THRIVEN GLOBAL BERHAD
(Incorporated in Malaysia - 198901005042 (182350-H))

Quarterly report on consolidated results for the financial period ended 30 September 2020

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(The figures have not been audited)

	NOTE	Current Quarter Ended 30.09.20 RM'000	Comparative Quarter Ended 30.09.19 RM'000	9 Months Cumulative To 30.09.20 RM'000	9 Months Cumulative To 30.09.19 RM'000
Revenue		49,244	41,553	112,256	189,993
Cost of sales		(32,551)	(27,183)	(90,127)	(141,900)
Gross profit		16,693	14,370	22,129	48,093
Other expenses		(6,393)	(5,516)	(15,039)	(15,412)
Other income		457	282	962	2,192
Profit from operations		10,757	9,136	8,052	34,873
Finance costs		(1,912)	(766)	(4,015)	(2,146)
Profit before tax		8,845	8,370	4,037	32,727
Tax expense	20	(1,388)	(2,319)	(3,223)	(8,165)
Profit for the period		7,457	6,051	814	24,562
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		7,457	6,051	814	24,562
Profit for the period, total comprehensive income for the period attributable to:					
Owners of the Parent		6,959	5,153	249	22,385
Non-controlling interests		498	898	565	2,177
		7,457	6,051	814	24,562
Earnings per ordinary share (sen)					
Basic / Diluted	25	1.27	0.94	0.05	4.17

(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)

THRIVEN GLOBAL BERHAD
(Incorporated in Malaysia - 198901005042 (182350-H))

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	NOTE	As At 30.09.2020 RM '000 (Unaudited)	As At 31.12.2019 RM '000 (Audited)
Assets			
Non-Current Assets			
Property, plant and equipment		5,209	7,777
Investment properties		42,527	26,263
Inventories		30,504	30,398
Goodwill		5,314	5,314
Deferred tax assets		704	490
		84,258	70,242
Current Assets			
Inventories		177,236	195,471
Trade and other receivables		23,617	16,291
Contract assets		76,391	124,381
Current tax assets		575	622
Cash and bank balances		15,230	16,701
		293,049	353,466
Total Assets		377,307	423,708
Equity and Liabilities			
Equity attributable to owners of the Parent			
Share capital		59,586	59,586
Warrant reserve		14,126	14,126
Capital reserve		77,986	89,559
Retained earnings		40,821	40,572
		192,519	203,843
Non-controlling interests		1,150	585
Total Equity		193,669	204,428
Non-Current Liabilities			
Borrowings	22	4,000	8,304
Lease liabilities		11,165	1,197
Redeemable preference shares		2,493	2,493
		17,658	11,994
Current Liabilities			
Borrowings	22	87,632	100,787
Trade and other payables		71,256	99,220
Lease liabilities		876	1,368
Contract liabilities		1,921	3,419
Current tax liabilities		4,295	2,492
		165,980	207,286
Total Liabilities		183,638	219,280
Total Equity and Liabilities		377,307	423,708
Net assets per share attributable to owners of the Parent (RM)		0.35	0.37

(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)

THRIVEN GLOBAL BERHAD
(Incorporated in Malaysia - 198901005042 (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**
At 1 January 2020	59,586	14,126	89,559	40,572	203,843	585	204,428
Total comprehensive income for the period	-	-	-	249	249	565	814
Redemption of redeemable preference shares *(Note 1)*	-	-	(11,573)	-	(11,573)	-	(11,573)
At 30 September 2020	59,586	14,126	77,986	40,821	192,519	1,150	193,669
At 1 January 2019	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	9,862	-	-	-	9,862	-	9,862
At 30 September 2019	59,586	14,126	89,559	47,918	211,189	(1,102)	210,087

Note 1: Redeemable preference shares issued by a wholly owned subsidiary to previous minority shareholder of the said subsidiary which were fully redeemed during the quarter.

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(The figures have not been audited)

		<--------9 Months Ended------->	
		30.09.2020	**30.09.2019**
		RM '000	**RM '000**
Cash Flows from Operating Activities			
Profit before tax		4,037	32,727
Adjustments for :-			
Depreciation of property, plant and equipment		2,890	2,822
Depreciation of investment properties		-	4
Property, plant and equipment written off		590	-
Gain on disposal of investment properties		-	(1,214)
Finance costs		4,015	2,146
Interest income		(397)	(122)
Operating profit before changes in working capital		11,135	36,363
Changes in working capital:			
Inventories		17,991	26,020
Receivables		29,091	(39,739)
Payables		(29,462)	1,724
Related companies		-	(3,050)
Cash generated from operating activities		28,755	21,318
Interest paid		(4,015)	(2,146)
Tax paid		(2,250)	(5,649)
Tax refund		663	-
Net cash generated from operating activities		23,153	13,523
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(673)	(700)
Additions to investment properties		(5,190)	-
Proceeds from disposal of investment properties		-	2,035
Interest received		397	122
Net cash (used in)/generated from investing activities		(5,466)	1,457
Cash Flows from Financing Activities			
Proceeds from issuance of shares		-	9,862
Net repayment of borrowings		(16,614)	(11,275)
Placement of pledged deposits		(309)	(206)
Repayment of lease liabilities		(1,699)	(898)
Net cash used in financing activities		(18,622)	(2,517)
Net (decrease)/increase in Cash & Cash Equivalents		(935)	12,463
Cash & Cash Equivalents at beginning of financial period		12,226	(12,706)
Cash & Cash Equivalents at end of financial period	**Note A**	11,291	(243)

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

- Cash and deposits with licensed banks	15,230	9,519
- Bank overdrafts	(2,750)	(8,898)
- Deposits pledged	(1,189)	(864)
	11,291	(243)

(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)

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 30 September 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 30 September 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 30 September 2020.

8. PAYMENT OF DIVIDEND

No dividend was paid during the current financial period ended 30 September 2020.

9. SEGMENTAL REPORTING

a) Segment revenue and results

	Property Development RM'000	Investment Holding / Others RM'000	Elimination RM'000	Consolidated RM'000
9 months ended 30 September 2020				
Total Revenue				
External Revenue	112,030	226	-	112,256
Inter-segment revenue	-	4,729	(4,729)	-
	112,030	4,955	(4,729)	112,256
Profit from operations	8,905	4,859	(5,712)	8,052
9 months ended 30 September 2019				
Total Revenue				
External Revenue	189,758	235	-	189,993
Inter-segment revenue	-	4,566	(4,566)	-
	189,758	4,801	(4,566)	189,993
Profit from operations	32,517	3,098	(742)	34,873

b) Segment assets and liabilities

	Property Development RM'000	Investment Holding / Others RM'000	Elimination RM'000	Consolidated RM'000
As at 30 September 2020				
Segment assets	411,035	336,357	(370,085)	377,307
Segment liabilities	331,242	113,181	(260,785)	183,638
As at 31 December 2019				
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.

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 2020.

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 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

	3rd Quarter Ended		9 Months Ended	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Directors				
-Revenues recognised from the sale of properties under construction	387	993	1,079	450

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

15. REVIEW OF PERFORMANCE

	9 Months Ended		Decrease
	30.09.2020 RM'000	30.09.2019 RM'000	%
Revenue	112,256	189,993	(41)
Profit before tax	4,037	32,727	(88)

The Group achieved revenues of RM112.26 million, which was 41% lower than the corresponding period's figure of RM189.99 million. The drop was mainly caused by the following:

(a) lower sales and slower construction progress due to the Movement Control Order ("MCO") from both our Lumi Tropicana and eNESTa Kepong projects;
(b) provision of liquidated ascertained damages ("LAD") in view of the delay in Lumi Tropicana Phase 1's and Residensi ENESTA Kepong's handovers; and
(c) higher revenues in the corresponding period due to the recognition of Lumi Retail's sale in that period.

Accordingly with the lower revenues attained, the Group reported a reduced pre-tax profit of RM4.04 million as compared to the corresponding period's pre-tax profit of RM32.73 million.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	3Q 2020 RM'000	2Q 2020 RM'000	Increase %
Revenue	49,244	21,357	131
Profit/(Loss) before tax	8,845	(4,803)	n/a

The Group recorded higher revenues of RM49.24 million as compared to the preceding quarter's revenues of RM21.36 million. The increase of approximately 131% was mainly attributable to the improved construction progress from our projects in the central and northern regions, sales generated from the northern region and partial write back of LAD previously recognised for Lumi Tropicana Phase 1 in the period from 18 March 2020 to 29 June 2020 (vacant possession date of Lumi Tropicana Phase 1) as provided by the new COVID-19 Act 2020 (new legislation introduced to reduce the impact of COVID-19).

As a result, the Group reported a pre-tax profit of RM8.85 million as compared to the preceding quarter's pre-tax loss of RM4.80 million.

17. PROSPECTS

Lumi Tropicana

Lumi Tropicana (Phase 1) and Lumi Tropicana (Wellness Tower/Tower 3) achieved an average take up rate of 92% 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/Tower 4. Sales of Lifestyle Tower units thus far have been commendable, and are still on-going during this Recovery and Conditional MCO period. Our Phase 1 construction has been completed with the certificate of practical completion received on 31 January 2020 and notice of vacant possession to buyers issued on 29 June 2020. Construction of Phase 2 is catching up well following the reactivation of our construction works in June 2020, with the external main building works for Towers 3 and 4 being completed in this quarter under review. Phase 2 is expected to be handed over to buyers sometime in the second quarter of 2021.

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. Residensi ENESTA Kepong has been completed with the certificate of practical completion received and notice of vacant possession to buyers issued on 15 October 2020. The main building works for Suite eNESTa Kepong has attained level 27 and is estimated to be completed by the second 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 and semi-detached houses (under the name Enesta Avenue) to meet the local market demand. So far, potential buyer interest in Enesta Avenue has been strong, and we believe that this trend will continue once the project is launched early next year.

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 forseeable 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. At the same time, we continue to look at various fund raising avenues, including attractive sales packages and credit facilities to meet the Group's working capital requirements.

The Group's developments have re-commenced work and we are now concentrating our efforts to deliver vacant possession of our existing projects, with Lumi Tropicana Phase 1 having completed and Residensi ENESTA Kepong currently handing over vacant possession of the relevant units to their buyers. Both Lumi Tropicana Phase 1 and Residensi ENESTA Kepong projects will yield more than RM85 million in handover proceeds within 2020, which will further strengthen our financial position and sustain our working capital requirements.

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 RM180 million from our on-going developments, to be delivered over the next 2 financial years.

The remainder of 2020 will be challenging for the local property market particularly with the economic downturn caused by the COVID-19 outbreak. With the lifting of restrictions under the Recovery MCO, we are starting to re-commence our business activities, and are formulating strategies to overcome the challenges in the new economic environment. Nonetheless, the recent return of the Klang Valley to Conditional MCO status is a concern as it may further dampen interest in property sales. As mentioned above, the Group is delivering vacant possession for both its Klang Valley (Lumi Tropicana and eNesta Kepong) and Desa Aman projects over the next 9 to 12 months, and consolidating its property development activities in the affordable housing segment going forward. We are still confident that our strategies are sufficiently flexible to ride out the challenges encountered in this current business environment.

17. PROSPECTS (CONTINUED)

Overall (continued)
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 (i.e. Enesta Avenue).

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 likely 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

	3rd Quarter Ended		9 Months Ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	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	1,301	1,141	2,890	2,822
Depreciation of investment properties	-	-	-	4
Property, plant and equipment written off	218	-	590	-
Gain on disposal of investment properties	-	-	-	(1,214)
Finance costs:				
- bank borrowings	1,293	638	2,151	1,943
- Other non-financial institution borrowings (including rental payments arising from a sale and leaseback arrangement)	619	128	1,864	203
Interest income	(119)	(45)	(397)	(122)

20. TAX EXPENSE

	3rd Quarter Ended		9 Months Ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Tax expense				
Income tax	1,295	2,526	3,438	8,626
Deferred tax	93	(207)	(215)	(461)
Total tax expense charged in current period	1,388	2,319	3,223	8,165

The effective tax rates of the Group for the current quarter is lower than the statutory tax rate of 24% was mainly attributable to overprovision of tax expense.

The effective tax rates of the Group for the 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 30 September 2020.

22. BORROWINGS

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

	30.09.2020 RM'000	31.12.2019 RM'000
Borrowings denominated in Ringgit Malaysia:		
Short Term - Secured	87,632	100,787
Long Term - Secured	4,000	8,304
	91,632	109,091

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 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:-

	3rd Quarter Ended		9 Months Ended	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Profit for the period	7,457	6,051	814	24,562
Add: Non-controlling interests	(498)	(898)	(565)	(2,177)
Profit attributable to the owners of the Parent	6,959	5,153	249	22,385
Weighted average number of ordinary shares in issue ('000) ("WAVOS")	546,943	546,943	546,943	536,584
Basic earnings per ordinary share (sen) ("EPS")	1.27	0.94	0.05	4.17

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.

Please note that upon their expiry, the warrants have since been de-listed from the Official List of Bursa Malaysia Securities Berhad on 6 October 2020.