

THRIVEN GLOBAL BERHAD

(Incorporated in Malaysia - 182350-H)

Quarterly report on consolidated results for the financial period ended 30 June 2019

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	NOTE	Current Quarter Ended 30.06.19 RM'000	Comparative Quarter Ended 30.06.18 RM'000	6 Months Cumulative To 30.06.19 RM'000	6 Months Cumulative To 30.06.18 RM'000
Revenue		48,851	68,080	148,440	107,796
Cost of sales		<u>(37,830)</u>	<u>(52,858)</u>	<u>(114,717)</u>	<u>(82,160)</u>
Gross profit		11,021	15,222	33,723	25,636
Operating expenses		(5,095)	(4,602)	(9,896)	(9,982)
Other operating income		<u>306</u>	<u>370</u>	<u>1,910</u>	<u>438</u>
Profit from operations		6,232	10,990	25,737	16,092
Finance cost		<u>(705)</u>	<u>(628)</u>	<u>(1,380)</u>	<u>(1,185)</u>
Profit before taxation		5,527	10,362	24,357	14,907
Tax expense	20	<u>(1,446)</u>	<u>(2,824)</u>	<u>(5,846)</u>	<u>(3,799)</u>
Profit for the period		4,081	7,538	18,511	11,108
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>4,081</u>	<u>7,538</u>	<u>18,511</u>	<u>11,108</u>
Profit for the period, total comprehensive income for the period attributable to:					
Owners of the Company		3,474	6,937	17,232	10,562
Non-controlling interests		<u>607</u>	<u>601</u>	<u>1,279</u>	<u>546</u>
		<u>4,081</u>	<u>7,538</u>	<u>18,511</u>	<u>11,108</u>
Earnings per ordinary share (sen)					
Basic / Diluted	25	<u>0.64</u>	<u>1.40</u>	<u>3.24</u>	<u>2.12</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 2018 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	As At 30.06.2019 RM '000 (Unaudited)	As At 31.12.2018 RM '000 (Audited)
Assets			
<i>Non-Current Assets</i>			
Property, plant and equipment	10	7,430	7,966
Investment properties		-	825
Inventories		31,802	33,502
Right-of-use assets		2,232	-
Goodwill		5,314	5,314
		<u>46,778</u>	<u>47,607</u>
<i>Current Assets</i>			
Inventories		195,850	245,796
Trade and other receivables		108,923	72,667
Income tax recoverable		602	1,059
Cash and bank balances		6,394	11,053
		<u>311,769</u>	<u>330,575</u>
Total Assets		<u>358,547</u>	<u>378,182</u>
Equity and Liabilities			
<i>Equity attributable to owners of the Company</i>			
Share capital		59,587	49,724
Warrant reserve		14,126	14,126
Capital reserve		89,559	89,559
Retained earnings		42,765	25,533
		<u>206,037</u>	<u>178,942</u>
Non-controlling interests		<u>(2,000)</u>	<u>(3,279)</u>
Total Equity		<u>204,037</u>	<u>175,663</u>
<i>Non-Current Liabilities</i>			
Bank borrowings	22	23,706	23,696
Deferred tax liabilities		152	406
Lease liabilities		1,098	-
Redeemable preference shares		2,493	2,493
		<u>27,449</u>	<u>26,595</u>
<i>Current Liabilities</i>			
Bank borrowings	22	76,665	98,523
Trade and other payables		47,960	76,710
Lease liabilities		1,078	-
Income tax payable		1,358	691
		<u>127,061</u>	<u>175,924</u>
Total Liabilities		<u>154,510</u>	<u>202,519</u>
Total Equity and Liabilities		<u>358,547</u>	<u>378,182</u>
Net assets per share attributable to owners of the Company (RM)		<u>0.38</u>	<u>0.36</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 2018 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

The figures have not been audited.

	<----- Attributable to Owners of the Company ----->						
	<----- Non-distributable ----->			<- Distributable ->			
	Share capital	Warrant reserve	Capital reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
At 1 January 2019	49,724	14,126	89,559	25,533	178,942	(3,279)	175,663
Total comprehensive income for the period	-	-	-	17,232	17,232	1,279	18,511
Issue of ordinary shares via private placement	9,863	-	-	-	9,863	-	9,863
At 30 June 2019	<u>59,587</u>	<u>14,126</u>	<u>89,559</u>	<u>42,765</u>	<u>206,037</u>	<u>(2,000)</u>	<u>204,037</u>
 At 1 January 2018	 44,852	 14,126	 89,559	 11,056	 159,593	 (3,833)	 155,760
Total comprehensive income for the period	-	-	-	10,562	10,562	546	11,108
At 30 June 2018	<u>44,852</u>	<u>14,126</u>	<u>89,559</u>	<u>21,618</u>	<u>170,155</u>	<u>(3,287)</u>	<u>166,868</u>

(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 2018 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

The figures have not been audited.

	<-----6 Months Ended----->	
	30.06.2019	30.06.2018
	RM '000	RM '000
Cash Flows from Operating Activities		
Profit before tax	24,357	14,907
Adjustments for :-		
Depreciation of property, plant and equipment	1,212	1,190
Amortisation of right-of-use assets	469	-
Depreciation of investment properties	4	14
Amortisation of goodwill	-	696
Gain on disposal of investment properties	(1,214)	-
Interest expense	1,380	1,185
Interest income	(77)	(119)
Operating cash flows before changes in working capital	<u>26,131</u>	<u>17,873</u>
Changes in working capital:		
Inventories	51,646	24,803
Receivables	(36,256)	(1,714)
Payables	(25,700)	(3,700)
Related companies	(3,050)	(15,110)
Cash generated from operating activities	<u>12,771</u>	<u>22,152</u>
Interest paid	(1,380)	(1,185)
Tax paid	(4,976)	(2,449)
Net cash generated from operating activities	<u>6,415</u>	<u>18,518</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(676)	(350)
Additions to investment properties under construction	-	(1,273)
Proceeds from disposal of investment properties	2,035	-
Interest received	77	119
Net cash generated from/(used in) investing activities	<u>1,436</u>	<u>(1,504)</u>
Cash Flows from Financing Activities		
Proceeds from issuance of shares	9,863	-
Net repayment of borrowings	(16,687)	(22,112)
Placement of pledged deposits	(203)	(4)
Repayment of lease liabilities	(525)	-
Net cash used in financing activities	<u>(7,552)</u>	<u>(22,116)</u>
Net increase/(decrease) in Cash & Cash Equivalents	299	(5,102)
Cash & Cash Equivalents at beginning of financial period	(12,706)	(6,934)
Cash & Cash Equivalents at end of financial period	<u>(12,407)</u>	<u>(12,036)</u>

Note A :

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

- Cash and deposits with licensed banks	6,394	8,631
- Bank overdrafts	(17,940)	(19,968)
- Deposits pledged	(861)	(699)
	<u>(12,407)</u>	<u>(12,036)</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 2018 and the accompanying explanatory notes attached to the interim financial statements.)

FINANCIAL PERIOD ENDED 30 JUNE 2019

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

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

1. BASIS OF PREPARATION

The condensed consolidated 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 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied in the condensed consolidated interim financial statements are consistent with those adopted in the most recent annual audited consolidated financial statements for the financial year ended 31 December 2018 except for the adoption of the following:-

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 3	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 11	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 112	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 119	Plan Amendments, Curtailment or Settlement
Amendments to MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures

The adoption of the above has no material impact on the financial statements except for the adoption of MFRS 16.

At the date of initial application of MFRS 16, the Group and the Company will recognise a "right-of-use assets" and "lease liabilities" for all the lease more than 12 months, which representing its right to use the underlying leased asset and the obligation to make lease payments respectively. Accordingly, the Group and the Company as a lessee should recognise depreciation of the right-of-use assets and interest on the lease liabilities, and also classifies cash repayments of the lease liability into a portion and an interest portion in the statement of cash flows. The right-of-use assets and lease liabilities are initially measured on a present value basis as follows:-

	As at 31.12.2018 RM'000	Effects of MFRS 16 RM'000	As at 1.1.2019 RM'000
Non-Current Asset			
Right-of-use assets	-	2,701	2,701
Non-Current liability			
Lease liabilities	-	1,066	1,066
Current liability			
Lease liabilities	-	1,635	1,635

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 2019.

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 2019.

7. CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuance or repayment of debt and equity securities, share buy-backs and share cancellations during the current financial period ended 30 June 2019 except for the new issuance of 17,000,000 and 32,700,000 ordinary shares for private placement at RM0.205 and RM0.195 respectively held on 25 January 2019 and 15 March 2019.

8. PAYMENT OF DIVIDEND

No dividend was paid during the current financial period ended 30 June 2019.

9. SEGMENTAL REPORTING

a) Segment revenue and results

	Property Development RM'000	Investment Holding / Others RM'000	Elimination RM'000	Consolidated RM'000
6 months ended 30 June 2019				
Total Revenue				
External Revenue	148,279	161	-	148,440
Inter-segment revenue	-	7,270	(7,270)	-
	148,279	7,431	(7,270)	148,440
Profit from operations	22,229	2,559	949	25,737

9. SEGMENTAL REPORTING (CONTINUED)

a) Segment revenue and results (continued)

	Property Development RM'000	Investment Holding / Others RM'000	Elimination RM'000	Consolidated RM'000
6 months ended 30 June 2018				
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	<u>16,513</u>	<u>(189)</u>	<u>(232)</u>	<u>16,092</u>

b) Segment assets and liabilities

	Property Development RM'000	Investment Holding / Others RM'000	Elimination RM'000	Consolidated RM'000
As at 30 June 2019				
Segment assets	368,662	279,200	(289,315)	358,547
Segment liabilities	265,418	84,503	(195,411)	154,510
As at 31 December 2018				
Segment assets	383,970	256,006	(261,794)	378,182
Segment liabilities	326,887	42,591	(166,959)	202,519

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 2019.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period ended 30 June 2019.

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	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Directors				
-Revenues recognised from the sale of properties under construction	(1,270)	2,777	(543)	3,992

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

15. REVIEW OF PERFORMANCE

	6 Months Ended		Increase
	30.06.2019	30.06.2018	
	RM'000	RM'000	%
Revenue	148,440	107,796	38
Profit before taxation	24,357	14,907	63

The Group achieved revenues of RM148.44 million, which was 38% higher than the corresponding period's revenues of RM107.80 million. The higher revenues were derived from the sale of Lumi Tropicana's retail space, stronger sales and continuing construction progress of the Lumi Tropicana and Enesta Kepong projects. With the higher revenues attained, the Group reported a higher pre-tax profit of RM24.36 million as compared to the corresponding period's pre-tax profit of RM14.91 million.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	2Q 2019	1Q 2019	Decrease
	RM'000	RM'000	%
Revenue	48,851	99,589	-51
Profit before taxation	5,527	18,830	-71

The Group recorded lower revenues of RM48.85 million as compared to the preceding quarter's revenues of RM99.59 million mainly due to the sale recognition for Lumi Tropicana's retail space in preceding quarter and the slower construction progress for our development projects in the current quarter. Accordingly, with the lower revenue in the current quarter under review, the Group reported a lower pre-tax profit of RM5.53 million as compared to the preceding quarter's pre-tax profit of RM18.83 million.

17. PROSPECTS

Lumi Tropicana

Lumi Tropicana achieved an average take up rate exceeding 80% for the units launched. Amid continued construction progress and expected steady buyer interest, we should complete selling the bulk of the remaining unsold units in 2019. Meanwhile, we are launching the last of the four towers comprising the remaining 186 units of serviced residences, namely Lifestyle Tower. Sales for Lifestyle Tower thus far have been commendable, and we expect buyer interest to remain strong for the rest of the year. Our Phase 1 towers are structurally completed, with vacant possession expected by the end of 2019. The construction of Phase 2 is also well advanced, having reached up to level 24 and level 20 in Towers 3 and 4 respectively.

Kepong

In Kepong, both projects (Residensi ENESTA Kepong and Suite eNESTa Kepong) had been launched and received very encouraging responses from purchasers. All the non-bumiputra residential units for both projects have been fully sold. We are pleased to report that overall, the average take-up rate has exceeded 80% and further sales are expected upon the approval for release of more units from the bumiputra quota to non-bumiputra by the relevant authorities. Residensi ENESTA Kepong's physical construction is nearing completion, and we anticipate to hand over the units to buyers by the end of 2019. The main building works for Suite eNESTa Kepong has attained the seventh car park floor and is estimated to be completed by end of 2020.

Northern Region

Desa Aman itself has developed into a matured township, and we are optimistic that our projects there such as the 4 blocks medium cost apartments (Residensi ENESTA Desa Aman) and double storey shop offices in Bukit Panchor which were progressively launched since the last quarter of 2018, will maintain the positive sales trend from prior years. Aside from the projects in Desa Aman and Bukit Panchor, we are also entering into a new affordable housing market in Behrang, Perak, expected to commence in the first half of 2020.

17. PROSPECTS (CONTINUED)

Overall

For the remaining six months of 2019, we expect to maintain our financial performance, supported by the encouraging sales and continuing progress of ongoing projects which will contribute positively to the Group. We are cautiously optimistic that the local property market will remain stable, and potentially show signs of recovery in the second half of the year particularly in sub-sectors such as affordable housing, while demand in prime areas will be supported by scarcity values and resilient market liquidity.

On the back of strong sales responses received from our developments launched, the Group has built up unbilled sales of approximately RM360 million to be delivered over the next two (2) financial years, with good prospects of continuing this encouraging sales trend. With our ongoing marketing events, our current active project portfolio (as elaborated above), is expected to contribute positively to the Group's financial performance.

18. VARIANCE FROM PROFIT FORECAST OR PROFIT GUARANTEE

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

19. PROFIT BEFORE TAXATION

	2nd Quarter Ended		6 Months Ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting) the following:-				
Depreciation of property, plant and equipment	623	594	1,212	1,190
Amortisation of right-of-use assets	193	-	469	-
Depreciation of investment properties	-	7	4	14
Amortisation on goodwill	-	222	-	696
Gain on disposal of investment properties	-	-	(1,214)	-
Interest expense	705	628	1,380	1,185
Interest income	(43)	(58)	(77)	(119)

20. TAX EXPENSE

	2nd Quarter Ended		6 Months Ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Tax expense				
Income tax	1,484	2,895	6,100	4,065
Deferred tax	(38)	(71)	(254)	(266)
Total tax expense charged in current period	1,446	2,824	5,846	3,799

The effective tax rate of the Group for the current quarter was marginally higher than the statutory tax rate of 24% mainly due to losses from other subsidiaries which reduced the profit before tax of the Group.

21. CORPORATE PROPOSALS

There were no corporate proposals announced but not completed during the financial period ended 30 June 2019.

22. BANK BORROWINGS

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

	30.06.2019	31.12.2018
	RM'000	RM'000
Borrowings denominated in Ringgit Malaysia:		
Short Term - Secured	76,665	98,523
Long Term - Secured	23,706	23,696
	<u>100,371</u>	<u>122,219</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 2019.

25. 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:-

	2nd Quarter Ended		6 Months Ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Profit for the period	4,081	7,538	18,511	11,108
Add back: Non-controlling interest	(607)	(601)	(1,279)	(546)
Profit attributable to the owners of the Company	<u>3,474</u>	<u>6,937</u>	<u>17,232</u>	<u>10,562</u>
Weighted average number of ordinary shares in issue ('000) ("WAVOS")	<u>546,943</u>	<u>497,243</u>	<u>531,320</u>	<u>497,243</u>
Basic earnings per ordinary share (sen) ("EPS")	<u>0.64</u>	<u>1.40</u>	<u>3.24</u>	<u>2.12</u>

There are no dilution effects for the bonus issue of warrants on the ordinary shares due to the warrants' adjusted exercise price of 48 sen being out-of-the-money since their listing on 13 October 2015. Accordingly, the diluted earning per ordinary share for the reporting quarter and financial period to-date are equal to the basic earning per ordinary share.

The WAVOS and EPS has been restated to take into account the effect of bonus issues for the financial period ended 30 June 2018.