

THRIVEN GLOBAL BERHAD

(Incorporated in Malaysia - 182350-H)

Quarterly report on consolidated results for the financial year ended 31 December 2018

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	NOTE	Current Quarter Ended 31.12.18 RM'000	Comparative Quarter Ended 31.12.17 RM'000	12 Months Cumulative To 31.12.18 RM'000	12 Months Cumulative To 31.12.17 RM'000
Revenue		65,925	59,693	239,079	122,870
Cost of sales		<u>(58,502)</u>	<u>(48,833)</u>	<u>(191,689)</u>	<u>(95,874)</u>
Gross profit		7,423	10,860	47,390	26,996
Operating expenses		(4,650)	(7,475)	(19,117)	(23,816)
Other operating income		<u>1,096</u>	<u>2,870</u>	<u>1,605</u>	<u>3,104</u>
Profit from operations		3,869	6,255	29,878	6,284
Finance cost		<u>(671)</u>	<u>(559)</u>	<u>(2,509)</u>	<u>(3,634)</u>
Profit before taxation		3,198	5,696	27,369	2,650
Tax expense	20	<u>(6)</u>	<u>(217)</u>	<u>(5,849)</u>	<u>(859)</u>
Profit for the year		3,192	5,479	21,520	1,791
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>3,192</u>	<u>5,479</u>	<u>21,520</u>	<u>1,791</u>
Profit for the year, total comprehensive income for the year attributable to:					
Owners of the Company		2,885	3,917	20,395	201
Non-controlling interests		<u>307</u>	<u>1,562</u>	<u>1,125</u>	<u>1,590</u>
		<u>3,192</u>	<u>5,479</u>	<u>21,520</u>	<u>1,791</u>
Earnings per ordinary share (sen)					
Basic / Diluted	25	<u>0.58</u>	<u>0.79</u>	<u>4.10</u>	<u>0.04</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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

THRIVEN GLOBAL BERHAD

(Incorporated in Malaysia - 182350-H)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	(Unaudited) As At 31.12.2018 RM '000	(Audited) As At 31.12.2017 RM '000
Assets			
<i>Non-Current Assets</i>			
Property, plant and equipment	10	7,966	9,607
Investment properties		825	6,770
Inventories		33,502	34,758
Goodwill		5,314	5,314
		<u>47,607</u>	<u>56,449</u>
<i>Current Assets</i>			
Inventories		245,845	275,445
Trade and other receivables		76,916	62,863
Income tax recoverable		1,059	502
Cash and bank balances		11,053	13,745
		<u>334,873</u>	<u>352,555</u>
Total Assets		<u>382,480</u>	<u>409,004</u>
Equity and Liabilities			
<i>Equity attributable to owners of the Company</i>			
Share capital		49,724	44,852
Warrant reserve		14,126	14,126
Capital reserve		89,559	89,559
Retained earnings		25,098	11,056
		<u>178,507</u>	<u>159,593</u>
Non-controlling interests		<u>(2,845)</u>	<u>(3,833)</u>
Total Equity		<u>175,662</u>	<u>155,760</u>
<i>Non - Current Liabilities</i>			
Bank borrowings	22	23,696	49,545
Deferred tax liabilities		406	1,673
		<u>24,102</u>	<u>51,218</u>
<i>Current Liabilities</i>			
Bank borrowings	22	98,523	111,361
Trade and other payables		79,203	90,317
Other current liabilities		4,299	133
Income tax payable		691	215
		<u>182,716</u>	<u>202,026</u>
Total Liabilities		<u>206,818</u>	<u>253,244</u>
Total Equity and Liabilities		<u>382,480</u>	<u>409,004</u>
Net assets per share attributable to owners of the Company (RM)		<u>0.36</u>	<u>0.32</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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

THRIVEN GLOBAL BERHAD

(Incorporated in Malaysia - 182350-H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to Owners of the Company ----->							
	<----- Non-distributable ----->				<- Distributable ->			
	Share capital	Share premium	Warrant reserves	Capital reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
At 1 January 2018, as previously stated	44,852	-	14,126	89,559	11,056	159,593	(3,833)	155,760
Impact of adoption of MFRS 9	-	-	-	-	(1,481)	(1,481)	(141)	(1,622)
At 1 January 2018, restated	44,852	-	14,126	89,559	9,575	158,112	(3,974)	154,138
Total comprehensive expenses for the year	-	-	-	-	20,395	20,395	1,125	21,520
Issue of ordinary shares from subsidiary	-	-	-	-	-	-	4	4
Issue of bonus shares	4,872	-	-	-	(4,872)	-	-	-
At 31 December 2018	49,724	-	14,126	89,559	25,098	178,507	(2,845)	175,662
At 1 January 2017	37,670	7,182	14,126	86,004	10,855	155,837	(9,629)	146,208
Total comprehensive expenses for the year	-	-	-	-	201	201	1,590	1,791
Additional non-controlling interests arising on a business combination	-	-	-	3,555	-	3,555	4,206	7,761
Transfer pursuant to Companies Act 2016	7,182	(7,182)	-	-	-	-	-	-
At 31 December 2017	44,852	-	14,126	89,559	11,056	159,593	(3,833)	155,760

(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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

THRIVEN GLOBAL BERHAD

(Incorporated in Malaysia - 182350-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<-----12 Months Ended----->	
	31.12.2018	31.12.2017
	RM '000	RM '000
Cash Flows from Operating Activities		
Profit before tax	27,369	2,650
Adjustments for :-		
Depreciation of property, plant and equipment	2,370	2,405
Depreciation of investment properties	26	26
Loss on disposal of property, plant & equipment	-	5
Property, plant & equipment written off	-	75
Reversal of impairment loss on trade and other receivables	(1,119)	(11)
Reversal of impairment losses on contract assets	(8)	-
Bad debts written off	-	7
Impairment losses on goodwill	-	1,891
Impairment losses on trade and other receivables	-	689
Impairment losses on contract assets	109	-
Write back of amount due to a related party	-	(2,184)
Interest expense	2,509	3,634
Interest income	(261)	(266)
Operating cash flows before changes in working capital	<u>30,995</u>	<u>8,921</u>
Changes in working capital:		
Inventories	38,047	13,672
Receivables	(14,657)	(37,157)
Payables	19,055	28,298
Related companies	(28,496)	(6,049)
Cash generated from operating activities	<u>44,944</u>	<u>7,685</u>
Interest paid	(2,509)	(3,634)
Tax paid	(7,197)	(3,343)
Tax refund	-	168
Net cash generated from operating activities	<u>35,238</u>	<u>876</u>
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	-	13
Purchase of property, plant and equipment	(729)	(1,055)
Additions to investment properties under construction	(1,272)	(1,028)
Proceeds from changes in ownership interests in a subsidiary	2,497	-
Acquisition of additional interests in a subsidiary	-	(1,025)
Interest received	261	266
Net cash generated from/(used in) investing activities	<u>757</u>	<u>(2,829)</u>
Cash Flows from Financing Activities		
Net repayment of borrowings	(41,805)	(2,211)
Uplift of pledged deposits	39	173
Net cash used in financing activities	<u>(41,766)</u>	<u>(2,038)</u>
Net decrease in Cash & Cash Equivalents	(5,771)	(3,991)
Cash & Cash Equivalents at beginning of financial year	(6,934)	(2,943)
Cash & Cash Equivalents at end of financial year	<u>Note A</u> <u>(12,705)</u>	<u>(6,934)</u>

THRIVEN GLOBAL BERHAD

(Incorporated in Malaysia - 182350-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<-----12 Months Ended----->	
	31.12.2018	31.12.2017
	RM '000	RM '000
Note A :		
Included in cash and cash equivalents as at 31 December are the following:		
- Cash and deposits with licensed banks	11,053	13,745
- Bank overdrafts	(23,102)	(19,984)
- Deposits pledged	(656)	(695)
	<u>(12,705)</u>	<u>(6,934)</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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

FINANCIAL YEAR ENDED 31 DECEMBER 2018

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting

1. BASIS OF PREPARATION

The 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 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2017 except for the adoption of the following:-

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
Amendments to MFRS 1	Annual Improvements to MFRS Standards 2014-2016 Cycle
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 128	Annual Improvements to MFRS Standards 2014-2016 Cycle
Amendments to MFRS 140	Transfers of Investment Property

The adoption of the above has no material impact on the financial statements except for the adoption of MFRS 9.

Upon the adoption of MFRS 9, the Group has changed its impairment methodology on debt instruments from the existing incurred loss model (MFRS 139) to the expected credit loss ("ECL") model.

Impairment for trade receivables and contract assets are recognised based on the simplified approach using the lifetime expected credit losses. The Group considered past loss experience and observable data such as current changes and future forecasts in economic conditions by market segment to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

In relation to this, the Group has applied the modified retrospective method for the adoption of MFRS 9 where cumulative effects are shown as an adjustment to the opening retained earnings as at 1 January 2018. Details are as follows:

	Previously Stated RM'000	Effects of MFRS 9 RM'000	Restated RM'000
As at 1 January 2018			
Current assets			
Trade and other receivables	62,863	(1,622)	61,241
Equity			
Retained earnings	11,056	(1,481)	9,575
Non-controlling interests	(3,833)	(141)	(3,974)

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 2018.

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 2018.

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 2018 except for the new issuance of 120,543,601 ordinary shares and 60,271,743 Warrant B in relation to the bonus issue on the basis of 8 bonus shares for 25 existing shares held on 13 September 2018.

8. PAYMENT OF DIVIDEND

No dividend was paid during the current financial year ended 31 December 2018.

9. SEGMENTAL REPORTING

a) Segment revenue and results

	Property Development RM'000	Investment Holding / Others RM'000	Elimination RM'000	Consolidated RM'000
12 months ended 31 December 2018				
Total Revenue				
External Revenue	238,292	787	-	239,079
Inter-segment revenue	-	12,696	(12,696)	-
	<u>238,292</u>	<u>13,483</u>	<u>(12,696)</u>	<u>239,079</u>
Profit from operations	<u>26,759</u>	<u>207</u>	<u>2,912</u>	<u>29,878</u>
12 months ended 31 December 2017				
Total Revenue				
External Revenue	121,957	913	-	122,870
Inter-segment revenue	-	15,605	(15,605)	-
	<u>121,957</u>	<u>16,518</u>	<u>(15,605)</u>	<u>122,870</u>
Profit from operations	<u>8,403</u>	<u>8,161</u>	<u>(10,280)</u>	<u>6,284</u>

9. SEGMENTAL REPORTING (CONTINUED)

b) Segment assets and liabilities

	Property Development RM'000	Investment Holding / Other: RM'000	Elimination RM'000	Consolidated RM'000
As at 31 December 2018				
Segment assets	388,265	256,009	(261,794)	382,480
Segment liabilities	301,199	72,576	(166,957)	206,818
As at 31 December 2017				
Segment assets	406,928	243,644	(241,568)	409,004
Segment liabilities	369,760	25,126	(141,642)	253,244

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 2018.

12. CHANGES IN THE COMPOSITION OF THE GROUP

- a) On 8 May 2018, Verdant Parc Sdn. Bhd. ("VPSB"), a wholly-owned subsidiary of the Company was incorporated with a paid-up capital of RM100, divided into 100 ordinary shares. VPSB is currently dormant and its intended principal activity is property development.
- b) The subsidiaries of the Company, Bakat Stabil Sdn. Bhd. ("BSSB") and Thriven Properties Sdn Bhd have entered into an agreement with Strategic Year Holdings Limited ("SYHL") and Mr. Yin Kin Bong Joseph ("JY") for the subscription of new ordinary shares of BSSB.

On 10 August 2018, the transaction was completed. BSSB has ceased to be a wholly-owned subsidiary of the Company arising from the dilution of the Company's existing ordinary equity interest in BSSB from 100% to approximately 93.3%.

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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Directors				
-Revenues recognised from the sale of properties under construction	(1,518)	1,925	3,668	3,714
Other related parties				
Non-controlling interests of subsidiaries				
- Interest expense	-	-	-	(1,934)
- Project management fee expense	-	-	-	(67)

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 %
	31.12.2018 RM'000	31.12.2017 RM'000	
Revenue	239,079	122,870	95
Profit before taxation	27,369	2,650	933

The Group achieved revenues of RM239.08 million, which was 95% higher than the corresponding year's revenues of RM122.87 million. The higher revenues were due to stronger progress billings and new sales attributable to our development in Tropicana and Kepong respectively. With the higher revenues attained in 2018, the Group reported a higher pre-tax profit of RM27.37 million as compared to the corresponding year's pre-tax profit of RM2.65 million.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	4Q 2018	3Q 2018	Increase/ (Decrease)
	RM'000	RM'000	%
Revenue	65,925	65,358	1
Profit before taxation	3,198	9,264	(65)

The Group recorded marginally higher revenues of RM65.93 million as compared to the preceding quarter's revenues of RM65.36 million with the steady construction progress of our developments. However, the Group reported a lower pre-tax profit of RM3.20 million as opposed to the preceding quarter's pre-tax profit of RM9.26 million. The lower pre-tax profit was mainly the result of higher construction related costs arising from our Tropicana project recognised in this quarter.

17. PROSPECTS

Lumi Tropicana

Lumi Tropicana achieved an average take up rate exceeding 80% for the units launched (including Wellness Tower). Amid continued construction progress and expected steady buyer interest, we should complete selling the bulk of the remaining unsold units in 2019. Meanwhile, the last of four towers comprising the remaining 186 units of serviced residences is to be launched in the first half of 2019. Play and Action Towers under Phase 1 have been structurally completed, whereas for Phase 2, construction has reached up to level 16 and level 7 of Wellness and Lifestyle Towers respectively.

Kepong

In Kepong, all the non-bumiputra units for both Kepong projects (Residensi ENESTA Kepong and Suite eNESTA Kepong) have been sold, with an average take up rate exceeding 75%. The Group expects further sales for the Kepong developments upon the approval for release of more units from the bumiputra quota to non-bumiputra by the relevant authorities.

Northern Region

Continuing the positive trend from prior years, sales demand in Desa Aman remains robust. We have received a strong sales response for the newly launched low medium cost apartments (Residensi ENESTA Desa Aman) in November 2018. In addition to the projects in Desa Aman, our joint venture affordable housing development in Behrang, Perak is expected to commence in the year 2019.

17. PROSPECTS (CONTINUED)

Overall

The Group's projects have a total gross development value of approximately RM2 billion. On the back of strong sales responses received from our developments launched, the Group has built up unbilled sales of more than RM370 million to be delivered over the next three (3) financial years, with good prospects of continuing this encouraging sales trend. Hence, our current active project portfolio (as elaborated above), is expected to contribute positively to the Group's future financial performance.

18. VARIANCE FROM PROFIT FORECAST OR PROFIT GUARANTEE

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

19. PROFIT BEFORE TAXATION

	4th Quarter Ended		12 Months Ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	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	589	572	2,370	2,405
Depreciation of investment properties	5	5	26	26
Impairment loss on goodwill	-	1,891	-	1,891
Impairment loss on trade receivables	-	689	-	689
Reversal of impairment loss on trade and other receivables	(1,119)	(11)	(1,119)	(11)
Write back of amount due to a related party	-	(2,184)	-	(2,184)
Interest expense	672	559	2,509	3,634
Interest income	(76)	(49)	(261)	(266)

20. TAX EXPENSES

	4th Quarter Ended		12 Months Ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Tax expenses				
Income tax	819	1,504	7,115	3,480
Deferred tax	(813)	(1,287)	(1,266)	(2,621)
Total tax expenses charged in current year	6	217	5,849	859

The effective tax rate of the Group is higher than the statutory income tax rate of 24% mainly due to certain expenses not being deductible for tax purposes.

21. CORPORATE PROPOSALS

a) **Proposed private placement of up to 10% of the total number of issued shares of Thriven Global Berhad ("Proposed Private Placement")**

On 27 February 2018, Thriven Global Berhad ("the Company" or "Thriven") proposed to undertake a private placement of up to 10% of the total number of issued shares of Thriven to third party investor(s) to be identified later.

The Proposed Private Placement entails an issuance of up to 10% of the total number of issued shares of Thriven. The actual number of Placement Shares to be issued pursuant to the Proposed Private Placement will depend on the total issued Shares of the Company on a date to be determined later upon obtaining all the relevant approvals, and hence, will range from 37,669,913 to 56,504,868 new Thriven shares.

Bursa Malaysia Securities Berhad had vide its letter dated 12 March 2018, resolved to approve the listing and quotation of up to 56,504,868 new Thriven shares to be issued pursuant to the Proposed Private Placement.

21. CORPORATE PROPOSALS (CONTINUED)

a) Proposed private placement of up to 10% of the total number of issued shares of Thriven Global Berhad ("Proposed Private Placement") (continued)

Bursa Malaysia Securities Berhad had vide its letter dated 3 September 2018, resolved to grant an extension of time until 11 March 2019 for Thriven to complete the Proposed Private Placement.

On 16 January 2019, UOBKH on behalf of Thriven's Board, announced that the Board resolved to fix the issue price at RM0.2050 per Placement Share.

The issue price of RM0.2050 per Placement Share represents a discount of approximately 4.07% to the 5-day volume weighted average market price ("VWAMP") of Thriven Shares up to and including 15 January 2019, being the last traded day of Thriven Shares immediately preceding the price-fixing date, of RM0.2137 per Thriven Share.

UOBKH on behalf of Thriven's Board, announced that 17,000,000 Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from 9.00 a.m. on 25 January 2019.

Bursa Malaysia Securities Berhad had vide its letter dated 26 February 2019, resolved to grant an extension of time until 11 September 2019 for Thriven to complete the Proposed Private Placement.

b) Proposed bonus issue of up to 180,815,579 new ordinary shares in Thriven ("Thriven Share(s)" or "Share(s)") ("Bonus Share(s)") on the basis of 8 bonus shares for every 25 existing Thriven shares held on an entitlement date to be determined and announced later ("Proposed Bonus Issue")

On 6 July 2018, on behalf of the Board of Directors of Thriven ("Board"), UOB Kay Hian Securities (M) Sdn Bhd ("UOBKH") has announced that the Company proposes to undertake a proposed bonus issue of up to 180,815,579 new Thriven Shares on the basis of 8 Bonus Shares for every 25 existing Thriven Shares held on an entitlement date to be determined and announced later.

On 27 July 2018, UOBKH announced that Bursa Malaysia Securities Berhad ("Bursa Securities") has, vide its letter dated 27 July 2018, resolved to approve the following:-

- (i) listing of and quotation for up to 180,815,579 new ordinary shares ("Bonus Shares") to be issued pursuant to the Proposed Bonus Issue;
- (ii) listing of and quotation for up to 60,271,859 additional Warrants B to be issued arising from the adjustments to be made pursuant to the Proposed Bonus Issue; and
- (iii) listing of and quotation for up to 60,271,859 new ordinary shares to be issued arising from the exercise of the additional Warrants B,

on the Main Market of Bursa Securities.

On 14 September 2018, UOBKH on behalf of Thriven's Board, announced that the above Proposed Bonus Issue has been completed.

c) Subscription and Shareholders' Agreement ("Agreement") with Strategic Year Holdings Limited ("SYHL"), Mr. Yin Kin Bong Joseph ("JY"), Thriven Properties Sdn. Bhd. ("TPSB") and Bakat Stabil Sdn. Bhd. ("BSSB") for the subscription of an additional 58,798 ordinary shares in BSSB, proposed allotment of 62,998 ordinary shares and 2,493 redeemable preference shares ("RPS") in BSSB, a wholly-owned subsidiary of the Company

On 20 July 2018, the Company, BSSB and TPSB have entered into the Agreement with SYHL and JY, where the Company is subscribing for an additional 58,798 ordinary shares in BSSB, a wholly-owned subsidiary of the Company ("Subscription") for a total consideration of RM58,798, subject to the terms and conditions as stipulated in the Agreement with SYHL and JY.

21. CORPORATE PROPOSALS (CONTINUED)

- c) **Subscription and Shareholders' Agreement ("Agreement") with Strategic Year Holdings Limited ("SYHL"), Mr. Yin Kin Bong Joseph ("JY"), Thriven Properties Sdn. Bhd. ("TPSB") and Bakat Stabil Sdn. Bhd. ("BSSB") for the subscription of an additional 58,798 ordinary shares in BSSB, proposed allotment of 62,998 ordinary shares and 2,493 redeemable preference shares ("RPS") in BSSB, a wholly-owned subsidiary of the Company (continued)**

As a result from the Proposals, BSSB ceased to be a wholly-owned subsidiary of the Company arising from the dilution of the Company's existing ordinary equity interest in BSSB from 100% to approximately 93.3%. SYHL and JY paid a total sum of RM4,200,000 into BSSB by:-

- (i) subscribing 4,200 new ordinary shares of BSSB for RM4,200 in cash;
- (ii) subscribing 2,493 new RPS of BSSB for RM2,493,000 in cash; and
- (ii) advanced a sum of RM1,702,800 to BSSB via the loan agreement dated 20 July 2018 entered into between SYHL, JY and BSSB.

On 10 August 2018, the above transactions were completed and BSSB is currently 93.3% owned by the Company.

22. BANK BORROWINGS

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

	31.12.2018	31.12.2017
	RM'000	RM'000
Short Term - Secured	98,523	111,361
Long Term - Secured	23,696	49,545
	<u>122,219</u>	<u>160,906</u>

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 2018.

25. EARNINGS PER ORDINARY SHARE

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

	4th Quarter Ended		12 Months Ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Profit for the year	3,192	5,479	21,520	1,791
Add back: Non-controlling interest	(307)	(1,562)	(1,125)	(1,590)
Profit attributable to the owners of the Company	<u>2,885</u>	<u>3,917</u>	<u>20,395</u>	<u>201</u>
Weighted average number of ordinary shares in issue ('000) ("WAVOS")	<u>497,243</u>	<u>497,243</u>	<u>497,243</u>	<u>497,243</u>
Basic earnings per ordinary share (sen) ("EPS")	<u>0.58</u>	<u>0.79</u>	<u>4.10</u>	<u>0.04</u>

25. EARNINGS PER ORDINARY SHARE (CONTINUED)

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 earning per ordinary share for the year is equal to the basic earning per ordinary share.

The WAVOS and EPS has been restated to take into account the effect of bonus issues for the financial year ended 31 December 2017.