</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.

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