

**THRIVEN GLOBAL BERHAD**

(Incorporated in Malaysia - 182350-H)

**Quarterly report on consolidated results for the financial period ended 30 September 2017**

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	NOTE	Current Quarter Ended 30.09.17 RM'000	Comparative Quarter Ended 30.09.16 RM'000	9 Months Cumulative To 30.09.17 RM'000	9 Months Cumulative To 30.09.16 RM'000
Revenue		36,987	8,386	63,177	43,515
Cost of sales		(28,290)	(8,024)	(47,041)	(34,537)
Gross profit		8,697	362	16,136	8,978
Operating expenses		(5,692)	(4,769)	(16,341)	(14,675)
Other operating income		90	144	234	761
Profit/(Loss) from operations		3,095	(4,263)	29	(4,936)
Finance cost		(933)	(639)	(3,075)	(2,052)
Profit/(Loss) before taxation		2,162	(4,902)	(3,046)	(6,988)
Tax expense	20	(67)	(93)	(642)	(44)
Profit/(Loss) for the period		2,095	(4,995)	(3,688)	(7,032)
Other comprehensive income		-	-	-	-
Total comprehensive income/(expense) for the period		2,095	(4,995)	(3,688)	(7,032)
<b>Profit/(Loss) for the period, Total comprehensive income/(expense) for the period attributable to:</b>					
Owners of the Company		341	(4,165)	(3,716)	(5,483)
Non-controlling interests		1,754	(830)	28	(1,549)
		2,095	(4,995)	(3,688)	(7,032)
<b>Earnings/(Loss) per ordinary share (sen)</b>					
Basic / Diluted	25	0.09	(1.11)	(0.99)	(1.46)

(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 2016 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 30.09.2017 RM '000	(Audited) As At 31.12.2016 RM '000
<b>Assets</b>			
<i>Non-Current Assets</i>			
Property, plant and equipment	10	10,131	11,050
Investment properties		6,249	5,768
Inventories		35,875	36,308
Goodwill		7,205	7,205
		<u>59,460</u>	<u>60,331</u>
<i>Current Assets</i>			
Inventories		269,526	287,567
Trade and other receivables		42,207	26,391
Income tax recoverable		392	695
Cash and bank balances		12,337	17,694
		<u>324,462</u>	<u>332,347</u>
<b>Total Assets</b>		<u>383,922</u>	<u>392,678</u>
<b>Equity and Liabilities</b>			
<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		7,139	10,855
		<u>152,121</u>	<u>155,837</u>
Non-controlling interests		<u>(9,601)</u>	<u>(9,629)</u>
<b>Total Equity</b>		<u>142,520</u>	<u>146,208</u>
<i>Non - Current Liabilities</i>			
Bank borrowings	22	91,447	80,887
Deferred tax liabilities		2,960	4,294
		<u>94,407</u>	<u>85,181</u>
<i>Current Liabilities</i>			
Bank borrowings	22	68,471	82,015
Trade and other payables		71,852	73,565
Other current liabilities		6,102	5,606
Income tax payable		570	103
		<u>146,995</u>	<u>161,289</u>
<b>Total Liabilities</b>		<u>241,402</u>	<u>246,470</u>
<b>Total Equity and Liabilities</b>		<u>383,922</u>	<u>392,678</u>
Net assets per share attributable to owners of the Company (RM)		<u>0.40</u>	<u>0.41</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 2016 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
<b>At 1 January 2017</b>	37,670	7,182	14,126	86,004	10,855	155,837	(9,629)	146,208
Total comprehensive expenses for the year	-	-	-	-	(3,716)	(3,716)	28	(3,688)
<b>At 30 September 2017</b>	<b>37,670</b>	<b>7,182</b>	<b>14,126</b>	<b>86,004</b>	<b>7,139</b>	<b>152,121</b>	<b>(9,601)</b>	<b>142,520</b>
<b>At 1 January 2016</b>	37,670	7,182	14,126	86,004	21,000	165,982	(3,074)	162,908
Total comprehensive expenses for the year	-	-	-	-	(5,483)	(5,483)	(1,549)	(7,032)
<b>At 30 September 2016</b>	<b>37,670</b>	<b>7,182</b>	<b>14,126</b>	<b>86,004</b>	<b>15,517</b>	<b>160,499</b>	<b>(4,623)</b>	<b>155,876</b>

(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 2016 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----->	
	30.09.2017	30.09.2016
	RM '000	RM '000
<b>Cash Flows from Operating Activities</b>		
Loss before tax	(3,046)	(6,988)
Adjustments for :-		
Depreciation of property, plant and equipment	1,833	1,698
Depreciation of investment properties	21	21
Interest expense	3,075	2,052
Interest income	(217)	(655)
	<u>1,666</u>	<u>(3,872)</u>
Operating cash flows before changes in working capital		
Changes in working capital:		
Inventories	18,474	(632)
Receivables	(15,816)	5,553
Payables	784	(631)
Related companies	(2,001)	2,466
	<u>3,107</u>	<u>2,884</u>
Cash generated from operating activities		
Interest paid	(3,075)	(2,052)
Tax paid	(1,299)	(1,748)
Tax refund	93	-
	<u>(1,174)</u>	<u>(916)</u>
Net cash used in operating activities		
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(914)	(2,367)
Development cost incurred on investment property	(502)	(1,548)
Interest received	217	655
	<u>(1,199)</u>	<u>(3,260)</u>
Net cash used in investing activities		
<b>Cash Flows from Financing Activities</b>		
Net repayment of borrowings	(2,890)	(22,460)
Uplift/(Placement) of pledged deposits	318	(308)
	<u>(2,572)</u>	<u>(22,768)</u>
Net cash used in financing activities		
Net decrease in Cash & Cash Equivalents	(4,945)	(26,944)
Cash & Cash Equivalents at beginning of financial period	(2,943)	23,773
Cash & Cash Equivalents at end of financial period	<u>(7,888)</u>	<u>(3,171)</u>

**Note A :**

Included in cash and cash equivalents as at 30 September are the following:

- Cash and deposits with licensed banks	12,337	19,284
- Bank overdrafts	(19,675)	(21,592)
- Deposits pledged	(550)	(863)
	<u>(7,888)</u>	<u>(3,171)</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 2016 and the accompanying explanatory notes attached to the interim financial statements.)

**FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

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**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 2016.

**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 2016 except for the adoption of the following:-

Amendments to MFRS 12	Disclosure of Interests in Other Entities (Annual Improvements 2014-2016 Cycle)
Amendments to MFRS 107	Statement of Cash Flows – Disclosure Initiative
Amendments to MFRS 112	Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses

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 2017.

**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 2017.

**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 2017.

**8. PAYMENT OF DIVIDEND**

No dividend was paid during the current financial period ended 30 September 2017.

**9. SEGMENTAL REPORTING**

**a) Segment revenue and results**

	<b>Property Development RM'000</b>	<b>Investment Holding / Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>9 months ended 30 September 2017</b>				
Total Revenue				
External Revenue	62,475	702	-	63,177
Inter-segment revenue	-	7,050	(7,050)	-
	<u>62,475</u>	<u>7,751</u>	<u>(7,050)</u>	<u>63,177</u>
Profit/(Loss) from operations	2,667	4,539	(7,177)	29
<b>9 months ended 30 September 2016</b>				
Total Revenue				
External Revenue	33,603	9,912	-	43,515
Inter-segment revenue	-	1,666	(1,666)	-
	<u>33,603</u>	<u>11,578</u>	<u>(1,666)</u>	<u>43,515</u>
Profit/(Loss) from operations	1,692	3,988	(10,616)	(4,936)

**b) Segment assets and liabilities**

	<b>Property Development RM'000</b>	<b>Investment Holding / Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>As at 30 September 2017</b>				
Segment assets	376,687	243,194	(235,959)	383,922
Segment liabilities	312,623	58,453	(129,674)	241,402
<b>As at 31 December 2016</b>				
Segment assets	375,525	255,043	(237,890)	392,678
Segment liabilities	345,543	34,374	(133,447)	246,470

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 2017.

#### **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 2017.

#### **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**

	<b>3rd Quarter Ended</b>		<b>9 Months Ended</b>	
	<b>30.09.2017</b>	<b>30.09.2016</b>	<b>30.09.2017</b>	<b>30.09.2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Other related parties</b>				
Non-controlling interests of subsidiaries				
- Interest expense	(3,641)	826	(1,934)	2,376
- Project management fee expense	(127)	30	(67)	90

**Explanatory Notes Pursuant to paragraph 9.22 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad**

**15. REVIEW OF PERFORMANCE**

	9 Months Ended		Improvement %
	30.09.2017 RM'000	30.09.2016 RM'000	
Revenue	63,177	43,515	45.2%
Loss before taxation	(3,046)	(6,988)	56.4%

The Group recorded revenues of RM63.18 million for the period ended 30 September 2017, which was higher than the preceding year corresponding period's revenues of RM43.52 million. The higher revenues achieved were mainly attributable to further sales from Lumi Tropicana Phase 1 and the new launches of Residensi ENESTA Kepong, Suite eNESTa Kepong as well as Wellness Tower (Lumi Tropicana) in the current period under review as compared to the preceding year corresponding period. Accordingly with the higher revenues achieved in the current period, the Group recorded a lower pre-tax loss of RM3.05 million as compared to a pre-tax loss of RM6.99 million for the 9 months ended 30 September 2016.

**16. COMPARISON WITH PRECEDING QUARTER'S RESULTS**

	3Q 2017	2Q 2017	Improvement %
	RM'000	RM'000	
Revenue	36,987	14,779	150.3%
Profit/(Loss) before taxation	2,162	(2,765)	178.2%

The Group reported a higher revenue of RM36.99 million for the current quarter under review in comparison with the preceding quarter's revenue of RM14.78 million. The higher revenues achieved were mainly due to additional Lumi Tropicana Phase 1 sales, and from Suite eNESTa Kepong and Wellness Tower (Lumi Tropicana) which were both launched in the third quarter of 2017. With the higher revenues attained in the current quarter under review, the Group was able to turn around from the preceding quarter's pre-tax loss of RM2.77 million to a pre-tax profit of RM2.16 million.

**17. PROSPECTS**

Lumi Tropicana

Lumi Tropicana has achieved an average total take up rate of 74% for the units launched (including Wellness Tower). With almost three quarters of the units sold, and steady construction progress, we expect to complete selling the bulk of the remaining unsold units of over the rest of 2017/18. Meanwhile, the last tower (out of four towers) comprising the remaining 186 units of serviced residences is targeted to be launched in the first half of 2018. Construction of the structural framework has reached up to levels 18 and 16 of the Play and Action Towers respectively, whereas the contract for the Phase 2 main buildings works has been awarded and construction had

Kepong

In Kepong, we have received an encouraging sales response for the units of Residensi ENESTA Kepong and Suite eNESTa Kepong. All the non-bumiputra units for both Kepong projects have been sold, with an average take up rate of 70%. The Group expects further sales for the Kepong developments upon the approval for release of more units from the bumiputra quota to non-bumiputra by the relevant authorities.

Northern Region

The Group launched 66 units of single storey terrace houses (Suria), 18 units of shop houses (DA Business Park), 22 units of single storey semi detached houses (Indahyu - Phase 1) and 30 units of single storey semi detached houses (Indahyu - Phase 2) in Desa Aman, Kedah. Continuing the positive trend from prior years, sales demand in Desa Aman remains robust in 2017. Aside from the projects in Desa Aman, the final phase of commercial shops in Taman Bukit Panchor, Penang and our joint venture in Behrang, Perak is expected to commence in 2018.



## 17. PROSPECTS (CONTINUED)

### Overall

The Group's projects have a total gross development value of approximately RM2 billion. On the back of strong sales responses received from our developments launched in 2017, the Group has built up unbilled sales exceeding RM500 million to be delivered over the next four (4) financial years. Our current active project portfolio (as elaborated above), is expected to contribute positively to the Group's future financial performance.

## 18. VARIANCE FROM PROFIT FORECAST OR PROFIT GUARANTEE

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

## 19. PROFIT/(LOSS) BEFORE TAXATION

	3rd Quarter Ended		9 Months Ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting) the following:-				
Depreciation of property, plant and equipment	610	666	1,833	1,698
Depreciation of investment properties	7	7	21	21
Interest expense	933	639	3,075	2,052
Interest income	(69)	(138)	(217)	(655)

## 20. TAX EXPENSES

	3rd Quarter Ended		9 Months Ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
<b>Tax expenses</b>				
Income tax	1,330	93	1,976	1,233
Deferred tax	(1,263)	-	(1,334)	(1,189)
Total tax expenses charged in current period	67	93	642	44

The Group's effective tax rate is higher than the statutory income tax rate of 24% mainly due to the taxable profit position of certain subsidiaries of the Company, while at the same time being unable to utilise the unused tax losses of other subsidiaries.

## 21. CORPORATE PROPOSALS

### a) Proposed acquisition of the remaining 49% issued and paid up capital of Mayfair Ventures Sdn. Bhd. from MJC Development Sdn Bhd

On 2 December 2016, Thriven Global Bhd ("the Company") entered into a settlement agreement with MJC Development Sdn. Bhd. ("MJC") to mutually terminate the Subscription and Shareholder Agreement ("SSA") dated 30 August 2013 and Supplemental Letter to the SSA dated 13 November 2013 and 20 November 2013 for subscription of 1,020,000 ordinary shares of RM1.00 each in the subsidiary of the Company, Mayfair Ventures Sdn. Bhd. ("Mayfair") representing 51% of the equity interest in Mayfair together with the 255,000 units of redeemable preference shares ("RPS") of RM1.00 each in Mayfair.

Based on the SSA, the Company and MJC have undertaken to jointly develop two parcels of adjoining land in Bandar Damansara, Selangor, which have been amalgamated for the development in Tropicana, named "LUMI Tropicana".

## **21. CORPORATE PROPOSALS (CONTINUED)**

### **a) Proposed acquisition of the remaining 49% issued and paid up capital of Mayfair Ventures Sdn. Bhd. from MJC Development Sdn Bhd (continued)**

The Settlement Agreement is to facilitate the following:

- (i) proposed acquisition by the Company of the following securities in Mayfair that are currently held by MJC:
  - (a) 980,000 Mayfair shares representing 49% of the issued and paid-up share capital in Mayfair for purchase consideration of RM980,000 or RM1.00 each, being the par value of Mayfair shares; and
  - (b) 45,000 Mayfair RPS for a purchase consideration of RM45,000 or RM1.00 each, being the par value of Mayfair RPS;
- (ii) proposed settlement of MJC's advances and contribution to Mayfair together with the interest accrued on the advances for aggregate settlement sum of RM52,880,670.

To-date, the conditions precedent have been fulfilled and the proposed acquisition has been completed. On 17 October 2017, with the transfer of the 980,000 Mayfair shares and 45,000 Mayfair RPS to the Company, Mayfair is now a wholly owned subsidiary of the Company.

### **b) Joint venture**

Thriven NCR Sdn. Bhd. ("TNSB"), a subsidiary of the Company, has on 12 January 2017, entered into a Joint Venture agreement ("JVA") with the Perak State Secretary Incorporated ("SSI"). TNSB and SSI will work together as strategic joint development partners to jointly develop affordable housing scheme on eleven (11) pieces of freehold land measuring approximately 43.297 acres in Tempat R.T.P. Behrang Ulu, Mukim of Hulu Bernam Timur, District of Muallim, State of Perak Darul Ridzuan.

### **c) Disposal of land located in Bukit Tunku by Mulpha Argyle Property Sdn. Bhd. ("MAPSB")**

On 11 April 2017, MAPSB entered into a Sale and Purchase Agreement with Mount Well Sdn. Bhd. for the sale of one (1) piece of freehold land ("Land") located in Bukit Tunku, District of Kuala Lumpur for a total consideration of RM27,518,166, subject to the fulfilment of the conditions precedent as follows:

- (i) the approval from the relevant authority of the State of Wilayah Persekutuan Kuala Lumpur for the acquisition of the Land by the Purchaser pursuant to Section 433B of National Land Code 1965 and if applicable, the approval from the Economic Planning Unit, Prime Minister's Department of Malaysia, at the Purchaser's own cost and expense; and
- (ii) the extension of the development order for the proposed construction of six (6) units of Stratified Bungalows to be erected on the Land which was granted by Jabatan Perancangan Bandar, Dewan Bandaraya Kuala Lumpur ("DBKL") on 1 August 2011 (extended until 1 September 2016 via a letter from DBKL dated 6 April 2016) OR a confirmation letter from the relevant authority that the Development Order need not be extended, at MAPSB's own cost and expense.

The sale of the Land has been completed following the full payment of the sale consideration on 23 August 2017 and it is not expected to have any material financial effect on the earnings and earnings per ordinary share for the financial year ending 31 December 2017.

### **d) Acquisition of additional 39% equity interest in Mulpha Argyle Property Sdn. Bhd. from Modern State Management Limited**

Thriven Global Berhad ("Company") has acquired an additional 117,000 ordinary shares of Mulpha Argyle Property Sdn Bhd ("MAPSB"), representing 39% equity interest in MAPSB from Modern State Management Limited on 10 October 2017. The shares has been transferred to the Company on 31 October 2017 and MAPSB is now a 90% owned subsidiary of the Company.

## 22. BANK BORROWINGS

The details of the Group's bank borrowings are as follows:-

	30.09.2017 RM'000	31.12.2016 RM'000
Short Term - Secured	68,471	80,887
Long Term - Secured	91,447	82,015
	<u>159,918</u>	<u>162,902</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 2017.

## 25. EARNINGS/(LOSS) 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	
	30.09.2017 RM'000	30.09.2016 RM'000	30.09.2017 RM'000	30.09.2016 RM'000
Profit/(Loss) for the period	2,095	(4,995)	(3,688)	(7,032)
Add back: Non-controlling interest	(1,754)	830	(28)	1,549
Profit/(Loss) attributable to the owners of the Company	<u>341</u>	<u>(4,165)</u>	<u>(3,716)</u>	<u>(5,483)</u>
Weighted average number of ordinary shares in	<u>376,699</u>	<u>376,699</u>	<u>376,699</u>	<u>376,699</u>
Basic earnings/(loss) per ordinary share (sen)	<u>0.09</u>	<u>(1.11)</u>	<u>(0.99)</u>	<u>(1.46)</u>

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 loss per ordinary share for the year is equal to the basic loss per ordinary share.

## 26. DISCLOSURE OF REALISED AND UNREALISED EARNINGS

The retained earnings is analysed as follows:-

	As at 30.09.2017 RM'000	As at 31.12.2016 RM'000
Total retained earnings of TGB and its subsidiaries:		
- Realised	4,259	6,103
- Unrealised	<u>1,321</u>	<u>1,321</u>
	5,580	7,424
Consolidated adjustments	<u>1,559</u>	<u>3,431</u>
	<u>7,139</u>	<u>10,855</u>