

THRIVEN GLOBAL BERHAD

(Incorporated in Malaysia - 182350-H)

Quarterly report on consolidated results for the financial period ended 31 March 2018

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	NOTE	Current Quarter Ended 31.03.18 RM'000	Comparative Quarter Ended 31.03.17 RM'000	3 Months Cumulative To 31.03.18 RM'000	3 Months Cumulative To 31.03.17 RM'000
Revenue		39,716	11,411	39,716	11,411
Cost of sales		<u>(29,302)</u>	<u>(7,828)</u>	<u>(29,302)</u>	<u>(7,828)</u>
Gross profit		10,414	3,583	10,414	3,583
Operating expenses		(5,380)	(5,069)	(5,380)	(5,069)
Other operating income		<u>68</u>	<u>72</u>	<u>68</u>	<u>72</u>
Profit/(Loss) from operations		5,102	(1,414)	5,102	(1,414)
Finance cost		<u>(557)</u>	<u>(1,029)</u>	<u>(557)</u>	<u>(1,029)</u>
Profit/(Loss) before taxation		4,545	(2,443)	4,545	(2,443)
Tax expense	20	<u>(975)</u>	<u>(285)</u>	<u>(975)</u>	<u>(285)</u>
Profit/(Loss) for the period		3,570	(2,728)	3,570	(2,728)
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income/(expense) for the period		<u>3,570</u>	<u>(2,728)</u>	<u>3,570</u>	<u>(2,728)</u>
Profit/(Loss) for the period, Total comprehensive income/(expense) for the period attributable to:					
Owners of the Company		3,625	(1,778)	3,625	(1,778)
Non-controlling interests		<u>(55)</u>	<u>(950)</u>	<u>(55)</u>	<u>(950)</u>
		<u>3,570</u>	<u>(2,728)</u>	<u>3,570</u>	<u>(2,728)</u>
Earnings/(Loss) per ordinary share (sen)					
Basic / Diluted	25	<u>0.96</u>	<u>(0.47)</u>	<u>0.96</u>	<u>(0.47)</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 2017 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 31.03.2018 RM '000	(Audited) As At 31.12.2017 RM '000
Assets			
<i>Non-Current Assets</i>			
Property, plant and equipment	10	9,014	9,607
Investment properties		8,036	6,770
Inventories		34,399	34,758
Goodwill		4,840	5,314
		<u>56,289</u>	<u>56,449</u>
<i>Current Assets</i>			
Inventories		272,203	275,445
Trade and other receivables		62,233	62,863
Income tax recoverable		624	502
Cash and bank balances		9,810	13,745
		<u>344,870</u>	<u>352,555</u>
Total Assets		<u>401,159</u>	<u>409,004</u>
Equity and Liabilities			
<i>Equity attributable to owners of the Company</i>			
Share capital		44,852	44,852
Warrant reserve		14,126	14,126
Capital reserve		89,559	89,559
Retained earnings		14,681	11,056
		<u>163,218</u>	<u>159,593</u>
Non-controlling interests		<u>(3,888)</u>	<u>(3,833)</u>
Total Equity		<u>159,330</u>	<u>155,760</u>
<i>Non - Current Liabilities</i>			
Bank borrowings	22	59,946	49,545
Deferred tax liabilities		1,478	1,673
		<u>61,424</u>	<u>51,218</u>
<i>Current Liabilities</i>			
Bank borrowings	22	102,727	111,361
Trade and other payables		77,587	90,317
Other current liabilities		27	133
Income tax payable		64	215
		<u>180,405</u>	<u>202,026</u>
Total Liabilities		<u>241,829</u>	<u>253,244</u>
Total Equity and Liabilities		<u>401,159</u>	<u>409,004</u>
Net assets per share attributable to owners of the Company (RM)		<u>0.43</u>	<u>0.42</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 2017 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 2018	44,852	-	14,126	89,559	11,056	159,593	(3,833)	155,760
Total comprehensive expenses for the period	-	-	-	-	3,625	3,625	(55)	3,570
At 31 March 2018	44,852	-	14,126	89,559	14,681	163,218	(3,888)	159,330
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 period	-	-	-	-	(1,778)	(1,778)	(950)	(2,728)
At 31 March 2017	37,670	7,182	14,126	86,004	9,077	154,059	(10,579)	143,480

(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 2017 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

	<-----3 Months Ended----->	
	31.03.2018	31.03.2017
	RM '000	RM '000
Cash Flows from Operating Activities		
Profit/(Loss) before tax	4,545	(2,443)
Adjustments for :-		
Depreciation of property, plant and equipment	596	578
Depreciation of investment properties	7	7
Amortisation of goodwill	474	-
Interest expense	557	1,029
Interest income	(61)	(93)
Operating cash flows before changes in working capital	<u>6,118</u>	<u>(922)</u>
Changes in working capital:		
Inventories	3,601	3,953
Receivables	630	(401)
Payables	(12,836)	(10,766)
Related companies	-	871
Cash used in operating activities	<u>(2,487)</u>	<u>(7,265)</u>
Interest paid	(557)	(1,029)
Tax paid	(1,443)	(429)
Net cash used in operating activities	<u>(4,487)</u>	<u>(8,723)</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(3)	(279)
Development cost incurred on investment property	(1,273)	(102)
Interest received	61	93
Net cash used in investing activities	<u>(1,215)</u>	<u>(288)</u>
Cash Flows from Financing Activities		
Net repayment of borrowings	1,768	1,170
Uplift/(Placement) of pledged deposits	140	(8)
Net cash generated from financing activities	<u>1,908</u>	<u>1,162</u>
Net decrease in Cash & Cash Equivalents	(3,794)	(7,849)
Cash & Cash Equivalents at beginning of financial period	(6,934)	(2,943)
Cash & Cash Equivalents at end of financial period	<u>(10,728)</u>	<u>(10,792)</u>

Note A :

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

- Cash and deposits with licensed banks	9,810	12,155
- Bank overdrafts	(19,983)	(22,071)
- Deposits pledged	(555)	(876)
	<u>(10,728)</u>	<u>(10,792)</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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

FINANCIAL PERIOD ENDED 31 MARCH 2018

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 2017.

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 2017 except for the adoption of the following:-

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
Amendments to MFRS 1	Annual Improvements to MFRS Standards 2014-2016 Cycle
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 128	Annual Improvements to MFRS Standards 2014-2016 Cycle
Amendments to MFRS 140	Transfers of Investment Property

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 31 March 2018.

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 31 March 2018.

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 31 March 2018.

8. PAYMENT OF DIVIDEND

No dividend was paid during the current financial period ended 31 March 2018.

9. SEGMENTAL REPORTING

a) Segment revenue and results

	Property Development RM'000	Investment Holding / Others RM'000	Elimination RM'000	Consolidated RM'000
3 months ended 31 March 2018				
Total Revenue				
External Revenue	39,493	223	-	39,716
Inter-segment revenue	-	2,618	(2,618)	-
	<u>39,493</u>	<u>2,841</u>	<u>(2,618)</u>	<u>39,716</u>
Profit/(Loss) from operations	5,983	3	(884)	5,102
3 months ended 31 March 2017				
Total Revenue				
External Revenue	11,177	234	-	11,411
Inter-segment revenue	-	2,952	(2,952)	-
	<u>11,177</u>	<u>3,186</u>	<u>(2,952)</u>	<u>11,411</u>
Loss from operations	(325)	(238)	(851)	(1,414)

b) Segment assets and liabilities

	Property Development RM'000	Investment Holding / Others RM'000	Elimination RM'000	Consolidated RM'000
As at 31 March 2018				
Segment assets	400,984	247,926	(247,751)	401,159
Segment liabilities	327,215	61,606	(146,992)	241,829
As at 31 December 2017				
Segment assets	406,915	243,657	(241,568)	409,004
Segment liabilities	337,843	57,042	(141,641)	253,244

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 31 March 2018.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period ended 31 March 2018.

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

	1st Quarter Ended		3 Months Ended	
	31.3.2018	31.3.2017	31.3.2018	31.3.2017
	RM'000	RM'000	RM'000	RM'000
Directors				
-Revenues recognised from the sale of properties under construction	1,215	300	1,215	300
Other related parties				
Non-controlling interests of subsidiaries				
- Interest expense	-	841	-	841
- Project management fee expense	-	30	-	30

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

15. REVIEW OF PERFORMANCE

	3 Months Ended		Increase %
	31.3.2018 RM'000	31.3.2017 RM'000	
Revenue	39,716	11,411	248
Profit/(Loss) before taxation	4,545	(2,443)	NA

The Group achieved revenues of RM39.72 million, which was 248% higher than the corresponding period's revenues of RM11.41 million. The higher revenues were due to stronger progress billings and new sales attributable to our development in Tropicana and Kepong respectively. With the higher revenues attained in the first quarter of 2018, the Group managed to turn around the pre-tax loss of RM2.44 million from the corresponding period to a pre-tax profit of RM4.55 million.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	1Q 2018	4Q 2017	Decrease
	RM'000	RM'000	%
Revenue	39,716	59,693	-33
Profit before taxation	4,545	5,696	-20

The Group recorded lower revenues of RM39.72 million in comparison with the preceding quarter's revenues of RM59.69 million mainly due to seasonal factors, including holidays during the Chinese New Year period. Accordingly with the lower revenues in the current quarter under review, the Group reported a lower pre-tax profit of RM4.55 million as compared to the preceding quarter's pre-tax profit of RM5.70 million.

17. PROSPECTS

Lumi Tropicana

Lumi Tropicana achieved an average take up rate exceeding 75% 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 of four towers comprising the remaining 186 units of serviced residences is under review for launch in the year 2019. Construction of the structural framework has reached up to levels 35 and 30 of the Play and Action Towers respectively, whereas the contract for the Phase 2 main buildings works has been awarded and construction is well 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

Continuing the positive trend from prior years, sales demand in Desa Aman remains robust. Aside from the projects in Desa Aman, our joint venture affordable housing development in Behrang, Perak is expected to commence in 2018. For the rest of 2018, we expect the demand for affordable housing in Desa Aman to remain high. As such, the Group is planning to launch a series of affordable housing projects which includes a new phase of single storey semi-detached houses (Indahyu) and low medium cost apartments to meet the local market demand.

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

	1st Quarter Ended		3 Months Ended	
	31.3.2018	31.3.2017	31.3.2018	31.3.2017
	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	596	578	596	578
Depreciation of investment properties	7	7	7	7
Interest expense	557	1,029	557	1,029
Interest income	(61)	(93)	(61)	(93)

20. TAX EXPENSES

	1st Quarter Ended		3 Months Ended	
	31.3.2018	31.3.2017	31.3.2018	31.3.2017
	RM'000	RM'000	RM'000	RM'000
Tax expenses				
Income tax	1,170	323	1,170	323
Deferred tax	(195)	(38)	(195)	(38)
Total tax expenses charged in current period	975	285	975	285

The effective tax rate of the Group is lower than the statutory income tax rate of 24% mainly due to the deferred tax assets recognised during the period under review.

21. CORPORATE PROPOSALS

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") proposed 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.

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.

Bursa Malaysia Securities Berhad had vide its letter dated 12 March 2018, resolved to approve the listing and quotation of up to 56,504,868 new Thriven shares to be issued pursuant to the Proposed Private Placement.

22. BANK BORROWINGS

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

	31.3.2018	31.12.2017
	RM'000	RM'000
Short Term - Secured	102,727	111,361
Long Term - Secured	59,946	49,545
	<u>162,673</u>	<u>160,906</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 31 March 2018.

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:-

	1st Quarter Ended		3 Months Ended	
	31.3.2018	31.3.2017	31.3.2018	31.3.2017
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	3,570	(2,728)	3,570	(2,728)
Add back: Non-controlling interest	55	950	55	950
Profit/(Loss) attributable to the owners of the Company	<u>3,625</u>	<u>(1,778)</u>	<u>3,625</u>	<u>(1,778)</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>0.96</u>	<u>(0.47)</u>	<u>0.96</u>	<u>(0.47)</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.