

THRIVEN GLOBAL BERHAD

(Incorporated in Malaysia - 182350-H)

Quarterly report on consolidated results for the financial year ended 31 December 2017

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	NOTE	Current Quarter Ended 31.12.17 RM'000	Comparative Quarter Ended 31.12.16 RM'000	12 Months Cumulative To 31.12.17 RM'000	12 Months Cumulative To 31.12.16 RM'000
Revenue		59,693	23,454	122,870	66,969
Cost of sales		<u>(48,833)</u>	<u>(19,004)</u>	<u>(95,874)</u>	<u>(53,541)</u>
Gross profit		10,860	4,450	26,996	13,428
Operating expenses		(7,474)	(12,925)	(23,815)	(27,600)
Other operating income		<u>2,869</u>	<u>1,085</u>	<u>3,103</u>	<u>1,846</u>
Profit/(Loss) from operations		6,255	(7,390)	6,284	(12,326)
Finance cost		<u>(559)</u>	<u>(2,211)</u>	<u>(3,634)</u>	<u>(4,263)</u>
Profit/(Loss) before taxation		5,696	(9,601)	2,650	(16,589)
Tax expense	20	<u>(217)</u>	<u>(67)</u>	<u>(859)</u>	<u>(111)</u>
Profit/(Loss) for the year		5,479	(9,668)	1,791	(16,700)
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income/(expense) for the year		<u>5,479</u>	<u>(9,668)</u>	<u>1,791</u>	<u>(16,700)</u>
Profit/(Loss) for the year, Total comprehensive income/(expense) for the year attributable to:					
Owners of the Company		3,917	(4,662)	201	(10,145)
Non-controlling interests		<u>1,562</u>	<u>(5,006)</u>	<u>1,590</u>	<u>(6,555)</u>
		<u>5,479</u>	<u>(9,668)</u>	<u>1,791</u>	<u>(16,700)</u>
Earnings/(Loss) per ordinary share (sen)					
Basic / Diluted	25	<u>1.04</u>	<u>(1.24)</u>	<u>0.05</u>	<u>(2.69)</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 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 31.12.2017 RM '000	(Audited) As At 31.12.2016 RM '000
Assets			
<i>Non-Current Assets</i>			
Property, plant and equipment	10	9,607	11,050
Investment properties		6,770	5,768
Inventories		34,758	36,308
Goodwill		5,314	7,205
		<u>56,449</u>	<u>60,331</u>
<i>Current Assets</i>			
Inventories		275,445	287,567
Trade and other receivables		62,862	26,391
Income tax recoverable		502	695
Cash and bank balances		13,727	17,694
		<u>352,536</u>	<u>332,347</u>
Total Assets		<u>408,985</u>	<u>392,678</u>
Equity and Liabilities			
<i>Equity attributable to owners of the Company</i>			
Share capital		44,852	37,670
Share premium		-	7,182
Warrant reserve		14,126	14,126
Capital reserve		86,369	86,004
Retained earnings		11,056	10,855
		<u>156,403</u>	<u>155,837</u>
Non-controlling interests		<u>(643)</u>	<u>(9,629)</u>
Total Equity		<u>155,760</u>	<u>146,208</u>
<i>Non - Current Liabilities</i>			
Bank borrowings	22	49,545	80,887
Deferred tax liabilities		1,672	4,294
		<u>51,217</u>	<u>85,181</u>
<i>Current Liabilities</i>			
Bank borrowings	22	111,361	82,015
Trade and other payables		90,299	73,565
Other current liabilities		133	5,606
Income tax payable		215	103
		<u>202,008</u>	<u>161,289</u>
Total Liabilities		<u>253,225</u>	<u>246,470</u>
Total Equity and Liabilities		<u>408,985</u>	<u>392,678</u>
Net assets per share attributable to owners of the Company (RM)		<u>0.42</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

(Incorporated in Malaysia - 182350-H)

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 2017	37,670	7,182	14,126	86,004	10,855	155,837	(9,629)	146,208
Total comprehensive expenses for the year	-	-	-	-	201	201	1,590	1,791
Acquisition of non-controlling interest	-	-	-	365	-	365	7,396	7,761
Transfer pursuant to Companies Act 2016	7,182	(7,182)	-	-	-	-	-	-
At 31 December 2017	44,852	-	14,126	86,369	11,056	156,403	(643)	155,760
At 1 January 2016	37,670	7,182	14,126	86,004	21,000	165,982	(3,074)	162,908
Total comprehensive expenses for the year	-	-	-	-	(10,145)	(10,145)	(6,555)	(16,700)
At 31 December 2016	37,670	7,182	14,126	86,004	10,855	155,837	(9,629)	146,208

(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

	<-----12 Months Ended----->	
	31.12.2017	31.12.2016
	RM '000	RM '000
Cash Flows from Operating Activities		
Profit/(Loss) before tax	2,650	(16,589)
Adjustments for :-		
Depreciation of property, plant and equipment	2,406	2,304
Depreciation of investment properties	26	26
Property, plant & equipment written off	-	6
Impairment loss on receivables	696	-
Inventory written down	-	8,812
Goodwill written down	1,891	-
Write back of amount due to related parties	(2,791)	-
Interest expense	3,634	4,263
Interest income	(266)	(810)
	<hr/>	<hr/>
Operating cash flows before changes in working capital	8,246	(1,988)
Changes in working capital:		
Inventories	13,672	(12,830)
Receivables	(37,166)	(8,027)
Payables	30,832	1,616
Related companies	(7,995)	10,385
	<hr/>	<hr/>
Cash generated from /(used in) operating activities	7,589	(10,844)
Interest paid	(3,634)	(4,263)
Tax paid	(3,344)	(2,574)
Tax refund	168	428
	<hr/>	<hr/>
Net cash generated from /(used in) operating activities	779	(17,253)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(963)	(2,668)
Development cost incurred on investment property	(1,028)	(2,360)
Acquisition of non-controlling interests	(1,025)	-
Interest received	266	810
	<hr/>	<hr/>
Net cash used in investing activities	(2,750)	(4,218)
Cash Flows from Financing Activities		
Net repayment of borrowings	(2,210)	(313)
Uplift/(Placement) of pledged deposits	313	(4,932)
	<hr/>	<hr/>
Net cash used in financing activities	(1,897)	(5,245)
Net decrease in Cash & Cash Equivalents	(3,868)	(26,716)
Cash & Cash Equivalents at beginning of financial year	(2,943)	23,773
Cash & Cash Equivalents at end of financial year	Note A <hr/> <u>(6,811)</u>	<hr/> <u>(2,943)</u>

Note A :

Included in cash and cash equivalents as at 31 December are the following:

- Cash and deposits with licensed banks	13,727	17,694
- Bank overdrafts	(19,983)	(19,769)
- Deposits pledged	(555)	(868)
	<hr/> <u>(6,811)</u>	<hr/> <u>(2,943)</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 YEAR ENDED 31 DECEMBER 2017

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 year ended 31 December 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 year ended 31 December 2017.

7. CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuance, repayment and repurchase of debt and equity securities during the current financial year ended 31 December 2017.

8. PAYMENT OF DIVIDEND

No dividend was paid during the current financial year ended 31 December 2017.

9. SEGMENTAL REPORTING

a) Segment revenue and results

	Property Development RM'000	Investment Holding / Others RM'000	Elimination RM'000	Consolidated RM'000
12 months ended 31 December 2017				
Total Revenue				
External Revenue	121,957	913	-	122,870
Inter-segment revenue	-	15,605	(15,605)	-
	121,957	16,518	(15,605)	122,870
Profit/(Loss) from operations	8,404	8,161	(10,280)	6,284
12 months ended 31 December 2016				
Total Revenue				
External Revenue	50,727	16,242	-	66,969
Inter-segment revenue	-	11,257	(11,257)	-
	50,727	27,499	(11,257)	66,969
Profit/(Loss) from operations	1,344	(4,193)	(9,477)	(12,326)

b) Segment assets and liabilities

	Property Development RM'000	Investment Holding / Others RM'000	Elimination RM'000	Consolidated RM'000
As at 31 December 2017				
Segment assets	408,036	245,345	(244,397)	408,984
Segment liabilities	339,515	57,042	(143,332)	253,225
As at 31 December 2016				
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 year ended 31 December 2017.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial year ended 31 December 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

	4nd Quarter Ended		12 Months Ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Other related parties				
Non-controlling interests of subsidiaries				
- Interest expense	-	842	(1,934)	3,218
- Project management fee expense	-	30	(67)	120

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

15. REVIEW OF PERFORMANCE

	12 Months Ended		Increase %
	31.12.2017 RM'000	31.12.2016 RM'000	
Revenue	122,870	66,969	83
Profit/(Loss) before taxation	2,650	(16,589)	NA

The Group has achieved higher revenues of RM122.87 million, which is 83% higher than the preceding year's revenues of RM66.97 million. The better revenues were attributable to the strong sales and progress billings for Lumi Tropicana, Residensi ENESTA Kepong and Suite eNESTa Kepong, particularly in the second half of 2017 in tandem with steady construction progress. With the higher revenues attained in the current year, the Group managed to turn around from the preceding year's pre-tax loss of RM16.59 million (caused by, among others, the inventory written down of RM8.81 million resulting from the disposal of land in Bukit Tunku), to a pre-tax profit of RM2.65 million.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	4Q 2017 RM'000	3Q 2017 RM'000	Increase %
	Revenue	59,693	36,987
Profit before taxation	5,696	2,162	163

The Group recorded higher revenues of RM59.69 million for the current quarter under review in comparison with the preceding quarter's revenue figure of RM36.99 million. The improvement was achieved due to the stronger sales and progress billings generated in the current quarter under review. Accordingly with the higher revenues in the current quarter under review, the Group reported a pre-tax profit of RM5.70 million as compared to the preceding quarter's 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 in 2018. 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 25 and 23 of the Play and Action Towers respectively, whereas the contract for the Phase 2 main buildings works has been awarded and construction is underway.

Kepong

In Kepong, we have received a strong 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 exceeding 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. 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 of more than RM450 million to be delivered over the next three (3) financial years, with good prospects of continuing this encouraging sales trend. Hence, 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

	4nd Quarter Ended		12 Months Ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	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	573	606	2,406	2,304
Depreciation of investment properties	5	5	26	26
Interest expense	559	2,211	3,634	4,263
Inventory written off	-	8,812	-	8,812
Goodwill written off	1,891	-	1,891	-
Impairment loss on receivables	696	-	696	-
Write back of amount due to related parties	(2,791)	-	(2,791)	-
Interest income	(49)	19	(266)	(636)

20. TAX EXPENSES

	4nd Quarter Ended		12 Months Ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Tax expenses				
Income tax	944	(147)	2,920	1,086
Deferred tax	(727)	214	(2,061)	(975)
Total tax expenses charged in current year	217	67	859	111

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) 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.

21. CORPORATE PROPOSALS (CONTINUED)

b) Proposed private placement of up to 10% of the total number of issued shares of Thriven Global Berhad ("Proposed Private Placement")

On 27 February 2018, Thriven Global Berhad ("the Company" or "Thriven") proposes to undertake a private placement of up to 10% of the total number of issued shares of Thriven to third party investor(s) to be identified later.

The Proposed Private Placement entails an issuance of up to 10% of the total number of issued shares of Thriven.

As at 5 February 2018, the total issued share capital of Thriven was RM37,669,913 comprising 376,699,125 Thriven Shares. In addition, as at even date, Thriven has a total of 188,349,562 outstanding warrants 2015/2020 in the Company ("Warrant(s) B"). The Warrants B are constituted by the deed poll dated 22 September 2015 ("Deed Poll") and each Warrant B carries the entitlement to subscribe for 1 new Thriven Share during the five year exercise period up to 5 October 2020 at an exercise price of RM0.64 per Warrant B.

Assuming all the outstanding 188,349,562 Warrants B are exercised prior to the implementation of the Proposed Private Placement, the Company's enlarged number of issued Shares will be 565,048,687 Thriven Shares. As such, a total of up to a maximum of 56,504,868 new Thriven Shares ("Placement Share(s)") may be issued pursuant to the Proposed Private Placement.

The actual number of Placement Shares to be issued pursuant to the Proposed Private Placement will depend on the total issued Shares of the Company on a date to be determined later upon obtaining all the relevant approvals, and hence, will range from 37,669,913 to 56,504,868 new Thriven Shares.

22. BANK BORROWINGS

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

	31.12.2017	31.12.2016
	RM'000	RM'000
Short Term - Secured	111,361	82,015
Long Term - Secured	49,545	80,887
	<u>160,906</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 year ended 31 December 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:-

	4nd Quarter Ended		12 Months Ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the year	5,479	(9,668)	1,791	(16,700)
Add back: Non-controlling interest	<u>(1,562)</u>	<u>5,006</u>	<u>(1,590)</u>	<u>6,555</u>
Profit/(Loss) attributable to the owners of the Company	<u>3,917</u>	<u>(4,662)</u>	<u>201</u>	<u>(10,145)</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>1.04</u>	<u>(1.24)</u>	<u>0.05</u>	<u>(2.69)</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.