

**THRIVEN GLOBAL BERHAD**

(Incorporated in Malaysia - 182350-H)

**Quarterly report on consolidated results for the financial period ended 30 June 2018**

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	NOTE	Current Quarter Ended 30.06.18 RM'000	Comparative Quarter Ended 30.06.17 RM'000	6 Months Cumulative To 30.06.18 RM'000	6 Months Cumulative To 30.06.17 RM'000
Revenue		68,080	14,779	107,796	26,190
Cost of sales		<u>(52,858)</u>	<u>(10,923)</u>	<u>(82,160)</u>	<u>(18,751)</u>
Gross profit		15,222	3,856	25,636	7,439
Operating expenses		(4,602)	(5,580)	(9,982)	(10,649)
Other operating income		<u>370</u>	<u>72</u>	<u>438</u>	<u>144</u>
Profit/(Loss) from operations		10,990	(1,652)	16,092	(3,066)
Finance cost		<u>(628)</u>	<u>(1,113)</u>	<u>(1,185)</u>	<u>(2,142)</u>
Profit/(Loss) before taxation		10,362	(2,765)	14,907	(5,208)
Tax expense	20	<u>(2,824)</u>	<u>(290)</u>	<u>(3,799)</u>	<u>(575)</u>
Profit/(Loss) for the period		7,538	(3,055)	11,108	(5,783)
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income/(expense) for the period		<u>7,538</u>	<u>(3,055)</u>	<u>11,108</u>	<u>(5,783)</u>
<b>Profit/(Loss) for the period, Total comprehensive income/(expense) for the period attributable to:</b>					
Owners of the Company		6,937	(2,279)	10,562	(4,057)
Non-controlling interests		<u>601</u>	<u>(776)</u>	<u>546</u>	<u>(1,726)</u>
		<u>7,538</u>	<u>(3,055)</u>	<u>11,108</u>	<u>(5,783)</u>
<b>Earnings/(Loss) per ordinary share (sen)</b>					
Basic / Diluted	25	<u>1.84</u>	<u>(0.60)</u>	<u>2.80</u>	<u>(1.08)</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 30.06.2018 RM '000	(Audited) As At 31.12.2017 RM '000
<b>Assets</b>			
<i>Non-Current Assets</i>			
Property, plant and equipment	10	8,767	9,607
Investment properties		838	6,770
Inventories		33,900	34,758
Goodwill		4,618	5,314
		<u>48,123</u>	<u>56,449</u>
<i>Current Assets</i>			
Inventories		258,691	275,445
Trade and other receivables		64,577	62,863
Income tax recoverable		641	502
Cash and bank balances		8,631	13,745
		<u>332,540</u>	<u>352,555</u>
<b>Total Assets</b>		<u>380,663</u>	<u>409,004</u>
<b>Equity and Liabilities</b>			
<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		21,618	11,056
		<u>170,155</u>	<u>159,593</u>
Non-controlling interests		<u>(3,287)</u>	<u>(3,833)</u>
<b>Total Equity</b>		<u>166,868</u>	<u>155,760</u>
<i>Non - Current Liabilities</i>			
Bank borrowings	22	40,853	49,545
Deferred tax liabilities		1,407	1,673
		<u>42,260</u>	<u>51,218</u>
<i>Current Liabilities</i>			
Bank borrowings	22	97,925	111,361
Trade and other payables		71,640	90,317
Other current liabilities		-	133
Income tax payable		1,970	215
		<u>171,535</u>	<u>202,026</u>
<b>Total Liabilities</b>		<u>213,795</u>	<u>253,244</u>
<b>Total Equity and Liabilities</b>		<u>380,663</u>	<u>409,004</u>
Net assets per share attributable to owners of the Company (RM)		<u>0.45</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
<b>At 1 January 2018</b>	44,852	-	14,126	89,559	11,056	159,593	(3,833)	155,760
Total comprehensive expenses for the period	-	-	-	-	10,562	10,562	546	11,108
<b>At 30 June 2018</b>	44,852	-	14,126	89,559	21,618	170,155	(3,287)	166,868
<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 period	-	-	-	-	(4,057)	(4,057)	(1,726)	(5,783)
<b>At 30 June 2017</b>	37,670	7,182	14,126	86,004	6,798	151,780	(11,355)	140,425

(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**

	<-----6 Months Ended----->	
	30.06.2018	30.06.2017
	RM '000	RM '000
<b>Cash Flows from Operating Activities</b>		
Profit/(Loss) before tax	14,907	(5,208)
Adjustments for :-		
Depreciation of property, plant and equipment	1,190	1,223
Depreciation of investment properties	14	14
Amortisation of goodwill	696	-
Interest expense	1,185	2,142
Interest income	(119)	(148)
Operating cash flows before changes in working capital	<u>17,873</u>	<u>(1,977)</u>
Changes in working capital:		
Inventories	24,803	(12,683)
Receivables	(1,714)	(541)
Payables	(3,700)	(2,647)
Related companies	(15,110)	1,767
Cash generated from/(used in) operating activities	<u>22,152</u>	<u>(16,081)</u>
Interest paid	(1,185)	(2,142)
Tax paid	(2,449)	(804)
Net cash generated from/(used in) operating activities	<u>18,518</u>	<u>(19,027)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(350)	(891)
Development cost incurred on investment property	(1,273)	(433)
Interest received	119	148
Net cash used in investing activities	<u>(1,504)</u>	<u>(1,176)</u>
<b>Cash Flows from Financing Activities</b>		
Net (repayment)/drawdown of borrowings	(22,112)	12,068
Placement of pledged deposits	(4)	(14)
Net cash (used in)/generated from financing activities	<u>(22,116)</u>	<u>12,054</u>
Net decrease in Cash & Cash Equivalents	(5,102)	(8,149)
Cash & Cash Equivalents at beginning of financial period	(6,934)	(2,943)
Cash & Cash Equivalents at end of financial period	<u>(12,036)</u>	<u>(11,092)</u>
	<b>Note A</b>	
<b>Note A :</b>		
Included in cash and cash equivalents as at 30 June are the following:		
- Cash and deposits with licensed banks	8,631	8,527
- Bank overdrafts	(19,968)	(18,737)
- Deposits pledged	(699)	(882)
	<u>(12,036)</u>	<u>(11,092)</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 30 JUNE 2018**

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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 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 30 June 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 30 June 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 30 June 2018.

## 8. PAYMENT OF DIVIDEND

No dividend was paid during the current financial period ended 30 June 2018.

## 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>6 months ended 30 June 2018</b>				
Total Revenue				
External Revenue	107,328	468	-	107,796
Inter-segment revenue	-	5,325	(5,325)	-
	<u>107,328</u>	<u>5,793</u>	<u>(5,325)</u>	<u>107,796</u>
Profit/(Loss) from operations	16,513	(189)	(232)	16,092
<b>6 months ended 30 June 2017</b>				
Total Revenue				
External Revenue	25,708	482	-	26,190
Inter-segment revenue	-	6,033	(6,033)	-
	<u>25,708</u>	<u>6,515</u>	<u>(6,033)</u>	<u>26,190</u>
(Loss)/Profit from operations	(1,612)	4,228	(5,682)	(3,066)

### 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 June 2018</b>				
Segment assets	385,733	254,198	(259,268)	380,663
Segment liabilities	304,735	66,499	(157,439)	213,795
<b>As at 31 December 2017</b>				
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 30 June 2018.

#### 12. CHANGES IN THE COMPOSITION OF THE GROUP

On 17 May 2018, Verdant Parc Sdn. Bhd. ("VPSB"), a wholly-owned subsidiary of the Company was incorporated with a paid-up capital of RM100, divided into 100 ordinary shares. VPSB is currently dormant and its intended principal activity is property development.

#### 13. CHANGES IN CONTINGENT LIABILITIES / CAPITAL COMMITMENTS

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

#### 14. RELATED PARTY TRANSACTIONS

	2nd Quarter Ended		6 Months Ended	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	RM'000	RM'000	RM'000	RM'000
<b>Directors</b>				
-Revenues recognised from the sale of properties under construction	2,777	789	3,992	1,089
<b>Other related parties</b>				
Non-controlling interests of subsidiaries				
- Interest expense	-	866	-	1,707
- Project management fee expense	-	30	-	60

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

**15. REVIEW OF PERFORMANCE**

	<b>6 Months Ended</b>		<b>Increase %</b>
	<b>30.6.2018 RM'000</b>	<b>30.6.2017 RM'000</b>	
Revenue	107,796	26,190	312
Profit/(Loss) before taxation	14,907	(5,208)	NA

The Group achieved revenues of RM107.80 million, which was 312% higher than the corresponding period's revenues of RM26.19 million. The higher revenues were due to stronger progress billings and new sales attributable to our developments in Tropicana and Kepong respectively. With the higher revenues attained in the first half of 2018, the Group managed to turn around the pre-tax loss of RM5.21 million from the corresponding period to a pre-tax profit of RM14.91 million.

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

	<b>2Q 2018</b>	<b>1Q 2018</b>	<b>Increase %</b>
	<b>RM'000</b>	<b>RM'000</b>	
Revenue	68,080	39,716	71
Profit before taxation	10,362	4,545	128

The Group recorded higher revenues of RM68.08 million for the current quarter under review in comparison with the preceding quarter's revenues of RM39.72 million. The better revenue performance was mainly due to higher progress billings from our Lumi Tropicana development as compared with the preceding quarter. Accordingly with the higher revenues in the current quarter under review, the Group reported a higher pre-tax profit of RM10.36 million as compared to the preceding quarter's pre-tax profit of RM4.55 million.

**17. PROSPECTS**

Lumi Tropicana

Lumi Tropicana achieved an average take up rate exceeding 75% for the units launched (including Wellness Tower). With 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 to be launched in the year 2019. Construction of the structural framework has reached up to levels 38 and 34 of the Play and Action Towers respectively, whereas for the Phase 2 construction, has reached the first level of Wellness Tower's apartment floors.

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 the fourth quarter of 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 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 RM420 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

	2nd Quarter Ended		6 Months Ended	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	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	594	645	1,190	1,223
Depreciation of investment properties	7	7	14	14
Amortisation of goodwill	222	-	696	-
Interest expense	628	1,113	1,185	2,142
Interest income	(58)	(55)	(119)	(148)

## 20. TAX EXPENSES

	2nd Quarter Ended		6 Months Ended	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	RM'000	RM'000	RM'000	RM'000
<b>Tax expenses</b>				
Income tax	2,895	323	4,065	646
Deferred tax	(71)	(33)	(266)	(71)
Total tax expenses charged in current period	2,824	290	3,799	575

The effective tax rate of the Group is higher than the statutory income tax rate of 24% mainly due to the taxable profit of certain subsidiaries of the Company is unable to utilise the unused tax losses of other subsidiaries.

## 21. CORPORATE PROPOSALS

### a) 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.

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

- b) Proposed bonus issue of up to 180,815,579 new ordinary shares in Thriven ("Thriven Share(s)" or "Share(s)") ("Bonus Share(s)") on the basis of 8 bonus shares for every 25 existing Thriven shares held on an entitlement date to be determined and announced later ("Proposed Bonus Issue")**

On 6 July 2018, On behalf of the Board of Directors of Thriven ("Board"), UOB Kay Hian Securities (M) Sdn Bhd ("UOBKH") has announced that the Company proposes to undertake a proposed bonus issue of up to 180,815,579 new Thriven Shares on the basis of 8 Bonus Shares for every 25 existing Thriven Shares held on an entitlement date to be determined and announced later.

On 27 July 2018, UOBKH announced that Bursa Malaysia Securities Berhad ("Bursa Securities") has, vide its letter dated 27 July 2018, resolved to approve the following:-

- (i) listing of and quotation for up to 180,815,579 new ordinary shares ("Bonus Shares") to be issued pursuant to the Proposed Bonus Issue;
- (ii) listing of and quotation for up to 60,271,859 additional Warrants B to be issued arising from the adjustments to be made pursuant to the Proposed Bonus Issue; and
- (iii) listing of and quotation for up to 60,271,859 new ordinary shares to be issued arising from the exercise of the additional Warrants B,

on the Main Market of Bursa Securities.

The Proposed Bonus Issue was approved at an Extraordinary General Meeting convened on 23 August 2018.

- c) Subscription and Shareholders' Agreement ("Agreement") with Strategic Year Holdings Limited ("SYHL"), Mr. Yin Kin Bong Joseph ("JY"), Thriven Properties Sdn. Bhd. ("TPSB") and Bakat Stabil Sdn. Bhd. ("BSSB") for the subscription of an additional 58,798 ordinary shares in BSSB, proposed allotment of 62,998 ordinary shares and 2,493 redeemable preference shares ("RPS") in BSSB, a wholly-owned subsidiary of the Company**

On 20 July 2018, the Company, BSSB and TPSB have entered into the Agreement with SYHL and JY, where the Company is subscribing for an additional 58,798 ordinary shares in BSSB, a wholly-owned subsidiary of the Company for a total consideration of RM58,798, subject to the terms and conditions as stipulated in the Agreement with SYHL and JY.

SYHL and JY shall pay a total sum of RM4,200,000 into BSSB by:-

- (i) subscribing 4,200 new ordinary shares of BSSB for RM4,200 to be paid in cash;
- (ii) subscribing 2,493 new RPS of BSSB for RM2,493,000 to be paid in cash; and
- (ii) advancing a sum of RM1,702,800 to BSSB via the loan agreement dated 20 July 2018 entered into between SYHL, JY and BSSB.

As a result of the subscription of ordinary shares by SYHL and JY, BSSB would cease to be a wholly-owned subsidiary of the Company with the dilution of the Company's existing ordinary equity interest in BSSB from 100% to approximately 93.3%.

The said sum of RM4,200,000 was fully received by BSSB on 10 August 2018.

## 22. BANK BORROWINGS

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

	<b>30.6.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Short Term - Secured	97,925	111,361
Long Term - Secured	40,853	49,545
	<u>138,778</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 30 June 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:-

	<b>2nd Quarter Ended</b>		<b>6 Months Ended</b>	
	<b>30.6.2018</b>	<b>30.6.2017</b>	<b>30.6.2018</b>	<b>30.6.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit/(Loss) for the period	7,538	(3,055)	11,108	(5,783)
Add back: Non-controlling interest	(601)	776	(546)	1,726
Profit/(Loss) attributable to the owners of the Company	<u>6,937</u>	<u>(2,279)</u>	<u>10,562</u>	<u>(4,057)</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>1.84</u>	<u>(0.60)</u>	<u>2.80</u>	<u>(1.08)</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.