

T7 GLOBAL BERHAD
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2020
(the figures have not been audited)

	2020 Current Quarter 31-Dec (RM'000)	2019 Preceding Quarter 31-Dec (RM'000)	Changes (%)	2020 Current Year Cumulative to Date 31-Dec (RM'000)	2019 Preceding Year Cumulative to Date 31-Dec (RM'000)	Changes (%)
Continuing Operations						
Revenue	65,926	62,421	6%	189,366	233,488	-19%
Cost of Sale	(50,262)	(49,186)	2%	(148,001)	(191,250)	-23%
Gross Profit	15,664	13,235	18%	41,365	42,238	-2%
Other Income	1,505	208	623%	5,980	3,566	68%
Operating Expenses	(12,113)	(10,625)	14%	(37,156)	(36,473)	2%
Finance Cost	(1,541)	345	-547%	(2,801)	(1,183)	137%
Profit Before Taxation From Continuing Operations	3,514	3,163	11%	7,387	8,148	-9%
Taxation: Company and Subsidiary Companies	(3,035)	4,360	-170%	(4,097)	4,360	-194%
Profit For The Year From Continuing Operations	479	7,523	-94%	3,290	12,508	-74%
Discontinued Operations						
Profit For The Year After Tax	-	-	-	-	-	-
Net Profit For the Year	479	7,523	-94%	3,290	12,508	-74%
Attributable to:						
Equity Holders of the Company	5,022	6,702	-25%	8,126	7,725	5%
Non-Controlling Interest	(4,543)	699	-750%	(4,836)	4,783	-201%
	479	7,523	-94%	3,290	12,508	-74%
Earnings Per Share						
Basic						
- Continuing Operations	0.09	1.50	-94%	0.64	1.68	-62%
- Discontinued Operations	-	-	-	-	-	-
	0.09	1.50	-94%	0.64	1.68	-62%
Diluted						
- Continuing Operations	0.09	1.50	-94%	0.64	1.68	-62%
- Discontinued Operations	-	-	-	-	-	-
	0.09	1.50	-94%	0.64	1.68	-62%

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020
(the figures have not been audited)

	2020 Current Quarter 31-Dec (RM'000)	2019 Preceding Quarter 31-Dec (RM'000)	Changes (%)	2020 Current Year Cumulative to Date 31-Dec (RM'000)	2019 Preceding Year Cumulative to Date 31-Dec (RM'000)	Changes (%)
Net Profit For the Year	479	7,523	-94%	3,290	12,508	-74%
Other Comprehensive Income: <i>Items that will be Reclassified Subsequently to Profit or Loss</i>						
Exchange Differences on Translating Foreign Operations	110	(1,008)	-111%	(2)	(1)	122%
Fair Value Changes in Short Term Investment	(487)	396	-	(827)	(903)	-8%
	(377)	(612)	-38%	(829)	(904)	-8%
Total Comprehensive Income For The Year	102	6,911	-99%	2,461	11,604	-79%
Attributable to:						
Equity Holders of the Company	4,645	4,170	11%	7,297	6,822	7%
Minority Interest	(4,543)	2,741	-266%	(4,836)	4,782	-201%
	102	6,911	-99%	2,461	11,604	-79%

T7 GLOBAL BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 (the figures have not been audited)	As at 31-Dec-20 (RM'000)	As at 31-Dec-19 (RM'000)
NON-CURRENT ASSETS		
Property, plant and equipment	231,077	53,981
Right-of-use asset	23,132	8,924
Investment Properties	4,201	1,300
Intangible Assets	-	1,863
Other Investment	2,032	8,658
Other Receivables	1,369	-
Deferred tax asset	16,220	16,832
Total Non-Current Assets	278,030	91,558
CURRENT ASSETS		
Inventories	31,391	45,121
Trade Receivables	65,056	96,376
Other Receivables	22,931	4,235
Contracts assets	1,558	2,142
Tax Recoverable	1,600	325
Cash and Bank Equivalents	65,951	43,292
Total Current Assets	188,487	191,491
Total Assets	466,517	283,049
NON-CURRENT LIABILITIES		
Deferred tax liabilities	515	626
Lease liabilities	4,185	1,596
Borrowings	121,539	15,961
Government grants	4,379	4,379
Other payables	16,338	-
Total Non-Current Liabilities	146,956	22,562
CURRENT LIABILITIES		
Trade Payables	20,830	23,161
Other payables	26,513	10,827
Contract Liabilities	5,855	184
Lease liabilities	1,840	906
Borrowings	89,330	23,725
Government grants	487	487
Tax payable	621	1,430
Total Current Liabilities	145,476	60,720
Total Liabilities	292,432	83,282
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	167,751	154,733
Reserves	19,616	32,070
Treasury Shares	(9,699)	(6,988)
	177,668	179,815
Non-controlling interests	(3,583)	19,952
Total Equity	174,085	199,767
Total Liabilities and Equity	466,517	283,049

Company No.: 200401023809 (662315-U)

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020
(the figures have not been audited)

	2020 Current Quarter 31-Dec (RM'000)	2019 Preceding Year 31-Dec (RM'000)	2020 Current Year Cumulative to Date 31-Dec (RM'000)	2019 Preceding Year Cumulative to Date 31-Dec (RM'000)
Continuing Operations				
Gross interest income	644	425	893	855
Gross interest expenses	1,540	512	2,801	2,038
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
Net assets per shares attributable to ordinary equity holders of the parent	0.34		0.43	

T7 GLOBAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020
(The figures have not been audited)

	← Equity Attributable to Equity Holders of the Company →										
	Distributable			Non-Distributable							
	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	199,767
Own shares acquired	-	-	-	-	-	-	-	(2,711)	(2,711)	-	(2,711)
Issuance of shares pursuant to private placement	13,018	-	-	-	-	-	-	-	13,018	-	13,018
Dividend paid	-	-	-	-	-	-	-	-	-	-	-
Disposal of NCI	-	(77)	-	-	-	-	-	-	(77)	1,352	1,275
Acquisition of NCI	-	31	(19,706)	-	-	-	-	-	(19,675)	(20,049)	(39,724)
Profit for the financial year	-	8,126	-	-	-	-	-	-	8,126	(4,836)	3,290
Other comprehensive income for the financial year	-	-	-	-	(2)	(826)	-	-	(829)	(1)	(830)
Balance as at 31.12.2020	167,751	4,260	15,768	-	(3)	(409)	-	(9,699)	177,668	(3,583)	174,085

T7 GLOBAL BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

(The figures have not been audited)

	← Equity Attributable to Equity Holders of the Company →										
	Distributable			Non-Distributable							
	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 01.01.2019	120,505	(9,081)	35,474	-	0.09	1,320	-	(6,326)	141,892	16,717	158,609
Total comprehensive income for the year	-	7,725	-	-	(1)	-	-	-	7,724	4,782	12,506
Issuance of treasury shares	34,228	-	-	-	-	-	-	-	34,228	-	34,228
Own shares acquired	-	-	-	-	-	-	-	(662)	(662)	-	(662)
Foreign Currency translation differences for foreign operation	-	-	-	-	-	(903)	-	-	(903)	-	(903)
Dividend paid	-	(2,464)	-	-	-	-	-	-	(2,464)	(2,940)	(5,404)
Acquisition/Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	1,393	1,393
Exercise of Warrant	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.12.2019	154,733	(3,820)	35,474	-	(0.94)	417	-	(6,988)	179,815	19,952	199,767

T7 GLOBAL BERHAD (Incorporated in Malaysia)			
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020 (The figures have not been audited)			
	As at 31-Dec-20	As at 31-Dec-19	Changes (%)
	(RM'000)	(RM'000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operations	7,387	8,148	-9%
Profit before taxation from discontinued operations	-	-	0%
Total profit before taxation	7,387	8,148	-9%
Adjustments:			
Non-cash items	5,436	2,334	133%
Non-operating items	1,733	(24)	-7321%
Operating profit before changes in working capital	14,556	10,458	39%
Changes in working capital			
Net change in current assets	30,324	(3,230)	-1039%
Net change in current liabilities	81,672	(35,506)	-330%
Cash generated from/(used in) operating activities	126,552	(28,278)	-548%
Interest paid	(694)	(232)	199%
Interest received	274	-	0%
Tax paid	(5,900)	(5,758)	2%
Tax refund	219	824.00	-73%
Net cash generated from/(used in) operating activities	120,453	(33,444)	-460%
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received	619	855	-28%
Acquisition of non-controlling interest	(39,200)	-	0%
Proceed from disposal of NCI	750	-	0%
Acquisition of other investment	-	(4,257)	-100%
Dividend received	64	67	-5%
Proceed from disposal of property, plant and equipment	112	1,848	-94%
Proceed from disposal of other investment	7,571	2,422	213%
Purchase of property, plant and equipment	(98,396)	(11,446)	760%
Proceed from government grant	-	6,217	-100%
Acquisition of subsidiaries	-	926	-100%
Net cash used in investing activities	(128,481)	(3,367)	3716%
CASH FLOW FROM FINANCING ACTIVITIES			
Proceed from issuance of shares	13,019	34,228	-62%
Repurchase of treasury share	(2,711)	(662)	310%
Repayment of finance lease	(1,059)	(1,288)	-18%
Drawdown/(Repayment) of borrowing	19,407	5,478	254%
Interest paid	(1,979)	(1,806)	10%
Dividend paid to NCI	-	(5,404)	-100%
Advance from/(Repayment to) a joint venture	-	13,180	-100%
Net cash generated from financing activities	26,678	43,727	-39%
Net change in cash and cash equivalents	18,649	6,916	170%
Effect of exchange rate changes	(21)	(2)	1115%
Opening cash and cash equivalents	41,401	34,486	20%
Closing cash and cash equivalents	60,029	41,401	45%

NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 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 2020.

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 2020	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	93,659	95,707	189,366
Segment results	8,034	2,155	10,189
Share of profit from joint venture			0
Finance cost			(2,802)
Profit before taxation			7,387
Taxation			(4,097)
Net profit from continuing operations			3,290
Net profit/(loss) from discontinued operations			-
Net profit for the year			3,290

Cumulative as at 31 December 2019	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	138,568	94,920	233,488
Segment results	3,872	6,314	10,186
Share of profit from joint venture			0
Finance cost			(2,038)
Profit before taxation			8,148
Taxation			4,360
Net profit from continuing operations			12,508
Net profit/(loss) from discontinued operations			-
Net profit for the year			12,508

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 2020 and 31 December 2019 as well as balances with related parties as of 31 December 2020 and 31 December 2019.

	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
2020	24,782	12,877	795	79
2019	15,688	2,336	7,313	226

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 2020.

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B ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B1 Variance of Results Against Preceding Quarter

For the current year quarter ended 31 December 2020, the Group recorded consolidated revenue of approximately RM65.93 million as compared to RM38.28 million recorded in the preceding quarter ended 30 September 2020. In the current quarter under review, the Group recorded a net profit after tax of RM0.48 million as compared to a net profit after tax of RM0.85 million recorded in the preceding quarter ended 30 September 2020.

Engineered Packages

The Group registered revenue of RM31.92 million in the current quarter as compared to RM20.79 million registered in the preceding quarter ended 30 September 2020 increase in revenue by approximately 53.54%.

Products & Services

The products and services division registered revenue of RM34.01 million in the current quarter as compared to RM17.49 million registered in the preceding quarter ended 30 September 2020 decrease by approximately 94.45%.

B2 Variance of Results Against Preceding Period

For the current period ended 31 December 2020, the Group recorded consolidated revenue of approximately RM189.37 million as compared to RM233.49 million recorded in the corresponding period ended 31 December 2019 decrease of approximately 18.90%.

The Group registered an overall profit after tax of RM3.29 million for current period ended December 2020 as compared to net profit after tax of RM12.51 million in the preceding period ended 31 December 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 RM95.71 million as compared to RM94.92 million registered in the preceding year. This represents an increase of approximately 0.83%.

Products & Services

The products and services division registered revenue of approximately RM93.66 million in the current period as compared to RM138.57 million registered in the preceding year decrease by approximately 32.41%.

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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

	Individual Quarter		Cumulative Year	
	31/12/2020 RM'000	31/12/2019 RM'000	31/12/2020 RM'000	31/12/2019 RM'000
a. Income Tax Expenses	3,035	3,419	4,097	5,328
b. (Over)/under provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	-	(7,779)	-	(9,688)
d. Total	3,035	(4,360)	4,097	(4,360)

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B6 Status of Corporate Proposal

On 22/09/2020, T7 Global Bhd (“T7”) had announce that T7 Gastec Sdn Bhd, a wholly-owned subsidiary of T7, proposes to acquire 490,000 ordinary shares of T7 Wenmax Sdn Bhd (“T7 Wenmax”), representing 49.0% equity interest in T7 Wenmax for RM39,200,000 to be satisfied entirely via cash. This corporate proposal has been completed on 18 November 2020.

On 02/02/2021, T7 had announce that Tanjung Offshore Services Sdn Bhd, a wholly-owned subsidiary of T7, had on 29 January 2021 entered into a share sale agreement (“SSA”) with Fircroft Engineering Services Limited (“FESL”), in relation to the acquisition of 245,000 ordinary shares (“Sale Shares”) in FTSB, representing 49% equity interest in FTSB from FESL, for a cash purchase consideration of 49% of FTSB’s net assets as at 31 January 2021.

B7 Status of corporate proposal announced

a) The proposal of Private Placement exercise was 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

	Proposed Utilisation	Actual Utilisation	Balance to be utilised	Intended Timeframe for Utilisation
Working capital for projects:	RM'000	RM'000	RM'000	RM'000
The provision of CPC pump part to Sabah Shell Berhad and/ or Sarawak Shell Petroleum Company.	3,237	-	3,237	Within 12 months
The provision of intergrated well services for well intervention, workover and abandonment for Vestigo Petroleum Sdn Bhd.	3,238	3,238	0	Within 12 months
The provision of third party manpower services for MDC Oil & Gas (SK320) Ltd, an entity of Mudabala Petroleum in relation to its technical, health, safety, security and environment (HSSE) and production operations.	3,237	862	2,375	Within 12 months
The provision of third party manpower services for MDC Oil & Gas (SK320) Ltd, an entity of Mudabala Petroleum in relation to the drilling and exploration operations.	3,237	1,589	1,648	Within 12 months
Expenses for the Proposed Private Placement	70	70	-	Upon completion
Total	13,019	5,759	7,260	

B8 Bank Borrowings

	31/12/2020	31/12/2019
	RM'000	RM'000
a) <u>Secured short term borrowings</u>		
i) Hire purchase	1,840	906
ii) Term Loan / BA	89,330	23,725
Sub Total	91,170	24,631
a) <u>Secured long term borrowings</u>		
i) Hire purchase	4,185	1,596
ii) Term Loan	121,539	15,961
Sub Total	125,724	17,557
TOTAL BORROWINGS	216,894	42,188

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.

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B11 (Losses)/Earnings per share

	Quarter Ended		Period Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Net (loss)/profit attributable to ordinary shareholders (RM'000)				
Continuing operations	479	7,523	3,290	12,508
Discontinued operations	-	-	-	-
	479	7,523	3,290	12,508
Basic				
Total number of ordinary shares ('000)	531,855	501,579	531,855	501,579
Adjusted weighted average number of ordinary shares ('000)	514,506	492,759	510,882	493,072
Basic (losses)/earnings per ordinary share (sen)				
Continuing operations	0.09	1.50	0.64	2.51
Discontinued operations	-	-	-	-
	0.09	1.50	0.64	2.51
Diluted				
Adjusted weighted average number of ordinary shares ('000)	514,506	492,759	510,882	493,072
Diluted (losses)/earnings per ordinary share (sen)				
Continuing operations	0.09	1.50	0.64	2.51
Discontinued operations	-	-	-	-
	0.09	1.50	0.64	2.51

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.

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