

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT
FOR THE YEAR ENDED 30 JUNE 2021
(the figures have not been audited)

	2021 Current Quarter 30-Jun (RM'000)	2020 Preceding Quarter 30-Jun (RM'000)	Changes (%)	2021 Current Year Cumulative to Date 30-Jun (RM'000)	2020 Preceding Year Cumulative to Date 30-Jun (RM'000)	Changes (%)
Continuing Operations						
Revenue	54,187	36,387	49%	106,413	85,162	25%
Cost of Sale	(43,938)	(28,888)	52%	(83,931)	(67,697)	24%
Gross Profit	10,249	7,499	37%	22,482	17,465	29%
Other Income	1,130	604	87%	1,295	802	61%
Operating Expenses	(7,063)	(6,496)	9%	(15,887)	(14,888)	7%
Finance Cost	(846)	(511)	66%	(1,519)	(851)	78%
Profit Before Taxation From Continuing Operations	3,470	1,096	217%	6,371	2,528	152%
Taxation: Company and Subsidiary Companies	(1,141)	(278)	310%	(1,805)	(566)	219%
Profit For The Year From Continuing Operations	2,329	818	185%	4,566	1,962	133%
Discontinued Operations						
Profit For The Year After Tax	-	-	-	-	-	-
Net Profit For the Year	2,329	818	185%	4,566	1,962	133%
Attributable to:						
Equity Holders of the Company	1,348	1,006	34%	3,240	1,338	142%
Non-Controlling Interest	981	(188)	-622%	1,326	624	113%
	2,329	818	185%	4,566	1,962	133%
Earnings Per Share						
Basic						
- Continuing Operations	0.38	0.16	136%	0.74	0.39	90%
- Discontinued Operations	-	-	-	-	-	-
	0.38	0.16	136%	0.74	0.39	90%
Diluted						
- Continuing Operations	0.38	0.16	136%	0.74	0.39	90%
- Discontinued Operations	-	-	-	-	-	-
	0.38	0.16	136%	0.74	0.39	90%

Company No.: 200401023809 (662315-U)

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021
(the figures have not been audited)

	2021 Current Quarter 30-Jun (RM'000)	2020 Preceding Quarter 30-Jun (RM'000)	Changes (%)	2021 Current Year Cummulative to Date 30-Jun (RM'000)	2020 Preceding Year Cummulative to Date 30-Jun (RM'000)	Changes (%)
Net Profit For the Year	2,329	818	185%	4,566	1,962	133%
Other Comprehensive Income: <i>Items that will be Reclassified Subsequently to Profit or Loss</i>						
Exchange Differences on Translating Foreign Operations	(310)	183	-269%	(646)	(394)	64%
Fair Value Changes in Short Term Investment	(0)	-	-	642	(340)	-289%
	(310)	183	-269%	(4)	(734)	-99%
Total Comprehensive Income For The Year	2,019	1,001	102%	4,562	1,228	272%
Attributable to:						
Equity Holders of the Company	1,038	1,189	-13%	3,236	604	436%
Minority Interest	981	(188)	-622%	1,326	624	113%
	2,019	1,001	102%	4,562	1,228	272%

T7 GLOBAL BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021 (the figures have not been audited)		
	As at 30-Jun-21 (RM'000)	As at 31-Dec-20 (RM'000)
NON-CURRENT ASSETS		
Property, plant and equipment	241,980	240,637
Right-of-use asset	21,851	23,131
Investment Properties	4,173	4,200
Intangible Assets	1,496	2
Other Investment	1,959	2,032
Other Receivables	1,369	1,369
Cash and bank balances, deposits and placements	-	3,500
Deferred tax asset	16,222	16,222
Total Non-Current Assets	289,050	291,093
CURRENT ASSETS		
Inventories	168,775	37,158
Trade Receivables	59,622	65,022
Other Receivables	22,333	22,762
Contracts assets	1,647	1,558
Tax Recoverable	2,490	1,637
Cash and bank balances, deposits and placements	112,743	62,551
Total Current Assets	367,610	190,688
Total Assets	656,660	481,781
NON-CURRENT LIABILITIES		
Deferred tax liabilities	874	874
Lease liabilities	13,101	4,186
Borrowings	235,116	124,677
Government grants	4,257	4,379
Other payables	-	16,057
Total Non-Current Liabilities	253,348	150,173
CURRENT LIABILITIES		
Trade Payables	10,886	31,385
Other payables	35,276	26,464
Contract Liabilities	4,539	5,855
Lease liabilities	2,460	1,840
Borrowings	133,729	91,082
Government grants	487	487
Tax payable	514	621
Total Current Liabilities	187,891	157,734
Total Liabilities	441,239	307,907
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	204,982	167,751
Reserves	23,880	19,403
Treasury Shares	(9,699)	(9,699)
	219,162	177,455
Non-controlling interests	(3,741)	(3,581)
Total Equity	215,421	173,874
Total Liabilities and Equity	656,660	481,781

Company No.: 200401023809 (662315-U)

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2021
(the figures have not been audited)

	2021 Current Quarter 30-Jun (RM'000)	2020 Preceding Year 30-Jun (RM'000)	2021 Current Year Cumulative to Date 30-Jun (RM'000)	2020 Preceding Year Cumulative to Date 30-Jun (RM'000)
Continuing Operations				
Gross interest income	102	113	215	192
Gross interest expenses	609	667	1,103	851
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
Net assets per shares attributable to ordinary equity holders of the parent	0.35		0.41	

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021
(The figures have not been audited)

←————— Equity Attributable to Equity Holders of the Company —————→

Distributable	Non-Distributable
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	Share Capital RM'000	(Accumulated Losses)/ Retained Earnings RM'000	Capital Reserves RM'000	Revaluation Reserves RM'000	Foreign Currency Translation Reserve RM'000	Fair Value 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 01.01.2021	167,752	4,048	15,768	212	(3)	(621)	-	(9,699)	177,456	(3,581)	173,875
Own shares acquired	-	-	-	-	-	-	-	-	-	-	-
Issuance of shares pursuant to private placement	37,230	-	-	-	-	-	-	-	37,230	-	37,230
Acquisition of NCI	-	-	1,240	-	-	-	-	-	1,240	-	1,240
Profit for the financial year	-	3,240	-	-	-	-	-	-	3,240	-	3,240
Other comprehensive income for the financial year	-	-	-	21	(646)	621	-	-	(4)	(160)	(164)
Balance as at 30.06.2021	204,982	7,288	17,008	233	(649)	-	-	(9,699)	219,162	(3,741)	215,421

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

(The figures have not been audited)

←————— Equity Attributable to Equity Holders of the Company —————→

Distributable	Non-Distributable
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	Share Capital RM'000	(Accumulated Losses)/ Retained Earnings 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 for the year	-	1,338	-	-	-	-	-	-	1,338	624	1,962
Issuance of treasury shares	13,019	-	-	-	-	-	-	-	13,019	-	13,019
Own shares acquired	-	-	-	-	-	-	-	(2,711)	(2,711)	-	(2,711)
Foreign Currency translation differences for foreign operation	-	-	-	-	(394)	(340)	-	-	(734)	(1)	(735)
Transfer to reserve classified as held for sale	-	-	(1,993)	-	-	-	-	-	(1,993)	-	(1,993)
Dividend paid	-	(424)	-	-	-	-	-	-	(424)	-	(424)
Balance as at 30.06.2020	167,752	(2,906)	33,480	-	(395)	58	-	(9,699)	188,310	20,575	208,885

Company No.: 200401023809 (662315-U)

T7 GLOBAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021
(The figures have not been audited)

	As at 30-Jun-21 (RM'000)	As at 30-Jun-20 (RM'000)	Changes (%)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operations	6,371	2,528	152%
Total profit before taxation	6,371	2,528	152%
Adjustments:			
Non-cash items	2,825	1,110	155%
Non-operating items	1,303	603	116%
Operating profit before changes in working capital	10,499	4,241	148%
Changes in working capital			
Net change in current assets	(127,363)	(18,764)	579%
Net change in current liabilities	(65,336)	20,581	-417%
Cash (used in)/generated from operating activities	(182,201)	6,058	-3108%
Tax paid	(2,764)	(2,357)	17%
Net cash (used in)/generated from operating activities	(184,965)	3,701	-5098%
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received	215	192	12%
Dividend received	-	56	-100%
Purchase of property, plant and equipment	(3,045)	(696)	338%
Net cash used in investing activities	(2,830)	(448)	532%
CASH FLOW FROM FINANCING ACTIVITIES			
Proceed from issuance of shares	37,230	13,019	186%
Repurchase of treasury share	-	(2,711)	-100%
Repayment of finance lease	(803)	(299)	169%
Drawdown/(Repayment) of borrowing	199,164	(340)	-58678%
Interest paid	(1,103)	(851)	30%
Net cash generated from financing activities	234,488	8,818	2559%
Net change in cash and cash equivalents	46,692	12,071	287%
Opening cash and cash equivalents	66,051	43,292	53%
Closing cash and cash equivalents	112,743	55,363	104%

NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2021

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 2020.

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 2020 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 2021.

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 30 June 2021	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	42,947	63,466	106,413
Segment results	1,784	6,106	7,890
Share of profit from joint venture			0
Finance cost			(1,519)
Profit before taxation			6,371
Taxation			(1,805)
Net profit from continuing operations			4,566
Net profit/(loss) from discontinued operations			-
Net profit for the year			4,566

Cumulative as at 30 June 2020	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	42,159	43,003	85,162
Segment results	2,269	1,110	3,379
Share of profit from joint venture			0
Finance cost			(851)
Profit before taxation			2,528
Taxation			(566)
Net profit from continuing operations			1,962
Net profit/(loss) from discontinued operations			-
Net profit for the year			1,962

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 30 June 2021 and 30 June 2020 as well as balances with related parties as of 30 June 2021 and 30 June 2020.

	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
2021	7,967	4,343	5,923	1,780
2020	918	2,864	8,231	-

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 2021.

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B ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B1 Variance of Current Quarter Against Preceding Quarter

For the current year quarter ended 30 June 2021, the Group recorded consolidated revenue of approximately RM54.18 million as compared to RM52.23 million recorded in the preceding quarter ended 31 March 2021. In the current quarter under review, the Group recorded a net profit after tax of RM2.33 million as compared to a net profit after tax of RM2.24 million recorded in the preceding quarter ended 31 March 2021.

Engineered Packages

The Group registered revenue of RM37.23 million in the current quarter as compared to RM26.23 million registered in the preceding quarter ended 31 March 2021, representing an increase of approximately 41.94%.

Products & Services

The products and services division registered revenue of RM16.95 million in the current quarter as compared to RM26 million registered in the preceding quarter ended 31 March 2021, representing a decrease of approximately 34.81%.

B2 Variance of Current Period Against Preceding Period

For the current period ended 30 June 2021, the Group recorded consolidated revenue of approximately RM106.41 million as compared to RM85.16 million recorded in the corresponding period ended 30 June 2020, representing an increase of approximately 24.95%.

The Group registered an overall profit after tax of RM4.57 million for current period ended June 2021 as compared to net profit after tax of RM1.96 million in the preceding period ended 30 June 2020, representing an increase of approximately 133.16%.

The better earnings were driven by contributions from the maintenance, construction and modification services contract for Repsol Oil & Gas Malaysia Bhd, onshore fabrication, offshore hook-up and commissioning for infill flowlines contract for Carigali Hess Operating Company Sdn Bhd and increased activity in the manpower recruitment business.

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 RM63.46 million as compared to RM43.0 million registered in the preceding year period, representing an increase of approximately 47.58%.

Products & Services

The products and services division registered revenue of approximately RM42.95 million in the current period as compared to RM42.16 million registered in the preceding year period, representing an increase of approximately 1.87%.

B3 Current Year Prospects

The recovery in oil & gas activities in the region did have a positive impact on the T7 Group's ongoing projects. However, the outlook of the economy remains uncertain due to disruptions caused by the Covid-19 pandemic. Hence, the prospects of the oil & gas sector remain challenging for year 2021.

For the T7 Group, oil & gas remains as the Group's core business and the Energy Division will continue to bid for new contracts and be on the lookout for new opportunities.

For the Aerospace Division, the industry has been affected by the Covid-19 pandemic and is expected to remain challenging for year 2021 as well. However, the division has managed to secure new international clients which will bring in recurring revenue to its metal surface treatment facility. The division will continue to secure new clients in the electrical, automotive, semiconductor and other industries.

The Board and Management is cautiously optimistic in the Group's ability to achieve satisfactory results for the financial year ending 31 December 2021 due to its resilient orderbook and continued performance in project execution and operations.

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	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
a. Income Tax Expenses	1,141	278	1,805	566
b. (Over)/under provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	-	-	-	-
d. Total	1,141	278	1,805	566

B6 Status of Corporate Proposal

On 4 May 2021, T7 had announced that Tanjung Offshore Services Sdn Bhd, a wholly-owned subsidiary of the company, had received a work order dated 29 March 2021 from PETRONAS Carigali Sdn Bhd for the provision of plug and abandonment integrated services for Pulau A.

On 26 July 2021, T7 had announced that Tanjung Offshore Services Sdn Bhd, a wholly-owned subsidiary of the company, had on 12 July 2021 received a letter of award from Pioneer Pegasus Sdn Bhd for the provision of mini-remotely operated vehicles services for Pan-Malaysia underwater services for petroleum arrangement contractors – Package B.

On 5 August 2021, T7 had announced that T7 Kilgour Sdn Bhd, a 60% owned subsidiary of the company, had in July 2021 received multiple purchase orders from Global Tek Fabrication Co. Ltd. and C.C.S. Advance Tech Co. Ltd. for the provision of metal surface treatment services.

B7 Status of corporate proposal announced

The Private Placement exercise announced on 1 July 2020 has been completed on 14 January 2021.

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
Partially finance the construction and development costs of a Mobile Offshore Production Unit.	22,197	22,197	-	Within 12 months
Working capital expenses for the contract awarded by Carigali Hess Operating Company Sdn Bhd dated 31 March 2020.	9,308	219	9,089	Within 12 months
Working capital expenses for the contract awarded by PTS Resources Sdn Bhd dated 14 May 2020.	5,585	109	5,476	Within 12 months
Estimated expenses in relation to the Proposed Private Placement	140	140	-	Upon completion
Total	37,230	22,665	14,565	

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B8 Bank Borrowings

	30/06/2021	30/06/2020
	RM'000	RM'000
a) Secured short term borrowings		
i) Hire purchase	2,460	875
ii) Term Loan / BA	133,729	56,012
Sub Total	136,189	56,887
a) Secured long term borrowings		
i) Hire purchase	13,101	1,940
ii) Term Loan	235,116	15,961
Sub Total	248,217	17,901
TOTAL BORROWINGS	384,406	74,788

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

The Board of Directors of the Company declared a first single tier interim dividend of 0.5 sen per ordinary share in respect of the financial year ending 31 December 2021.

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B11 (Losses)/Earnings per share

	Quarter Ended		Period Ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
Net (loss)/profit attributable to ordinary shareholders (RM'000)				
Continuing operations	2,329	818	4,566	1,962
Discontinued operations	-	-	-	-
	<u>2,329</u>	<u>818</u>	<u>4,566</u>	<u>1,962</u>
Basic				
Total number of ordinary shares ('000)	633,855	531,855	633,855	531,855
Adjusted weighted average number of ordinary shares ('000)	<u>616,506</u>	<u>514,506</u>	<u>616,506</u>	<u>507,257</u>
Basic (losses)/earnings per ordinary share (sen)				
Continuing operations	0.38	0.16	0.74	0.39
Discontinued operations	-	-	-	-
	<u>0.38</u>	<u>0.16</u>	<u>0.74</u>	<u>0.39</u>
Diluted				
Adjusted weighted average number of ordinary shares ('000)	616,506	514,506	616,506	507,257
Diluted (losses)/earnings per ordinary share (sen)				
Continuing operations	0.38	0.16	0.74	0.39
Discontinued operations	-	-	-	-
	<u>0.38</u>	<u>0.16</u>	<u>0.74</u>	<u>0.39</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 2020.

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