

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

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

	2023 Current Quarter 31-Dec (RM'000)	2022 Preceding Quarter 31-Dec (RM'000)	Changes (%)	2023 Current Year Cumulative to Date 31-Dec (RM'000)	2022 Preceding Year Cumulative to Date 31-Dec (RM'000)	Changes (%)
Continuing Operations						
Revenue	250,750	167,732	49%	586,182	362,970	61%
Cost of Sale	(186,618)	(122,022)	53%	(421,868)	(272,215)	55%
Gross Profit	64,132	45,710	40%	164,314	90,755	81%
Other Income	8,466	7,699	10%	9,273	8,694	7%
Operating Expenses	(35,566)	(28,757)	24%	(91,929)	(57,072)	61%
Finance Cost	(13,002)	(3,829)	240%	(25,668)	(8,679)	196%
Profit Before Taxation From Continuing Operations	24,030	20,823	15%	55,990	33,698	66%
Taxation: Company and Subsidiary Companies	(10,176)	(9,405)	8%	(23,635)	(13,459)	76%
Profit For The Year From Continuing Operations	13,854	11,418	21%	32,355	20,239	60%
Discontinued Operations						
Profit For The Year After Tax	-	-	-	-	-	-
Net Profit For the Year	13,854	11,418	21%	32,355	20,239	60%
Attributable to:						
Equity Holders of the Company	14,378	11,423	25.9%	33,075	20,353	62.5%
Non-Controlling Interest	(524)	(5)	10380%	(720)	(114)	532%
	13,854	11,418	21%	32,355	20,239	60%
Earnings Per Share						
Basic						
- Continuing Operations	1.87	1.53	22%	4.37	2.72	61%
- Discontinued Operations	-	-	-	-	-	-
	1.87	1.53	22%	4.37	2.72	61%
Diluted						
- Continuing Operations	1.87	1.53	22%	4.37	2.72	61%
- Discontinued Operations	-	-	-	-	-	-
	1.87	1.53	22%	4.37	2.72	61%

Company No.: 200401023809 (662315-U)

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

	2023 Current Quarter 31-Dec (RM'000)	2022 Preceding Quarter 31-Dec (RM'000)	Changes (%)	2023 Current Year Cumulative to Date 31-Dec (RM'000)	2022 Preceding Year Cumulative to Date 31-Dec (RM'000)	Changes (%)
Net Profit For the Year	13,854	11,418	21%	32,355	20,239	60%
Other Comprehensive Income:						
<i>Items that will be Reclassified Subsequently to Profit or Loss</i>						
Exchange Differences on Translating Foreign Operations	(1)	24	-104%	(9)	(1)	800%
Fair Value Changes in Short Term Investment	-	(21)	0%	-	(27)	-100%
Revaluation reserve	-	5,857	0%	-	5,857	-100%
	(1)	5,860	-100%	(9)	5,829	-100%
Total Comprehensive Income For The Year	13,853	17,278	-20%	32,346	26,068	24%
Attributable to:						
Equity Holders of the Company	14,377	17,283	-17%	33,061	26,180	26%
Minority Interest	(524)	(5)	10380%	(715)	(112)	538%
	13,853	17,278	-20%	32,346	26,068	24%

T7 GLOBAL BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (the figures have not been audited)		
	As at 31-Dec-23 (RM'000)	As at 31-Dec-22 (RM'000)
NON-CURRENT ASSETS		
Property, plant and equipment	890,586	711,909
Right-of-use asset	46,148	34,162
Investment Properties	38,966	16,200
Other Investment	1,038	1,107
Other Receivables	1,526	1,472
Cash and bank balances, deposits and placements	9,100	4,116
Deferred tax asset	93	4,765
Total Non-Current Assets	987,459	773,731
CURRENT ASSETS		
Inventories	204,850	111,748
Trade Receivables	75,961	81,517
Other Receivables	10,337	10,568
Contracts assets	485	16,560
Tax Recoverable	2,366	5,710
Cash and bank balances, deposits and placements	146,435	33,047
Total Current Assets	440,435	259,150
Total Assets	1,427,893	1,032,881
NON-CURRENT LIABILITIES		
Deferred tax liabilities	4,344	854
Lease liabilities	22,632	11,706
Borrowings	493,511	389,750
Government grants	4,039	4,287
Total Non-Current Liabilities	524,525	406,597
CURRENT LIABILITIES		
Trade Payables	90,273	43,445
Other payables	52,496	36,248
Contract Liabilities	-	5
Lease liabilities	7,573	4,360
Borrowings	422,545	248,420
Government grants	249	248
Tax payable	5,109	1,572
Total Current Liabilities	578,244	334,298
Total Liabilities	1,102,769	740,895
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	250,730	249,950
Reserves	85,421	52,347
Treasury Shares	(9,699)	(9,699)
Non-controlling interests	326,452 (1,328)	292,598 (612)
Total Equity	325,124	291,986
Total Liabilities and Equity	1,427,893	1,032,881

Company No.: 200401023809 (662315-U)

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

	2023 Current Quarter 31-Dec (RM'000)	2022 Preceding Year 31-Dec (RM'000)	2023 Current Year Cumulative to Date 31-Dec (RM'000)	2022 Preceding Year Cumulative to Date 31-Dec (RM'000)
Continuing Operations				
Gross interest income	575	355	846	815
Gross interest expenses	14,899	8,602	27,565	13,452
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
Net assets per shares attributable to ordinary equity holders of the parent	0.44		0.39	

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(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 01.01.2023	249,949	27,991	18,296	6,047	(8)	21	-	(9,699)	292,597	(612)	291,985
Own shares acquired	-	-	-	-	-	-	-	-	-	-	-
Issuance of shares pursuant to warrant	781	-	-	-	-	-	-	-	781	-	781
Disposal of NCI	-	-	-	-	-	-	-	-	-	-	-
Profit for the financial year	-	33,075	-	-	-	-	-	-	33,075	(720)	32,355
Other comprehensive income for the financial year	-	-	-	-	(1)	-	-	-	(1)	4	3
Balance as at 31.12.2023	250,730	61,066	18,296	6,047	(9)	21	-	(9,699)	326,452	(1,328)	325,124

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

(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	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 01.01.2022	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	-	-	-	-	-	-	-	-	-	-	-
Disposal of NCI	-	77	-	-	-	-	-	-	77	(46)	31
Profit for the financial year	-	20,353	-	-	-	-	-	-	20,353	(114)	20,239
Other comprehensive income for the financial year	-	27	-	5,857	(3)	(27)	-	-	5,854	2	5,856

Company No.: 200401023809 (662315-U)

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

	As at 31-Dec-23 (RM'000)	As at 31-Dec-22 (RM'000)	Changes (%)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operations	55,990	33,698	66%
Total profit before taxation	55,990	33,698	66%
Adjustments:			
Non-cash items	19,586	6,889	184%
Non-operating items	26,712	12,637	111%
Operating profit before changes in working capital	102,288	53,224	92%
Changes in working capital			
Net change in current assets	(63,133)	21,521	-393%
Net change in current liabilities	82,475	(29,909)	-376%
Cash used in from operating activities	121,629	44,835	171%
Tax paid	(16,754)	(13,360)	25%
Net cash used in from operating activities	104,876	31,475	233%
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received	846	815	4%
Disposal of other investment	-	37	-100%
Dividend received	7	7	600%
Purchase of property, plant and equipment	(232,813)	(281,305)	-17%
Net cash used in investing activities	(231,960)	(280,446)	-17%
CASH FLOW FROM FINANCING ACTIVITIES			
Issuance of shares pursuant to warrant	780	-	0%
Repayment of finance lease	(5,645)	(1,232)	358%
Drawdown/(Repayment) of borrowing	277,886	203,732	36%
Interest paid	(27,565)	(13,452)	105%
Net cash generated from financing activities	245,456	189,048	30%
Net change in cash and cash equivalents	118,372	(59,923)	-298%
Opening cash and cash equivalents	37,163	96,926	-62%
Closing cash and cash equivalents	155,535	37,003	320%

NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 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 December 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 December 2023	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	330,514	255,668	586,182
Segment results	40,823	40,835	81,658
Share of profit from joint venture			0
Finance cost			(25,668)
Profit before taxation			55,990
Taxation			(23,635)
Net profit from continuing operations			32,355
Net profit/(loss) from discontinued operations			-
Net profit for the year			32,355

Cumulative as at 31 December 2022	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	159,641	203,329	362,970
Segment results	22,525	19,852	42,377
Share of profit from joint venture			0
Finance cost			(8,679)
Profit before taxation			33,698
Taxation			(13,459)
Net profit from continuing operations			20,239
Net profit/(loss) from discontinued operations			-
Net profit for the year			20,239

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 2023 and 31 December 2022 as well as balances with related parties as of 31 December 2023 and 31 December 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	2,862	Nil	597
2022	2,305	6,379	5,144	5,763

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 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 December 2023, the Group recorded consolidated revenue of approximately RM250.75 million as compared to RM137.35 million recorded in the preceding quarter ended 30 September 2023. In the current quarter under review, the Group recorded a net profit after tax of RM13.86 million as compared to a net profit after tax of RM8.27 million recorded in the preceding quarter ended 30 September 2023.

Engineered Packages

The Group registered revenue of RM115.82 million in the current quarter as compared to RM63.98 million registered in the preceding quarter ended 30 September 2023, representing an increase of approximately 81.03%.

Products & Services

The products and services division registered revenue of RM134.93 million in the current quarter as compared to RM73.37 million registered in the preceding quarter ended 30 September 2023, representing an increase of approximately 83.90%.

B2 Variance of Current Period Against Preceding Period

For the current period ended 31 December 2023, the Group recorded consolidated revenue of approximately RM586.18 million as compared to RM362.97 million recorded in the corresponding period ended 31 December 2022, representing an increase of approximately 61.50%.

The Group registered an overall profit after tax of RM32.36 million for current period ended December 2023 as compared to net profit after tax of RM20.24 million in the preceding period ended 31 December 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 RM271.59 million as compared to RM203.33 million registered in the preceding year period, representing an increase of approximately 33.57%.

Products & Services

The products and services division registered revenue of approximately RM314.59 million in the current period as compared to RM159.64 million registered in the preceding year period, representing an increase of approximately 97.06%.

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	
	31/12/2023 RM'000	31/12/2022 RM'000	31/12/2023 RM'000	31/12/2022 RM'000
a. Income Tax Expenses	10,176	9,405	23,635	13,459
b. (Over)/under provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	-	-	-	-
d. Total	10,176	9,405	23,635	13,459

B6 Status of Corporate Proposal

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

B7 Bank Borrowings

	31/12/2023	31/12/2022
	RM'000	RM'000
a) <u>Secured short term borrowings</u>		
i) Hire purchase	7,573	4,360
ii) Term Loan / BA	422,545	248,420
Sub Total	430,118	252,780
a) <u>Secured long term borrowings</u>		
i) Hire purchase	22,632	11,706
ii) Term Loan	493,511	389,750
Sub Total	516,143	401,456
TOTAL BORROWINGS	946,261	654,236

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	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Net (loss)/profit attributable to ordinary shareholders (RM'000)				
Continuing operations	13,854	11,418	32,355	20,239
Discontinued operations	-	-	-	-
	<u>13,854</u>	<u>11,418</u>	<u>32,355</u>	<u>20,239</u>
Basic				
Total number of ordinary shares ('000)	759,055	757,055	759,055	757,055
Adjusted weighted average number of ordinary shares ('000)	<u>741,706</u>	<u>739,706</u>	<u>740,540</u>	<u>739,706</u>
Basic (losses)/earnings per ordinary share (sen)				
Continuing operations	1.87	1.53	4.37	2.72
Discontinued operations	-	-	-	-
	<u>1.87</u>	<u>1.53</u>	<u>4.37</u>	<u>2.72</u>
Diluted				
Adjusted weighted average number of ordinary shares ('000)	741,706	739,706	740,540	739,706
Diluted (losses)/earnings per ordinary share (sen)				
Continuing operations	1.87	1.53	4.37	2.72
Discontinued operations	-	-	-	-
	<u>1.87</u>	<u>1.53</u>	<u>4.37</u>	<u>2.72</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.