

THRIVEN GLOBAL BERHAD

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

Quarterly report on consolidated results for the financial year ended 31 December 2022**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	NOTE	Current Quarter Ended 31.12.22 RM'000 (Unaudited)	Comparative Quarter Ended 31.12.21 RM'000 (Unaudited)	12 Months Cumulative To 31.12.22 RM'000 (Unaudited)	12 Months Cumulative To 31.12.21 RM'000 (Audited)
Revenue		21,849	10,023	81,035	85,880
Cost of sales		<u>(19,756)</u>	<u>(13,694)</u>	<u>(51,342)</u>	<u>(69,375)</u>
Gross profit/(loss)		2,093	(3,671)	29,693	16,505
Other expenses		(7,853)	(9,270)	(31,349)	(24,243)
Other income		<u>662</u>	<u>450</u>	<u>3,007</u>	<u>1,391</u>
Profit/(Loss) from operations		(5,098)	(12,491)	1,351	(6,347)
Finance costs		<u>(1,394)</u>	<u>(2,059)</u>	<u>(6,045)</u>	<u>(7,138)</u>
Loss before taxation		(6,492)	(14,550)	(4,694)	(13,485)
Taxation	20	<u>1,201</u>	<u>885</u>	<u>(2,840)</u>	<u>(742)</u>
Loss for the year		(5,291)	(13,665)	(7,534)	(14,227)
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss		<u>(5,291)</u>	<u>(13,665)</u>	<u>(7,534)</u>	<u>(14,227)</u>
Loss, total comprehensive loss attributable to:					
Owners of the Parent		(5,086)	(13,197)	(6,908)	(15,940)
Non-controlling interests		<u>(205)</u>	<u>(468)</u>	<u>(626)</u>	<u>1,713</u>
		<u>(5,291)</u>	<u>(13,665)</u>	<u>(7,534)</u>	<u>(14,227)</u>
Loss per ordinary share (sen)					
Basic / Diluted	25	<u>(0.93)</u>	<u>(2.41)</u>	<u>(1.26)</u>	<u>(2.91)</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 2021 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 31.12.2022 RM '000 (Unaudited)	As At 31.12.2021 RM '000 (Audited)
Assets			
<i>Non-Current Assets</i>			
Property, plant and equipment		9,921	4,608
Investment properties		83,360	28,729
Inventories		81,380	29,763
Goodwill		5,314	5,314
Deferred tax assets		3,351	2,829
		183,326	71,243
<i>Current Assets</i>			
Inventories		108,690	175,427
Trade and other receivables		20,078	56,645
Contract assets		8,927	57,059
Current tax assets		2	219
Cash and bank balances		11,393	11,114
		149,090	300,464
Total Assets		332,416	371,707
Equity and Liabilities			
<i>Equity attributable to owners of the Parent</i>			
Share capital		59,587	59,587
Capital reserve		77,986	77,986
Retained earnings		19,132	27,940
		156,705	165,513
Non-controlling interests		3,901	3,442
Total Equity		160,606	168,955
<i>Non-Current Liabilities</i>			
Borrowings	22	27,807	7,000
Lease liabilities		1,479	385
Redeemable preference shares		499	2,493
		29,785	9,878
<i>Current Liabilities</i>			
Borrowings	22	52,290	106,080
Trade and other payables		83,457	76,608
Lease liabilities		2,830	4,579
Contract liabilities		-	3,396
Current tax liabilities		3,448	2,211
		142,025	192,874
Total Liabilities		171,810	202,752
Total Equity and Liabilities		332,416	371,707
Net assets per share attributable to owners of the Parent (RM)		0.29	0.30

(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 2021 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<----- Attributable to Owners of the Parent ----->					
	<----- Non-distributable ----->			<- Distributable ->		
	Share capital	Capital reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
(Unaudited)						
At 1 January 2022	59,587	77,986	27,940	165,513	3,442	168,955
Total comprehensive loss for the year	-	-	(6,908)	(6,908)	(626)	(7,534)
Acquisition of shares from non-controlling interest of a subsidiary	-	-	(1,900)	(1,900)	1,102	(798)
Acquisition of a new subsidiary	-	-	-	-	(17)	(17)
At 31 December 2022	<u>59,587</u>	<u>77,986</u>	<u>19,132</u>	<u>156,705</u>	<u>3,901</u>	<u>160,606</u>
(Audited)						
At 1 January 2021	59,587	77,986	48,410	185,983	2,303	188,286
Effects on adoption of IFRIC Agenda Decision	-	-	(4,530)	(4,530)	(574)	(5,104)
At 1 January 2021, restated	<u>59,587</u>	<u>77,986</u>	<u>43,880</u>	<u>181,453</u>	<u>1,729</u>	<u>183,182</u>
Total comprehensive (loss)/income for the year	-	-	(15,940)	(15,940)	1,713	(14,227)
At 31 December 2021	<u>59,587</u>	<u>77,986</u>	<u>27,940</u>	<u>165,513</u>	<u>3,442</u>	<u>168,955</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 2021 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

	<-----12 Months Ended----->	
	31.12.2022	31.12.2021
	RM '000	RM '000
	(Unaudited)	(Audited)
Cash Flows from Operating Activities		
Loss before taxation	(4,694)	(13,485)
Adjustments for :-		
Depreciation of property, plant and equipment	1,254	1,572
Depreciation of investment properties	1,653	3,225
Gain on disposal of property, plant & equipment	(143)	-
Property, plant and equipment written off	-	551
(Reversal of impairment losses)/Impairment losses on:		
- trade and other receivables	(474)	827
- contract assets	432	(301)
- property, plant and equipment	183	-
- inventory	7,397	-
Finance costs	6,045	7,138
Interest income	(463)	(246)
Operating profit/(loss) before changes in working capital	<u>11,190</u>	<u>(719)</u>
Changes in working capital:		
Inventories	(45,879)	9,019
Receivables	84,741	(15,734)
Payables	2,737	13,339
Cash generated from operating activities	<u>52,789</u>	<u>5,905</u>
Interest paid	(4,976)	(3,852)
Tax paid	(1,976)	(2,510)
Net cash generated from/(used in) operating activities	<u>45,837</u>	<u>(457)</u>
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	143	-
Purchase of property, plant and equipment	(1,485)	(964)
Additions to investment properties	(3,609)	(1,270)
Acquisition of non-controlling interests	(3)	-
Interest received	463	246
Net cash used in investing activities	<u>(4,491)</u>	<u>(1,988)</u>
Cash Flows from Financing Activities		
Repayment of redeemable preference shares to non-controlling interests by a subsidiary	(1,994)	-
(Repayment)/drawdown of borrowings	(32,577)	5,479
(Placement)/Withdraw of pledged deposits	(1,056)	3,832
Payment of lease liabilities	(6,090)	(6,748)
Net cash (used in)/generated from financing activities	<u>(41,717)</u>	<u>2,563</u>
Net decrease in Cash & Cash Equivalents	(371)	118
Cash & Cash Equivalents at beginning of financial year	5,721	5,603
Cash & Cash Equivalents at end of financial year	<u>5,350</u>	<u>5,721</u>

Note A :

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

- Cash and deposits with licensed banks	11,393	11,114
- Bank overdrafts	(3,614)	(4,020)
- Deposits pledged	(2,429)	(1,373)
	<u>5,350</u>	<u>5,721</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 2021 and the accompanying explanatory notes attached to the interim financial statements)

FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2021.

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 2021 except for the adoption of the following:-

Annual Improvements to MFRS Standards 2018 - 2020

Amendments to MFRS 3 *Reference to the Conceptual Framework*

Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*

Amendments to MFRS 137 *Onerous Contracts - Cost of Fulfilling a Contract*

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 year ended 31 December 2022.

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 2022.

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 2022.

8. PAYMENT OF DIVIDEND

No dividend was paid during the current financial year ended 31 December 2022.

9. SEGMENTAL REPORTING

a) Segment revenue and results

	Property Development RM'000	Property Investment RM'000	Investment Holding / Others RM'000	Elimination RM'000	Consolidated RM'000
12 months ended 31 December 2022					
Total Revenue					
External Revenue	78,448	1,477	1,110	-	81,035
Inter-segment revenue	72,742	42	5,640	(78,424)	-
	<u>151,190</u>	<u>1,519</u>	<u>6,750</u>	<u>(78,424)</u>	<u>81,035</u>
Profit/(Loss) from operations	<u>17,089</u>	<u>(4,460)</u>	<u>(3,488)</u>	<u>(4,890)</u>	<u>1,351</u>
12 months ended 31 December 2021					
Total Revenue					
External Revenue	83,892	628	1,360	-	85,880
Inter-segment revenue	-	-	5,640	(5,640)	-
	<u>83,892</u>	<u>628</u>	<u>7,000</u>	<u>(5,640)</u>	<u>85,880</u>
(Loss)/Profit from operations	<u>(8,916)</u>	<u>(5,436)</u>	<u>6,797</u>	<u>1,208</u>	<u>(6,347)</u>

b) Segment assets and liabilities

	Property Development RM'000	Property Investment RM'000	Investment Holding / Others RM'000	Elimination RM'000	Consolidated RM'000
As at 31 December 2022					
Segment assets	282,989	24,787	267,559	(242,919)	332,416
Segment liabilities	208,771	35,218	86,756	(158,935)	171,810
As at 31 December 2021					
Segment assets	418,420	24,954	320,571	(392,238)	371,707
Segment liabilities	296,871	29,349	100,095	(223,563)	202,752

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 2022.

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12. CHANGES IN THE COMPOSITION OF THE GROUP

Save for those described below, there were no changes in the composition of the Group for the current quarter under review.

- (a) On 22 February 2022, the Company has completed the acquisition of the remaining 15% equity interest in Thriven NCR Sdn. Bhd. ("TNCR") for a total purchase consideration of RM795,005. Upon completion of the acquisition, TNCR is now a wholly owned subsidiary of the Company.
- (b) On 28 February 2022, the Company subscribed for 100 ordinary shares for a total cash consideration of RM100, representing 100% of the issued share capital of a newly incorporated company, Provideo Sdn. Bhd..
- (c) On 4 March 2022, the Company subscribed for 100 ordinary shares for a total cash consideration of RM100, representing 100% of the issued share capital of a newly incorporated company, Foreli Sdn. Bhd..
- (d) On 22 April 2022, the Company entered into a Share Purchase and Shareholders' Agreement to acquire 95 ordinary shares in Bizbox Sdn. Bhd. ("Bizbox") for a total purchase consideration of RM1.00 from Teh Yi Yin ("Vendor"). Upon completion of the acquisition of shares, Bizbox is now a 95% owned subsidiary of the Company. The remaining 5% equity interest of Bizbox is held by the Vendor.
- (e) On 27 April 2022, the Company entered into a Share Purchase Agreement to acquire 3,360 ordinary shares in Bakat Stabil Sdn. Bhd. ("BSSB") from a non-controlling interest for a total consideration of RM3,360.00. This resulted in an increase in equity interest in BSSB from 93.33% to 98.66%.

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	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Directors				
-Revenues recognised from the sale of properties under construction	-	122	-	650
-Office rental paid/payable	(14)	(14)	(54)	(32)

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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

	12 months Ended		(Decrease)/
	31.12.2022	31.12.2021	Increase
	RM'000	RM'000	%
Revenue	81,035	85,880	(5.6)
Loss before taxation	(4,694)	(13,485)	65.2

The Group recorded revenues of RM81.04 million, approximately 6% lower than the previous corresponding year's figure of RM85.88 million. This decrease was mainly due to lower progress billings from the on-going development projects.

However, the Group managed to report a lower pre-tax loss of RM4.69 million compared to the corresponding year's pre-tax loss of RM13.49 million. This is principally due to higher gross profit margin from our Lumi Tropicana project which arose from the release of bumi quota from 50% to 30% during the year under review. The higher pre-tax loss in the previous corresponding year was mainly due to the additional cost recorded on the final account for Lumi Tropicana Phase 1.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	4Q 2022	3Q 2022	Decrease
	RM'000	RM'000	%
Revenue	21,849	45,903	(52.4)
(Loss)/Profit before taxation	(6,492)	9,213	(170.5)

The group recorded revenues of RM21.85 million and pre-tax loss of RM6.49 million in the current quarter compared to revenue of RM45.90 million and pre-tax profit of RM9.21 million in the preceding quarter. It should be noted that the preceding quarter revenue was boosted by the revision of bumiputra units quota from 50% to 30% of the total number of units in our Lumi Tropicana project.

17. PROSPECTS

Lumi Tropicana

Our Lumi Tropicana project has achieved an overall average take-up rate of approximately 90% for all the units launched with notice of vacant possession issued to buyers for Phase 1 and Phase 2. We are now aggressively selling the remaining Phase 1 units and intend to actively market our unsold Phase 2 units both for long term rental and sale.

Kepong

In Kepong, Suite eNESTa Kepong project has been completed and vacant possession delivered to the buyers on 12 September 2022. The project has achieved a take-up rate of approximately 95% and we are commencing a marketing program to sell our remaining unsold Suite eNESTa Kepong units over the next 6 to 12 months.

Northern Region

Based on past encouraging sales responses, the Group is launching 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. The buyers' interest in Enesta Avenue are strong, and we believe that this trend will continue.

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17. PROSPECTS (CONTINUED)

Northern Region (continued)

Apart from projects in Desa Aman, the Group is planning to **complex** launch a new development of serviced-apartments at Bandar Butterworth, Pulau Pinang. The Serviced Apartment consists of 293 units in a 19-storey building. This project is targeting to launch in late Q2 of 2023.

Lumi Market Place

One of the Group's intended core businesses is lifestyle retail. Lumi Market Place ("LMP") is Thriven's first foray into this business segment.

LMP is a dedicated food and beverage ("F&B") space located within Lumi Tropicana with over 30,000 square feet of garden space fronting LMP, suitable for events. It is proposed that LMP should have a strong design element and coherent concept to focus on F&B outlets as well as curated weekend food markets or events to create interest in the space and a reason for people to visit. LMP has commenced its operations in the Quarter 3 of 2022. Management is also actively building up its lifestyle retail business by partnering with experienced professionals in

Lumi Hospitality

In addition to the lifestyle retail business, the Group has kickstarted operation of its hospitality division since Quarter 4 of 2020, by operating short stay accommodations catering to business and leisure travellers as well as providing rental management services for owners. The business is progressing well with strong demand during the school holidays and festive seasons.

Overall

For the financial year ended 31 December 2022 ("FY2022"), the Group's revenues **are continuously** underpinned by new sales and unbilled sales of approximately RM30 million from our on-going developments to be delivered during the next financial year.

In property development the Group plans to deploy more resources to further expand our involvement in the affordable housing segment as a key growth driver particularly in Desa Aman which continues to see resilient demand.

The completion of our flagship project Lumi Tropicana is testament to the Group's commitment to delivering homes which offer value exceeding their price point. With improving market sentiment, coupled with commencement of operations at LMP as the final jigsaw piece for the Luminous lifestyle we envisioned for Lumi Tropicana, sales take-up rates are predicted to improve. We are also expanding our portfolio under the property investment and hospitality divisions by retaining and marketing unsold units for recurring rental income via both short-stay accommodations and long-term rental arrangements.

18. VARIANCE FROM PROFIT FORECAST OR PROFIT GUARANTEE

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

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19. LOSS BEFORE TAXATION

	4th Quarter Ended		12 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Loss before tax is arrived at after charging/(crediting) the following:-				
Depreciation of property, plant and equipment	358	271	1,254	1,572
Depreciation of investment properties	510	160	1,653	3,225
(Reversal of impairment losses)/Impairment losses on:				
- trade and other receivables	1,179	196	(474)	827
- contract assets	539	117	432	(301)
- property, plant and equipment	183	-	183	-
- inventory	(1,149)	-	7,397	-
Property, plant and equipment written off	-	551	-	551
Gain on disposal of property, plant & equipment	(143)	-	(143)	-
Finance costs:				
- bank borrowings	(149)	1,263	2,279	3,851
- Other non-financial institution borrowings (arising from sale and leaseback arrangement)	651	607	2,488	2,430
- lease liabilities	869	82	1,069	447
- others	23	107	209	410
Interest income	(116)	(25)	(463)	(246)

20. TAXATION

	4th Quarter Ended		12 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Tax expense				
Income tax	(860)	(317)	3,360	2,148
Deferred tax	(341)	(568)	(520)	(1,406)
Total tax expense charged in current year	(1,201)	(885)	2,840	742

The effective tax rates of the Group was higher than the statutory tax rate of 24%, principally due to losses from other subsidiaries which reduced the profit before tax of the Group and non-deductibility of certain expenses including depreciation and amortisation on properties, plant and equipment and investment properties.

21. CORPORATE PROPOSALS

There were no corporate proposals announced but not completed during the financial year ended 31 December 2022.

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22. BORROWINGS

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

	31.12.2022 RM'000	31.12.2021 RM'000
Borrowings denominated in Ringgit Malaysia:		
Long Term - Secured	27,807	7,000
Short Term - Secured	52,290	106,080
	<u>80,097</u>	<u>113,080</u>

Short term borrowings include other borrowing from a non-financial institution which represents proceeds received from a sale and leaseback arrangement that is accounted for as a financial liability.

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 2022.

25. LOSS 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	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Loss for the year	(5,291)	(13,665)	(7,534)	(14,227)
Add: Non-controlling interests	205	468	626	(1,713)
Loss attributable to the owners of the Parent	<u>(5,086)</u>	<u>(13,197)</u>	<u>(6,908)</u>	<u>(15,940)</u>
Weighted average number of ordinary shares in issue ('000) ("WAVOS")	<u>546,944</u>	<u>546,943</u>	<u>546,944</u>	<u>546,943</u>
Basic earnings per ordinary share (sen) ("EPS")	<u>(0.93)</u>	<u>(2.41)</u>	<u>(1.26)</u>	<u>(2.91)</u>

The diluted earnings per ordinary share for the current and previous financial year is equal to the basic earnings per ordinary share for the respective financial year as there are no dilutive potential ordinary shares as at 31 December 2022 and 31 December 2021.