T7 GLOBAL BERHAD (Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT

FOR THE YEAR ENDED 30 JUNE 2020 (the figures have not been audited)

(the figures have not been audited)	1				1	
	2020 Current Quarter 30-Jun (RM'000)	2019 Preceding Quarter 30-Jun (RM'000)	Changes (%)	2020 Current Year Cumulative to Date 30-Jun (RM'000)	2019 Preceding Year Cumulative to Date 30-Jun (RM'000)	Changes (%)
Continuing Operations	(1.111.222)	(**************************************		((**************************************	
Revenue	36,387	48,463	-25%	85,162	104,729	-19%
Cost of Sale	(28,888)	(41,123)	-30%	(67,697)	(88,876)	-24%
Gross Profit	7,499	7,340	2%	17,465	15,853	10%
Other Income	604	1,857	-67%	802	2,949	-73%
Operating Expenses	(6,496)	(6,948)	-7%	(14,888)	(14,501)	3%
Finance Cost	(511)	(394)	30%	(851)	(697)	22%
Share of Profit/Loss From Joint Venture	-	8	-100%	-	146	-100%
Profit Before Taxation From Continuing Operations	1,096	1,863	-41%	2,528	3,750	-33%
Taxation: Company and Subsidiary Companies	(278)	(540)	-49%	(566)	(1,298)	-56%
Profit For The Year From Continuing Operations	818	1,323	-38%	1,962	2,452	-20%
Discontinued Operations Profit For The Year After Tax	_	_		_	_	_
	_	-	-	_	_	_
Net Profit For the Year	818	1,323	-38%	1,962	2,452	-20%
Attributable to:						
Equity Holders of the Company Non-Controlling Interest	1,006 (188)	91 1,232	1005% -115%	1,338 624	310 2,142	332% -71%
	818	1,323	-38%	1,962	2,452	-20%
(Losses)/Earnings Per Share						
Basic - Continuing Operations - Discontinued Operations	0.16 -	0.29	-45% -	0.39 -	0.57	-32% -
	0.16	0.29	-45%	0.39	0.57	-32%
Diluted - Continuing Operations - Discontinued Operations	0.16 -	0.29	-45% -	0.39	0.57 -	-32% -
	0.16	0.29	-45%	0.39	0.57	-32%
					<u> </u>	

T7 GLOBAL BERHAD (Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

(the figures have not been audited)

	2020 2019 Current Quarter Preceding Quarter Changes (%) C		2020 Current Year Cummulative to Date 30-Jun	2019 Preceding Year Cummulative to Date 30-Jun	Changes (%)	
	(RM'000)	(RM'000)		(RM'000)	(RM'000)	
Net Profit For the Year	818	1,323	-38%	1,962	2,452	-20%
Other Comprehensive Income/(Loss): Items that will be Reclassified Subsequently to Profit or Loss						
Exchange Differences on Translating Foreign Operations	183	1,993	-91%	(394)	· ·	-134%
Fair Value Changes in Short Term Investment	-	-	-	(340)	(1,299)	-74%
	183	1,993	-91%	(734)	(131)	460%
Total Comprehensive (Loss)/Income For The Year	1,001	3,317	-70%	1,228	2,321	-47%
, , , , , , , , , , , , , , , , , , ,	,,,,,	-,-		, -	,-	
Attributable to:						
Equity Holders of the Company	1,189	2,085	-43%	604	179	237%
Minority Interest	(188)	1,232	-115%	624	2,142	-71%
	1,001	3,317	-70%	1,228	2,321	-47%

Company No.: 200401023809 (662315-U)		
T7 GLOBAL BERHAD		
(Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
AS AT 30 JUNE 2020		
(the figures have not been audited)		
(and riguros have not been addition)		
	As at	As at
	30-Jun-20	31-Dec-19
		Audited
	(RM'000)	(RM'000)
NON-CURRENT ASSETS		
Property, plant and equipment Right-of-use asset	55,746	53,981 8,924
Investment Properties	6,617 1,287	1,300
Intangible Assets	1,727	1,863
Other Investment	5,759	8,658
Deferred tax asset	16,832	16,832
Total Non-Current Assets	87,968	91,558
CURRENT ASSETS		
Inventories	E0 407	45 404
Inventories	53,187	45,121
Trade Receivables	102,417	96,376
Other Receivables	8,670	4,235
Contracts assets	2,716	2,142
Tax Recoverable	357	325
Cash and Bank Equivalents	55,363	43,292
Total Current Assets	222,710	191,491
Total Assets	310,678	283,049
NON-CURRENT LIABILITIES		
D	47.004	47.557
Borrowings	17,901	17,557
Government grants	4,379	4,379
Deferred tax liabilities	626	626
Total Non-Current Liabilities	22,906	22,562
CURRENT LIABILITIES		
CURRENT LIABILITIES		
Trade Payables	15,410	23,161
·	5,919	10,827
Other payables	·	
Contract Liabilities Finance lease liabilities	184 875	184 906
Borrowings	56,012	23,725
Government grants	487	487
Tax payable	-	1,430
Total Current Liabilities	78,887	60,720
Total Liabilities	101,793	83,282
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Canital	167 750	454 700
Share Capital	167,752	154,733
Reserves	30,257	32,070
Treasury Shares	(9,699)	(6,988)
Non controlling interests	188,310	179,815
Non-controlling interests	20,575	19,952
Total Equity	208,885	199,767
Total Liabilities and Equity	310,678	283,049
rotal Elabilities and Equity	310,078	203,049

T7 GLOBAL BERHAD (Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION

FOR THE YEAR ENDED 30 JUNE 2020

(the figures have not been audited)

	2020 Current Quarter 30-Jun	2019 Preceding Year 30-Jun	2020 Current Year Cumulative to Date 30-Jun	2019 Preceding Year Cumulative to Date 30-Jun
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Continuing Operations				
Gross interest income	113	53	192	186
Gross interest expenses	667	120	851	423
	AS AT END OF CU	AS AT END OF CURRENT QUARTER		INANCIAL YEAR END
Net assets per shares attributable to ordinary equity holders of the parent	0.	41	0.	42

(Incorporated in Malaysia) CONDENSED CONSOLIDATED STATEMENT OF CHAN- FOR THE YEAR ENDED 30 JUNE 2020 (The figures have not been audited)	GES IN EQUITY										
	•	Distributable	Equ	ity Attributable	e to Equity Hold Non-Dist		eany				
	Share Capital RM'000	Accumulated Losses 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	Total Equity RM'000
Balance as at 01.01.2020	154,733	(3,820)	35,474	-	(1)	417	-	(6,988)	179,815	19,952	199,76
Total comprehensive income/(loss) for the year	-	1,338	-	-	-		-	-	1,338	624	1,96
Issuance of shares pursuant to private placement	13,019	-	-	-	-	-	-	-	13,019	-	13,01
Own shares acquired	-	-	-	-	-	-	-	(2,711)	(2,711)	-	(2,71
Foreign currency translation reserve realised	-	-	-	-	(394)	(340)	-	-	(734)	(1)	(73
Transfer to reserve classified as held for sale	-	-	(1,993)	-	-	-	-	-	(1,993)	-	(1,99
Reversed of Employee Benefits Reserve	-	-	-	-	-	-	-	-	-	-	-
Effects Of Impairment of Treasury Share	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	(424)	-	-	-	-	-	-	(424)	-	(42
Balance as at 30.6.2020	167,752	(2,906)	33,480	-	(395)	58	-	(9,699)	188,310	20,575	208,88

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

(The figures have not been audited)

Equity Attributable to Equity Holders of the Company

Non-Distributable

Foreign Share Available Currency Investment Issuance Share Accumulated Capital for sale Translation Revaluation Scheme Treasury Non-Controlling Total Capital Losses Reserves Reserves Reserve Reserve Reserve Shares Total Interest Equity RM'000 Balance as at 01.01.2019 120,505 (11,096)37,489 1,320 (6,326)141,892 158,609 Total comprehensive income/(loss) for the year 310 310 2,142 2,452 34,228 34,228 34,228 Issuance of treasury shares Own shares acquired (662) (662) (662) Foreign Currency translation differences for foreign operation 1,168 (1,299)(131) (2,940)(2,940)Dividend paid to NCI Acquisition/Disposal of subsidiaries Exercise of Warrant Balance as at 30.6.2019 154,733 (10,785) 37,489 1,168 21 (6,988) 175,637 15,919 191,556

Distributable

T7 GLOBAL BERHAD (Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

(The figures have not been audited)

(The figures have not been audited)			
	As at 30-Jun-20	As at 30-Jun-19	Changes (%)
CARL SLOW SPOM OPERATING ACTIVITIES	(RM'000)	(RM'000)	
CASH FLOW FROM OPERATING ACTIVITIES	0.500	0.750	000/
Profit before taxation from continuing operations	2,528	3,750	-33%
Profit before taxation from discontinued operations	-	-	-
Total profit before taxation	2,528	3,750	-33%
Adjustments:		0.44	
Non-cash items	1,110	841	32%
Non-operating items	603	(636)	-195%
Operating profit before changes in working capital	4,241	3,955	7%
Changes in working capital			
Net change in current assets	(18,764)	16,233	-216%
Net change in current liabilities	20,581	(39,622)	-152%
Cash used in operating activities	6,058	(19,434)	-131%
Tax paid	(2,357)	(1,344)	75%
Net cash used in operating activities	3,701	(20,778)	-118%
CACH FLOW FROM INVESTING ACTIVITIES			
CASH FLOW FROM INVESTING ACTIVITIES	400	100	20/
Interest received Net cash inflow from disposal of subsidiary company	192	186	3%
Acquisition of a subsidiary company	-	-	-
Acquisition of a substituty company Acquisition of other investment		(1,950)	-100%
Dividend received	56	(1,550)	-
Proceed from disposal of property, plant and equipment	-	1,850	-100%
Proceed from disposal of other investment	-	130	-100%
Purchase of property, plant and equipment	(696)	(5,449)	-87%
Net cash used in investing activities	(448)	(5,233)	-91%
	(115)	(0,200)	3170
CASH FLOW FROM FINANCING ACTIVITIES			
Issuance of shares pursuant to private placement	13,019	34,228	-62%
Repurchase of treasury share	(2,711)	(662)	310%
Finance/(Repayment) of Hire-purchase	(299)	1,859	-116%
Advance from/(Repayment to) joint venture	-	7,328	-100%
Interest paid	(851)	(423)	101%
Dividend paid to NCI	-	(2,940)	-100%
(Repayment)/Drawdown borrowing	(340)	-	-
Net cash generated from financing activities	8,818	39,390	-78%
Madada and and and a later		10.0==	1001
Net change in cash and cash equivalents	12,071	13,379	-10%
Opening cash and cash equivalents	43,292	36,349	19%
Closing cash and cash equivalents	55,363	49,728	11%

NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2020

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 2019.

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 2019 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 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

There was no issuance of debt for the current financial period under review.

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 June 2020	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	42,159	43,003	85,162
Segment results	2,269	1,110	3,379
Share of profit from joint venture			0
Finance cost			(851)
Profit before taxation			2,528
Taxation			(566)
Net profit from continuing operations			1,962
Net profit/(loss) from discontinued operations			-
Net profit for the year			1,962

Cumulative as at 30 June 2019	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	65,028	39,701	104,729
Segment results	2,817	1,484	4,301
Share of profit from joint venture			146
Finance cost			(697)
Profit before taxation			3,750
Taxation			(1,298)
Net profit from continuing operations			2,452
Net profit/(loss) from discontinued operations			_
Net profit for the year			2,452

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 June 2020 and 30 June 2019 as well as balances with related parties as of 30 June 2020 and 30 June 2019.

		Purchases from related parties RM'000	Amount owing by related parties RM'000	Amount owing to related parties RM'000
2020	918	2,864	8,231	-
2019	11,876	1,099	6,998	156

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 guarter ended 30 June 2020.

B ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B1 Variance of Results Against Preceding Quarter

For the current year quarter ended 30 June 2020, the Group recorded consolidated revenue of approximately RM36.38 million as compared to RM48.78 million recorded in the preceding quarter ended 31 March 2020. In the current quarter under review, the Group recorded a net profit after tax of RM0.82 million as compared to a net profit after tax of RM1.14 million recorded in the preceding quarter ended 31 March 2020.

Engineered Packages

The Group registered revenue of RM17.87 million in the current quarter as compared to RM25.13 million registered in the preceding quarter ended 31 March 2020 decrease in revenue by approximately 28.89%.

Products & Services

The products and services division registered revenue of RM18.51 million in the current quarter as compared to RM23.65 million registered in the preceding quarter ended 31 March 2020 decrease by approximately 21.73%.

.B2 Variance of Results Against Preceding Period

For the current period ended 30 June 2020, the Group recorded consolidated revenue of approximately RM85.16 million as compared to RM104.73 million recorded in the corresponding period ended 30 June 2019 decrease of approximately 18.69%.

The Group registered an overall profit after tax of RM1.96 million for current period ended June 2020 as compared to net profit after tax of RM2.45 million in the preceding period ended 30 June 2019.

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 RM43.0 million as compared to RM39.70 million registered in the preceding year. This represents an increase of approximately 8.31%.

Products & Services

The products and services division registered revenue of approximately RM42.16 million in the current period as compared to RM65.03 million registered in the preceding year decrease by approximately 35.17%.

B3 Current Year Prospects

In view of the current sustained oil prices and uncertainties affecting the global market demand, the oil and gas (O&G) sector is expected remains challenging for year 2020.

For T7 Global, oil and gas division will remain as the Group's core business. The Group will continue to bid for new contracts and will be looking for industry opportunities where T7 and our strategic alliances possess the relevant expertise and experience to venture into.

As for the aerospace division of the Group, the aerospace industry has also been affected by the pandemic of Covid-19, and is expected to remain challenging for year 2020 as well. The Group is currently exploring opportunities to provide our metal surface treatment services to other relevant industry that require such services ie. healthcare, automotive, semiconductor and etc.

At the same time, the Company will also look into new ventures within the Group's capability and expertise for potential business growth.

B4 Variance of Actual and Profit Estimates

The Group has not provided any profit forecasts and therefore no comparison is available.

B5 Taxation

	Individua	l Quarter	Cumulat	ive Year
	30/06/2020 RM'000	30/06/2019 RM'000	30/06/2020 RM'000	30/06/2019 RM'000
a. Income Tax Expenses	278	540	566	1,298
b. (Over)/under provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	-	-	-	-
d. Total	278	540	566	1,298

B6 Status of Corporate Proposal

On 09/07/2020, T7 Global Bhd ("T7") had submitted to Bursa Malaysia Securities Berhad the listing application for the Proposed Private Placement of up to 20% of the total number of issued shares of T7 to third party investors to be identified later.

B7 Status of corporate proposal announced

a) The proposal of Private Placement exercise were announced on 10 February 2020, 14 February 2020, 19 February 2020, 24 February 2020 and 5 March 2020 has been fully completed on 6 March 2020.

Status of utilisation of proceeds

Status of utilisation of proceeds		1	ı	
				Intended
			Balance	Timeframe
	Proposed	Actual	to be	for
	Utilisation	Utilisation	utilised	Utilisation
Working capital for pojects:	RM'000	RM'000	RM'000	RM'000
The provision of CPC pump part to				Within 12
Sabah Shell Berhad and/ or Sarawak				months
Shell Petroleum Company.	500	-	500	1110111115
The provision of intergrated well				
services for well intervention, workover				Within 12
and abandonment for Vestigo				months
Petroleum Sdn Bhd.	10,060	-	10,060	
The provision of third party manpower				
services for MDC Oil & Gas (SK320) Ltd,				
an entity of Mudabala Petroleum in				Within 12
relation to its technical, health, safety,				months
security and environment (HSSE) and				
production operations.	1,378	235	1,143	
The provision of third party manpower				
services for MDC Oil & Gas (SK320) Ltd,				Within 12
an entity of Mudabala Petroleum in				months
relation to the drilling and exploration				months
operations.	1,011	269	742	
Expenses for the Proposed Private				Upon
Placement	70	70	-	completion
Total	13,019	574	12,445	

B8 Bank Borrowings

	30/06/2020	30/06/2019
	RM'000	RM'000
a) <u>Secured short term borrowings</u>		
i) Hire purchase ii) Term Loan / BA	875 56,012	4,891 12,224
Sub Total	56,887	17,115
a) Secured long term borrowings		
i) Hire purchase ii) Term Loan	1,940 15,961	705 6,482
Sub Total	17,901	7,187
TOTAL BORROWINGS	74,788	24,302

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

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

B11 (Losses)/Earnings per share

	Quarter 30/06/2020	Ended 30/06/2019	Period 30/06/2020	Ended 30/06/2019
Net (loss)/profit attributable to ordinary shareholders (RM'000) Continuing operations Discontinued operations	818	1,323 -	1,962 -	2,452
	818	1,323	1,962	2,452
Basic Total number of ordinary shares ('000) Adjusted weighted average number of ordinary shares ('000)	531,855 514,506	501,579 452,040	531,855 507,257	501,579 431,807
Basic (losses)/earnings per ordinary share (sen) Continuing operations Discontinued operations	0.16	0.29	0.39	0.57 -
	0.16	0.29	0.39	0.57
Diluted Adjusted weighted average number of ordinary shares ('000)	514,506	452,040	507,257	431,807
Diluted (losses)/earnings per ordinary share (sen) Continuing operations Discontinued operations	0.16	0.29 -	0.39	0.57 -
	0.16	0.29	0.39	0.57

[#] 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 2019.