

**THRIVEN GLOBAL BERHAD**

(Incorporated in Malaysia - 182350-H)

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

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	NOTE	Current Quarter Ended 30.09.19 RM'000	Comparative Quarter Ended 30.09.18 RM'000	9 Months Cumulative To 30.09.19 RM'000	9 Months Cumulative To 30.09.18 RM'000
Revenue		41,553	65,358	189,993	173,154
Cost of sales		<u>(27,183)</u>	<u>(51,027)</u>	<u>(141,900)</u>	<u>(133,187)</u>
Gross profit		14,370	14,331	48,093	39,967
Operating expenses		(5,516)	(4,485)	(15,412)	(14,467)
Other operating income		<u>282</u>	<u>71</u>	<u>2,192</u>	<u>509</u>
Profit from operations		9,136	9,917	34,873	26,009
Finance cost		<u>(766)</u>	<u>(653)</u>	<u>(2,146)</u>	<u>(1,838)</u>
Profit before taxation		8,370	9,264	32,727	24,171
Tax expense	20	<u>(2,319)</u>	<u>(2,044)</u>	<u>(8,165)</u>	<u>(5,843)</u>
Profit for the period		6,051	7,220	24,562	18,328
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>6,051</u>	<u>7,220</u>	<u>24,562</u>	<u>18,328</u>
<b>Profit for the period, total comprehensive income for the period attributable to:</b>					
Owners of the Company		5,153	7,141	22,385	17,703
Non-controlling interests		<u>898</u>	<u>79</u>	<u>2,177</u>	<u>625</u>
		<u>6,051</u>	<u>7,220</u>	<u>24,562</u>	<u>18,328</u>
<b>Earnings per ordinary share (sen)</b>					
Basic / Diluted	25	<u>0.94</u>	<u>1.44</u>	<u>4.17</u>	<u>3.56</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 STATEMENTS OF FINANCIAL POSITION**

	NOTE	As At 30.09.2019 RM '000 (Unaudited)	As At 31.12.2018 RM '000 (Audited)
<b>Assets</b>			
<i>Non-Current Assets</i>			
Property, plant and equipment	10	6,833	7,966
Investment properties		-	825
Inventories		31,143	33,502
Right-of-use assets		21,211	-
Goodwill		5,314	5,314
Deferred tax assets		56	-
		<u>64,557</u>	<u>47,607</u>
<i>Current Assets</i>			
Inventories		222,135	245,796
Trade and other receivables		112,407	72,667
Income tax recoverable		242	1,059
Cash and bank balances		9,519	11,053
		<u>344,303</u>	<u>330,575</u>
<b>Total Assets</b>		<u>408,860</u>	<u>378,182</u>
<b>Equity and Liabilities</b>			
<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		47,918	25,533
		<u>211,190</u>	<u>178,942</u>
Non-controlling interests		<u>(1,102)</u>	<u>(3,279)</u>
<b>Total Equity</b>		<u>210,088</u>	<u>175,663</u>
<i>Non-Current Liabilities</i>			
Bank borrowings	22	20,808	23,696
Deferred tax liabilities		-	406
Lease liabilities		2,180	-
Redeemable preference shares		2,493	2,493
		<u>25,481</u>	<u>26,595</u>
<i>Current Liabilities</i>			
Bank borrowings	22	75,933	98,523
Trade and other payables		75,384	76,710
Lease liabilities		19,122	-
Income tax payable		2,852	691
		<u>173,291</u>	<u>175,924</u>
<b>Total Liabilities</b>		<u>198,772</u>	<u>202,519</u>
<b>Total Equity and Liabilities</b>		<u>408,860</u>	<u>378,182</u>
Net assets per share attributable to owners of the Company (RM)		<u>0.39</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 STATEMENTS 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
<b>At 1 January 2019</b>	49,724	14,126	89,559	25,533	178,942	(3,279)	175,663
Total comprehensive income for the period	-	-	-	22,385	22,385	2,177	24,562
Issue of ordinary shares via private placement	9,863	-	-	-	9,863	-	9,863
<b>At 30 September 2019</b>	<b>59,587</b>	<b>14,126</b>	<b>89,559</b>	<b>47,918</b>	<b>211,190</b>	<b>(1,102)</b>	<b>210,088</b>
<b>At 1 January 2018</b>	44,852	14,126	89,559	11,056	159,593	(3,833)	155,760
Total comprehensive income for the period	-	-	-	17,703	17,703	625	18,328
Issue of ordinary shares from subsidiary	-	-	-	-	-	4	4
Issue of redeemable preference shares from subsidiary	-	-	-	-	-	2,493	2,493
Issue of bonus shares	4,872	-	-	(4,872)	-	-	-
<b>At 30 September 2018</b>	<b>49,724</b>	<b>14,126</b>	<b>89,559</b>	<b>23,887</b>	<b>177,296</b>	<b>(711)</b>	<b>176,585</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 2018 and the accompanying explanatory notes attached to the interim financial statements)

**THRIVEN GLOBAL BERHAD**

(Incorporated in Malaysia - 182350-H)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

The figures have not been audited.

	<-----9 Months Ended----->	
	30.09.2019	30.09.2018
	RM '000	RM '000
<b>Cash Flows from Operating Activities</b>		
Profit before tax	32,727	24,171
Adjustments for :-		
Depreciation of property, plant and equipment	1,833	1,781
Amortisation of right-of-use assets	989	-
Depreciation of investment properties	4	21
Gain on disposal of investment properties	(1,214)	-
Interest expense	2,146	1,838
Interest income	(122)	(186)
Operating cash flows before changes in working capital	<u>36,363</u>	<u>27,625</u>
Changes in working capital:		
Inventories	26,020	41,429
Receivables	(39,740)	3,071
Payables	1,724	(16,863)
Related companies	(3,050)	(23,443)
Cash generated from operating activities	<u>21,317</u>	<u>31,819</u>
Interest paid	(2,146)	(1,838)
Tax paid	(5,649)	(3,522)
Net cash generated from operating activities	<u>13,522</u>	<u>26,459</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(700)	(606)
Additions to investment properties under construction	-	(1,274)
Proceeds from changes in ownership interests in a subsidiary	-	2,497
Proceeds from disposal of investment properties	2,035	-
Interest received	122	186
Net cash generated from investing activities	<u>1,457</u>	<u>803</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of shares	9,863	-
Net repayment of borrowings	(11,275)	(27,950)
(Placement)/Uplift of pledged deposits	(206)	441
Repayment of lease liabilities	(898)	-
Net cash used in financing activities	<u>(2,516)</u>	<u>(27,509)</u>
Net increase/(decrease) in Cash & Cash Equivalents	12,463	(247)
Cash & Cash Equivalents at beginning of financial period	(12,706)	(6,934)
Cash & Cash Equivalents at end of financial period	<u>Note A</u> <u>(243)</u>	<u>(7,181)</u>

**Note A :**

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

- Cash and deposits with licensed banks	9,519	13,610
- Bank overdrafts	(8,898)	(20,537)
- Deposits pledged	(864)	(254)
	<u>(243)</u>	<u>(7,181)</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 SEPTEMBER 2019**

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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 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 "right-of-use assets" and "lease liabilities" for all leases with tenures of more than 12 months, representing their rights to use the underlying leased assets and the obligations to make lease payments respectively. Accordingly, the Group and the Company as lessees recognise depreciation of the right-of-use assets and interest on the lease liabilities, as well as classifying cash repayments of the lease liabilities into principal and interest portions in the statement of cash flows. The right-of-use assets and lease liabilities are initially measured on a present value basis as follows:-

	<b>As at 31.12.2018 RM'000</b>	<b>Effects of MFRS 16 RM'000</b>	<b>As at 1.1.2019 RM'000</b>
<b>Non-Current Asset</b>			
Right-of-use assets	-	2,701	2,701
<b>Non-Current liability</b>			
Lease liabilities	-	1,066	1,066
<b>Current liability</b>			
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 September 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 September 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 September 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 September 2019.

### 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 2019</b>				
Total Revenue				
External Revenue	189,758	235	-	189,993
Inter-segment revenue	-	11,121	(11,121)	-
	189,758	11,356	(11,121)	189,993
Profit from operations	32,517	3,098	(742)	34,873

**9. SEGMENTAL REPORTING (CONTINUED)**

**a) Segment revenue and results (continued)**

	<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 2018</b>				
Total Revenue				
External Revenue	172,466	688	-	173,154
Inter-segment revenue	-	9,273	(9,273)	-
	172,466	9,961	(9,273)	173,154
Profit from operations	24,672	651	686	26,009

**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 2019</b>				
Segment assets	407,001	317,131	(312,535)	411,597
Segment liabilities	296,205	122,452	(219,875)	198,782
<b>As at 31 December 2018</b>				
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 September 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 September 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**

	<b>3rd Quarter Ended</b>		<b>9 Months Ended</b>	
	<b>30.09.2019</b>	<b>30.09.2018</b>	<b>30.09.2019</b>	<b>30.09.2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Directors</b>				
-Revenues recognised from the sale of properties under construction	993	1,194	450	5,186



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

**15. REVIEW OF PERFORMANCE**

	<b>9 Months Ended</b>		<b>Increase</b> <b>%</b>
	<b>30.09.2019</b> <b>RM'000</b>	<b>30.09.2018</b> <b>RM'000</b>	
Revenue	189,993	173,154	10
Profit before taxation	32,727	24,171	35

The Group achieved revenues of RM189.99 million, which was 10% higher than the corresponding period's revenues of RM173.15 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 RM32.73 million as compared to the corresponding period's pre-tax profit of RM24.17 million.

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

	<b>3Q 2019</b> <b>RM'000</b>	<b>2Q 2019</b> <b>RM'000</b>	<b>(Decrease)/</b> <b>Increase</b> <b>%</b>
Revenue	41,553	48,851	(15)
Profit before taxation	8,370	5,527	51

The Group recorded lower revenues of RM41.55 million as compared to the preceding quarter's revenues of RM48.85 million mainly due to slower construction progress for our development projects in the current quarter. Despite the lower revenue in the quarter under review, the Group reported a higher pre-tax profit of RM8.37 million as compared to the preceding quarter's pre-tax profit of RM5.53 million, mainly due to certain cost savings achieved in relation to the Lumi Tropicana project.

**17. PROSPECTS**

Lumi Tropicana

Lumi Tropicana achieved an average take up rate exceeding 80% for the units launched. In April this year, we started selling the last of the four towers comprising the remaining 186 units of serviced residences, namely Lifestyle Tower. Sales for Lifestyle Tower units thus far have been commendable, and we expect buyer interest to remain strong for the rest of the year. Our Phase 1 towers are expected to be completed by the end of 2019. The construction of Phase 2 is also well advanced, having reached up to level 33 and level 25 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 85% and further sales are expected upon the approval for release of more units from the bumiputra quota to non-bumiputra by the relevant authorities. We anticipate the completion of Residensi ENESTA Kepong at the end of 2019. The main building works for Suite eNESTa Kepong has attained level 9 and is estimated to be completed by the 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 of 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 quarter 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. For the next 6 to 12 months, we are cautiously optimistic that the local property market will remain stable, and show signs of recovery 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 more than RM350 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

	3rd Quarter Ended		9 Months Ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	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	621	591	1,833	1,781
Amortisation of right-of-use assets	520	-	989	-
Depreciation of investment properties	-	7	4	21
Amortisation on goodwill	-	(696)	-	-
Gain on disposal of investment properties	-	-	(1,214)	-
Interest expense	766	653	2,146	1,838
Interest income	(45)	(67)	(122)	(186)

## 20. TAX EXPENSE

	3rd Quarter Ended		9 Months Ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	RM'000	RM'000	RM'000	RM'000
<b>Tax expense</b>				
Income tax	2,526	2,231	8,626	6,296
Deferred tax	(207)	(187)	(461)	(453)
Total tax expense charged in current period	2,319	2,044	8,165	5,843

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 September 2019.

## 22. BANK BORROWINGS

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

	<b>30.09.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Borrowings denominated in Ringgit Malaysia:		
Short Term - Secured	75,933	98,523
Long Term - Secured	20,808	23,696
	<u>96,741</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 September 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:-

	<b>3rd Quarter Ended</b>		<b>9 Months Ended</b>	
	<b>30.09.2019</b>	<b>30.09.2018</b>	<b>30.09.2019</b>	<b>30.09.2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	6,051	7,220	24,562	18,328
Add: Non-controlling interest	(898)	(79)	(2,177)	(625)
Profit attributable to the owners of the Company	<u>5,153</u>	<u>7,141</u>	<u>22,385</u>	<u>17,703</u>
Weighted average number of ordinary shares in issue ('000) ("WAVOS")	<u>546,943</u>	<u>497,243</u>	<u>536,584</u>	<u>497,243</u>
Basic earnings per ordinary share (sen) ("EPS")	<u>0.94</u>	<u>1.44</u>	<u>4.17</u>	<u>3.56</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 earnings per ordinary share for the reporting quarter and financial period to-date are equal to the basic earnings per ordinary share.