

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT
FOR THE YEAR ENDED 31 MARCH 2020
(the figures have not been audited)

	2020 Current Quarter 31-Mar (RM'000)	2019 Preceding Quarter 31-Mar (RM'000)	Changes (%)	2020 Current Year Cumulative to Date 31-Mar (RM'000)	2019 Preceding Year Cumulative to Date 31-Mar (RM'000)	Changes (%)
Continuing Operations						
Revenue	48,775	56,266	-13%	48,775	56,266	-13%
Cost of Sale	(38,809)	(47,753)	-19%	(38,809)	(47,753)	-19%
Gross Profit	9,966	8,513	17%	9,966	8,513	17%
Other Income	198	1,092	-82%	198	1,092	-82%
Operating Expenses	(8,393)	(7,553)	11%	(8,393)	(7,553)	11%
Finance Cost	(340)	(303)	12%	(340)	(303)	12%
Share of Profit/Loss From Joint Venture	-	138	-100%	-	138	-100%
Profit Before Taxation From Continuing Operations	1,431	1,887	-24%	1,431	1,887	-24%
Taxation: Company and Subsidiary Companies	(288)	(758)	-62%	(288)	(758)	-62%
Profit For The Year From Continuing Operations	1,143	1,129	1%	1,143	1,129	1%
Discontinued Operations						
Profit For The Year After Tax	-	-	-	-	-	-
Net Profit For the Year	1,143	1,129	1%	1,143	1,129	1%
Attributable to:						
Equity Holders of the Company	331	219	51%	331	219	51%
Non-Controlling Interest	812	910	-11%	812	910	-11%
	1,143	1,129	1%	1,143	1,129	1%
(Losses)/Earnings Per Share						
Basic						
- Continuing Operations	0.23	0.27	-15%	0.23	0.27	-15%
- Discontinued Operations	-	-	-	-	-	-
	0.23	0.27	-15%	0.23	0.27	-15%
Diluted						
- Continuing Operations	0.23	0.27	-15%	0.23	0.27	-15%
- Discontinued Operations	-	-	-	-	-	-
	0.23	0.27	-15%	0.23	0.27	-15%

Company No.: 200401023809 (662315-U)

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020
(the figures have not been audited)

	2020 Current Quarter 31-Mar (RM'000)	2019 Preceding Quarter 31-Mar (RM'000)	Changes (%)	2020 Current Year Cummulative to Date 31-Mar (RM'000)	2019 Preceding Year Cummulative to Date 31-Mar (RM'000)	Changes (%)
Net Profit For the Year	1,143	1,129	1%	1,143	1,129	1%
Other Comprehensive Income/(Loss): <i>Items that will be Reclassified Subsequently to Profit or Loss</i>						
Exchange Differences on Translating Foreign Operations	(576)	3,161	-118%	(576)	3,161	-118%
Fair Value Changes in Short Term Investment	(340)	(1,299)	-74%	(340)	(1,299)	-74%
	(916)	1,862	-149%	(916)	1,862	-149%
Total Comprehensive (Loss)/Income For The Year	227	2,991	-92%	227	2,991	-92%
Attributable to:						
Equity Holders of the Company	(5,047)	2,081	-343%	(5,047)	2,081	-343%
Minority Interest	5,274	910	480%	5,274	910	480%
	227	2,991	-92%	227	2,991	-92%

T7 GLOBAL BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020 (the figures have not been audited)	As at 31-Mar-20 (RM'000)	As at 31-Dec-19 Audited (RM'000)
NON-CURRENT ASSETS		
Property, plant and equipment	55,911	53,981
Right-of-use asset	6,554	8,924
Investment Properties	1,293	1,300
Intangible Assets	1,795	1,863
Other Investment	4,534	8,658
Deferred tax asset	16,832	16,832
Total Non-Current Assets	86,919	91,558
CURRENT ASSETS		
Inventories	53,208	45,121
Trade Receivables	90,496	96,376
Other Receivables	8,235	4,235
Contracts assets	2,326	2,142
Tax Recoverable	-	325
Cash and Bank Equivalents	67,205	43,292
Total Current Assets	221,470	191,491
Total Assets	308,389	283,049
NON-CURRENT LIABILITIES		
Borrowings	17,199	17,557
Government grants	4,379	4,379
Deferred tax liabilities	3	626
Total Non-Current Liabilities	21,581	22,562
CURRENT LIABILITIES		
Trade Payables	19,890	23,161
Other payables	8,582	10,827
Contract Liabilities	184	184
Finance lease liabilities	1,515	906
Borrowings	47,891	23,725
Government grants	487	487
Tax payable	1,421	1,430
Total Current Liabilities	79,970	60,720
Total Liabilities	101,551	83,282
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	167,752	154,733
Reserves	28,024	32,070
Treasury Shares	(9,699)	(6,988)
	186,077	179,815
Non-controlling interests	20,761	19,952
Total Equity	206,838	199,767
Total Liabilities and Equity	308,389	283,049

Company No.: 200401023809 (662315-U)

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020
(the figures have not been audited)

	2020 Current Quarter 31-Mar (RM'000)	2019 Preceding Year 31-Mar (RM'000)	2020 Current Year Cumulative to Date 31-Mar (RM'000)	2019 Preceding Year Cumulative to Date 31-Mar (RM'000)
Continuing Operations				
Gross interest income	79	133	79	133
Gross interest expenses	184	303	184	303
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
Net assets per shares attributable to ordinary equity holders of the parent	0.42		0.34	

T7 GLOBAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020
(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	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 01.01.2020	154,733	(3,820)	35,474	-	(1)	417	-	(6,988)	179,815	19,952	199,767
Total comprehensive income/(loss) for the year	-	331	-	-	-	-	-	-	331	812	1,143
Issuance of shares pursuant to private placement	13,019	-	-	-	-	-	-	-	13,019	-	13,019
Own shares acquired	-	-	-	-	-	-	-	(2,711)	(2,711)	-	(2,711)
Foreign currency translation reserve realised	-	-	-	-	(576)	(340)	-	-	(916)	(3)	(919)
Transfer to reserve classified as held for sale	-	-	(3,037)	-	-	-	-	-	(3,037)	-	(3,037)
Reversed of Employee Benefits Reserve	-	-	-	-	-	-	-	-	-	-	-
Effects Of Impairment of Treasury Share	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	(424)	-	-	-	-	-	-	(424)	-	(424)
Balance as at 31.3.2020	167,752	(3,913)	32,437	-	(577)	58	-	(9,699)	186,077	20,761	206,838

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 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	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	-	219	-	-	3,161	(1,299)	-	-	2,081	910	2,991
Issuance of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Acquisition/Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency translation differences for foreign operation	-	-	-	-	-	-	-	-	-	-	-
Transition to no-par regime	-	-	-	-	-	-	-	-	-	-	-
Exercise of Warrant	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.3.2019	120,505	(10,877)	37,489	-	3,161	21	-	(6,326)	143,973	17,627	161,600

T7 GLOBAL BERHAD (Incorporated in Malaysia)			
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020 (The figures have not been audited)			
	As at 31-Mar-20	As at 31-Mar-19	Changes (%)
	(RM'000)	(RM'000)	
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss)/Profit before taxation from continuing operations	1,435	1,887	-24%
(Loss)/Profit before taxation from discontinued operations	-	-	-
Total profit before taxation	1,435	1,887	-24%
Adjustments:			
Non-cash items	833	250	233%
Non-operating items	106	(434)	-124%
Operating profit before changes in working capital	2,374	1,704	39%
Changes in working capital			
Net change in current assets	(6,396)	17,548	-136%
Net change in current liabilities	19,394	(24,137)	-180%
Cash used in operating activities	15,372	(4,886)	-415%
Tax paid	(162)	(505)	-68%
Net cash used in operating activities	15,210	(5,391)	-382%
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received	79	133	-41%
Net cash inflow from disposal of subsidiary company	-	-	-
Acquisition of a subsidiary company	-	-	-
Acquisition of other investment	-	-	-
Dividend received	-	-	-
Proceed from disposal of property, plant and equipment	-	1,815	-
Proceed from disposal of other investment	-	-	-
Purchase of property, plant and equipment	(167)	(4,567)	-96%
Net cash used in investing activities	(89)	(2,619)	-97%
CASH FLOW FROM FINANCING ACTIVITIES			
Issuance of shares pursuant to private placement	13,019	-	-
Repurchase of treasury share	(2,711)	-	-
Finance/(Repayment) of Hire-purchase	(987)	1,680	-159%
Advance from/(Repayment to) joint venture	-	426	-100%
Interest paid	(184)	(303)	-39%
Dividend paid	-	-	-
(Repayment)/Drawdown borrowing	(340)	-	-
Net cash generated from financing activities	8,796	1,803	388%
Net change in cash and cash equivalents	23,917	(6,206)	-485%
Opening cash and cash equivalents	43,292	36,349	19%
Effect of exchange rate changes		0	
Closing cash and cash equivalents	67,209	30,143	123%

NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2020

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 2019.

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 2019 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

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 2020	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	23,647	25,128	48,775
Segment results	1,152	619	1,771
Share of profit from joint venture			0
Finance cost			(340)
Profit before taxation			1,431
Taxation			(288)
Net profit from continuing operations			1,143
Net profit/(loss) from discontinued operations			-
Net profit for the year			1,143

Cumulative as at 31 March 2019	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	34,921	21,345	56,266
Segment results	1,250	801	2,051
Share of profit from joint venture			138
Finance cost			(303)
Profit before taxation			1,886
Taxation			(757)
Net profit from continuing operations			1,129
Net profit/(loss) from discontinued operations			-
Net profit for the year			1,129

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.

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 2020 and 31 March 2019 as well as balances with related parties as of 31 March 2020 and 31 March 2019.

	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
2020	-	2,437	7,313	29
2019	4,878	268	-	67

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 2020.

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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 2020, the Group recorded consolidated revenue of approximately RM48.78 million as compared to RM61.23 million recorded in the preceding quarter ended 31 December 2019. In the current quarter under review, the Group recorded a net profit after tax of RM1.14 million as compared to a net profit after tax of RM7.40 million recorded in the preceding quarter ended 31 December 2019.

Engineered Packages

The Group registered revenue of RM25.13 million in the current quarter as compared to RM20.04 million registered in the preceding quarter ended 31 December 2019 increase in revenue by approximately 25.40%.

Products & Services

The products and services division registered revenue of RM23.65 million in the current quarter as compared to RM41.19 million registered in the preceding quarter ended 31 December 2019 decrease by approximately 42.58%.

B2 Variance of Results Against Preceding Period

For the current period ended 31 March 2020, the Group recorded consolidated revenue of approximately RM48.78 million as compared to RM56.27 million recorded in the corresponding period ended 31 March 2019 decrease of approximately 13.31%.

The Group registered an overall profit after tax of RM1.14 million for current period ended March 2020 as compared to net profit after tax of RM1.13 million in the preceding period ended 31 March 2019.

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 RM25.13 million as compared to RM21.35 million registered in the preceding year. This represents an increase of approximately 17.70%.

Products & Services

The products and services division registered revenue of approximately RM23.65 million in the current period as compared to RM34.92 million registered in the preceding year decrease by approximately 32.27%.

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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.

As for the aerospace division of the Group, the aerospace industry has also been affected by the pandemic of Covid-19, and is expected to remain challenging for year 2020 as well. The Group is currently exploring opportunities to provide our metal surface treatment services to other relevant industry that require such services ie. healthcare, automotive, semiconductor and etc.

At the same time, the Company will also look into new ventures within the Group's capability and expertise for potential business growth.

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	
	31/03/2020 RM'000	31/03/2019 RM'000	31/03/2020 RM'000	31/03/2019 RM'000
a. Income Tax Expenses	288	758	288	758
b. (Over)/under provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	-	-	-	-
d. Total	288	758	288	758

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B6 Status of Corporate Proposal

On 19/05/2020, T7 Global Bhd (“T7”) had announced that Tanjung Offshore Services Sdn. Bhd. (“Tanjung Offshore”), a wholly-owned subsidiary of the Company had received a letter of award dated 31 March 2020 from Carigali Hess Operating Sdn Bhd for the provision of onshore fabrication, offshore hook-up and commissioning for Infill Flow lines.

In addition, T7 Wenmax Sdn. Bhd., a subsidiary of T7 Gastec Sdn. Bhd., which in turn is a sub-subsidiary of the Company had received a letter of award dated 14 May 2020 from PTS Resources Sdn. Bhd. for the provision of supply of systems and equipment.

B7 Status of corporate proposal announced

a) The proposal of Private Placement exercise were announced on 10 February 2020, 14 February 2020, 19 February 2020, 24 February 2020 and 5 March 2020 has been fully completed on 6 March 2020.

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
The provision of CPC pump part to Sabah Shell Berhad and/ or Sarawak Shell Petroleum Company.	500	-	500	Within 12 months
The provision of intergrated well services for well intervention, workover and abandonment for Vestigo Petroleum Sdn Bhd.	10,060	-	10,060	Within 12 months
The provision of third party manpower services for MDC Oil & Gas (SK320) Ltd, an entity of Mudabala Petroleum in relation to its technical, health, safety, security and environment (HSSE) and production operations.	1,378	56	1,322	Within 12 months
The provision of third party manpower services for MDC Oil & Gas (SK320) Ltd, an entity of Mudabala Petroleum in relation to the drilling and exploration operations.	1,011	25	986	Within 12 months
Expenses for the Proposed Private Placement	70	70	-	Upon completion
Total	13,019	151	12,868	

B8 Bank Borrowings

	31/03/2020	31/03/2019
	RM'000	RM'000
a) <u>Secured short term borrowings</u>		
i) Hire purchase and lease payables	49,406	20,585
Sub Total	49,406	20,585
a) <u>Secured long term borrowings</u>		
i) Hire purchase and lease payables	17,199	14,921
Sub Total	17,199	14,921
TOTAL BORROWINGS	66,605	35,506

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	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
Net (loss)/profit attributable to ordinary shareholders (RM'000)				
Continuing operations	1,143	1,129	1,143	1,129
Discontinued operations	-	-	-	-
	<u>1,143</u>	<u>1,129</u>	<u>1,143</u>	<u>1,129</u>
Basic				
Total number of ordinary shares ('000)	531,855	419,453	531,855	419,453
Adjusted weighted average number of ordinary shares ('000)	<u>500,008</u>	<u>411,997</u>	<u>500,008</u>	<u>411,997</u>
Basic (losses)/earnings per ordinary share (sen)				
Continuing operations	0.23	0.27	0.23	0.27
Discontinued operations	-	-	-	-
	<u>0.23</u>	<u>0.27</u>	<u>0.23</u>	<u>0.27</u>
Diluted				
Adjusted weighted average number of ordinary shares ('000)	500,008	411,997	500,008	411,997
Diluted (losses)/earnings per ordinary share (sen)				
Continuing operations	0.23	0.27	0.23	0.27
Discontinued operations	-	-	-	-
	<u>0.23</u>	<u>0.27</u>	<u>0.23</u>	<u>0.27</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 2019.

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