

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT
FOR THE YEAR ENDED 30 SEPTEMBER 2023
(the figures have not been audited)

	2023 Current Quarter 30-Sep (RM'000)	2022 Preceding Quarter 30-Sep (RM'000)	Changes (%)	2023 Current Year Cumulative to Date 30-Sep (RM'000)	2022 Preceding Year Cumulative to Date 30-Sep (RM'000)	Changes (%)
Continuing Operations						
Revenue	137,356	80,294	71%	335,432	195,238	72%
Cost of Sale	(94,294)	(63,758)	48%	(235,250)	(150,193)	57%
Gross Profit	43,062	16,536	160%	100,182	45,045	122%
Other Income	418	278	50%	807	995	-19%
Operating Expenses	(21,884)	(10,997)	99%	(56,363)	(28,315)	99%
Finance Cost	(6,760)	(1,957)	245%	(12,666)	(4,850)	161%
Profit Before Taxation From Continuing Operations	14,836	3,860	284%	31,960	12,875	148%
Taxation: Company and Subsidiary Companies	(6,563)	(547)	1100%	(13,459)	(4,054)	232%
Profit For The Year From Continuing Operations	8,273	3,313	150%	18,501	8,821	110%
Discontinued Operations						
Profit For The Year After Tax	-	-	-	-	-	-
Net Profit For the Year	8,273	3,313	150%	18,501	8,821	110%
Attributable to:						
Equity Holders of the Company	8,028	3,562	125%	18,697	8,930	109%
Non-Controlling Interest	245	(249)	-198%	(196)	(109)	80%
	8,273	3,313	150%	18,501	8,821	110%
Earnings Per Share						
Basic						
- Continuing Operations	1.12	0.45	148%	2.49	1.19	110%
- Discontinued Operations	-	-	-	-	-	-
	1.12	0.45	148%	2.49	1.19	110%
Diluted						
- Continuing Operations	1.12	0.45	148%	2.49	1.19	110%
- Discontinued Operations	-	-	-	-	-	-
	1.12	0.45	148%	2.49	1.19	110%

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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2023
(the figures have not been audited)

	2023 Current Quarter 30-Sep (RM'000)	2022 Preceding Quarter 30-Sep (RM'000)	Changes (%)	2023 Current Year Cumulative to Date 30-Sep (RM'000)	2022 Preceding Year Cumulative to Date 30-Sep (RM'000)	Changes (%)
Net Profit For the Year	8,273	3,313	150%	18,501	8,821	110%
Other Comprehensive Income:						
<i>Items that will be Reclassified Subsequently to Profit or Loss</i>						
Exchange Differences on Translating Foreign Operations	(8)	1	-948%	(16)	(24)	-31%
Fair Value Changes in Short Term Investment	-	-	0%	-	(6)	-100%
	(8)	1	-948%	(16)	(30)	-45%
Total Comprehensive Income For The Year	8,265	3,314	149%	18,485	8,791	110%
Attributable to:						
Equity Holders of the Company	8,020	3,563	125%	18,681	8,900	110%
Minority Interest	245	(249)	-198%	(196)	(109)	80%
	8,265	3,314	149%	18,485	8,791	110%

T7 GLOBAL BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023 (the figures have not been audited)	As at 30-Sep-23 (RM'000)	As at 31-Dec-22 (RM'000)
NON-CURRENT ASSETS		
Property, plant and equipment	740,926	711,909
Right-of-use asset	33,433	34,162
Investment Properties	16,200	16,200
Other Investment	1,085	1,107
Other Receivables	1,472	1,472
Cash and bank balances, deposits and placements	368	4,116
Deferred tax asset	4,765	4,765
Total Non-Current Assets	798,249	773,731
CURRENT ASSETS		
Inventories	224,310	111,748
Trade Receivables	89,630	81,517
Other Receivables	47,897	10,568
Contracts assets	1,607	16,560
Tax Recoverable	5,118	5,710
Cash and bank balances, deposits and placements	60,254	33,047
Total Current Assets	428,816	259,150
Total Assets	1,227,065	1,032,881
NON-CURRENT LIABILITIES		
Deferred tax liabilities	854	854
Lease liabilities	13,413	11,706
Borrowings	465,359	389,750
Government grants	4,287	4,287
Total Non-Current Liabilities	483,913	406,597
CURRENT LIABILITIES		
Trade Payables	25,113	43,445
Other payables	69,640	36,248
Contract Liabilities	5	5
Lease liabilities	2,293	4,360
Borrowings	325,340	248,420
Government grants	62	248
Tax payable	9,435	1,572
Total Current Liabilities	431,888	334,298
Total Liabilities	915,801	740,895
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	250,730	249,950
Reserves	71,041	52,347
Treasury Shares	(9,699)	(9,699)
	312,072	292,598
Non-controlling interests	(808)	(612)
Total Equity	311,264	291,986
Total Liabilities and Equity	1,227,065	1,032,881

Company No.: 200401023809 (662315-U)

T7 GLOBAL BERHAD
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SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2023
(the figures have not been audited)

	2023 Current Quarter 30-Sep (RM'000)	2022 Preceding Year 30-Sep (RM'000)	2023 Current Year Cumulative to Date 30-Sep (RM'000)	2022 Preceding Year Cumulative to Date 30-Sep (RM'000)
Continuing Operations				
Gross interest income	186	343	271	460
Gross interest expenses	11,442	3,751	12,666	4,850
	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		0.37	

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023
(The figures have not been audited)

	← Equity Attributable to Equity Holders of the Company →										Non-Controlling Interest RM'000	Total Equity RM'000
	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			
Balance as at 01.01.2023	249,950	27,991	18,297	6,047	(9)	21	-	(9,699)	292,598	(612)	291,986	
Own shares acquired	-	-	-	-	-	-	-	-	-	-	-	
Issuance of shares pursuant to warrant	780	-	-	-	-	-	-	-	780	-	780	
Disposal of NCI	-	-	-	-	-	-	-	-	-	-	-	
Profit for the financial year	-	18,697	-	-	-	-	-	-	18,697	(196)	18,501	
Other comprehensive income for the financial year	-	5	-	-	(7)	-	-	-	(2)	-	(2)	
Balance as at 30.09.2023	250,730	46,693	18,297	6,047	(16)	21	-	(9,699)	312,072	(808)	311,264	

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022
(The figures have not been audited)

	← Equity Attributable to Equity Holders of the Company →										Non-Controlling Interest RM'000	Total Equity RM'000
	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	Investment Revaluation Reserve RM'000	Share Issuance Scheme Reserve RM'000	Treasury Shares RM'000	Total RM'000			
Balance as at 01.01.2022	249,950	7,533	18,297	212	(6)	27	-	(9,699)	266,313	(454)	265,859	
Own shares acquired	-	-	-	-	-	-	-	-	-	-	-	
Issuance of shares pursuant to private placement	-	-	-	-	-	-	-	-	-	-	-	
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	
Acquisition of NCI	-	-	-	-	-	-	-	-	-	-	-	
Profit for the financial year	-	8,930	-	-	-	-	-	-	8,930	-	8,930	
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	
Other comprehensive income for the financial year	-	-	-	21	(24)	(27)	-	-	(30)	(109)	(139)	
Balance as at 30.09.2022	249,950	16,463	18,297	233	(30)	-	-	(9,699)	275,213	(563)	274,650	

Company No.: 200401023809 (662315-U)

T7 GLOBAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2023
(The figures have not been audited)

	As at 30-Sep-23 (RM'000)	As at 30-Sep-22 (RM'000)	Changes (%)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operations	31,960	12,875	148%
Total profit before taxation	31,960	12,875	148%
Adjustments:			
Non-cash items	11,697	5,641	107%
Non-operating items	12,387	4,390	182%
Operating profit before changes in working capital	56,044	22,906	145%
Changes in working capital			
Net change in current assets	(143,051)	(68,535)	109%
Net change in current liabilities	17,857	(10,767)	-266%
Cash used in from operating activities	(69,150)	(56,396)	23%
Tax paid	(5,004)	(4,383)	14%
Net cash used in from operating activities	(74,154)	(60,779)	22%
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received	271	460	-41%
Disposal of other investment	-	37	-100%
Dividend received	7	7	600%
Purchase of property, plant and equipment	(39,752)	(146,188)	-73%
Net cash used in investing activities	(39,474)	(145,684)	-73%
CASH FLOW FROM FINANCING ACTIVITIES			
Issuance of shares pursuant to warrant	780	-	0%
Repayment of finance lease	(3,557)	(1,232)	189%
Drawdown/(Repayment) of borrowing	152,529	134,304	14%
Interest paid	(12,666)	(4,850)	161%
Net cash generated from financing activities	137,087	128,222	7%
Net change in cash and cash equivalents	23,459	(78,241)	-130%
Opening cash and cash equivalents	37,163	96,926	-62%
Closing cash and cash equivalents	60,622	18,685	224%

NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 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 30 September 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 30 September 2023	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	179,664	155,768	335,432
Segment results	29,050	15,576	44,626
Share of profit from joint venture			0
Finance cost			(12,666)
Profit before taxation			31,960
Taxation			(13,459)
Net profit from continuing operations			18,501
Net profit/(loss) from discontinued operations			-
Net profit for the year			18,501

Cumulative as at 30 September 2022	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	74,667	120,571	195,238
Segment results	5,338	12,387	17,725
Share of profit from joint venture			0
Finance cost			(4,850)
Profit before taxation			12,875
Taxation			(4,054)
Net profit from continuing operations			8,821
Net profit/(loss) from discontinued operations			-
Net profit for the year			8,821

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 September 2023 and 30 September 2022 as well as balances with related parties as of 30 September 2023 and 30 September 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	1,676	837	45
2022	2,748	1,954	5,774	1,603

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 September 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 30 September 2023, the Group recorded consolidated revenue of approximately RM137.35 million as compared to RM104.04 million recorded in the preceding quarter ended 30 June 2023. In the current quarter under review, the Group recorded a net profit after tax of RM8.27 million as compared to a net profit after tax of RM6.10 million recorded in the preceding quarter ended 30 June 2023.

Engineered Packages

The Group registered revenue of RM63.98 million in the current quarter as compared to RM47.54 million registered in the preceding quarter ended 30 June 2023, representing an increase of approximately 34.58%.

Products & Services

The products and services division registered revenue of RM73.37 million in the current quarter as compared to RM56.50 million registered in the preceding quarter ended 30 June 2023, representing an increase of approximately 29.86%.

B2 Variance of Current Period Against Preceding Period

For the current period ended 30 September 2023, the Group recorded consolidated revenue of approximately RM335.43 million as compared to RM195.24 million recorded in the corresponding period ended 30 September 2022, representing an increase of approximately 71.80%.

The Group registered an overall profit after tax of RM18.50 million for current period ended September 2023 as compared to net profit after tax of RM8.82 million in the preceding period ended 30 September 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 RM155.77 million as compared to RM120.57 million registered in the preceding year period, representing an increase of approximately 29.19%.

Products & Services

The products and services division registered revenue of approximately RM179.66 million in the current period as compared to RM74.67 million registered in the preceding year period, representing an increase of approximately 140.61%.

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. The outlook for the upstream oil and gas sector remains positive given high oil & gas prices, increase 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 2023.

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	
	30/09/2023 RM'000	30/09/2022 RM'000	30/09/2023 RM'000	30/09/2022 RM'000
a. Income Tax Expenses	6,563	547	13,459	4,054
b. (Over)/under provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	-	-	-	-
d. Total	6,563	547	13,459	4,054

B6 Status of Corporate Proposal

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

B7 Bank Borrowings

	30/09/2023	30/09/2022
	RM'000	RM'000
a) <u>Secured short term borrowings</u>		
i) Hire purchase	2,293	2,597
ii) Term Loan / BA	325,340	170,497
Sub Total	327,633	173,094
a) <u>Secured long term borrowings</u>		
i) Hire purchase	13,413	3,156
ii) Term Loan	465,359	398,245
Sub Total	478,772	401,401
TOTAL BORROWINGS	806,405	574,495

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	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
Net (loss)/profit attributable to ordinary shareholders (RM'000)				
Continuing operations	8,273	3,313	18,501	8,821
Discontinued operations	-	-	-	-
	8,273	3,313	18,501	8,821
Basic				
Total number of ordinary shares ('000)	759,055	757,055	759,055	757,055
Adjusted weighted average number of ordinary shares ('000)	741,706	739,706	741,706	739,706
Basic (losses)/earnings per ordinary share (sen)				
Continuing operations	1.12	0.45	2.49	1.19
Discontinued operations	-	-	-	-
	1.12	0.45	2.49	1.19
Diluted				
Adjusted weighted average number of ordinary shares ('000)	741,706	739,706	741,706	739,706
Diluted (losses)/earnings per ordinary share (sen)				
Continuing operations	1.12	0.45	2.49	1.19
Discontinued operations	-	-	-	-
	1.12	0.45	2.49	1.19

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.