

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2021
(the figures have not been audited)

	2021 Current Quarter 31-Dec (RM'000)	2020 Preceding Quarter 31-Dec (RM'000)	Changes (%)	2021 Current Year Cumulative to Date 31-Dec (RM'000)	2020 Preceding Year Cumulative to Date 31-Dec (RM'000)	Changes (%)
Continuing Operations						
Revenue	93,313	65,967	41%	264,345	189,407	40%
Cost of Sale	(64,553)	(50,262)	28%	(200,641)	(148,001)	36%
Gross Profit	28,760	15,705	83%	63,704	41,406	54%
Other Income	609	460	32%	2,692	4,935	-45%
Operating Expenses	(19,672)	(11,620)	69%	(44,195)	(36,663)	21%
Finance Cost	(881)	(922)	-4%	(3,834)	(2,182)	76%
Profit Before Taxation From Continuing Operations	8,816	3,623	143%	18,367	7,496	145%
Taxation: Company and Subsidiary Companies	(3,259)	(3,355)	-3%	(5,397)	(4,417)	22%
Profit For The Year From Continuing Operations	5,557	268	1974%	12,970	3,079	321%
Discontinued Operations						
Profit For The Year After Tax	-	-	-	-	-	-
Net Profit For the Year	5,557	268	1974%	12,970	3,079	321%
Attributable to:						
Equity Holders of the Company	3,120	4,810	-35%	10,514	7,914	33%
Non-Controlling Interest	2,437	(4,542)	-154%	2,456	(4,835)	-151%
	5,557	268	1974%	12,970	3,079	321%
Earnings Per Share						
Basic						
- Continuing Operations	0.85	0.09	839%	2.07	0.64	223%
- Discontinued Operations	-	-	-	-	-	-
	0.85	0.09	839%	2.07	0.64	223%
Diluted						
- Continuing Operations	0.85	0.09	839%	2.07	0.64	223%
- Discontinued Operations	-	-	-	-	-	-
	0.85	0.09	839%	2.07	0.64	223%

Company No.: 200401023809 (662315-U)

T7 GLOBAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021
(the figures have not been audited)

	2021 Current Quarter 31-Dec (RM'000)	2020 Preceding Quarter 31-Dec (RM'000)	Changes (%)	2021 Current Year Cummulative to Date 31-Dec (RM'000)	2020 Preceding Year Cummulative to Date 31-Dec (RM'000)	Changes (%)
Net Profit For the Year	5,557	268	1974%	12,970	3,079	321%
Other Comprehensive Income:						
<i>Items that will be Reclassified Subsequently to Profit or Loss</i>						
Exchange Differences on Translating Foreign Operations	637	321	99%	(9)	209	-104%
Fair Value Changes in Short Term Investment	(749)	(698)	-	(107)	(1,038)	-90%
	(112)	(377)	-70%	(116)	(829)	-86%
Total Comprehensive Income For The Year	5,445	(109)	-5085%	12,854	2,250	471%
Attributable to:						
Equity Holders of the Company	3,008	4,434	-32%	10,404	7,085	47%
Minority Interest	2,437	(4,543)	-154%	2,450	(4,835)	-151%
	5,445	(109)	-5085%	12,854	2,250	471%

T7 GLOBAL BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 (the figures have not been audited)		
	As at 31-Dec-21 (RM'000)	As at 31-Dec-20 (RM'000)
NON-CURRENT ASSETS		
Property, plant and equipment	422,754	240,637
Right-of-use asset	24,676	23,131
Investment Properties	6,951	4,200
Intangible Assets	-	2
Other Investment	1,246	2,032
Other Receivables	1,419	1,369
Cash and bank balances, deposits and placements	3,590	3,500
Deferred tax asset	13,328	16,222
Total Non-Current Assets	473,964	291,093
CURRENT ASSETS		
Inventories	106,813	37,158
Trade Receivables	99,686	65,022
Other Receivables	21,846	22,762
Contracts assets	19,760	1,558
Tax Recoverable	4,447	1,637
Cash and bank balances, deposits and placements	93,436	62,551
Total Current Assets	345,988	190,688
Total Assets	819,952	481,781
NON-CURRENT LIABILITIES		
Deferred tax liabilities	297	874
Lease liabilities	4,683	4,186
Borrowings	292,842	124,677
Government grants	4,267	4,379
Total Non-Current Liabilities	302,089	134,116
CURRENT LIABILITIES		
Trade Payables	59,296	31,385
Other payables	49,184	42,521
Contract Liabilities	4,370	5,855
Lease liabilities	2,507	1,840
Borrowings	135,753	91,082
Government grants	517	487
Tax payable	422	621
Total Current Liabilities	252,049	173,791
Total Liabilities	554,138	307,907
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	249,950	167,751
Reserves	26,018	19,403
Treasury Shares	(9,699)	(9,699)
Non-controlling interests	266,268 (454)	177,455 (3,581)
Total Equity	265,814	173,874
Total Liabilities and Equity	819,952	481,781

Company No.: 200401023809 (662315-U)

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021
(the figures have not been audited)

	2021 Current Quarter 31-Dec (RM'000)	2020 Preceding Year 31-Dec (RM'000)	2021 Current Year Cumulative to Date 31-Dec (RM'000)	2020 Preceding Year Cumulative to Date 31-Dec (RM'000)
Continuing Operations				
Gross interest income	787	644	1,083	893
Gross interest expenses	3,060	1,540	4,934	2,801
	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		0.41	

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021
(The figures have not been audited)

	← Equity Attributable to Equity Holders of the Company →										
	Distributable			Non-Distributable							
	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	82,198	-	-	-	-	-	-	-	82,198	-	82,198
Dividend paid	-	(6,533)	-	-	-	-	-	-	(6,533)	-	(6,533)
Acquisition of NCI	-	-	2,529	-	-	-	-	-	2,529	676	3,205
Profit for the financial year	-	10,514	-	-	-	-	-	-	10,514	-	10,514
Transfer to retained earnings	-	(541)	-	-	-	541	-	-	-	-	-
Other comprehensive income for the financial year	-	-	-	-	(3)	107	-	-	104	2,451	2,555
Balance as at 31.12.2021	249,950	7,488	18,297	212	(6)	27	-	(9,699)	266,268	(454)	265,814

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021
(The figures have not been audited)

	← Equity Attributable to Equity Holders of the Company →										
	Distributable			Non-Distributable							
	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	-	7,914	-	212	(2)	(1,038)	-	-	7,085	(4,835)	2,249
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	-	-	-	-	-	-	-	-	-	-	-
Acquisition of NCI	-	-	(19,706)	-	-	-	-	-	(19,706)	(18,698)	(38,404)
Dividend paid	-	(45)	-	-	-	-	-	-	(45)	-	(45)
Balance as at 31.12.2020	167,752	4,049	15,768	212	(3)	(621)	-	(9,699)	177,456	(3,581)	173,875

Company No.: 200401023809 (662315-U)

T7 GLOBAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021
(The figures have not been audited)

	As at 31-Dec-21 (RM'000)	As at 31-Dec-20 (RM'000)	Changes (%)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operations	18,367	7,496	145%
Total profit before taxation	18,367	7,496	145%
Adjustments:			
Non-cash items	9,786	2,297	326%
Non-operating items	5,908	2,007	194%
Operating profit before changes in working capital	34,061	11,800	189%
Changes in working capital			
Net change in current assets	(125,601)	22,409	-661%
Net change in current liabilities	33,636	45,738	-26%
Cash (used in)/generated from operating activities	(57,904)	79,946	-172%
Tax paid	(6,246)	(5,680)	10%
Net cash (used in)/generated from operating activities	(64,150)	74,266	-186%
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received	1,083	532	104%
Acquisition of non-controlling interest	(245)	(38,450)	-99%
Disposal of property, plant and equipment	2,047	-	100%
Disposal of other investment	666	7,571	-91%
Dividend received	(1,493)	64	-2443%
Proceed from disposal of property, plant and equipment	-	112	-100%
Purchase of property, plant and equipment	(189,783)	(98,314)	93%
Proceed from government grant	307	-	100%
Dividend paid	(3,083)	-	100%
Net cash used in investing activities	(190,500)	(128,485)	48%
CASH FLOW FROM FINANCING ACTIVITIES			
Proceed from issuance of shares	82,198	13,019	531%
Repurchase of treasury share	-	(2,711)	-100%
Repayment of finance lease	(3,416)	(1,059)	223%
Drawdown of borrowing	320,028	206,103	55%
Interest paid	(4,934)	(2,776)	78%
Repayment of borrowing	(126,905)	(135,577)	-6%
Fixed deposits pledged as security	(23,116)	(11,760)	97%
Net cash generated from financing activities	243,854	65,239	274%
Net change in cash and cash equivalents	(10,796)	11,021	-198%
Effect of exchange rate changes	(26)	(21)	23%
Opening cash and cash equivalents	52,196	41,196	27%
Closing cash and cash equivalents	41,375	52,196	-21%

NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 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 31 December 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

First Single-tier interim dividend of 0.5 sen per ordinary share was declared on 10/09/2021 and paid on 08/10/2021.

A7 Segmental Information

Segmental analysis for the current quarter is set out below:

Cumulative as at 31 December 2021	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	94,931	169,414	264,345
Segment results	6,301	15,900	22,201
Share of profit from joint venture			0
Finance cost			(3,834)
Profit before taxation			18,367
Taxation			(5,397)
Net profit from continuing operations			12,970
Net profit/(loss) from discontinued operations			-
Net profit for the year			12,970

Cumulative as at 31 December 2020	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	93,659	95,748	189,407
Segment results	8,034	1,644	9,678
Share of profit from joint venture			0
Finance cost			(2,182)
Profit before taxation			7,496
Taxation			(4,417)
Net profit from continuing operations			3,079
Net profit/(loss) from discontinued operations			-
Net profit for the year			3,079

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 December 2021 and 31 December 2020 as well as balances with related parties as of 31 December 2021 and 31 December 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	37,999	5,127	26,229	1,769
2020	24,782	12,877	795	79

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 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 31 December 2021, the Group recorded consolidated revenue of approximately RM93.31 million as compared to RM64.62 million recorded in the preceding quarter ended 30 September 2021. In the current quarter under review, the Group recorded a net profit after tax of RM5.56 million as compared to a net profit after tax of RM2.84 million recorded in the preceding quarter ended 30 September 2021.

Engineered Packages

The Group registered revenue of RM60.04 million in the current quarter as compared to RM45.91 million registered in the preceding quarter ended 30 September 2021, representing an increase of approximately 30.78%.

Products & Services

The products and services division registered revenue of RM33.27 million in the current quarter as compared to RM18.71 million registered in the preceding quarter ended 30 September 2021, representing an increase of approximately 77.82%.

B2 Variance of Current Period Against Preceding Period

For the current period ended 31 December 2021, the Group recorded consolidated revenue of approximately RM264.35 million as compared to RM189.41 million recorded in the corresponding period ended 31 December 2020, representing an increase of approximately 39.56%.

The Group registered an overall profit after tax of RM12.97 million for current period ended December 2021 as compared to net profit after tax of RM3.08 million in the preceding period ended 31 December 2020, representing an increase of approximately 321.10%.

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 integrated well services for Petronas Carigali Sdn. Bhd.

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 RM169.42 million as compared to RM95.71 million registered in the preceding year period, representing an increase of approximately 77.01%.

Products & Services

The products and services division registered revenue of approximately RM94.93 million in the current period as compared to RM93.70 million registered in the preceding year period, representing an increase of approximately 1.31%.

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 and secure 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 Aerospace industry.

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	
	31/12/2021 RM'000	31/12/2020 RM'000	31/12/2021 RM'000	31/12/2020 RM'000
a. Income Tax Expenses	3,259	3,355	5,397	4,417
b. (Over)/under provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	-	-	-	-
d. Total	3,259	3,355	5,397	4,417

B6 Status of Corporate Proposal

On 24 November 2021, UOB Kay Hian Securities (M) Sdn Bhd had announced that the Company proposed to undertake a bonus issue of free warrants in T7 Global (“**Warrant(s)**”) on the basis of 1 Warrant for every 5 existing ordinary shares held by the entitled shareholders in T7 Global (“**Bonus Issue of Warrants**”).

On 11 February 2022, the shareholders of the Company had approved the Bonus Issue of Warrants with the entitlement date fixed on 28 February 2022. The said warrants will be listed and quoted on 8 March 2022.

B7 Status of corporate proposal announced

The Private Placement exercise announced on 14 September 2021 has been completed on 22 December 2021.

Status of utilisation of proceeds

	Proposed Utilisation	Actual Utilisation	Balance to be utilised	Intended Timeframe for Utilisation
Working capital for:	RM'000	RM'000	RM'000	RM'000
Integrated well services and other energy related projects	35,022	20,244	14,778	Within 12 months
Recruitment and manpower related contracts	9,878	2,487	7,391	Within 12 months
Estimated expenses in relation to the Proposed Private Placement	68	68	-	Upon completion
Total	44,968	22,799	22,169	

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B8 Bank Borrowings

	31/12/2021	31/12/2020
	RM'000	RM'000
a) <u>Secured short term borrowings</u>		
i) Hire purchase	2,507	1,840
ii) Term Loan / BA	135,753	91,082
Sub Total	138,260	92,922
a) <u>Secured long term borrowings</u>		
i) Hire purchase	4,683	4,186
ii) Term Loan	292,842	124,677
Sub Total	297,525	128,863
TOTAL BORROWINGS	435,785	221,785

B9 Material Litigation/ Special Notice

Save as previously announced, 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

First Single-tier interim dividend of 0.5 sen per ordinary share was declared on 10/09/2021 and paid on 08/10/2021.

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B11 (Losses)/Earnings per share

	Quarter Ended		Period Ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Net (loss)/profit attributable to ordinary shareholders (RM'000)				
Continuing operations	5,557	268	12,970	3,079
Discontinued operations	-	-	-	-
	5,557	268	12,970	3,079
Basic				
Total number of ordinary shares ('000)	757,055	531,855	757,055	531,855
Adjusted weighted average number of ordinary shares ('000)	657,573	514,506	626,773	510,882
Basic (losses)/earnings per ordinary share (sen)				
Continuing operations	0.85	0.09	2.07	0.64
Discontinued operations	-	-	-	-
	0.85	0.09	2.07	0.64
Diluted				
Adjusted weighted average number of ordinary shares ('000)	657,573	514,506	626,773	510,882
Diluted (losses)/earnings per ordinary share (sen)				
Continuing operations	0.85	0.09	2.07	0.64
Discontinued operations	-	-	-	-
	0.85	0.09	2.07	0.64

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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