

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT
FOR THE YEAR ENDED 31 MARCH 2023
(the figures have not been audited)

	2023 Current Quarter 31-Mar (RM'000)	2022 Preceding Quarter 31-Mar (RM'000)	Changes (%)	2023 Current Year Cumulative to Date 31-Mar (RM'000)	2022 Preceding Year Cumulative to Date 31-Mar (RM'000)	Changes (%)
Continuing Operations						
Revenue	94,041	61,985	52%	94,041	61,985	52%
Cost of Sale	(65,844)	(47,537)	39%	(65,844)	(47,537)	39%
Gross Profit	28,197	14,448	95%	28,197	14,448	95%
Other Income	188	423	-56%	188	423	-56%
Operating Expenses	(16,866)	(10,015)	68%	(16,866)	(10,015)	68%
Finance Cost	(3,208)	(1,154)	178%	(3,208)	(1,154)	178%
Profit Before Taxation From Continuing Operations	8,311	3,702	125%	8,311	3,702	125%
Taxation: Company and Subsidiary Companies	(4,180)	(965)	333%	(4,180)	(965)	333%
Profit For The Year From Continuing Operations	4,131	2,737	51%	4,131	2,737	51%
Discontinued Operations				4.39%	4.42%	
Profit For The Year After Tax	-	-	-	-	-	-
Net Profit For the Year	4,131	2,737	51%	4,131	2,737	51%
Attributable to:						
Equity Holders of the Company	4,241	2,719	56%	4,241	2,719	56%
Non-Controlling Interest	(110)	18	-711%	(110)	18	-711%
	4,131	2,737	51%	4,131	2,737	51%
Earnings Per Share						
Basic						
- Continuing Operations	0.56	0.37	51%	0.56	0.37	51%
- Discontinued Operations	-	-	-	-	-	-
	0.56	0.37	51%	0.56	0.37	51%
Diluted						
- Continuing Operations	0.56	0.37	51%	0.56	0.37	51%
- Discontinued Operations	-	-	-	-	-	-
	0.56	0.37	51%	0.56	0.37	51%

T7 GLOBAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023
(the figures have not been audited)

	2023 Current Quarter 31-Mar (RM'000)	2022 Preceding Quarter 31-Mar (RM'000)	Changes (%)	2023 Current Year Cumulative to Date 31-Mar (RM'000)	2022 Preceding Year Cumulative to Date 31-Mar (RM'000)	Changes (%)
Net Profit For the Year	4,131	2,737	51%	4,131	2,737	51%
Other Comprehensive Income:						
<i>Items that will be Reclassified Subsequently to Profit or Loss</i>						
Exchange Differences on Translating Foreign Operations	(1)	(27)	-96%	(1)	(27)	-96%
Fair Value Changes in Short Term Investment	-	-	0%	-	-	#DIV/0!
Revaluation reserve	-	-	0%	-	-	#DIV/0!
	(1)	(27)	-96%	(1)	(27)	-96%
Total Comprehensive Income For The Year	4,130	2,710	52%	4,130	2,710	52%
Attributable to:						
Equity Holders of the Company	4,240	2,692	58%	4,240	2,692	58%
Minority Interest	(110)	18	-711%	(110)	18	-711%
	4,130	2,710	52%	4,130	2,710	52%

T7 GLOBAL BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023 (the figures have not been audited)	As at 31-Mar-23 (RM'000)	As at 31-Dec-22 (RM'000)
NON-CURRENT ASSETS		
Property, plant and equipment	710,899	711,909
Right-of-use asset	33,585	34,162
Investment Properties	16,200	16,200
Other Investment	1,088	1,107
Other Receivables	1,472	1,472
Cash and bank balances, deposits and placements	7,576	4,116
Deferred tax asset	4,765	4,765
Total Non-Current Assets	775,585	773,731
CURRENT ASSETS		
Inventories	155,363	111,748
Trade Receivables	87,840	81,517
Other Receivables	11,127	10,568
Contracts assets	16,793	16,560
Tax Recoverable	6,204	5,710
Cash and bank balances, deposits and placements	42,571	33,047
Total Current Assets	319,898	259,150
Total Assets	1,095,483	1,032,881
NON-CURRENT LIABILITIES		
Deferred tax liabilities	854	854
Lease liabilities	12,374	11,706
Borrowings	426,452	389,750
Government grants	4,287	4,287
Total Non-Current Liabilities	443,967	406,597
CURRENT LIABILITIES		
Trade Payables	16,766	43,445
Other payables	60,104	36,248
Contract Liabilities	19	5
Lease liabilities	3,150	4,360
Borrowings	269,994	248,420
Government grants	186	248
Tax payable	5,180	1,572
Total Current Liabilities	355,399	334,298
Total Liabilities	799,366	740,895
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	249,950	249,950
Reserves	56,589	52,347
Treasury Shares	(9,699)	(9,699)
	296,840	292,598
Non-controlling interests	(723)	(612)
Total Equity	296,117	291,986
Total Liabilities and Equity	1,095,483	1,032,881

Company No.: 200401023809 (662315-U)

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023
(the figures have not been audited)

	2023 Current Quarter 31-Mar (RM'000)	2022 Preceding Year 31-Mar (RM'000)	2023 Current Year Cumulative to Date 31-Mar (RM'000)	2022 Preceding Year Cumulative to Date 31-Mar (RM'000)
Continuing Operations				
Gross interest income	85	117	85	117
Gross interest expenses	1,224	1,099	1,224	1,099
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
Net assets per shares attributable to ordinary equity holders of the parent	0.40		0.36	

Company No.: 200401023809 (662315-U)

T7 GLOBAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023
(The figures have not been audited)

	As at 31-Mar-23 (RM'000)	As at 31-Mar-22 (RM'000)	Changes (%)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operations	8,311	3,702	125%
Total profit before taxation	8,311	3,702	125%
Adjustments:			
Non-cash items	2,214	1,921	15%
Non-operating items	1,139	982	16%
Operating profit before changes in working capital	11,664	6,605	77%
Changes in working capital			
Net change in current assets	(50,730)	(19,008)	167%
Net change in current liabilities	3,859	(2,067)	-287%
Cash used in from operating activities	(35,207)	(14,470)	143%
Tax paid	(1,066)	(1,374)	-22%
Net cash used in from operating activities	(36,273)	(15,844)	129%
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received	85	117	-27%
Disposal of other investment	-	37	-100%
Purchase of property, plant and equipment	(554)	(16,694)	-97%
Net cash used in investing activities	(469)	(16,540)	-97%
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of finance lease	(1,123)	(794)	41%
Drawdown/(Repayment) of borrowing	52,074	10,686	387%
Interest paid	(1,224)	(1,099)	11%
Net cash generated from financing activities	49,726	8,793	466%
Net change in cash and cash equivalents	12,984	(23,593)	-155%
Opening cash and cash equivalents	37,163	96,926	-62%
Closing cash and cash equivalents	50,147	73,333	-32%

NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2023

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 2022.

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 2022 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 March 2023.

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 2023	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	49,789	44,252	94,041
Segment results	8,290	3,229	11,519
Share of profit from joint venture			0
Finance cost			(3,208)
Profit before taxation			8,311
Taxation			(4,180)
Net profit from continuing operations			4,131
Net profit/(loss) from discontinued operations			-
Net profit for the year			4,131

Cumulative as at 31 March 2022	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	35,528	26,457	61,985
Segment results	3,562	1,294	4,856
Share of profit from joint venture			0
Finance cost			(1,154)
Profit before taxation			3,702
Taxation			(965)
Net profit from continuing operations			2,737
Net profit/(loss) from discontinued operations			-
Net profit for the year			2,737

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 2023 and 31 March 2022 as well as balances with related parties as of 31 March 2023 and 31 March 2022.

	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
2023	Nil	403	4,586	4,339
2022	860	398	27,167	1,717

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 2023.

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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 March 2023, the Group recorded consolidated revenue of approximately RM94.04 million as compared to RM170.41 million recorded in the preceding quarter ended 31 December 2022. In the current quarter under review, the Group recorded a net profit after tax of RM4.13 million as compared to a net profit after tax of RM11.33 million recorded in the preceding quarter ended 31 December 2022.

Engineered Packages

The Group registered revenue of RM44.25 million in the current quarter as compared to RM82.76 million registered in the preceding quarter ended 31 December 2022, representing a decrease of approximately 46.53%.

Products & Services

The products and services division registered revenue of RM49.79 million in the current quarter as compared to RM87.65 million registered in the preceding quarter ended 31 December 2022, representing a decrease of approximately 43.19%.

B2 Variance of Current Period Against Preceding Period

For the current period ended 31 March 2023, the Group recorded consolidated revenue of approximately RM94.04 million as compared to RM61.99 million recorded in the corresponding period ended 31 March 2022, representing an increase of approximately 51.70%.

The Group registered an overall profit after tax of RM4.13 million for current period ended March 2023 as compared to net profit after tax of RM2.74 million in the preceding period ended 31 March 2022.

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 RM44.25 million as compared to RM26.46 million registered in the preceding year period, representing an increase of approximately 67.23%.

Products & Services

The products and services division registered revenue of approximately RM49.79 million in the current period as compared to RM35.53 million registered in the preceding year period, representing an increase of approximately 40.14%.

B3 Current Year Prospects

The recovery in oil & gas activities in the region did have a positive impact on the T7 Global Group's ongoing projects. The outlook for the upstream oil and gas sector remains positive given high oil & gas prices, increased capex spending and the reopening of China's borders, despite concerns on the world economy and potential for a global recession.

For the T7 Global 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 in the South East Asia region.

For the Aerospace Division, the industry has been affected by the Covid-19 pandemic and is expected to remain challenging for the next few years. 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 pursue new clients and new orders in the Aerospace industry given the recovery in travel demand in 2022.

For the Construction Division, the T7 Global Group had secured the baggage handling system asset replacement program at Terminal 1, KL International Airport in Dec 2022. The said division will focus on project execution and is expected to record satisfactory results in the coming years.

The Board and Management is cautiously optimistic in the Group's ability to achieve satisfactory results for the financial year ending 31 December 2023 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	
	31/03/2023 RM'000	31/03/2022 RM'000	31/03/2023 RM'000	31/03/2022 RM'000
a. Income Tax Expenses	4,180	965	4,180	965
b. (Over)/under provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	-	-	-	-
d. Total	4,180	965	4,180	965

B6 Status of Corporate Proposal

There were no corporate proposal announced but not completed as at the date of this report.

B7 Bank Borrowings

	31/03/2023	31/03/2022
	RM'000	RM'000
a) <u>Secured short term borrowings</u>		
i) Hire purchase	3,150	2,294
ii) Term Loan / BA	269,994	137,431
Sub Total	273,145	139,725
a) <u>Secured long term borrowings</u>		
i) Hire purchase	12,374	6,820
ii) Term Loan	426,452	305,645
Sub Total	438,826	312,465
TOTAL BORROWINGS	711,970	452,190

B8 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.

B9 Dividend Declared or Paid

No dividend was declared or paid during the current quarter under review.

B10 (Losses)/Earnings per share

	Quarter Ended		Period Ended	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
Net (loss)/profit attributable to ordinary shareholders (RM'000)				
Continuing operations	4,131	2,737	4,131	2,737
Discontinued operations	-	-	-	-
	<u>4,131</u>	<u>2,737</u>	<u>4,131</u>	<u>2,737</u>
Basic				
Total number of ordinary shares ('000)	757,055	757,055	757,055	757,055
Adjusted weighted average number of ordinary shares ('000)	<u>739,706</u>	<u>739,706</u>	<u>739,706</u>	<u>739,706</u>
Basic (losses)/earnings per ordinary share (sen)				
Continuing operations	0.56	0.37	0.56	0.37
Discontinued operations	-	-	-	-
	<u>0.56</u>	<u>0.37</u>	<u>0.56</u>	<u>0.37</u>
Diluted				
Adjusted weighted average number of ordinary shares ('000)	739,706	739,706	739,706	739,706
Diluted (losses)/earnings per ordinary share (sen)				
Continuing operations	0.56	0.37	0.56	0.37
Discontinued operations	-	-	-	-
	<u>0.56</u>	<u>0.37</u>	<u>0.56</u>	<u>0.37</u>

Certain diluted earnings/(losses) per ordinary share are not presented, as the computation would result in anti-dilutive earnings per ordinary share.

B11 Qualification of Financial Statements

There was no qualification made on the preceding audited financial statements for the financial year ended 31 December 2022.