

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2022
(the figures have not been audited)

	2022 Current Quarter 31-Dec (RM'000)	2021 Preceding Quarter 31-Dec (RM'000)	Changes (%)	2022 Current Year Cumulative to Date 31-Dec (RM'000)	2021 Preceding Year Cumulative to Date 31-Dec (RM'000)	Changes (%)
Continuing Operations						
Revenue	170,411	134,464	27%	365,649	305,496	20%
Cost of Sale	(124,485)	(106,092)	17%	(274,678)	(242,180)	13%
Gross Profit	45,926	28,372	62%	90,971	63,316	44%
Other Income	667	1,721	-61%	1,662	3,804	-56%
Operating Expenses	(22,243)	(19,485)	14%	(50,558)	(44,008)	15%
Finance Cost	(4,172)	(1,164)	258%	(9,022)	(4,117)	119%
Profit Before Taxation From Continuing Operations	20,178	9,444	114%	33,053	18,995	74%
Taxation: Company and Subsidiary Companies	(8,854)	(3,842)	130%	(12,908)	(5,980)	116%
Profit For The Year From Continuing Operations	11,324	5,602	102%	20,145	13,015	55%
Discontinued Operations						
Profit For The Year After Tax	-	-	-	-	-	-
Net Profit For the Year	11,324	5,602	102%	20,145	13,015	55%
Attributable to:						
Equity Holders of the Company	11,329	3,165	258%	20,259	10,559	92%
Non-Controlling Interest	(5)	2,437	-100%	(114)	2,456	-105%
	11,324	5,602	102%	20,145	13,015	55%
Earnings Per Share						
Basic						
- Continuing Operations	1.53	0.85	80%	2.72	2.07	32%
- Discontinued Operations	-	-	-	-	-	-
	1.53	0.85	80%	2.72	2.07	32%
Diluted						
- Continuing Operations	1.53	0.85	80%	2.72	2.07	32%
- Discontinued Operations	-	-	-	-	-	-
	1.53	0.85	80%	2.72	2.07	32%

T7 GLOBAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022
(the figures have not been audited)

	2022 Current Quarter 31-Dec (RM'000)	2021 Preceding Quarter 31-Dec (RM'000)	Changes (%)	2022 Current Year Cumulative to Date 31-Dec (RM'000)	2021 Preceding Year Cumulative to Date 31-Dec (RM'000)	Changes (%)
Net Profit For the Year	11,324	5,602	102%	20,145	13,015	55%
Other Comprehensive Income:						
<i>Items that will be Reclassified Subsequently to Profit or Loss</i>						
Exchange Differences on Translating Foreign Operations	24	637	-96%	(1)	(9)	-84%
Fair Value Changes in Short Term Investment	(21)	(535)	0%	(27)	107	-125%
Revaluation reserve	5,857	-	0%	5,857	-	#DIV/0!
	5,860	102	5645%	5,829	98	5848%
Total Comprehensive Income For The Year	17,184	5,704	201%	25,974	13,113	98%
Attributable to:						
Equity Holders of the Company	17,189	3,267	426%	26,086	10,663	145%
Minority Interest	(5)	2,437	-100%	(112)	2,450	-105%
	17,184	5,704	201%	25,974	13,113	98%

T7 GLOBAL BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 (the figures have not been audited)	As at 31-Dec-22 (RM'000)	As at 31-Dec-21 (RM'000)
NON-CURRENT ASSETS		
Property, plant and equipment	687,853	422,224
Right-of-use asset	34,162	25,206
Investment Properties	16,200	6,951
Other Investment	1,107	1,246
Other Receivables	1,472	1,419
Cash and bank balances, deposits and placements	4,162	3,590
Deferred tax asset	4,765	12,963
Total Non-Current Assets	749,721	473,599
CURRENT ASSETS		
Inventories	136,479	67,517
Trade Receivables	82,072	100,592
Other Receivables	9,790	30,018
Contracts assets	16,561	60,025
Tax Recoverable	5,838	4,199
Cash and bank balances, deposits and placements	32,196	93,336
Total Current Assets	282,936	355,687
Total Assets	1,032,657	829,286
NON-CURRENT LIABILITIES		
Deferred tax liabilities	423	297
Lease liabilities	11,706	5,092
Borrowings	449,105	292,842
Government grants	4,287	4,267
Total Non-Current Liabilities	465,521	302,498
CURRENT LIABILITIES		
Trade Payables	43,463	52,863
Other payables	36,551	48,319
Contract Liabilities	5	12,809
Lease liabilities	4,360	2,712
Borrowings	189,065	143,316
Government grants	249	517
Tax payable	1,580	393
Total Current Liabilities	275,273	260,929
Total Liabilities	740,794	563,427
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	249,950	249,950
Reserves	52,225	26,062
Treasury Shares	(9,699)	(9,699)
	292,476	266,313
Non-controlling interests	(612)	(454)
Total Equity	291,863	265,859
Total Liabilities and Equity	1,032,657	829,286

Company No.: 200401023809 (662315-U)

T7 GLOBAL BERHAD
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SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022
(the figures have not been audited)

	2022 Current Quarter 31-Dec (RM'000)	2021 Preceding Year 31-Dec (RM'000)	2022 Current Year Cumulative to Date 31-Dec (RM'000)	2021 Preceding Year Cumulative to Date 31-Dec (RM'000)
Continuing Operations				
Gross interest income	355	787	815	1,083
Gross interest expenses	8,602	3,060	13,452	4,934
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
Net assets per shares attributable to ordinary equity holders of the parent	0.39		0.42	

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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	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 01.01.2022	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	-	20,259	-	-	-	-	-	-	20,259	(114)	20,145
Other comprehensive income for the financial year	-	-	-	5,857	(3)	(27)	-	-	5,827	2	5,829
Balance as at 31.12.2022	249,950	27,869	18,297	6,069	(9)	-	-	(9,699)	292,476	(612)	291,863

T7 GLOBAL BERHAD
(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	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 01.01.2021	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)	-	(541)
Other comprehensive income for the financial year	-	-	-	-	(3)	648	-	-	645	2,451	3,096

Company No.: 200401023809 (662315-U)

T7 GLOBAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022
(The figures have not been audited)

	As at 31-Dec-22 (RM'000)	As at 31-Dec-21 (RM'000)	Changes (%)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operations	33,053	18,995	74%
Total profit before taxation	33,053	18,995	74%
Adjustments:			
Non-cash items	6,889	11,957	-42%
Non-operating items	12,637	5,440	132%
Operating profit before changes in working capital	52,579	36,392	44%
Changes in working capital			
Net change in current assets	21,521	(77,993)	-128%
Net change in current liabilities	(29,909)	(25,896)	15%
Cash used in from operating activities	44,190	(67,497)	-165%
Tax paid	(13,360)	(6,033)	121%
Net cash used in from operating activities	30,830	(73,530)	-142%
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received	815	1,083	-25%
Acquisition of non-controlling interest	-	(245)	-100%
Disposal of property, plant and equipment	-	2,047	-100%
Disposal of other investment	37	652	3600%
Acquisition of a subsidiary	-	(1,447)	-100%
Dividend received	7	7	0%
Purchase of property, plant and equipment	(281,305)	(181,442)	55%
Proceed from government grant	-	307	-100%
Net cash used in investing activities	(280,446)	(179,038)	57%
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid	-	(3,083)	-100%
Proceed from issuance of shares	-	82,198	-100%
Repayment of finance lease	(1,232)	(2,108)	-42%
Drawdown of borrowing	445,959	331,729	34%
Interest paid	(13,452)	(13,127)	2%
Repayment of borrowing	(242,227)	(133,904)	81%
Fixed deposits pledged as security	-	(23,206)	-100%
Net cash generated from financing activities	189,048	241,582	-22%
Net change in cash and cash equivalents	(60,568)	(10,986)	451%
Effect of exchange rate changes	-	(26)	-100%
Opening cash and cash equivalents	96,926	52,196	86%
Closing cash and cash equivalents	36,358	41,185	-12%

NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

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 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 2021.

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 2021 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 2022.

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 2022	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	162,320	203,329	365,649
Segment results	22,223	19,852	42,075
Share of profit from joint venture			0
Finance cost			(9,022)
Profit before taxation			33,053
Taxation			(12,908)
Net profit from continuing operations			20,145
Net profit/(loss) from discontinued operations			-
Net profit for the year			20,145

Cumulative as at 31 December 2021	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	136,082	169,414	305,496
Segment results	7,212	15,900	23,112
Share of profit from joint venture			0
Finance cost			(4,117)
Profit before taxation			18,995
Taxation			(5,980)
Net profit from continuing operations			13,015
Net profit/(loss) from discontinued operations			-
Net profit for the year			13,015

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 2022 and 31 December 2021 as well as balances with related parties as of 31 December 2022 and 31 December 2021.

	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
2022	2,305	6,379	5,144	5,763
2021	37,999	5,127	26,229	1,769

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 2022.

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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 2022, the Group recorded consolidated revenue of approximately RM170.41 million as compared to RM80.30 million recorded in the preceding quarter ended 30 September 2022. In the current quarter under review, the Group recorded a net profit after tax of RM11.33 million as compared to a net profit after tax of RM3.31 million recorded in the preceding quarter ended 30 September 2022.

Engineered Packages

The Group registered revenue of RM82.76 million in the current quarter as compared to RM55.52 million registered in the preceding quarter ended 30 September 2022, representing an increase of approximately 49.06%.

Products & Services

The products and services division registered revenue of RM87.65 million in the current quarter as compared to RM24.78 million registered in the preceding quarter ended 30 September 2022, representing an increase of approximately 253.71%.

B2 Variance of Current Period Against Preceding Period

For the current period ended 31 December 2022, the Group recorded consolidated revenue of approximately RM365.65 million as compared to RM305.49 million recorded in the corresponding period ended 31 December 2021, representing an increase of approximately 19.69%.

The Group registered an overall profit after tax of RM20.15 million for current period ended December 2022 as compared to net profit after tax of RM13.02 million in the preceding period ended 31 December 2021.

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 RM203.33 million as compared to RM169.41 million registered in the preceding year period, representing an increase of approximately 20.02%.

Products & Services

The products and services division registered revenue of approximately RM162.32 million in the current period as compared to RM136.08 million registered in the preceding year period, representing an increase of approximately 19.28%.

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	
	31/12/2022 RM'000	31/12/2021 RM'000	31/12/2022 RM'000	31/12/2021 RM'000
a. Income Tax Expenses	8,854	3,842	12,908	5,980
b. (Over)/under provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	-	-	-	-
d. Total	8,854	3,842	12,908	5,980

B6 Status of Corporate Proposal

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

B7 Bank Borrowings

	31/12/2022	31/12/2021
	RM'000	RM'000
a) <u>Secured short term borrowings</u>		
i) Hire purchase	4,360	2,712
ii) Term Loan / BA	189,065	143,316
Sub Total	193,425	146,028
a) <u>Secured long term borrowings</u>		
i) Hire purchase	11,706	5,092
ii) Term Loan	449,105	292,842
Sub Total	460,811	297,934
TOTAL BORROWINGS	654,236	443,962

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	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Net (loss)/profit attributable to ordinary shareholders (RM'000)				
Continuing operations	11,324	5,602	20,145	13,015
Discontinued operations	-	-	-	-
	<u>11,324</u>	<u>5,602</u>	<u>20,145</u>	<u>13,015</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>657,573</u>	<u>739,706</u>	<u>626,773</u>
Basic (losses)/earnings per ordinary share (sen)				
Continuing operations	1.53	0.85	2.72	2.07
Discontinued operations	-	-	-	-
	<u>1.53</u>	<u>0.85</u>	<u>2.72</u>	<u>2.07</u>
Diluted				
Adjusted weighted average number of ordinary shares ('000)	739,706	657,573	739,706	626,773
Diluted (losses)/earnings per ordinary share (sen)				
Continuing operations	1.53	0.85	2.72	2.07
Discontinued operations	-	-	-	-
	<u>1.53</u>	<u>0.85</u>	<u>2.72</u>	<u>2.07</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 were no qualification made on the preceding audited financial statements for the financial year ended 31 December 2021.