

Company No.: 662315-U

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2019
(the figures have not been audited)

	2019 Current Quarter 30-Jun (RM'000)	2018 Preceding Quarter 30-Jun (RM'000)	Changes (%)	2019 Current Year Cumulative to Date 30-Jun (RM'000)	2018 Preceding Year Cumulative to Date 30-Jun (RM'000)	Changes (%)
Continuing Operations						
Revenue	48,463	57,325	-15%	104,729	112,823	-7%
Cost of Sale	(41,123)	(52,208)	-21%	(88,876)	(101,123)	-12%
Gross (Loss)/Profit	7,340	5,117	43%	15,853	11,700	35%
Other Income	1,857	896	107%	2,949	10,847	-73%
Operating Expenses	(6,948)	(5,199)	34%	(14,501)	(19,503)	-26%
Finance Cost	(394)	(462)	-15%	(697)	(805)	-13%
Share of Profit/Loss From Joint Venture	8	(20)	-140%	146	(34)	-529%
(Loss)/Profit Before Taxation From Continuing Operations	1,863	332	461%	3,750	2,205	70%
Taxation: Company and Subsidiary Companies	(540)	1,723	-131%	(1,298)	1,723	-175%
(Loss)/Profit For The Year From Continuing Operations	1,323	2,055	-36%	2,452	3,928	-38%
Discontinued Operations						
Profit/(Loss) For The Year After Tax	-	-	-	-	-	-
Net (Loss)/Profit For the Year	1,323	2,055	-36%	2,452	3,928	-38%
Attributable to:						
Equity Holders of the Company	91	1,619	-94%	310	3,552	-91%
Non-Controlling Interest	1,232	436	183%	2,142	376	470%
	1,323	2,055	-36%	2,452	3,928	-38%
(Losses)/Earnings Per Share						
Basic						
- Continuing Operations	0.29	0.49	-40%	0.57	0.94	-40%
- Discontinued Operations	-	-	-	-	-	-
	0.29	0.49	-40%	0.57	0.94	-40%
Diluted						
- Continuing Operations	0.29	0.49	-40%	0.57	0.94	-40%
- Discontinued Operations	-	-	-	-	-	-
	0.29	0.49	-40%	0.57	0.94	-40%

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019
(the figures have not been audited)

	2019 Current Quarter 30-Jun (RM'000)	2018 Preceding Quarter 30-Jun (RM'000)	Changes (%)	2019 Current Year Cumulative to Date 30-Jun (RM'000)	2018 Preceding Year Cumulative to Date 30-Jun (RM'000)	Changes (%)
Net (Loss)/Profit For the Year	1,323	2,055	-36%	2,452	3,928	-38%
Other Comprehensive Income/(Loss):						
<i>Items that will be Reclassified Subsequently to Profit or Loss</i>						
Exchange Differences on Translating Foreign Operations	1,993	1	199209%	1,168	1,144	2%
Fair Value Changes in Short Term Investment	-	477	-100%	(1,299)	(680)	91%
	1,993	478	317%	(131)	464	-128%
Total Comprehensive (Loss)/Income For The Year	3,317	2,533	31%	2,321	4,392	-47%
Attributable to:						
Equity Holders of the Company	2,085	2,900	-28%	179	4,016	-96%
Minority Interest	1,232	(367)	-436%	2,142	376	470%
	3,317	2,533	31%	2,321	4,392	-47%

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T7 GLOBAL BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019 (the figures have not been audited)		
	As at 30-Jun-19 Unaudited (RM'000)	As at 31-Dec-18 Audited (RM'000)
NON-CURRENT ASSETS		
Investment in Joint Venture	1,385	1,239
Other Investment	9,225	7,306
Investment Properties	1,250	1,250
Property, Plant and Equipment	58,251	53,071
Intangible Assets	2,000	2,137
Deferred tax asset	7,056	7,056
Total Non-Current Assets	79,167	72,059
CURRENT ASSETS		
Inventories	4,206	28,130
Trade Receivables	65,802	51,478
Other Receivables	11,085	10,839
Contracts assets	34,891	41,502
Amount due from Joint Venture	5,852	13,181
Cash and Bank Equivalents	49,728	36,349
Tax Recoverable	-	663
Total Current Assets	171,565	182,142
Assets classified as held for sale	-	1,285
Total Assets	250,732	255,486
NON-CURRENT LIABILITIES		
Borrowings	7,187	15,748
Deferred Tax	860	860
Total Non-Current Liabilities	8,047	16,608
CURRENT LIABILITIES		
Trade Payables	20,767	41,908
Other Payables and Accruals	11,969	6,027
Contract Liabilities	210	4,843
Hire Purchase and Lease Payables	4,891	1,168
Short term borrowing	12,224	24,679
Tax payables	1,067	1,644
Total Current Liabilities	51,128	80,269
Total Liabilities	59,175	96,877
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	154,733	120,505
Reserves	27,893	27,713
Treasury Shares	(6,988)	(6,326)
	175,637	141,892
Non-controlling interests	15,919	16,717
Total Equity	191,556	158,609
Total Liabilities and Equity	250,732	255,486

Company No.: 662315-U

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019
(the figures have not been audited)

	2019 Current Quarter 30-Jun (RM'000)	2018 Preceding Year 30-Jun (RM'000)	2019 Current Year Cumulative to Date 30-Jun (RM'000)	2018 Preceding Year Cumulative to Date 30-Jun (RM'000)
Continuing Operations				
Gross interest income	53	394	186	880
Gross interest expenses	120	462	423	805
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
Net assets per shares attributable to ordinary equity holders of the parent	0.39		0.34	

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T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019
(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 01.01.2019	120,505	(11,096)	-	37,489	-	0	1,320	-	(6,326)	141,892	16,717	158,609
Total comprehensive income/(loss) for the year	-	310	-	-	-	-	-	-	-	310	2,142	2,452
Issuance of shares pursuant to private placement	34,228	-	-	-	-	-	-	-	-	34,228	-	34,228
Own shares acquired	-	-	-	-	-	-	-	-	(662)	(662)	-	(662)
Foreign currency translation reserve realised	-	-	-	-	-	1,168	(1,299)	-	-	(131)	-	(131)
Acquisition/Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Reversed of Employee Benefits Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Effects Of Impairment of Treasury Share	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid to NCI	-	-	-	-	-	-	-	-	-	-	(2,940)	(2,940)
Balance as at 30.6.2019	154,733	(10,785)	-	37,489	-	1,168	21	-	(6,988)	175,637	15,919	191,556

TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018
(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 01.01.2018	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
Reduction of Par Value (from RM 0.50 to RM 0.10)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to reserve classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition/Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	49	49
Reversed of Employee Benefits Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Exercise of Warrant	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30.6.2018	120,505	(11,794)	-	37,489	1,572	(435)	21	-	(4,397)	142,960	13,321	156,282

Company No. 662315-U

T7 GLOBAL BERHAD (Incorporated in Malaysia)			
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019 (The figures have not been audited)			
	As at 30-Jun-19	As at 30-Jun-18	Changes (%)
	(RM'000)	(RM'000)	
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss)/Profit before taxation from continuing operations	3,750	2,204	70%
(Loss)/Profit before taxation from discontinued operations	-	-	-
Total (loss)/profit before taxation	3,750	2,204	70%
Adjustments:			
Non-cash items	841	3,121	-73%
Non-operating items	(636)	(122)	421%
Operating (loss)/profit before changes in working capital	3,955	5,203	-24%
Changes in working capital			
Net change in current assets	16,233	(52,906)	-131%
Net change in current liabilities	(39,622)	39,396	-201%
Cash (used in)/generated from operating activities	(19,434)	(8,307)	134%
Tax paid	(1,344)	(122)	1001%
Net cash (used in)/generated operating activities	(20,778)	(8,429)	147%
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received	186	880	-79%
Net cash inflow from disposal of subsidiary company	-	-	-
Net cash on acquisition of a subsidiary company	-	-	-
Acquisition of other investment	(1,950)	-	-
Addition of patent	-	-	-
Incorporation of joint venture	-	-	-
Dividend received	-	47	-100%
Proceed from disposal of property, plant and equipment	1,850	-	-
Proceed from disposal of other investment	130	-	-
Proceed from disposal of subsidiary company	-	-	-
Purchase of property, plant and equipment	(5,449)	(6,601)	-17%
Purchase of investment	-	-	-
Decrease in fixed deposits pledged	-	-	-
Net cash generated from/(used in) investing activities	(5,233)	(5,674)	-8%
CASH FLOW FROM FINANCING ACTIVITIES			
Issuance of shares pursuant to private placement	34,228	-	-
Repurchase of treasury share	(662)	-	-
Finance/(Repayment) of Hire-purchase	1,859	(6,842)	-127%
Advance from/(Repayment to) joint venture	7,328	-	-
Interest paid	(423)	(805)	-47%
Dividend paid to NCI	(2,940)	-	-
Net cash generated/(used in) from financing activities	39,390	(7,647)	-615%
Net change in cash and cash equivalents	13,379	(21,749)	-162%
Opening cash and cash equivalents	36,349	84,062	-57%
Closing cash and cash equivalents	49,728	62,313	-20%

NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 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 30 June 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 & 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 2019	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	65,028	39,701	104,729
Segment results	2,817	1,484	4,301
Share of profit from joint venture			146
Finance cost			(697)
Profit before taxation			3,750
Taxation			(1,298)
Net profit from continuing operations			2,452
Net profit/(loss) from discontinued operations			-
Net profit for the year			2,452

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 profit 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

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, including business combinations, obtaining and losing control of subsidiaries and long term investments, restructurings and discontinuing operations.

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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 2019 and 30 June 2018 as well as balances with related parties as of 30 June 2019 and 30 June 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	11,876	1,099	6,998	156
2018	823	2,589	310	229

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 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 30 June 2019, the Group recorded consolidated revenue of approximately RM48.46 million as compared to RM56.27 million recorded in the preceding quarter ended 31 March 2019. In the current quarter under review, the Group recorded a net profit after tax of RM1.32 million as compared to a net profit after tax of RM1.13 million recorded in the preceding quarter ended 31 March 2019.

Engineered Packages

The Group registered revenue of RM18.35 million in the current quarter as compared to RM21.35 million registered in the preceding quarter ended 31 March 2019 decrease in revenue by approximately 14.05%.

Products & Services

The products and services division registered revenue of RM30.11 million in the current quarter as compared to RM34.92 million registered in the preceding quarter ended 31 March 2019 decrease by approximately 13.77%.

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B2 Variance of Results Against Preceding Period

For the current period ended 30 June 2019, the Group recorded consolidated revenue of approximately RM104.73 million. This represents a decrease of approximately 7.17% as compared to RM112.82 million recorded in the corresponding period ended 30 June 2018.

The Group registered an overall profit after tax of RM2.45 million for current period ended June 2019 as compared to net profit after tax of RM3.93 million in the preceding period ended 30 June 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 higher revenue of approximately RM39.70 million as compared to RM54.05 million registered in the preceding year. This represents a decrease of approximately 26.55%.

Products & Services

The products and services division registered revenue of approximately RM65.03 million in the current period as compared to RM58.77 million registered in the preceding year increase of approximately 10.65%.

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	
	30/06/2019 RM'000	30/06/2018 RM'000	30/06/2019 RM'000	30/06/2018 RM'000
a. Income Tax Expenses	540	300	1,298	300
b. (Over)/under provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	-	(2,023)	-	(2,023)
d. Total	540	(1,723)	1,298	(1,723)

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B6 Status of Corporate Proposal

On 08/07/2019, T7 Global Bhd (“T7”) had announced the Single-tier interim dividend of 0.5 sen per ordinary share payable on 06 Aug 2019.

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	0	5,000	Within 24 months
Project working capital for upgrading of combat management system for Royal Malaysian Navy’s vessel	1,712	1,337	375	Within 18 months
Estimated expenses in relation to the Proposals	200	200	-	Within 1 months
Total	36,912	31,537	5,375	

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B8 Bank Borrowings

	30/06/2019	30/06/2018
	RM'000	RM'000
a) <u>Secured short term borrowings</u>		
i) Hire purchase and lease payables	17,115	838
Sub Total	17,115	838
a) <u>Secured long term borrowings</u>		
i) Hire purchase and lease payables	7,187	8,627
Sub Total	7,187	8,627
TOTAL BORROWINGS	24,302	9,465

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	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
Net (loss)/profit attributable to ordinary shareholders (RM'000)				
Continuing operations	1,323	2,055	2,452	3,928
Discontinued operations	-	-	-	-
	<u>1,323</u>	<u>2,055</u>	<u>2,452</u>	<u>3,928</u>
Basic				
Total number of ordinary shares ('000)	501,579	419,453	501,579	419,453
Adjusted weighted average number of ordinary shares ('000)	452,040	416,976	431,807	416,976
Basic (losses)/earnings per ordinary share (sen)				
Continuing operations	0.29	0.49	0.57	0.94
Discontinued operations	-	-	-	-
	<u>0.29</u>	<u>0.49</u>	<u>0.57</u>	<u>0.94</u>
Diluted				
Adjusted weighted average number of ordinary shares ('000)	452,040	416,976	431,807	416,976
Diluted (losses)/earnings per ordinary share (sen)				
Continuing operations	0.29	0.49	0.57	0.94
Discontinued operations	-	-	-	-
	<u>0.29</u>	<u>0.49</u>	<u>0.57</u>	<u>0.94</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 2018.

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