

**THRIVEN GLOBAL BERHAD**

(Incorporated in Malaysia - 198901005042 (182350 - H))

**Quarterly report on consolidated results for the financial period ended 31 March 2020****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	NOTE	Current Quarter Ended 31.03.20 RM'000 (Unaudited)	Comparative Quarter Ended 31.03.19 RM'000 (Unaudited)	3 Months Cumulative To 31.03.20 RM'000 (Unaudited)	3 Months Cumulative To 31.03.19 RM'000 (Unaudited)
Revenue		41,655	99,589	41,655	99,589
Cost of sales		<u>(36,024)</u>	<u>(76,887)</u>	<u>(36,024)</u>	<u>(76,887)</u>
Gross profit		5,631	22,702	5,631	22,702
Other expenses		(4,519)	(4,801)	(4,519)	(4,801)
Other income		<u>236</u>	<u>1,604</u>	<u>236</u>	<u>1,604</u>
Profit from operations		1,348	19,505	1,348	19,505
Finance costs		<u>(1,353)</u>	<u>(675)</u>	<u>(1,353)</u>	<u>(675)</u>
(Loss)/Profit before tax		(5)	18,830	(5)	18,830
Tax expense	20	<u>(1,008)</u>	<u>(4,400)</u>	<u>(1,008)</u>	<u>(4,400)</u>
(Loss)/Profit for the period		(1,013)	14,430	(1,013)	14,430
Other comprehensive (loss)/income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the period		<u>(1,013)</u>	<u>14,430</u>	<u>(1,013)</u>	<u>14,430</u>
<b>(Loss)/ Profit for the period, total comprehensive (loss)/income for the period attributable to:</b>					
Owners of the Parent		(1,144)	13,758	(1,144)	13,758
Non-controlling interests		<u>131</u>	<u>672</u>	<u>131</u>	<u>672</u>
		<u>(1,013)</u>	<u>14,430</u>	<u>(1,013)</u>	<u>14,430</u>
<b>Earnings per ordinary share (sen)</b>					
Basic / Diluted	25	<u>(0.21)</u>	<u>2.67</u>	<u>(0.21)</u>	<u>2.67</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 2019 and the accompanying explanatory notes attached to the interim financial statements)

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	NOTE	As At 31.03.2020 RM '000 (Unaudited)	As At 31.12.2019 RM '000 (Audited)
<b>Assets</b>			
<i>Non-Current Assets</i>			
Property, plant and equipment		6,627	7,777
Investment properties		26,659	26,263
Inventories		30,447	30,398
Goodwill		5,314	5,314
Deferred tax assets		711	490
		<u>69,758</u>	<u>70,242</u>
<i>Current Assets</i>			
Inventories		169,460	195,471
Trade and other receivables		6,164	16,291
Contract assets		142,751	124,381
Current tax assets		1,240	622
Cash and bank balances		23,913	16,701
		<u>343,528</u>	<u>353,466</u>
<b>Total Assets</b>		<u>413,286</u>	<u>423,708</u>
<b>Equity and Liabilities</b>			
<i>Equity attributable to owners of the Parent</i>			
Share capital		59,586	59,586
Warrant reserve		14,126	14,126
Capital reserve		89,559	89,559
Retained earnings		39,428	40,572
		<u>202,699</u>	<u>203,843</u>
Non-controlling interests		716	585
<b>Total Equity</b>		<u>203,415</u>	<u>204,428</u>
<i>Non-Current Liabilities</i>			
Borrowings	22	5,927	8,304
Lease liabilities		849	1,197
Redeemable preference shares		2,493	2,493
		<u>9,269</u>	<u>11,994</u>
<i>Current Liabilities</i>			
Borrowings	22	104,185	100,787
Trade and other payables		88,416	99,220
Lease liabilities		1,023	1,368
Contract liabilities		4,224	3,419
Current tax liabilities		2,754	2,492
		<u>200,602</u>	<u>207,286</u>
<b>Total Liabilities</b>		<u>209,871</u>	<u>219,280</u>
<b>Total Equity and Liabilities</b>		<u>413,286</u>	<u>423,708</u>
Net assets per share attributable to owners of the Parent (RM)		<u>0.37</u>	<u>0.37</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 2019 and the accompanying explanatory notes attached to the interim financial statements)

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**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
<b>(Unaudited)</b>							
<b>At 1 January 2020</b>	59,586	14,126	89,559	40,572	203,843	585	204,428
Total comprehensive (loss)/income for the period	-	-	-	(1,144)	(1,144)	131	(1,013)
<b>At 31 March 2020</b>	<u>59,586</u>	<u>14,126</u>	<u>89,559</u>	<u>39,428</u>	<u>202,699</u>	<u>716</u>	<u>203,415</u>
<b>(Unaudited)</b>							
<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	-	-	-	13,758	13,758	672	14,430
Issue of ordinary shares via private placement	9,862	-	-	-	9,862	-	9,862
<b>At 31 March 2019</b>	<u>59,586</u>	<u>14,126</u>	<u>89,559</u>	<u>39,291</u>	<u>202,562</u>	<u>(2,607)</u>	<u>199,955</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 2019 and the accompanying explanatory notes attached to the interim financial statements)**

**THRIVEN GLOBAL BERHAD**

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<-----3 Months Ended----->	
	31.03.2020	31.03.2019
	RM '000	RM '000
	(Unaudited)	(Unaudited)
<b>Cash Flows from Operating Activities</b>		
(Loss)/Profit before tax	(5)	18,830
Adjustments for :-		
Depreciation of property, plant and equipment	794	865
Depreciation of investment properties	-	4
Property, plant & equipment written off	372	-
Gain on disposal of investment properties	-	(1,214)
Finance costs	1,353	675
Interest income	(59)	(34)
Operating profit before changes in working capital	2,455	19,126
Changes in working capital:		
Inventories	26,100	33,586
Receivables	(8,243)	(44,929)
Payables	(9,999)	1,420
Related companies	-	(3,050)
Cash generated from operating activities	10,313	6,153
Interest paid	(1,353)	(675)
Tax paid	(1,585)	(2,748)
Net cash generated from operating activities	7,375	2,730
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(154)	(345)
Additions to investment properties	(396)	-
Proceeds from disposal of investment properties	-	2,035
Interest received	59	34
Net cash (used in)/generated from investing activities	(491)	1,724
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of shares	-	9,863
Net drawdown/(repayment) of borrowings	1,063	(15,935)
Placement of pledged deposits	(4)	-
Repayment of lease liabilities	(693)	(260)
Net cash generated from/(used in) financing activities	366	(6,332)
Net increase/(decrease) in Cash & Cash Equivalents	7,250	(1,878)
Cash & Cash Equivalents at beginning of financial period	12,226	(12,706)
Cash & Cash Equivalents at end of financial period	19,476	(14,584)

**Note A :**

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

- Cash and deposits with licensed banks	23,913	6,661
- Bank overdrafts	(3,553)	(20,587)
- Deposits pledged	(884)	(658)
	19,476	(14,584)

**(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 2019 and the accompanying explanatory notes attached to the interim financial statements)**

**FINANCIAL PERIOD ENDED 31 MARCH 2020**

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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 2019.

**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 2019 except for the adoption of the following:-

Amendments to References to the Conceptual Framework in MFRS Standards

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 9	Interest Rate Benchmark Reform
Amendments to MFRS 101	Definition of Material
Amendments to MFRS 108	Definition of Material
Amendments to MFRS 139	Interest Rate Benchmark Reform

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 2020.

**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 2020.

**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 31 March 2020.

**8. PAYMENT OF DIVIDEND**

No dividend was paid during the current financial period ended 31 March 2020.

**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>3 months ended 31 March 2020</b>				
Total Revenue				
External Revenue	41,580	75	-	41,655
Inter-segment revenue	-	1,514	(1,514)	-
	<u>41,580</u>	<u>1,589</u>	<u>(1,514)</u>	<u>41,655</u>
Profit from operations	<u>1,168</u>	<u>2,113</u>	<u>(1,933)</u>	<u>1,348</u>
<b>3 months ended 31 March 2019</b>				
Total Revenue				
External Revenue	99,500	89	-	99,589
Inter-segment revenue	-	1,538	(1,538)	-
	<u>99,500</u>	<u>1,627</u>	<u>(1,538)</u>	<u>99,589</u>
Profit from operations	<u>17,512</u>	<u>1,788</u>	<u>205</u>	<u>19,505</u>

**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 31 March 2020</b>				
Segment assets	445,231	326,581	(358,526)	413,286
Segment liabilities	335,537	127,849	(253,515)	209,871
<b>As at 31 December 2019</b>				
Segment assets	420,673	350,860	(347,825)	423,708
Segment liabilities	340,679	123,437	(244,836)	219,280

Segmental information relating to geographical areas of operations is not presented as the Group operates only in Malaysia.

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**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 2020.

**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 2020.

**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>1st Quarter Ended</b>		<b>3 Months Ended</b>	
	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>31.03.2020</b>	<b>31.03.2019</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	418	727	418	727

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### 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		Decrease
	31.03.2020 RM'000	31.03.2019 RM'000	%
Revenue	41,655	99,589	(58)
(Loss)/Profit before tax	(5)	18,830	(100)

The Group achieved revenues of RM41.66 million, which was 58% lower than the corresponding period's revenues of RM99.59 million. The drop was mainly caused by the following:

- lower revenue recognition from our Lumi Tropicana project as a result of the slower construction progress which has since reached physical completion pending issuance of the Certificate of Completion and Compliance;
- provision of liquidated ascertained damages ("LAD") in view of the delay in Lumi Tropicana Phase 1's handover; and
- higher revenues in the corresponding period due to the recognition of Lumi Retail's sale revenue in that period.

Accordingly with the lower revenues attained, the Group reported a pre-tax loss of RM5k as compared to the corresponding period's pre-tax profit of RM18.83 million.

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

	1Q 2020	4Q 2019	(Decrease)/ Increase
	RM'000	RM'000	%
Revenue	41,655	46,415	(10)
Loss before tax	(5)	(3,472)	100

The Group recorded lower revenues of RM41.66 million as compared to the preceding quarter's revenues of RM46.42 million. The drop of approximately 10% was mainly attributable to slower construction progress from our eNesta Kepong project, which was affected by the seasonal holidays, and partly by the commencement of the Movement Control Order in the current quarter.

Despite the lower revenue, the Group reported a smaller pre-tax loss of RM5k as compared to the preceding quarter's pre-tax loss of RM3.47 million. The better performance in the current quarter under review was due to amongst others, a decrease in operating expenses (mostly rental expenses, sales and marketing costs), whereas impairment losses on trade and other receivables were recognised in the preceding quarter.

#### 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. Our Phase 1 construction has been completed with the certificate of practical completion received on 31 January 2020. Due to the Movement Control Order ("MCO"), vacant possession has been delayed to the third quarter of 2020. Nevertheless, construction of Phase 2 is well advanced, having reached up to level 40 (roof) and level 38 in Towers 3 and 4 respectively.



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### **17. PROSPECTS (CONTINUED)**

#### 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 now expected in the third quarter of 2020, due to delays caused by the MCO. The main building works for Suite eNESTa Kepong has attained level 13A and is estimated to be completed by the first quarter of 2021.

#### Northern Region

We have successfully completed and achieved strong sales for our single storey semi-detached houses (Indahyu) and fully sold the low medium cost apartments (Residensi eNESTa Desa Aman), continuing the positive trend from prior years. Based on these encouraging sales responses, the Group is planning to launch a series of affordable housing projects, including a new phase of affordable single storey terrace houses to meet the local market demand.

#### Covid-19 Impact Assessment

The Group has taken steps to alleviate and minimise the impact of the pandemic on our operations, which involve among others, prudent financial management and adapting our business plans to the prevailing market.

We do not have any major loan principal obligations due, other than a bridging loan which is amply secured by redemptions from existing sales. Most of our debt are revolving in nature which we have been servicing promptly. Hence, we do not anticipate any difficulty in meeting our debt obligations in the foreseeable future. In addition, to further improve liquidity, we have managed to obtain interest moratoriums (for a period of three to six months) and certain other flexibilities to our credit facilities from several of our bankers.

The Group's developments have re-commenced work and we are currently concentrating our efforts to deliver vacant possession of our existing projects (our Lumi Tropicana Phase 1 and Residensi ENESTA Kepong projects alone will yield more than RM85 million in handover proceeds within 2020), which will further strengthen our financial position and sustain our working capital requirements. We have also applied to the relevant authorities for a waiver of LAD charges due to delays attributable to the MCO in line with other property developers in the same situation. We are hopeful of obtaining approval for the waiver in due course.

The Group intends to deploy more resources to further develop our activities in the affordable housing sector as our future growth driver, particularly in Desa Aman, which continues to see resilient demand. We have already embraced the 'new normal', by better utilising our existing information technology resources and introducing new procedures to reduce health risks and increase our operating efficiencies.

#### Overall

For the financial year ending 31 December 2020 ("FY2020"), the Group's revenues will continue to be underpinned by the unbilled sales of more than RM300 million from our on-going developments, to be delivered over the next 2 financial years.

2020 will be a challenging year for the local property market particularly with the likelihood of an economic downturn caused by the COVID-19 outbreak. With the lifting of restrictions under the Conditional MCO, we are starting to re-commence our business activities, and are formulating strategies to overcome the challenges in the new economic environment. As mentioned above, the Group is focusing on delivering vacant possession for both its Klang Valley (Lumi Tropicana and eNesta Kepong) and Desa Aman Kedah projects over the next 12 months, and consolidating its property development activities in the affordable housing segment going forward.

We hope that the recent economic stimulus packages and accommodative monetary policies announced by the Government and the restart in business operations after 2 months of lockdown will kickstart and revive the economy. In particular, the Government's efforts under the PENJANA economic package to stimulate the property sector by re-introducing the Home Ownership Campaign, and exemption of real property gains tax for residential disposal, are expected to provide more impetus to market demand. Therefore, we are still cautiously optimistic that the local property market will remain relatively stable, especially in the affordable housing sub-sector, where we are planning the next phase of our Desa Aman development.

## 17. PROSPECTS (CONTINUED)

### Overall (continued)

While sales in general may take some time to fully recover, we believe that demand in prime areas (our Lumi Tropicana and eNESTa Kepong developments are strategically located in mature and prime residential areas within the Klang Valley), will continue to be supported by scarcity values, expected improved liquidity and better sentiment in 2021 and beyond.

## 18. VARIANCE FROM PROFIT FORECAST OR PROFIT GUARANTEE

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

## 19. PROFIT BEFORE TAXATION

	1st Quarter Ended		3 Months Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after				
Depreciation of property, plant and equipment	794	865	794	865
Depreciation of investment properties	-	4	-	4
Property, plant and equipment written off	372	-	372	-
Gain on disposal of investment properties	-	(1,214)	-	(1,214)
Finance costs	1,353	675	1,353	675
Interest income	(59)	(34)	(59)	(34)

## 20. TAX EXPENSE

	1st Quarter Ended		3 Months Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
<b>Tax expense</b>				
Income tax	1,229	4,616	1,229	4,616
Deferred tax	(221)	(216)	(221)	(216)
Total tax expense charged in current period	1,008	4,400	1,008	4,400

The effective tax rates of the Group for the current quarter and current financial period were higher than the statutory tax rate of 24%, due mainly to the 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 31 March 2020.

## 22. BORROWINGS

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

	31.03.2020	31.12.2019
	RM'000	RM'000
Borrowings denominated in Ringgit Malaysia:		
Short Term - Secured	104,185	100,787
Long Term - Secured	5,927	8,304
	<u>110,112</u>	<u>109,091</u>

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**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 2020.

**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>1st Quarter Ended</b>		<b>3 Months Ended</b>	
	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Loss)/profit for the period	(1,013)	14,430	(1,013)	14,430
Add: Non-controlling interests	(131)	(672)	(131)	(672)
(Loss)/Profit attributable to the owners of the Parent	<u>(1,144)</u>	<u>13,758</u>	<u>(1,144)</u>	<u>13,758</u>
Weighted average number of ordinary shares in issue ('000) ("WAVOS")	<u>546,943</u>	<u>515,523</u>	<u>546,943</u>	<u>515,523</u>
Basic earnings per ordinary share (sen) ("EPS")	<u>(0.21)</u>	<u>2.67</u>	<u>(0.21)</u>	<u>2.67</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 year are equal to the basic earnings per ordinary share.