THRIVEN GLOBAL BERHAD

(Incorporated in Malaysia - 182350-H)

Quarterly report on consolidated results for the financial year ended 31 December 2019

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	NOTE	Current Quarter Ended 31.12.19 RM'000 (Unaudited)	Comparative Quarter Ended 31.12.18 RM'000 (Unaudited)	12 Months Cumulative To 31.12.19 RM'000 (Unaudited)	12 Months Cumulative To 31.12.18 RM'000 (Audited)
Revenue		46,415	65,925	236,408	239,079
Cost of sales		(42,510)	(58,528)	(184,410)	(191,715)
Gross profit		3,905	7,397	51,998	47,364
Other expenses		(6,969)	(4,733)	(22,381)	(19,200)
Other income		253	1,205	2,445	1,714
Profit from operations		(2,811)	3,869	32,062	29,878
Finance costs		(661)	(671)	(2,807)	(2,509)
(Loss)/Profit before tax		(3,472)	3,198	29,255	27,369
Tax expense	20	(288)	(6)	(8,453)	(5,849)
(Loss)/Profit for the year		(3,760)	3,192	20,802	21,520
Other comprehensive (loss)/income		-	-	-	-
Total comprehensive (loss)/income for the year		(3,760)	3,192	20,802	21,520
(Loss)/ Profit for the year, total comprehensive (loss)/income for the year attributable to:					
Owners of the Parent		(5,447)	2,692	16,938	20,395
Non-controlling interests		1,687	500	3,864	1,125
		(3,760)	3,192	20,802	21,520
Earnings per ordinary share (sen)					
Basic / Diluted	25	(1.00)	0.54	3.14	4.10

(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 31.12.2019 RM '000 (Unaudited)	As At 31.12.2018 RM '000 (Audited)
Assets			
Non-Current Assets			
Property, plant and equipment		6,154	7,966
Investment properties		26,263	825
Inventories		30,398	33,502
Right-of-use assets		1,622	-
Goodwill		5,314	5,314
Deferred tax assets		490	-
		70,241	47,607
Current Assets			
Inventories		195,471	245,796
Trade and other receivables		139,685	72,667
Current tax assets		622	1,059
Cash and bank balances		16,701	11,053
		352,479	330,575
Total Assets		422,720	378,182
Equity and Liabilities			
Equity attributable to owners of the Parent			
Share capital		59,587	49,724
Warrant reserve		14,126	14,126
Capital reserve		89,559	89,559
Retained earnings		40,572	25,533
		203,844	178,942
Non-controlling interests		585	(3,279)
Total Equity		204,429	175,663
Non-Current Liabilities			
Bank borrowings	22	8,958	23,696
Deferred tax liabilities		-	406
Lease liabilities		543	-
Redeemable preference shares		2,493	2,493
		11,994	26,595
Current Liabilities			
Bank borrowings	22	73,254	98,523
Trade and other payables		99,403	76,710
Lease liabilities		1,128	-
Other current liabilities		27,774	-
Contract liabilities		2,246	-
Current tax liabilities		2,492	691
		206,297	175,924
Total Liabilities		218,291	202,519
Total Equity and Liabilities		422,720	378,182
Net assets per share attributable to owners of the Parent (RM)		0.37	0.36

(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 Parent -------------------->						
	<-------------- 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**
(Unaudited)							
At 1 January 2019	49,724	14,126	89,559	25,533	178,942	(3,279)	175,663
Impact of adoption of MFRS 16	-	-	-	(1,899)	(1,899)	-	(1,899)
At 1 January 2019, restated	49,724	14,126	89,559	23,634	177,043	(3,279)	173,764
Total comprehensive income for the year	-	-	-	16,938	16,938	3,864	20,802
Issue of ordinary shares via private placement	9,863	-	-	-	9,863	-	9,863
At 31 December 2019	59,587	14,126	89,559	40,572	203,844	585	204,429
(Audited)							
At 1 January 2018	44,852	14,126	89,559	11,056	159,593	(3,833)	155,760
Impact of adoption of MFRS 9	-	-	-	(1,481)	(1,481)	(140)	(1,621)
At 1 January 2018, restated	44,852	14,126	89,559	9,575	158,112	(3,973)	154,139
Total comprehensive income for the year	-	-	-	20,395	20,395	1,125	21,520
Acquisition of shares by non-controlling interests of a subsidiary	-	-	-	435	435	(431)	4
Issue of bonus shares	4,872	-	-	(4,872)	-	-	-
At 31 December 2018	49,724	14,126	89,559	25,533	178,942	(3,279)	175,663

(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

		<--------12 Months Ended------->	
		31.12.2019	**31.12.2018**
		RM '000	**RM '000**
		(Unaudited)	**(Audited)**
Cash Flows from Operating Activities			
Profit before tax		29,255	27,369
Adjustments for :-			
Depreciation of property, plant and equipment		2,433	2,369
Amortisation of right-of-use assets		1,118	-
Depreciation of investment properties		4	27
Property, plant & equipment written off		284	-
Gain on disposal of investment properties		(1,214)	-
Reversal of impairment loss on trade and other receivables		(39)	(1,133)
Reversal of impairment loss on accrued billing		(250)	-
Bad debts written off		-	30
Impairment losses on trade and other receivables		737	109
Finance costs		2,807	2,509
Interest income		(190)	(241)
Operating profit before changes in working capital		34,945	31,039
Changes in working capital:			
Inventories		53,429	39,024
Receivables		(67,466)	(10,431)
Payables		53,265	12,999
Related companies		(3,050)	(26,739)
Cash generated from operating activities		71,123	45,892
Interest paid		(2,807)	(2,509)
Tax paid		(7,615)	(7,197)
Tax refund		1,103	-
Net cash generated from operating activities		61,804	36,186
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(905)	(728)
Additions to investment properties		(26,263)	(2,201)
Proceeds from disposal of investment properties		2,035	-
Interest received		190	241
Net cash used in investing activities		(24,943)	(2,688)
Cash Flows from Financing Activities			
Issuance of redeemable preference shares to non-controlling interests by a subsidiary		-	2,493
Ordinary share capital contributed by non-controlling interests of a subsidiary		-	4
Proceeds from issuance of shares		9,863	-
Net repayment of borrowings		(20,501)	(41,805)
(Placement)/Uplift of pledged deposits		(224)	38
Repayment of lease liabilities		(1,069)	-
Net cash used in financing activities		(11,931)	(39,270)
Net increase/(decrease) in Cash & Cash Equivalents		24,930	(5,772)
Cash & Cash Equivalents at beginning of financial year		(12,706)	(6,934)
Cash & Cash Equivalents at end of financial year	**Note A**	12,224	(12,706)

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

- Cash and deposits with licensed banks	16,701	11,053
- Bank overdrafts	(3,596)	(23,102)
- Deposits pledged	(881)	(657)
	12,224	(12,706)

(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)

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:-

	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	-	2,740	2,740
Deferred tax assets	-	599	599
Non-Current liability			
Lease liabilities	-	1,671	1,671
Current liability			
Lease liabilities	-	1,069	1,069
Contract liabilities	-	2,498	2,498
Equity			
Retained earnings	25,533	(1,899)	23,634

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 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 year ended 31 December 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 year ended 31 December 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 year ended 31 December 2019.

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 2019				
Total Revenue				
External Revenue	236,099	309	-	236,408
Inter-segment revenue	-	15,262	(15,262)	-
	236,099	15,571	(15,262)	236,408
Profit from operations	30,898	8,174	(7,010)	32,062

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
12 months ended 31 December 2018				
Total Revenue				
External Revenue	238,292	787	-	239,079
Inter-segment revenue	-	5,699	(5,699)	-
	238,292	6,486	(5,699)	239,079
Profit from operations	28,270	854	754	29,878

b) Segment assets and liabilities

	Property Development RM'000	Investment Holding / Others RM'000	Elimination RM'000	Consolidated RM'000
As at 31 December 2019				
Segment assets	447,050	323,495	(347,825)	422,720
Segment liabilities	337,466	125,660	(244,835)	218,291
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 year ended 31 December 2019.

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 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

	4th Quarter Ended		12 Months Ended	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Directors				
-Revenues recognised from the sale of properties under construction	602	(1,518)	1,052	3,668

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		(Decrease)/
	31.12.2019 RM'000	31.12.2018 RM'000	Increase %
Revenue	236,408	239,079	-1
Profit before tax	29,255	27,369	7

The Group achieved revenues of RM236.41 million, which was 1% lower than the corresponding year's revenues of RM239.08 million. The drop was mainly caused by lower revenue recognition from our Lumi Tropicana project as a result of the provision of liquidated ascertained damages for the delay in Lumi Tropicana Phase 1 handover, compensated by better sales for eNesta Kepong and Desa Aman.

Despite the lower revenues attained, the Group reported a higher pre-tax profit of RM29.26 million as compared to the corresponding period's pre-tax profit of RM27.37 million. The improvement in pre-tax profit was principally contributed by the lower cost of sales and higher other income (from investment property disposal gains), partially offset by higher operating expenses in 2019.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	4Q 2019 RM'000	3Q 2019 RM'000	Increase/ (Decrease) %
Revenue	46,415	41,553	12
(Loss)/Profit before tax	(3,472)	8,370	-141

The Group recorded higher revenues of RM46.42 million as compared to the preceding quarter's revenues of RM41.55 million which were mainly attributable to higher revenues derived from the stronger sales and continuing construction progress of the Lumi Tropicana project. Despite the higher revenues, the Group reported a pre-tax loss of RM3.47 million as compared to the preceding quarter's pre-tax profit of RM8.37 million. The loss was due to amongst others, an increase in Lumi Tropicana's project costs and operating expenses (mostly rental expenses, sales and marketing costs), together with impairment losses on trade and other receivables arising from expected credit losses and the reversal of Lumi Retail's gross profit in accordance to MFRS 9 and MFRS 16 respectively.

17. PROSPECTS

Lumi Tropicana

Lumi Tropicana (Phase 1) and Lumi Tropicana (Wellness Tower/Tower 3) achieved an average take up rate of 90% and 70% respectively for the units launched. In April 2019, 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 into 2020. Our Phase 1 towers are completed in January 2020, pending handover by the first half of 2020. The construction of Phase 2 is also well advanced, having reached up to level 40 (roof slab) and level 33 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. Handover of Residensi ENESTA Kepong is expected by the first half of 2020. The main building works for Suite eNESTa Kepong has attained level 11 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 its current positive sales trend in 2020. 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 second half of 2020.

17. PROSPECTS (CONTINUED)

Overall

For the year 2020, 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. We are entering into a new affordable housing market in Behrang, Perak, expected to commence in the second half of 2020.

On the back of strong sales responses received from our developments launched, the Group has built up unbilled sales of more than RM330 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

	4th Quarter Ended		12 Months Ended	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Profit before tax is arrived at after				
Depreciation of property, plant and equipment	600	588	2,433	2,369
Amortisation of right-of-use assets	129	-	1,118	-
Depreciation of investment properties	-	6	4	27
Impairment loss on trade receivables	737	109	737	109
Property, plant and equipment written off	284	-	284	-
Bad debts written off	-	30	-	30
Reversal of impairment loss on trade and other receivables	(39)	(1,133)	(39)	(1,133)
Reversal of impairment loss on accrued billing	(250)	-	(250)	-
Gain on disposal of investment properties	-	-	(1,214)	-
Finance costs	661	671	2,807	2,509
Interest income	(68)	(56)	(190)	(241)

20. TAX EXPENSE

	4th Quarter Ended		12 Months Ended	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Tax expense				
Income tax	109	820	8,735	7,116
Deferred tax	179	(814)	(282)	(1,267)
Total tax expense charged in current year	288	6	8,453	5,849

The effective tax rates of the Group for the current quarter and current financial year were higher than the statutory tax rate of 24%, due mainly to the underprovision of tax in prior years and 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 year ended 31 December 2019.

22. BANK BORROWINGS

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

	31.12.2019 RM'000	31.12.2018 RM'000
Borrowings denominated in Ringgit Malaysia:		
Short Term - Secured	73,254	98,523
Long Term - Secured	8,958	23,696
	82,212	122,219

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 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:-

	4th Quarter Ended		12 Months Ended	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
(Loss)/Profit for the period	(3,760)	3,192	20,802	21,520
Add: Non-controlling interests	(1,687)	(500)	(3,864)	(1,125)
(Loss)/Profit attributable to the owners of the Parent	(5,447)	2,692	16,938	20,395
Weighted average number of ordinary shares in issue ('000) ("WAVOS")	546,943	497,243	539,195	497,243
Basic earnings per ordinary share (sen) ("EPS")	(1.00)	0.54	3.14	4.10

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 year are equal to the basic earnings per ordinary share.