

THRIVEN GLOBAL BERHAD

(Incorporated in Malaysia - 182350-H)

Quarterly report on consolidated results for the financial period ended 30 September 2016

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	NOTE	Current Quarter Ended 30.09.16 RM'000	Comparative Quarter Ended 30.09.15 RM'000	9 Months Cumulative To 30.09.16 RM'000	9 Months Cumulative To 30.09.15 RM'000
Revenue		8,386	18,196	43,515	26,986
Cost of sales		<u>(8,024)</u>	<u>(7,989)</u>	<u>(34,537)</u>	<u>(12,735)</u>
Gross profit		362	10,207	8,978	14,251
Operating expenses		(4,769)	(4,348)	(14,675)	(11,900)
Other operating income		<u>144</u>	<u>374</u>	<u>761</u>	<u>1,158</u>
(Loss)/Profit from operations		(4,263)	6,233	(4,936)	3,509
Finance cost		<u>(639)</u>	<u>(923)</u>	<u>(2,052)</u>	<u>(2,946)</u>
(Loss)/Profit before taxation		(4,902)	5,310	(6,988)	563
Tax expense	20	<u>(93)</u>	<u>(835)</u>	<u>(44)</u>	<u>(1,273)</u>
(Loss)/Profit for the period		(4,995)	4,475	(7,032)	(710)
Other comprehensive income		-	-	-	-
Total comprehensive (loss)/income for the period		<u>(4,995)</u>	<u>4,475</u>	<u>(7,032)</u>	<u>(710)</u>
(Loss)/Profit for the period, Total comprehensive (loss)/income for the period attributable to:					
Owners of the Company		(4,165)	5,302	(5,483)	1,596
Non-controlling interests		<u>(830)</u>	<u>(827)</u>	<u>(1,549)</u>	<u>(2,306)</u>
		<u>(4,995)</u>	<u>4,475</u>	<u>(7,032)</u>	<u>(710)</u>
(Loss)/Earning per ordinary share (sen)					
Basic / Diluted	25	<u>(1.11)</u>	<u>1.41</u>	<u>(1.46)</u>	<u>0.45</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.)

THRIVEN GLOBAL BERHAD

(Incorporated in Malaysia - 182350-H)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	(Unaudited) As At 30.09.2016 RM '000	(Audited) As At 31.12.2015 RM '000
Assets			
<i>Non-Current Assets</i>			
Property, plant and equipment	10	11,361	10,692
Investment properties		4,961	3,434
Inventories		41,319	44,306
Goodwill		7,205	7,205
		<u>64,846</u>	<u>65,637</u>
<i>Current Assets</i>			
Inventories		279,170	275,551
Trade and other receivables		12,811	18,364
Income tax recoverable		544	43
Cash and bank balances		19,284	40,872
		<u>311,809</u>	<u>334,830</u>
Total Assets		<u>376,655</u>	<u>400,467</u>
Equity and Liabilities			
<i>Equity attributable to owners of the Company</i>			
Share capital		37,670	37,670
Share premium		7,182	7,182
Warrant reserve		14,126	14,126
Capital reserve		86,004	86,004
Retained earnings		15,517	21,000
		<u>160,499</u>	<u>165,982</u>
Non-controlling interests		(4,623)	(3,074)
Total Equity		<u>155,876</u>	<u>162,908</u>
<i>Non - Current Liabilities</i>			
Bank borrowings	22	87,397	102,612
Deferred tax liabilities		4,577	5,269
		<u>91,974</u>	<u>107,881</u>
<i>Current Liabilities</i>			
Bank borrowings	22	59,800	61,997
Trade and other payables		67,370	56,914
Other current liabilities		1,635	10,256
Income tax payable		-	511
		<u>128,805</u>	<u>129,678</u>
Total Liabilities		<u>220,779</u>	<u>237,559</u>
Total Equity and Liabilities		<u>376,655</u>	<u>400,467</u>
Net assets per share attributable to owners of the Company (RM)		<u>0.43</u>	<u>0.44</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.)

THRIVEN GLOBAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<----- Attributable to Owners of the Company ----->

<----- Non-distributable -----> <- Distributable ->

	Share capital	Share premium	Warrant reserves	Capital reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
At 1 January 2016	37,670	7,182	14,126	86,004	21,000	165,982	(3,074)	162,908
Total comprehensive income for the year	-	-	-	-	(5,483)	(5,483)	(1,549)	(7,032)
At 30 September 2016	37,670	7,182	14,126	86,004	15,517	160,499	(4,623)	155,876
At 1 January 2015	22,830	2,481	-	85,544	29,889	140,744	58	140,802
Effects of early adoption of MFRS 15	-	-	-	460	1,729	2,189	-	2,189
At 1 January 2015, restated	22,830	2,481	-	86,004	31,618	142,933	58	142,991
Total comprehensive income for the year	-	-	-	-	1,596	1,596	(2,306)	(710)
Increase in share capital	2,283	17,259	-	-	-	19,542	-	19,542
At 30 September 2015, restated	25,113	19,740	-	86,004	33,214	164,071	(2,248)	161,823

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.)

THRIVEN GLOBAL BERHAD

(Incorporated in Malaysia - 182350-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<-----9 Months Ended----->	
	30.09.2016	30.09.2015
	RM '000	RM '000
Cash Flows from Operating Activities		
(Loss)/Profit before tax	(6,988)	563
Adjustments for :-		
Depreciation of property, plant and equipment	1,698	156
Depreciation of investment properties	21	7
Loss on disposal of property, plant & equipment	-	4
Interest expense	2,052	2,946
Interest income	(655)	(847)
	<hr/>	<hr/>
Operating cash flows before changes in working capital	(3,872)	2,829
Changes in working capital:		
Inventories	(632)	(43,690)
Receivables	5,553	(23,116)
Payables	1,835	29,849
	<hr/>	<hr/>
Cash generated from/(used in) operating activities	2,884	(34,128)
Interest paid	(2,052)	(2,946)
Tax paid	(1,748)	(1,043)
Tax refund	-	124
	<hr/>	<hr/>
Net cash used in operating activities	(916)	(37,993)
Cash Flows from Investing Activities		
Proceeds from issuance of shares	-	19,542
Proceeds from disposal of investment properties	-	15
Purchase of property, plant and equipment	(2,367)	(3,919)
Development cost incurred on investment property	(1,548)	(498)
Acquisition of a subsidiary	-	(6,310)
Interest received	655	847
	<hr/>	<hr/>
Net cash (used in)/generated from investing activities	(3,260)	9,677
Cash Flows from Financing Activities		
Net (repayment)/drawdown of borrowings	(22,460)	14,523
Placement of pledged deposits	(308)	(299)
	<hr/>	<hr/>
Net cash (used in)/generated from financing activities	(22,768)	14,224
Net decrease in Cash & Cash Equivalents	(26,944)	(14,092)
Cash & Cash Equivalents at beginning of period	23,773	16,937
Cash & Cash Equivalents at end of financial period	Note A <hr/> <u>(3,171)</u>	<hr/> <u>2,845</u>
Note A :		
Included in cash and cash equivalents as at 30 September are the following:		
- Cash and deposits with licensed banks	19,284	26,156
- Bank overdrafts	(21,592)	(22,475)
- Deposits pledged	(863)	(836)
	<hr/> <u>(3,171)</u>	<hr/> <u>2,845</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.)

FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting

1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134, "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2015 except for the adoption of the following:-

Amendments to MFRS 10, MFRS 12 and MFRS128	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Investment in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure Initiative
Amendments to MFRS 116 and MFRS 138	Property Plant and Equipment and Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation
Amendment to MFRS 5, MFRS 7, MFRS 119 and MFRS 134	Annual Improvements 2012-2014 Cycle

The adoption of the above has no material impact on the financial statements of the Group.

3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the preceding year annual financial statements was not qualified.

4. SEASONAL OR CYCLICAL FACTORS

The business of the Group is generally not subject to seasonal changes.

5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial period ended 30 September 2016.

6. CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the results for the current financial period ended 30 September 2016.

7. CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuance, repayment and repurchase of debt and equity securities during the current financial period ended 30 September 2016.

8. PAYMENT OF DIVIDEND

No dividend was paid during the current financial period ended 30 September 2016.

9. SEGMENTAL REPORTING

	9 Months Ended 30.09.2016 RM'000	9 Months Ended 30.09.2015 RM'000
Segment Revenue		
Property development	42,701	25,326
Investment holding and others	814	1,660
Group Revenue	<u>43,515</u>	<u>26,986</u>
Segment Results		
Property development	(5,430)	3,180
Investment holding and others	494	329
(Loss)/Profit from operations	<u>(4,936)</u>	<u>3,509</u>

Segmental information relating to geographical areas of operations is not presented as the Group operates only in Malaysia.

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The carrying amount of property, plant and equipment is at cost less accumulated depreciation and impairment losses.

11. MATERIAL SUBSEQUENT EVENTS

There were no material events subsequent to the financial period ended 30 September 2016.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period ended 30 September 2016.

13. CONTINGENT LIABILITIES / CAPITAL COMMITMENTS

There were no material contingent liabilities and capital commitments as at the date of this report.

14. RELATED PARTY TRANSACTIONS

	3rd Quarter Ended		9 Months Ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Subsidiaries of related company, Mulpha International Bhd.				
-Management fee expense	-	-	-	462
-Secretarial service fee expenses	-	-	-	11
-Rental expense	-	42	-	238
-Interest expense	-	-	-	122
<hr/>				
Other related parties				
A company which a person connected with a director of the holding company has interest				
-Interest expense	-	-	-	50
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Non-controlling interests of subsidiaries				
- Interest expense	826	504	2,376	1,462
- Project management fee expense	30	30	90	90
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Explanatory Notes Pursuant to paragraph 9.22 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad

15. REVIEW OF PERFORMANCE

The Group achieved a revenue of RM43.52 million for the 9 months ended 30 September 2016, which was higher than the previous corresponding period's revenue of RM26.99 million. The increase was principally due to revenue contributed by Lumi Tropicana and Enclave Bangsar. Despite the substantial improvement in the Group's revenue over the figure reported in previous corresponding period, the Group continued to record a pre-tax loss mainly due to higher operational expenses incurred relating to property development activities. For the current period under review, the Group posted a pre-tax loss of RM6.99 million in comparison with the corresponding period's pre-tax profit of RM0.56 million. The better results of the corresponding period was also due to the higher profit margins contributed by Bukit Punchor and Desa Aman, particularly in relation to the revenues generated by the land sold in Desa Aman.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group recorded a lower revenue of RM8.39 million for the current quarter under review in comparison with the preceding quarter's revenue of RM21.07 million. The better revenue performance in the preceding quarter was mainly due to higher revenue recognition from Lumi Tropicana and Desa Aman. Accordingly, with the lower revenues achieved in the current quarter under review, the Group reported a pre-tax loss of RM4.90 million as compared to the preceding quarter's pre-tax profit of RM0.50 million.

17. PROSPECTS

Despite the continued softening of the local property market outlook and sentiment amid credit tightening measures by financial institutions and a volatile economic environment, the Group remains cautiously optimistic as the development projects undertaken by the Group are at strategic and prime locations such as Tropicana (Lumi Tropicana), Kepong and Section 13 (Lumi Section 13) in the Klang Valley. Phase 1 of Lumi Tropicana was officially launched in October 2016, while our Kepong affordable housing project is expected to commence selling by the first quarter of 2017. Development of our Lumi Tropicana project is progressing with the majority of Phase 1 sold and its construction well underway. This project will continue to contribute positively to the Group in 2016 and 2017. Lumi Section 13's expected launch date is targeted for the third quarter of 2017, depending on prevailing market conditions. These projects with a total gross development value of approximately RM1.4 billion are expected to contribute positively to the Group's future financial performance.

The Group continues to be supported by the profitable performance of its projects in the Northern Region. Interest in our Lumi Tropicana & Kepong affordable projects remains strong and going forward, the Group shall continue to focus on successfully selling the developments that are already in hand.

18. VARIANCE FROM PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as there was no profit forecast or profit guarantee issued.

19. (LOSS)/PROFIT BEFORE TAXATION

	3rd Quarter Ended		9 Months Ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before tax is arrived at after charging/ (crediting) the following:-				
Depreciation of property, plant and equipment	665	76	1,698	156
Depreciation of investment properties	7	-	21	7
Interest expense	639	923	2,052	2,946
Loss on disposal of property, plant and equipment	-	-	-	4
Interest income	(138)	(305)	(655)	(847)

20. TAX EXPENSES

	3rd Quarter Ended		9 Months Ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Tax expenses				
Income tax	93	662	1,233	1,100
Deferred tax	-	173	(1,189)	173
Total tax expenses charged in current period	93	835	44	1,273

For the financial period under review, the Group has recognised a deferred tax asset of approximately RM1.19 million arising from unutilised tax losses which are available to offset the future taxable profits of a subsidiary.

21. CORPORATE PROPOSALS

There were no corporate proposals during the financial period ended 30 September 2016.

22. BANK BORROWINGS

The details of the Group's bank borrowings as at 30 September 2016 are as follows:-

	RM'000
Short Term - Secured	59,800
Long Term - Secured	87,397
	<u>147,197</u>

23. CHANGES IN MATERIAL LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration, either as plaintiff or defendant as at date of this report, which would have a material effect on the financial position of the Group.

24. DIVIDENDS

The Directors do not recommend any dividend for the financial period ended 30 September 2016.

25. (LOSS)/EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:-

	3rd Quarter Ended		9 Months Ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period	(4,995)	4,475	(7,032)	(710)
Add back: Non-controlling interest	830	827	1,549	2,306
(Loss)/Profit attributable to the owners of the Company	(4,165)	5,302	(5,483)	1,596
Weighted average number of ordinary shares in issue ('000)	376,699	376,699	376,699	354,621
Basic (loss)/earnings per ordinary share (sen)	(1.11)	1.41	(1.46)	0.45

The weighted average number of shares for the 9 months ended 30 September 2015 has been restated to take into account the effect of the bonus issue of 125,566,375 new ordinary shares of RM0.10 each during the financial year ended 31 December 2015.

There are no dilution effects for the bonus issue of warrants on the ordinary shares due to the warrants' exercise price of 64 sen being out-of-the-money since their listing on 13 October 2015. Accordingly, the diluted earnings/(loss) per ordinary share for the year is equal to the basic earnings/(loss) per ordinary share.

26. DISCLOSURE OF REALISED AND UNREALISED EARNINGS

The retained earnings is analysed as follows:-

	As at 30.09.2016 RM'000	As at 31.12.2015 RM'000
Total retained earnings of TGB and its subsidiaries:		
- Realised	31,951	22,262
- Unrealised	1,188	(130)
	33,138	22,132
Consolidated adjustments	(17,621)	(1,132)
	15,517	21,000