

Company No.: 662315-U

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 SEPTEMBER 2019
(the figures have not been audited)**

	2019 Current Quarter 30-Sep (RM'000)	2018 Preceding Quarter 30-Sep (RM'000)	Changes (%)	2019 Current Year Cumulative to Date 30-Sep (RM'000)	2018 Preceding Year Cumulative to Date 30-Sep (RM'000)	Changes (%)
Continuing Operations						
Revenue	66,338	52,743	26%	171,067	165,565	3%
Cost of Sale	(53,188)	(44,318)	20%	(142,064)	(145,441)	-2%
Gross (Loss)/Profit	13,150	8,425	56%	29,003	20,124	44%
Other Income	409	212	93%	3,358	11,059	-70%
Operating Expenses	(11,350)	(5,401)	110%	(25,851)	(24,904)	4%
Finance Cost	(828)	(282)	194%	(1,525)	(1,087)	40%
Share of Profit/Loss From Joint Venture	(146)	97	-251%	-	63	-100%
(Loss)/Profit Before Taxation From Continuing Operations	1,235	3,051	-60%	4,985	5,255	-5%
Taxation: Company and Subsidiary Companies	1,298	(935)	-239%	(0)	789	-100%
(Loss)/Profit For The Year From Continuing Operations	2,533	2,116	20%	4,985	6,044	-18%
Discontinued Operations						
Profit/(Loss) For The Year After Tax	-	-	-	-	-	-
Net (Loss)/Profit For the Year	2,533	2,116	20%	4,985	6,044	-18%
Attributable to:						
Equity Holders of the Company	105	737	-86%	415	4,289	-90%
Non-Controlling Interest	2,428	1,379	76%	4,570	1,755	160%
	2,533	2,116	20%	4,985	6,044	-18%
(Losses)/Earnings Per Share						
Basic						
- Continuing Operations	0.56	0.51	10%	1.01	1.45	-30%
- Discontinued Operations	-	-	-	-	-	-
	0.56	0.51	10%	1.01	1.45	-30%
Diluted						
- Continuing Operations	0.56	0.51	10%	1.01	1.45	-30%
- Discontinued Operations	-	-	-	-	-	-
	0.56	0.51	10%	1.01	1.45	-30%

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019
(the figures have not been audited)

	2019 Current Quarter 30-Sep (RM'000)	2018 Preceding Quarter 30-Sep (RM'000)	Changes (%)	2019 Current Year Cumulative to Date 30-Sep (RM'000)	2018 Preceding Year Cumulative to Date 30-Sep (RM'000)	Changes (%)
Net (Loss)/Profit For the Year	2,533	2,116	20%	4,985	6,044	-18%
Other Comprehensive Income/(Loss):						
<i>Items that will be Reclassified Subsequently to Profit or Loss</i>						
Exchange Differences on Translating Foreign Operations	(159)	279	-157%	1,009	1,423	-29%
Fair Value Changes in Short Term Investment	-	(670)	-100%	(1,299)	(1,350)	-4%
	(159)	(391)	-59%	(290)	73	-497%
Total Comprehensive (Loss)/Income For The Year	2,374	1,726	38%	4,695	6,118	-23%
Attributable to:						
Equity Holders of the Company	(54)	347	-116%	125	4,363	-97%
Minority Interest	2,428	1,379	76%	4,570	1,755	160%
	2,374	1,726	38%	4,695	6,118	-23%

T7 GLOBAL BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019 (the figures have not been audited)	As at 30-Sep-19 Unaudited (RM'000)	As at 31-Dec-18 Audited (RM'000)
NON-CURRENT ASSETS		
Other Investment	12,622	8,545
Investment Properties	1,232	1,250
Property, Plant and Equipment	59,168	53,071
Intangible Assets	2,089	2,137
Deferred tax asset	8,945	7,056
Total Non-Current Assets	84,056	72,059
CURRENT ASSETS		
Inventories	4,449	28,130
Trade Receivables	74,756	51,478
Other Receivables	16,828	24,020
Contracts assets	37,981	41,502
Cash and Bank Equivalents	40,348	36,349
Tax Recoverable	467	663
Total Current Assets	174,830	182,142
Assets classified as held for sale	-	1,285
Total Assets	258,886	255,486
NON-CURRENT LIABILITIES		
Borrowings	16,595	15,748
Deferred Tax	863	860
Total Non-Current Liabilities	17,458	16,608
CURRENT LIABILITIES		
Trade Payables	19,505	41,908
Other Payables and Accruals	10,606	6,027
Contract Liabilities	553	4,843
Hire Purchase and Lease Payables	2,662	1,168
Short term borrowing	14,029	24,679
Tax payables	-	1,644
Total Current Liabilities	47,355	80,269
Total Liabilities	64,813	96,877
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	154,733	120,505
Reserves	25,374	27,713
Treasury Shares	(6,988)	(6,326)
Non-controlling interests	173,119	141,892
Total Equity	194,073	158,609
Total Liabilities and Equity	258,886	255,486

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T7 GLOBAL BERHAD
(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2019
(the figures have not been audited)

	2019 Current Quarter 30-Sep (RM'000)	2018 Preceding Year 30-Sep (RM'000)	2019 Current Year Cumulative to Date 30-Sep (RM'000)	2018 Preceding Year Cumulative to Date 30-Sep (RM'000)
Continuing Operations				
Gross interest income	244	394	430	880
Gross interest expenses	1,103	462	1,526	805
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
Net assets per shares attributable to ordinary equity holders of the parent	0.43		0.34	

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019
(The figures have not been audited)

	Equity Attributable to Equity Holders of the Company											Total Equity RM'000
	Distributable					Non-Distributable						
	Share Capital RM'000	Accumulated Losses RM'000	Share Premium 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	
Balance as at 01.01.2019	120,505	(11,096)	-	37,489	-	0	1,320	-	(6,326)	141,892	16,717	158,609
Total comprehensive income/(loss) for the year	-	415	-	-	-	-	-	-	-	415	4,570	4,985
Issuance of shares pursuant to private placement	34,228	-	-	-	-	-	-	-	-	34,228	-	34,228
Own shares acquired	-	-	-	-	-	-	-	-	(662)	(662)	-	(662)
Foreign currency translation reserve realised	-	-	-	-	-	1,009	(1,299)	-	-	(290)	-	(290)
Acquisition/Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Reversed of Employee Benefits Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Effects Of Impairment of Treasury Share	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	(2,464)	-	-	-	-	-	-	-	(2,464)	(333)	(2,797)
Balance as at 30.9.2019	154,733	(13,145)	-	37,489	-	1,009	21	-	(6,988)	173,119	20,954	194,073

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018
(The figures have been audited)

	Equity Attributable to Equity Holders of the Company											Total Equity RM'000
	Distributable					Non-Distributable						
	Share Capital RM'000	Accumulated Losses RM'000	Share Premium 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	
Balance as at 01.01.2018	120,505	(15,345)	-	37,489	2,252	(1,579)	21	-	(4,397)	138,945	12,896	151,841
Total comprehensive income/(loss) for the year	-	4,288	-	-	(1,350)	1,423	0	-	(569)	3,793	1,755	5,548
Reduction of Par Value (from RM 0.50 to RM 0.10)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to reserve classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition/Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	49	49
Reversed of Employee Benefits Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Exercise of Warrant	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30.9.2018	120,505	(11,057)	-	37,489	902	(156)	21	-	(4,966)	142,738	14,700	157,438

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T7 GLOBAL BERHAD (Incorporated in Malaysia)			
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (The figures have not been audited)			
	As at 30-Sep-19	As at 30-Sep-18	Changes (%)
	(RM'000)	(RM'000)	
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss)/Profit before taxation from continuing operations	4,985	5,255	-5%
(Loss)/Profit before taxation from discontinued operations	-	-	-
Total profit before taxation	4,985	5,255	-5%
Adjustments:			
Non-cash items	1,488	4,246	-65%
Non-operating items	115	76	52%
Operating profit before changes in working capital	6,588	9,578	-31%
Changes in working capital			
Net change in current assets	3,626	31,655	-89%
Net change in current liabilities	(33,259)	(70,135)	-53%
Cash used in operating activities	(23,045)	(28,903)	-20%
Tax paid	(786)	(1,612)	-51%
Net cash used in operating activities	(23,831)	(30,515)	-22%
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received	430	964	-55%
Net cash on acquisition of a subsidiary company	(333)	-	-
Acquisition of other investment	(4,257)	-	-
Dividend received	-	47	-100%
Proceed from disposal of property, plant and equipment	1,850	-	-
Proceed from disposal of other investment	338	-	-
Purchase of property, plant and equipment	(6,412)	(20,621)	-69%
Net cash used in investing activities	(8,384)	(19,610)	-57%
CASH FLOW FROM FINANCING ACTIVITIES			
Issuance of shares pursuant to private placement	34,228	-	-
Repurchase of treasury share	(662)	(569)	16%
Finance/(Repayment) of Hire-purchase	(1,128)	(2,070)	-46%
Advance from/(Repayment to) joint venture	7,766	-	-
Interest paid	(1,526)	(1,087)	40%
Dividend paid	(2,464)	-	-
Drawdown borrowing	-	12,076	-
Net cash generated from financing activities	36,215	8,349	334%
Net change in cash and cash equivalents	3,999	(41,775)	-110%
Opening cash and cash equivalents	36,349	84,062	-57%
Closing cash and cash equivalents	40,348	42,286	-5%

NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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 2018.

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 2018 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 June 2019.

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 & Equity Securities

There were no issuance of debt and equity securities for the current financial period under review.

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A6 Dividends Declared or Paid

The Single-tier interim dividend of 0.5 sen per ordinary share was declared on 08/07/2019 and paid on 06/08/2019.

A7 Segmental Information

Segmental analysis for the current quarter is set out below:

Cumulative as at 30 September 2019	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	97,383	73,684	171,067
Segment results	3,380	3,133	6,513
Share of profit from joint venture			0
Finance cost			(1,528)
Profit before taxation			4,985
Taxation			(0)
Net profit from continuing operations			4,985
Net profit/(loss) from discontinued operations			-
Net profit for the year			4,985

Cumulative as at 30 September 2018	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	86,365	79,200	165,565
Segment results	358	5,921	6,279
Share of profit from joint venture			63
Finance cost			(1,087)
Profit before taxation			5,255
Taxation			789
Net profit from continuing operations			6,044
Net profit/(loss) from discontinued operations			-
Net profit for the year			6,044

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.

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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 2019 and 30 September 2018 as well as balances with related parties as of 30 September 2019 and 30 September 2018.

	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
2019	12,681	1,768	5,522	193
2018	3,832	2,941	1,618	80

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 2019.

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B ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B1 Variance of Results Against Preceding Quarter

For the current year quarter ended 30 September 2019, the Group recorded consolidated revenue of approximately RM66.34 million as compared to RM48.46 million recorded in the preceding quarter ended 30 June 2019. In the current quarter under review, the Group recorded a net profit after tax of RM2.53 million as compared to a net profit after tax of RM1.32 million recorded in the preceding quarter ended 30 June 2019.

Engineered Packages

The Group registered revenue of RM33.98 million in the current quarter as compared to RM18.35 million registered in the preceding quarter ended 30 June 2019 increase in revenue by approximately 85.18%.

Products & Services

The products and services division registered revenue of RM32.35 million in the current quarter as compared to RM30.11 million registered in the preceding quarter ended 30 June 2019 increase by approximately 7.44%.

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B2 Variance of Results Against Preceding Period

For the current period ended 30 September 2019, the Group recorded consolidated revenue of approximately RM171.06 million. This represents an increase of approximately 3.32% as compared to RM165.57 million recorded in the corresponding period ended 30 September 2018.

The Group registered an overall profit after tax of RM4.99 million for current period ended September 2019 as compared to net profit after tax of RM6.04 million in the preceding period ended 30 September 2018.

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 RM73.68 million as compared to RM79.20 million registered in the preceding year. This represents a decrease of approximately 6.97%.

Products & Services

The products and services division registered revenue of approximately RM97.38 million in the current period as compared to RM86.37 million registered in the preceding year increase of approximately 12.75%.

B3 Current Year Prospects

Despite the challenges in the oil and gas industry, the Company will continue to focus in the oil and gas sector. At the same time, the Company will also look into new ventures for potential business growth.

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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	
	30/09/2019 RM'000	30/09/2018 RM'000	30/09/2019 RM'000	30/09/2018 RM'000
a. Income Tax Expenses	611	935	1,909	1,234
b. (Over)/under provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	(1,909)	-	(1,909)	(2,023)
d. Total	(1,298)	935	0	(789)

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B6 Status of Corporate Proposal

On 31/10/2019, T7 Global Bhd (“T7”) had announced that Tanjung Offshore Services Sdn. Bhd. (“**Tanjung Offshore**”), a wholly-owned subsidiary of the Company had received the letter of award from Petronas Carigali Sdn. Bhd. for the provision of underwater inspection services using Mini-ROV.

In addition, Fircroft Tanjung Sdn. Bhd., a subsidiary of Tanjung Offshore, which in turn is a sub-subsidiary of the Company had received the following letters of award:-

a) Letter of award from Petrofac (Malaysia-PM304) Limited for the provision of drilling and completion manpower services; and

b) Letters of award from SapuraOMV Upstream (PM) Inc. (*formerly known as Sapura Exploration and Production (PM) Inc.*) and SapuraOMV Upstream (Sarawak) Inc. (*formerly known as Sapura Exploration and Production (Sarawak) Inc.*) for the provision of third party manpower supply for Sapura exploration and production facilities and construction department.

On 22/10/2019, T7 Global Bhd (“T7”) had announced that Tanjung Offshore Services Sdn. Bhd. (“**TOS**”), a wholly-owned subsidiary of the Company had received the letter of award dated 20 September 2019 from PETRONAS Carigali Sdn. Bhd. for the provision of integrated well services for intervention, workover and abandonment for petroleum arrangement contractors.

On 19/07/2019, T7 Global Bhd (“T7”) has announced on multiple contracts awarded as follows:

a) TOS had on 2 July 2019 received service order from FPSO Ventures Sdn. Bhd. for the provision of remotely operated vehicles, diving support vessel, manpower and equipment for subsea services for FPSO BUNGA Kertas.

b) T7 Gastec Sdn. Bhd. (*formerly known as Gas Generators (Malaysia) Sdn. Bhd.*) (“**T7 Gastec**”), a wholly-owned subsidiary of the Company had on 27 June 2019 received a letter of award from PTS Resources Sdn. Bhd. for the supply, delivery, installation, testing and commissioning of battery system including its associate engineering services and accessories.

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B7 Status of corporate proposal announced

The proposal of Private Placement exercise were announced on 3 May 2018, 10 July 2018, 27 July 2018, 20 August 2018, 17 December 2018, 26 December 2018, 24 April 2019, 6 May 2019, 3 June 2019 and 14 June 2019 has been fully completed on 17 June 2019.

Status of utilisation of proceeds

	Proposed Utilisation	Actual Utilisation	Balance to be utilised	Intended Timeframe for Utilisation
Working capital for projects:	RM'000	RM'000	RM'000	RM'000
Cost of setting up a specialised metal treatment plant for the new business	30,000	30,000	-	Within 12 months
Working capital requirements for the new business	5,000	3,265	1,735	Within 24 months
Project working capital for upgrading of combat management system for Royal Malaysian Navy's vessel	1,712	1,712	-	Within 18 months
Estimated expenses in relation to the Proposals	200	200	-	Within 1 months
Total	36,912	35,177	1,735	

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B8 Bank Borrowings

	30/09/2019	30/09/2018
	RM'000	RM'000
a) Secured short term borrowings		
i) Hire purchase and lease payables	16,691	17,686
Sub Total	16,691	17,686
a) Secured long term borrowings		
i) Hire purchase and lease payables	16,595	8,627
Sub Total	16,691	8,627
TOTAL BORROWINGS	33,286	26,313

B9 Material Litigation/ Special Notice

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

The Single-tier interim dividend of 0.5 sen per ordinary share was declared on 08/07/2019 and paid on 06/08/2019.

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B11 (Losses)/Earnings per share

	Quarter Ended		Period Ended	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
Net (loss)/profit attributable to ordinary shareholders (RM'000)				
Continuing operations	2,533	2,116	4,985	6,044
Discontinued operations	-	-	-	-
	2,533	2,116	4,985	6,044
Basic				
Total number of ordinary shares ('000)	501,579	419,453	501,579	419,453
Adjusted weighted average number of ordinary shares ('000)	451,727	416,459	492,759	416,803
Basic (losses)/earnings per ordinary share (sen)				
Continuing operations	0.56	0.51	1.01	1.45
Discontinued operations	-	-	-	-
	0.56	0.51	1.01	1.45
Diluted				
Adjusted weighted average number of ordinary shares ('000)	451,727	416,459	492,759	416,803
Diluted (losses)/earnings per ordinary share (sen)				
Continuing operations	0.56	0.51	1.01	1.45
Discontinued operations	-	-	-	-
	0.56	0.51	1.01	1.45

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 2018.

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