

THRIVEN GLOBAL BERHAD

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

Quarterly report on consolidated results for the financial year ended 31 December 2023**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	NOTE	Current Quarter Ended 31.12.23 RM'000 (Unaudited)	Comparative Quarter Ended 31.12.22 RM'000 (Unaudited)	12 Months Cumulative To 31.12.23 RM'000 (Unaudited)	12 Months Cumulative To 31.12.22 RM'000 (Audited)
Revenue		9,734	21,849	90,822	81,035
Cost of sales		<u>(5,366)</u>	<u>(19,756)</u>	<u>(81,808)</u>	<u>(51,342)</u>
Gross profit		4,368	2,093	9,014	29,693
Other expenses		(15,575)	(5,757)	(51,748)	(29,253)
Other income		<u>(2,010)</u>	<u>(1,434)</u>	<u>4,287</u>	<u>911</u>
(Loss)/Profit from operations		(13,217)	(5,098)	(38,447)	1,351
Finance costs		<u>(1,380)</u>	<u>(1,394)</u>	<u>(5,559)</u>	<u>(6,045)</u>
Loss before taxation		(14,597)	(6,492)	(44,006)	(4,694)
Taxation	20	<u>(2,432)</u>	<u>1,201</u>	<u>(3,819)</u>	<u>(2,840)</u>
Loss for the year		(17,029)	(5,291)	(47,825)	(7,534)
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss		<u>(17,029)</u>	<u>(5,291)</u>	<u>(47,825)</u>	<u>(7,534)</u>
Loss, total comprehensive loss attributable to:					
Owners of the Parent		(16,520)	(5,086)	(46,009)	(6,908)
Non-controlling interests		<u>(509)</u>	<u>(205)</u>	<u>(1,816)</u>	<u>(626)</u>
		<u>(17,029)</u>	<u>(5,291)</u>	<u>(47,825)</u>	<u>(7,534)</u>
Loss per ordinary share (sen)					
Basic / Diluted	25	<u>(3.02)</u>	<u>(0.93)</u>	<u>(8.41)</u>	<u>(1.26)</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 2022 and the accompanying explanatory notes attached to the interim financial statements)

THRIVEN GLOBAL BERHAD

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	NOTE	As At 31.12.2023 RM '000 (Unaudited)	As At 31.12.2022 RM '000 (Audited)
Assets			
<i>Non-Current Assets</i>			
Property, plant and equipment		10,807	9,921
Investment properties		82,390	85,319
Inventories		64,667	81,380
Goodwill		5,314	5,314
Deferred tax assets		2,126	3,349
		<u>165,304</u>	<u>185,283</u>
<i>Current Assets</i>			
Inventories		54,308	106,732
Trade and other receivables		13,292	22,271
Contract assets		16,772	8,935
Current tax assets		336	2
Cash and bank balances		9,879	11,393
		<u>94,587</u>	<u>149,333</u>
Total Assets		<u>259,891</u>	<u>334,616</u>
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		(26,877)	19,132
		<u>110,696</u>	<u>156,705</u>
Non-controlling interests		2,085	3,901
Total Equity		<u>112,781</u>	<u>160,606</u>
<i>Non-Current Liabilities</i>			
Borrowings	22	59,663	27,807
Lease liabilities		328	1,903
Redeemable preference shares		499	499
		<u>60,490</u>	<u>30,209</u>
<i>Current Liabilities</i>			
Borrowings	22	24,611	52,290
Trade and other payables		55,536	85,671
Lease liabilities		1,670	2,406
Contract liabilities		-	8
Current tax liabilities		4,803	3,426
		<u>86,620</u>	<u>143,801</u>
Total Liabilities		<u>147,110</u>	<u>174,010</u>
Total Equity and Liabilities		<u>259,891</u>	<u>334,616</u>
Net assets per share attributable to owners of the Parent (RM)		<u>0.20</u>	<u>0.29</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 2022 and the accompanying explanatory notes attached to the interim financial statements)

THRIVEN GLOBAL BERHAD

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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 2023	59,587	77,986	19,132	156,705	3,901	160,606
Total comprehensive loss for the year	-	-	(46,009)	(46,009)	(1,816)	(47,825)
At 31 December 2023	<u>59,587</u>	<u>77,986</u>	<u>(26,877)</u>	<u>110,696</u>	<u>2,085</u>	<u>112,781</u>
(Audited)						
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>

(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 2022 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----->	
	31.12.2023	31.12.2022
	RM '000	RM '000
	(Unaudited)	(Audited)
Cash Flows from Operating Activities		
Loss before taxation	(44,006)	(4,694)
Adjustments for :-		
Depreciation of property, plant and equipment	3,239	1,255
Depreciation of investment properties	3,082	1,652
Gain on disposal of property, plant & equipment	(120)	(143)
Property, plant and equipment written off	-	6
Inventory written down	-	7,397
Impairment losses/(Reversal of impairment losses) on:		
- trade and other receivables	(1,134)	(474)
- contract assets	(558)	432
- property, plant and equipment	2,627	183
- inventory	5,605	-
Loss on acquisition of a subsidiary	-	332
Finance costs	5,559	6,045
Interest income	(295)	(463)
Operating (loss)/profit before changes in working capital	(26,001)	11,528
Changes in working capital:		
Inventories	63,532	(43,921)
Receivables	2,834	82,555
Payables	(30,143)	5,463
Cash generated from operating activities	10,222	55,625
Interest paid	(5,370)	(3,037)
Tax paid	(1,553)	(1,927)
Net cash generated from operating activities	3,299	50,661
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	120	143
Purchase of property, plant and equipment	(4,148)	(4,627)
Additions to investment properties	(153)	(2,004)
Acquisition of additional interests in a subsidiary	-	12
Acquisition of non-controlling interests	-	(798)
Interest received	295	463
Net cash used in investing activities	(3,886)	(6,811)
Cash Flows from Financing Activities		
Repayment of redeemable preference shares to non-controlling interests by a subsidiary	-	(1,994)
Drawdown/(Repayment) of borrowings	4,370	(35,123)
Placement of pledged deposits	(336)	(1,056)
Payment of lease liabilities	(2,500)	(6,048)
Net cash generated from/(used in) financing activities	1,534	(44,221)
Net increase in Cash & Cash Equivalents	947	(371)
Cash & Cash Equivalents at beginning of financial year	5,350	5,721
Cash & Cash Equivalents at end of financial year	Note A 6,297	5,350

Note A :

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

- Cash and deposits with licensed banks	9,879	11,393
- Bank overdrafts	(817)	(3,614)
- Deposits pledged	(2,765)	(2,429)
	6,297	5,350

(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 2022 and the accompanying explanatory notes attached to the interim financial statements)

FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2022.

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 2022 except for the adoption of the following:-

MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements</i>
Amendments to MFRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
Amendments to MFRS 112	<i>Income Taxes</i>

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 2023.

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 2023.

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 2023.

8. PAYMENT OF DIVIDEND

No dividend was paid during the current financial year ended 31 December 2023.

9. SEGMENTAL REPORTING

a) Segment revenue and results

	Property Development RM'000	Property Investment RM'000	Food and Beverages RM'000	Investment Holding / Others RM'000	Elimination RM'000	Consolidated RM'000
12 months ended 31 December 2023						
Total Revenue						
External Revenue	86,359	1,799	2,664	-	-	90,822
Inter-segment revenue	2,280	-	-	5,640	(7,920)	-
	<u>88,639</u>	<u>1,799</u>	<u>2,664</u>	<u>5,640</u>	<u>(7,920)</u>	<u>90,822</u>
Loss from operations	<u>(27,171)</u>	<u>(16,764)</u>	<u>(9,141)</u>	<u>1,758</u>	<u>12,871</u>	<u>(38,447)</u>
12 months ended 31 December 2022						
Total Revenue						
External Revenue	78,424	1,501	386	724	-	81,035
Inter-segment revenue	72,766	-	-	5,640	(78,406)	-
	<u>151,190</u>	<u>1,501</u>	<u>386</u>	<u>6,364</u>	<u>(78,406)</u>	<u>81,035</u>
Profit from operations	<u>24,870</u>	<u>(3,719)</u>	<u>(2,110)</u>	<u>(3,776)</u>	<u>(13,914)</u>	<u>1,351</u>

b) Segment assets and liabilities

	Property Development RM'000	Property Investment RM'000	Food and Beverages RM'000	Investment Holding / Others RM'000	Elimination RM'000	Consolidated RM'000
As at 31 December 2023						
Segment assets	233,727	11,258	477	281,957	(267,528)	259,891
Segment liabilities	191,507	39,363	13,027	99,001	(195,788)	147,110
As at 31 December 2022						
Segment assets	285,802	25,455	1,106	265,783	(243,530)	334,616
Segment liabilities	241,618	35,406	3,567	52,964	(159,545)	174,010

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 2023.

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 2023.

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	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Directors				
-Office rental paid/payable	(16)	(14)	(59)	(54)

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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		Increase %
	31.12.2023 RM'000	31.12.2022 RM'000	
Revenue	90,822	81,035	12.1
Loss before taxation	(44,006)	(4,694)	837.5

The Group recorded revenue of RM90.82 million, approximately 12.1% higher than the figure of RM81.04 million from the previous corresponding year, mainly due to higher sales for the year under review.

Despite the group's increase in revenue compared to the corresponding period, there was a notable escalation in operational costs. This increase was predominantly fuelled by heightened staff expenditures, provision for expenses related to bumi obligations, and substantial depreciation and amortization costs accrued throughout the year. Consequently, the group incurred a loss before taxation of RM44.01 million for the year under review, in stark contrast to the pre-tax loss of RM4.69 million recorded during the corresponding year.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	4Q 2023	3Q 2023	(Decrease)/
	RM'000	RM'000	Increase %
Revenue	9,734	17,587	(44.7)
Loss before taxation	(14,597)	(6,272)	132.7

The group recorded revenues of RM9.73 million and pre-tax loss of RM14.60 million in the current quarter under review as compared to revenue of RM17.59 million and pre-tax loss of RM6.27 million in the preceding quarter. The lower revenue was resulted by lower sales in the current quarter. The Group reported higher loss before taxation as compared to the preceding quarter mainly due to the impairment expenses incurred for group assets, driving the overall increase of expenses for the current quarter under review.

17. PROSPECTS

Lumi Tropicana

Our Lumi Tropicana project has achieved an overall average take-up rate of approximately 98% 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 achieved a take-up rate of approximately 97%. Throughout the year, we successfully achieved complete sales of all the service apartment units and we are commencing a marketing program to sell our remaining unsold Suite eNESTa Kepong retail units over the next 6 to 12 months.

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17. PROSPECTS (CONTINUED)

Northern Region

Building on the positive sales responses from the past, the Group has recently introduced a range of affordable housing projects, including a new phase of affordable single-storey terrace and semi-detached houses known as Enesta Avenue. There has been a significant level of buyer interest in Enesta Avenue, and we anticipate that this trend will persist in the future.

In addition to the projects in Desa Aman, the Group is preparing to launch a new development of serviced apartments in Bandar Butterworth, Pulau Pinang. The serviced apartment complex will feature 293 units housed in a 19-storey building. We are currently planning to launch this project in the latter part of Q1 2024.

Lumi Market Place

Lifestyle retail is a core business of the Group, and their recent expansion in this area includes the introduction of Lumi Market Place ("LMP"). LMP is a dedicated F&B space located within Lumi Tropicana, featuring an expansive internal dining area measuring 180 meters and over 30,000 square feet of garden space, perfect for hosting events. To generate interest and attract visitors, LMP has a strong design element and a cohesive concept focused on F&B outlets, along with curated weekend food markets and events. Operations for LMP commenced in Quarter 3 of 2022, and the management is actively collaborating with experienced professionals in the industry to build up their lifestyle retail business.

Under the LMP umbrella, our customers can enjoy a remarkable selection of five outlets: W.E.P, Akari, Bite Club, Savage, and Provido, a Boutique Grocer. Each of these F&B establishments offers delectable cuisine sourced from local kitchens, infused with flavors from around the world, ensuring an unforgettable experience for our customers' taste buds.

The garden space at LMP is truly unique, thanks to its strategic location and lush greenery. We firmly believe that we possess a significant advantage over our competitors in terms of delivering high-quality events at competitive prices. Our stunning and tranquil garden space is ideal for various activities, including pop-up markets, weddings, ceremonies, and product launches.

With a highly experienced F&B team, our group is poised to make a substantial impact in the lifestyle retail sector in the upcoming year. We are dedicated to providing our customers with unparalleled experiences that surpass their expectations and leave them yearning for more.

Lumi Hospitality

Thriven has undertaken a strategic diversification by launching its hospitality division. This involves providing short-term accommodation to both business and leisure travellers, as well as rental management services for property owners. So far, the hospitality division has shown promising growth, particularly during peak travel seasons such as school holidays and festive periods, indicating a strong demand for the services it offers.

Lumi Hospitality takes pride in providing comprehensive service residences at the coveted Lumi Tropicana, a thriving destination in the heart of Petaling Jaya. Our dedicated on-site hospitality team guarantees a stress-free stay, as we ensure the highest standards of cleanliness and comfort.

Looking towards the future, the Group is optimistic about the performance of Lumi Hospitality. The growing demand for inbound leisure, domestic and international tourism is expected to normalize in the coming years, creating a favourable market environment for our business. We are committed to maintaining our high standards of service and enhancing our offerings to meet the evolving needs of our guests.

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17. PROSPECTS (CONTINUED)Overall

For the financial year ended 31 December 2023 ("FY2023"), the Group's revenues are consistently supported by new sales and unbilled sales totaling approximately RM22 million from our ongoing developments, which will be delivered in the next financial year.

In the property development sector, the Group is planning to allocate more resources to further expand our involvement in the affordable housing segment, as it serves as a key growth driver, especially in Desa Aman, which continues to experience resilient demand.

The successful completion of our flagship project, Lumi Tropicana, is a testament to the Group's commitment to delivering homes that provide value exceeding their price point. With an improving market sentiment and the commencement of operations at LMP, the final piece of the puzzle in creating the envisioned Luminous lifestyle for Lumi Tropicana, we anticipate an improvement in sales uptake rates. Additionally, we are expanding our portfolio in the property investment and hospitality divisions by retaining and marketing unsold units for recurring rental income through 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.

19. LOSS BEFORE TAXATION

	4th Quarter Ended		12 months Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	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	1,306	359	3,239	1,255
Depreciation of investment properties	859	509	3,082	1,652
Impairment losses/(Reversal of impairment losses) on:				
- trade and other receivables	(3,464)	1,179	(1,134)	(474)
- contract assets	(2,729)	539	(558)	432
- property, plant and equipment	2,627	183	2,627	183
- inventory	5,605	(1,149)	5,605	7,397
Gain on disposal of property, plant & equipment	-	(143)	(120)	(143)
Finance costs:				
- bank borrowings	672	609	2,670	3,037
- Other non-financial institution borrowings (arising from sale and leaseback arrangement)	651	709	2,604	2,546
- lease liabilities	32	53	189	253
- others	25	23	96	209
Interest income	(35)	(116)	(295)	(463)

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20. TAXATION

	4th Quarter Ended		12 months Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Tax expense				
Income tax	777	(860)	2,594	3,360
Deferred tax	1,655	(341)	1,225	(520)
Total tax expense charged	<u>2,432</u>	<u>(1,201)</u>	<u>3,819</u>	<u>2,840</u>

The effective tax rates of the Group for the current quarter is higher than the statutory tax rate of 24% was mainly resulted from the reversal of deferred tax assets recorded previously.

The effective tax rates of the Group for the current financial year 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 year ended 31 December 2023.

22. BORROWINGS

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

	31.12.2023	31.12.2022
	RM'000	RM'000
Borrowings denominated in Ringgit Malaysia:		
Long Term - Secured	59,663	27,807
Short Term - Secured	24,611	52,290
	<u>84,274</u>	<u>80,097</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 2023.

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25. LOSS PER ORDINARY SHARE

The calculation of basic loss per ordinary share was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:-

	4th Quarter Ended		12 months Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Loss for the year	(17,029)	(5,291)	(47,825)	(7,534)
Add: Non-controlling interests	509	205	1,816	626
Loss attributable to the owners of the Parent	<u>(16,520)</u>	<u>(5,086)</u>	<u>(46,009)</u>	<u>(6,908)</u>
Weighted average number of ordinary shares in issue ('000) ("WAVOS")	<u>546,944</u>	<u>546,944</u>	<u>546,944</u>	<u>546,944</u>
Basic loss per ordinary share (sen)	<u>(3.02)</u>	<u>(0.93)</u>	<u>(8.41)</u>	<u>(1.26)</u>

The diluted loss per ordinary share for the current and previous financial year is equal to the basic loss per ordinary share for the respective financial year as there are no dilutive potential ordinary shares as at 31 December 2023 and 31 December 2022.