THRIVEN

Annual Report 2016

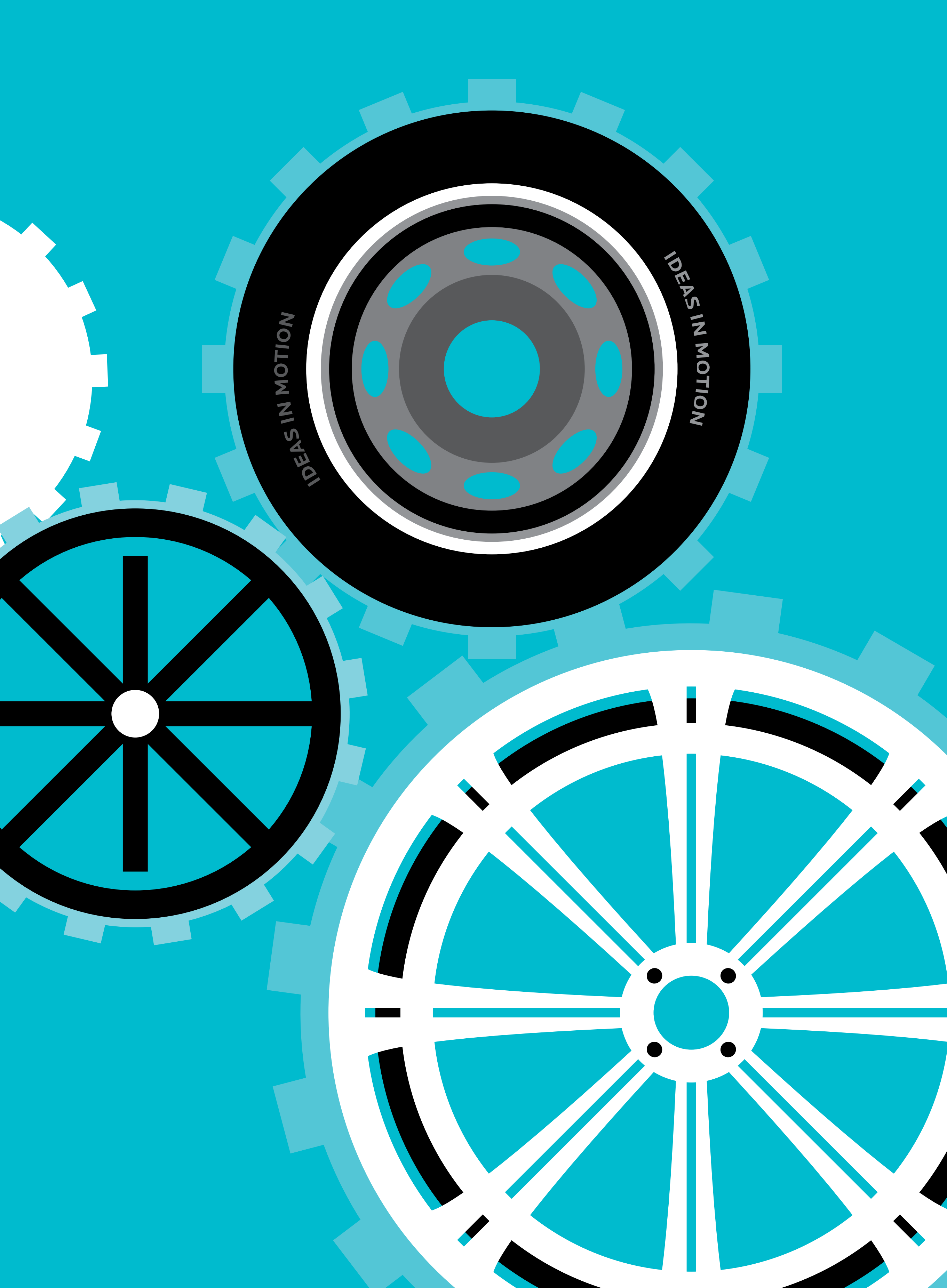
ESSENTIAL LIVING

eNESTa is where your life begins. eNESTa, in its core, represents a nest to take shelter from harm, a nest to take off from, and a nest to come back to.

CONTENTS

CREATIVITY DRIVES US FORWARD, INNOVATION MEANS WE DON’T STOP MOVING

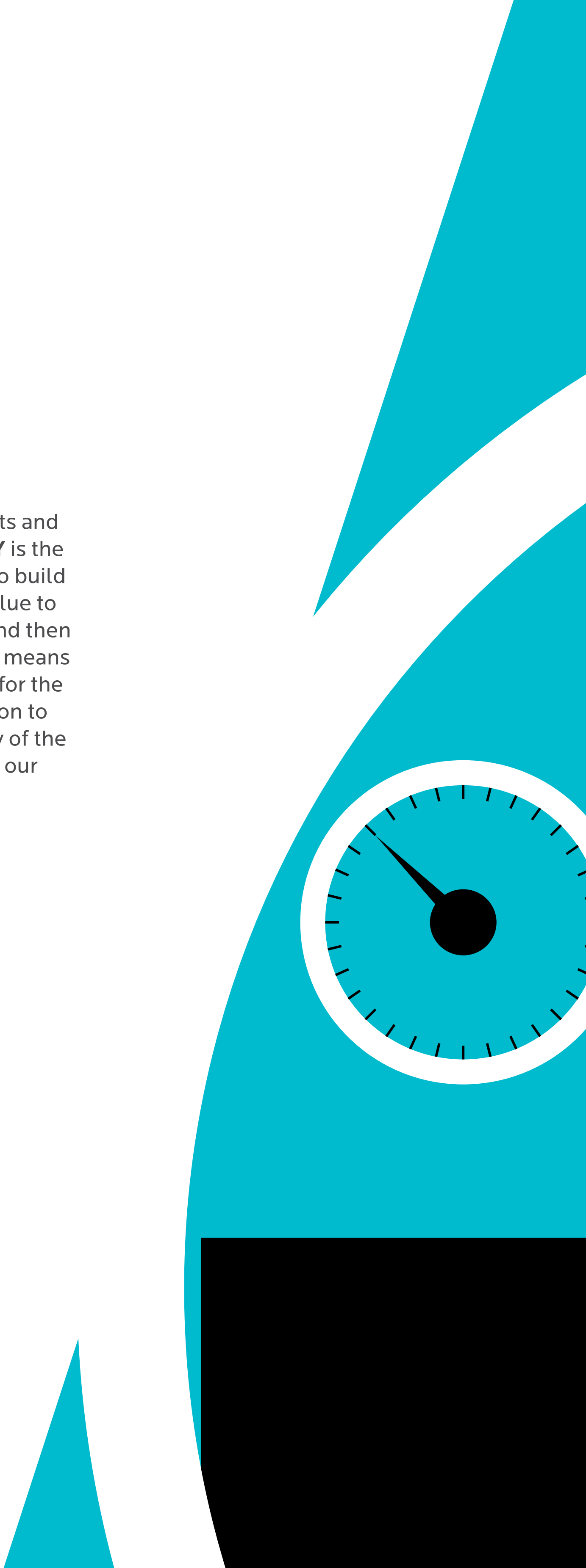
The value of **INNOVATION** is embedded in our corporate culture. We are driven by design and passionate about the delivery of a quality lifestyle, be that in the creation of exciting new property products that set benchmarks for the industry, or services that push the boundaries in the customer experience. But being innovative isn’t only about creating the ‘new’. It also means we continually strive to think of better ways of doing things and improving what we do, for the benefit of our customers. It means we always challenge the status quo, and are never satisfied with ‘business as usual’.

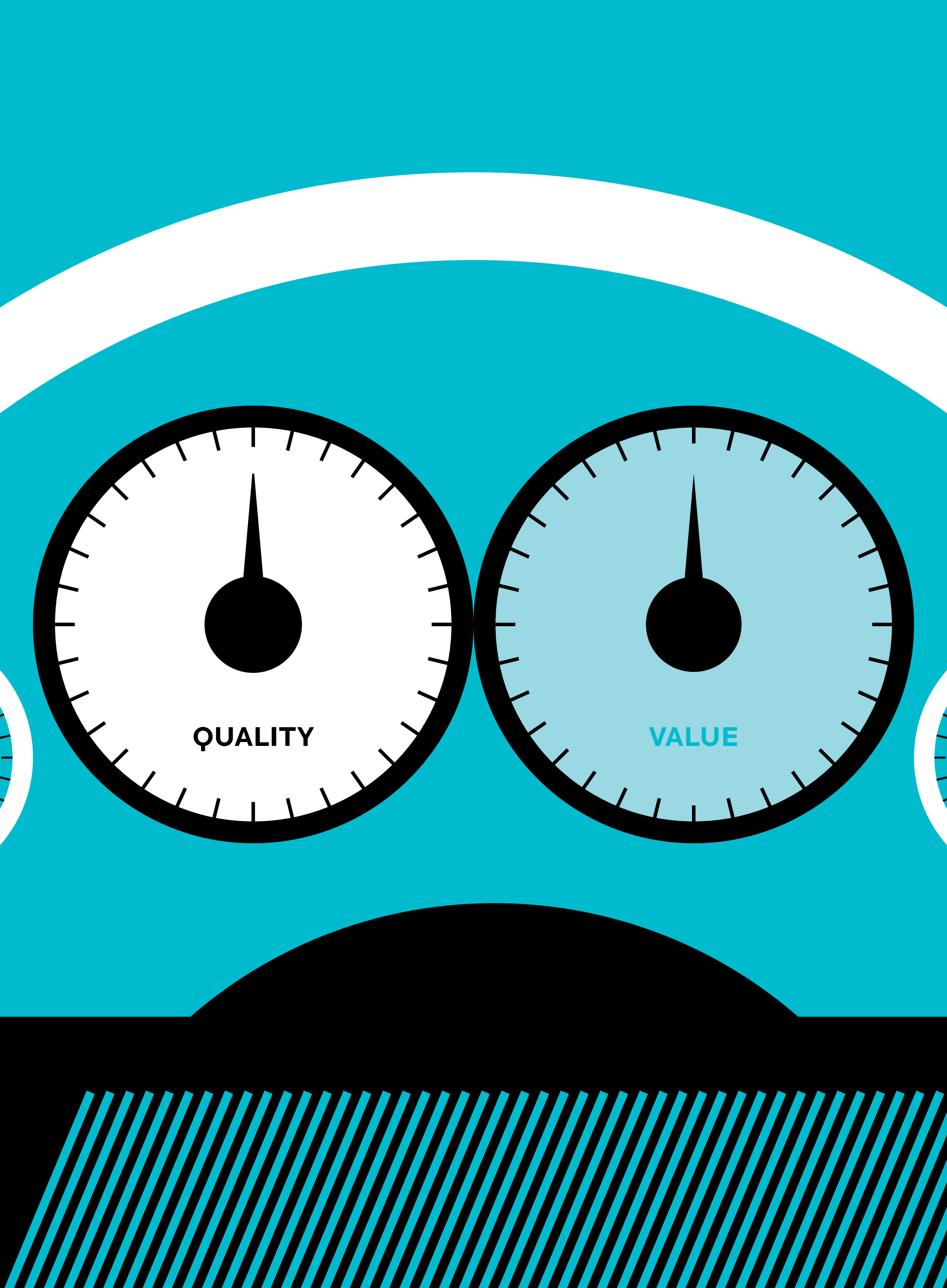

IDEAS IN MOTION
IDEAS IN MOTION

QUALITY

WE ARE DRIVEN BY EXCELLENCE, BUT ALWAYS WITH VALUE IN MIND

At Thriven, we want to create the kind of products and services that will lead the market, and **QUALITY** is the way we are going to achieve it. Our objective is to build quality living environments that deliver good value to our customers at the initial point of purchase, and then continue to increase in value, over time. Quality means we don't cut corners or compromise standards, for the sake of the bottom line. It means we pay attention to the details, both in the design and the durability of the buildings we create, and the way in which we do our work, or serve our customers.




QUALITY
VALUE

CARE IS HOW YOU BUILD COMMUNITY, AND GENUINE RELATIONSHIP

Our vision says we want to build living communities, including our own, and **CARE** is at the heart of community. The Thriven difference is that we genuinely care for our customers, our business partners and each other. This means we always treat everyone with warmth and respect. It means that we are friendly, helpful and flexible in our customer service. It also means we are cooperative and easy-to-deal-with in our interactions with each other. This is how we nurture a winning network of clients and collaborators, generating mutual and enduring value together.


TAKE
CARE

CORPORATE PROFILE

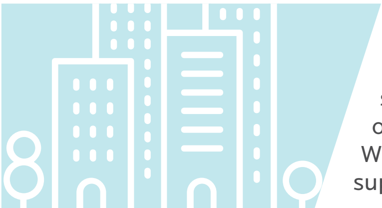
As a leader in Malaysia's property industry, Thriven Global is setting new standards. We innovate new lifestyles with great passion and purpose.

The synergy of our services unlocks the full potential of project sites, which results in hassle-free and unique living spaces.

We are listed on the Main Market of Bursa Malaysia Securities Berhad and our excellence has enabled us to attain with an impressive legacy in urban planning and development. Our forte lies in creating integrated communities where lifestyle, leisure and business come together, in one place. We utilize innovation, forward-looking design and smart urban planning to forge a superior living experience.

CORPORATE PROFILE (cont'd)

Our three complementary core businesses, **Property Development and Investment, Hospitality And Lifestyle Retail and Facility Management** are integrated to create our unique approach to community building.



PROPERTY DEVELOPMENT AND INVESTMENT

We handle each project with comprehensive detail and ensure that all steps taken in the planning and execution process are carefully carried out. At every phase, we drive the project forward with insight and vigour. With our team of dedicated and experienced staff, we deliver not only a superior product, but also an unforgettable experience.

HOSPITALITY AND LIFESTYLE RETAIL

In order to make living in our developments both a joy to live in as well as being convenient, we provide a range of services that have our homeowners' well-being and satisfaction in mind. Our lifestyle retail is carefully tailored in order to provide only the best for our homeowners. We have forged a long-term partnership with many key retail operators to provide the best possible experience for you.

FACILITY MANAGEMENT

Our facility management team carry out comprehensive services with a "personal touch" that ensure post-developmental activities are carried out efficiently and meet the highest standards possible. This is to ensure a high standard of living as well as safeguard the durability and investment potential of our developments.

This is what we call '**FORWARD LIVING**'.

CORPORATE
PROFILE (cont'd)

FORWARD LIVING

We believe that property development is fundamentally about the future, about innovative concepts for the middle-income market, distinguished by cutting-edge planning and design. Our products offer a total lifestyle experience where living, leisure and business come together, in one place. And inpursuit of our vision, we forge mutually beneficial relationships of trust with our business associates and customers.

This is Forward Living, in action.

FORWARD THINKING

We are inspired by design and passionate about creating a coveted living experience, be that in the development of new genres in service residences, or master-planned townships with affordable housing. We conceptualize every project from the broad view of urban planning all the way through to the essence of the product, the living space, where people can feel the impact of our design on a daily basis. We embrace more evolved ways of creating spaces with keen attention to detail and sensitivity to evolving market needs. By adopting a thoughtful approach to structures and materials, we deliver choice products that appreciate in value over time.

FORWARD MOVING

For us, property development isn't just about building houses, it's about creating holistic, sustainable, thriving communities. It's about values. We believe fundamentally in the family as a core unit of society, Consequently, a 'Live-Work-Play' model lies at the heart of our urban planning. We also believe in sustainable development and caring for the environment, which has two aspects. First, we are determined that green spaces comprise at least 25% of the land area of all our developments. Second, we strive to keep our carbon footprint and energy consumption low, making astute choices in our building design and the selection of materials and lighting to accomplish this.

We have assembled a broad-based team with a complementary range of skill sets, leveraging on diverse backgrounds to transform the development landscape in Malaysia. We also believe in cultivating long-term, mutually beneficial partnerships of trust with our business associates for the best all-round results.

FORWARD LOOKING

We believe that no truly great vision can be achieved without collaboration, the mutually rewarding dynamic that creates value for everyone as it moves toward the goal. For this reason we have brought together a broad-based team internally with a complementary range of skill sets, leveraging our diverse backgrounds toward the shared objective of transforming the development landscape in Malaysia. Externally we also believe in cultivating long-term, mutually beneficial partnership of trust with our business associates, where each contributes their expertise for the best all-round result, which for us means happy customers living in well-designed, healthy and sustainable communities.

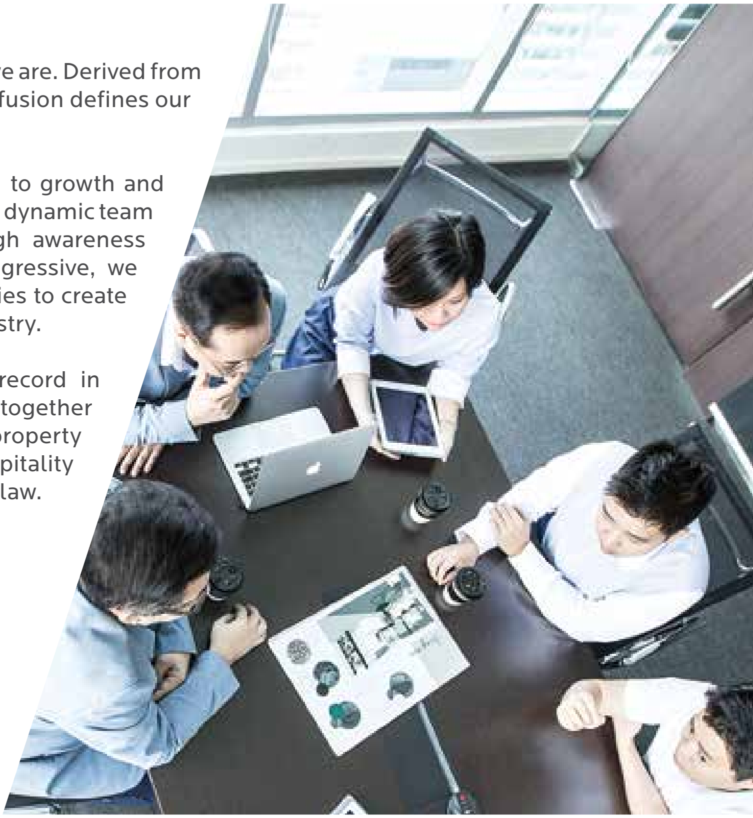
CORPORATE
PROFILE (cont'd)

ABOUT THRIVEN

The name Thriven says something about who we are. Derived from the two words 'thrive' and 'driven', this kinetic fusion defines our corporate character.

We are a youthful and energetic group, open to growth and change. Our core strength lies in our people — a dynamic team of forward-thinking professionals with a high awareness of design and detailing. Innovative and progressive, we study emerging trends and push the boundaries to create products that will set benchmarks for the industry.

The Thriven team has a formidable track record in local and international markets, and brings together a comprehensive suite of skills from property development, facilities management and hospitality to corporate finance, debt capital markets and law.



CORPORATE PROFILE (cont'd)

OUR FOCUS

Our aim is to bring exciting and innovative residential products and services to the Malaysian market, which will define a new level of living experience, what we call 'Total Living'. Our focus over the medium term will be on Affordable Luxury for the upper mid-market, and Affordable Homes for the lower income segment.

Whatever the residential product, our focus is on quality, but always with value in mind — we seek to create and deliver those aspects of the living experience that create the most value and impact for the customers. Our objective is to build quality living environments with the kind of supporting infrastructure that delivers good value at the initial point of purchase, and then continues to appreciate in value as an investment, over time.

We pay attention to the details both in design and planning, and materials and fittings, building in the appropriate quality and reliability both in the 'hardware' and the 'software' of our developments. The result is a superior product that will lead the market.

We take our social responsibilities seriously. We aim to build well-rounded 'Live-Work- Play' communities in environments that have been considered from an urban planning viewpoint, bringing together residential, commercial and public spaces in a harmonious and mutually enriching manner. Woven into the fabric of these living communities will be generous green and leisure spaces.

OUR VALUES

Thriven Global is defined not only by our vision to create holistic communities which benefit society as a whole, but also by the values which guide all our business efforts, on a daily basis.

Honesty and integrity form the bedrock of our organization and this is the basis of how we build long-term trust between us and all our stakeholders. We care for our customers, our business partners, and for each other, treating everyone with warmth and respect. This is how we nurture a winning network of customers and collaborators, creating mutual, enduring value together.

We believe that great work begins with a great workplace — we work hard at cultivating an environment that inspires everyone to share his or her best. With a lean organizational structure, we move quickly and efficiently to accomplish tasks and achieve goals. We respect convention but are not bound by it, and 'champion the brand' by looking for new and unexpected —but always better — ways of doing things.

We believe in conducting our business in a sustainable manner, and always consider the long-term impact of our operations from an environmental standpoint.

THE FUTURE

Our projects are currently local but our horizon is global. We are dedicated to creating Thriven Global Berhad as an international brand, extending our reach across the Middle East and Southeast Asia, building and maintaining a portfolio of quality projects that will build our reputation globally.

The retail, commercial and supporting infrastructure at the heart of our developments will create a recurring revenue stream, while partnerships with key retail operators will enhance the sustainability of our community-focused concept.

We envision growing our hospitality and lifestyle and facilities management teams to undertake projects of increasing size and complexity, and then offer this expertise on the market to third parties.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman
Datuk Fakhri Yassin bin Mahiaddin

Group Managing Director
Ghazie Yeoh bin Abdullah

Executive Director
Dato' Low Keng Siong

Independent Non-Executive Directors
Lim Kok Beng

Henry Choo Hon Fai

Rewi Hamid Bugo

Non-Independent Non-Executive Director
Lee Eng Leong

AUDIT COMMITTEE

Lim Kok Beng (Chairman)
Henry Choo Hon Fai
Rewi Hamid Bugo

NOMINATION COMMITTEE

Lim Kok Beng (Chairman)
Henry Choo Hon Fai
Rewi Hamid Bugo

REMUNERATION COMMITTEE

Rewi Hamid Bugo (Chairman)
Lim Kok Beng
Ghazie Yeoh bin Abdullah

COMPANY SECRETARIES

Seet Wan Sing (BC/S/1491)
Tan Lai Hong (MAICSA 7057707)

REGISTERED OFFICE

Level 23A, Menara LGB
No. 1, Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur, Malaysia

T : (603) 7688 1266
F : (603) 7688 1277

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd. (378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia

T : (603) 7849 0777
F : (603) 7841 8151/52

AUDITORS

KPMG PLT (AF: 0758)
Chartered Accountants

PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Bhd.

AmBank (M) Berhad

AmBank Islamic Berhad

Hong Leong Bank Berhad

Bank Islam Malaysia Berhad

CIMB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

Stock Name : THRIVEN
Stock Code : 7889

WEBSITE ADDRESS

www.thriven.com.my

INVESTOR RELATIONS

E : ir@thriven.com.my

T : (603) 7768 1266

GROUP'S 5-YEAR FINANCIAL HIGHLIGHTS

Statement of Profit or Loss and Other Comprehensive Income

	2016 RM'000	2015 RM'000	2014 RM'000 Restated #	2013 RM'000	2012 RM'000
Revenue	66,969	56,810	44,680	47,143	42,968
(Loss)/Profit before taxation	(16,589)	3,215	9,009	11,779	4,223
(Loss)/Profit after taxation	(16,700)	376	5,542	8,880	3,124
(Loss)/Profit attributable to owner of the company	(10,145)	3,508	9,821	8,506	2,703

Statements of Financial Position

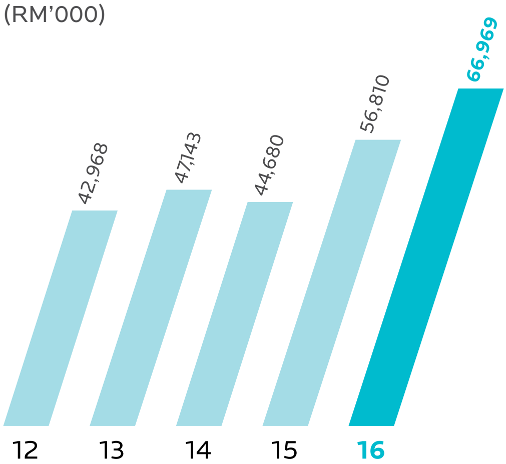
	2016 RM'000	2015 RM'000	2014 RM'000 Restated #	1.1.2014/ 2013 RM'000 Restated #	2012 RM'000
Issued share capital	37,670	37,670	22,830	22,830	9,132
Reserves	118,167	128,312	120,103	107,481	106,029
Total shareholders funds	155,837	165,982	142,933	130,311	115,161
Total assets	392,678	400,467	320,554	365,017	228,666
Total liabilites	246,470	237,559	177,563	223,523	107,613
Non-controlling interest	(9,629)	(3,074)	58	11,183	5,892
(Loss)/Earnings per ordinary share ("EPS")(sen)	(2.69)	0.97	2.87 *	2.48 *	0.79 *
Net dividends per ordinary share ("DPS")(sen)	–	–	–	0.20 *	–
Net tangible assets per share attributable to owners of the Company ("NTAPS") (RM)	0.41	0.44	0.41 *	0.37 *	0.33 *

Comparatives have been restated due to the early adoption of MFRS 15, *Revenue from Contracts with Customers.*

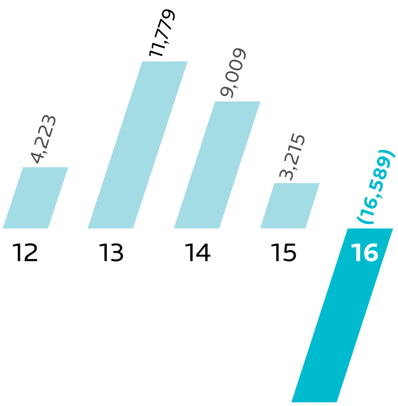
* The EPS, DPS and NTAPS has been restated to take into account the effect of the bonus share issues during the financial year under review and financial year ended 31 December 2013

GROUP'S 5-YEAR
FINANCIAL HIGHLIGHTS (cont'd)

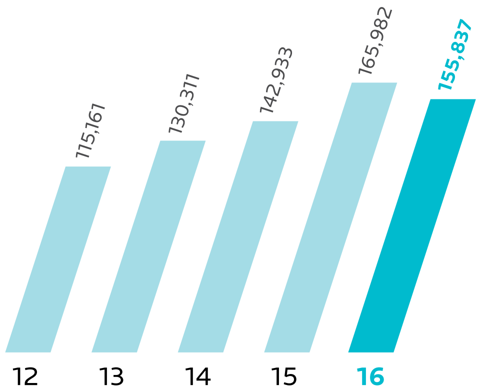
Revenue
(RM'000)



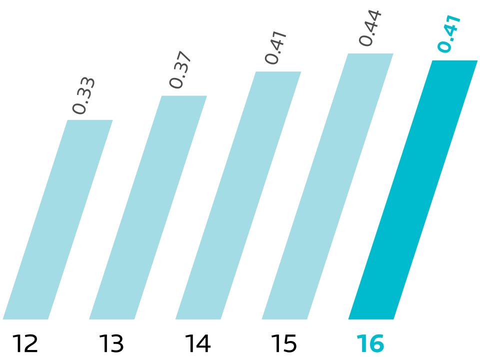
(Loss)/Profit Before Tax
(RM'000)



Total Shareholders' Funds
(RM'000)



Net Tangible Assets Per Share
(RM)



FINANCIAL CALENDAR

Announcement of Quarterly Results

17 MAY 2016
Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2016

26 AUGUST 2016
Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2016

23 NOVEMBER 2016
Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2016

24 FEBRUARY 2017
Announcement of the unaudited consolidated results for the 4th quarter and financial year ended 31 December 2016

Annual Report

28 APRIL 2017
Issuance of Annual Report 2016

BOARD OF DIRECTORS & KEY MANAGEMENT

From left to right

BOARD OF DIRECTORS

Ghazie Yeoh bin Abdullah
Group Managing Director

Dato' Low Keng Siong
Executive Director

Henry Choo Hon Fai
Independent Non-Executive Director

Datuk Fakhri Yassin bin Mahiaddin
Executive Chairman

Lim Kok Beng
Independent Non-Executive Director

Lee Eng Leong
Non-Independent Non-Executive Director

Rewi Hamid Bugo
Independent Non-Executive Director

SENIOR MANAGEMENT

Foo Mu Kain
General Manager, Contracts, Procurement & Projects Implementation

Teoh Kong Haur
General Manager, Northern Region

Augustone Cheong Kwok Fai
Group Chief Financial Officer

Seat Wan Sing
Company Secretary

PROFILE OF BOARD OF DIRECTORS

Datuk Fakhri Yassin bin Mahiaddin ***Executive Chairman***

Gender: Male | **Nationality:** Malaysian | **Age:** 41 | **Date of Appointment:** 18 April 2015
Tenure of Directorship: Two (2) years
Membership of Board Committee: Nil

Qualifications:
Bachelor of Science (Econs) Degree in Business Economics from Queen Mary College, University of London, United Kingdom.

Working Experiences:
Datuk Fakhri is currently the Group Managing Director of Ketapang Capital Sdn. Bhd., an investment holding company of the Ketapang Group. Prior to establishing Ketapang, he commenced his career as an Investment Analyst with Hwang-DBS Securities Bhd. He is also a Director of Eden Inc. Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

He is currently serving on the Board of Trustees of TSM Charity Golf Foundation and Yayasan Nurul Yaqeen, both being educational and charitable non-governmental organisations.

Directorship in Other Public Companies and Listed Issuers: Eden Inc. Berhad

Other Information:
Datuk Fakhri does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years. He is deemed interested in 112,518,790 or 29.87% of the shares in the Company by virtue of his shareholdings in Ketapang Capital Sdn. Bhd. He attended all six (6) Board Meetings held during the financial year.

Ghazie Yeoh bin Abdullah ***Group Managing Director***

Gender: Male | **Nationality:** Malaysian | **Age:** 40 | **Date of Appointment:** 22 May 2012
Tenure of Directorship: Four (4) years and Eleven (11) months
Membership of Board Committee: Remuneration Committee

Qualifications:
Bachelor of Science Degree (Information Technology) from Monash University in Melbourne, Australia.

Working Experiences:
Armed with 17 years of experience in the property industry, Encik Ghazie brings with him vast knowledge and understanding in the development, construction and building materials sector.

Encik Ghazie is also a director of several private companies, including Pasukan Sehati Sdn. Bhd., a substantial shareholder of the Company.

Other Information:
Encik Ghazie has no directorships in other public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years. He holds 3,255,000 or 0.86% shares in the Company and is deemed interested in 29,800,000 or 7.91% shares in the Company by virtue of his shareholdings in Pasukan Sehati Sdn. Bhd. He attended all six (6) Board Meetings held during the financial year.

PROFILE OF
BOARD OF DIRECTORS (cont'd)

Dato' Low Keng Siong ***Executive Director***

Gender: Male | **Nationality:** Malaysian | **Age:** 43 | **Date of Appointment:** 4 September 2013
Tenure of Directorship: Three (3) years and Seven (7) months
Membership of Board Committee: Nil

Qualifications:
Bachelor of Laws (Hons) Degree from King's College London.

Working Experiences:
He was called to the Bar of England & Wales and subsequently called to the Malaysian Bar. He was a Partner with a leading law firm in Kuala Lumpur from 2003 to 2014, with substantial experience in the practice areas of corporate restructuring and capital markets.

Dato' Low is also a director of several private companies, including Pasukan Sehati Sdn. Bhd., a substantial shareholder of the Company.

Other Information:
Dato' Low has no directorships in other public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years. He holds 28,139,250 or 7.47% shares in the Company and is deemed interested in 29,800,000 or 7.91% shares in the Company by virtue of his shareholdings in Pasukan Sehati Sdn. Bhd. He attended all six (6) Board Meetings held during the financial year.

Lim Kok Beng ***Independent Non-Executive Director***

Gender: Male | **Nationality:** Malaysian | **Age:** 70 | **Date of Appointment:** 28 August 2001
Tenure of Directorship: Fifteen (15) years and Eight (8) months
Membership of Board Committee: Audit Committee (Chairman) • Nomination Committee (Chairman) • Remuneration Committee

Qualifications:
Fellow of the Institute of Chartered Accountants in England & Wales and a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants.

Working Experiences:
Mr. Lim has broad experience gained internationally in the fields of investment banking and corporate planning, and has held Chief Executive positions in industrial, trading, development and information technology companies. He is a Senior Partner in a Chartered Accountants firm.

Other Information:
Mr. Lim has no directorships in other public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years and he does not hold any shares in the Company. He attended five (5) Board Meetings held during the financial year.

PROFILE OF
BOARD OF DIRECTORS (cont'd)

Henry Choo Hon Fai ***Independent Non-Executive Director***

Gender: Male | **Nationality:** Malaysian | **Age:** 44 | **Date of Appointment:** 13 September 2007
Tenure of Directorship: Nine (9) years and Seven (7) months
Membership of Board Committee : Audit Committee • Nomination Committee

Qualifications:
Bachelor of Science Degree (Computer Science) from La Trobe University in Melbourne, Australia

Working Experiences:
Mr. Henry Choo started his career in 1994 as an Equity Research Analyst in Dao Heng Securities Ltd., Hong Kong. From 1996 to 2000, he was the Director of Business Development at Fok Lee Sdn. Bhd., a specialist contractor. From 2000 to 2010, he was involved in Private Equity and Venture Capital, first with Intelligent Capital Sdn Bhd from 2000 to 2003, Artisan Encipta (M) Sdn. Bhd. from 2003 to 2004 and was the Chief Operating Officer of Atlantic Quantum Sdn. Bhd. from 2006 to 2010. He was the Executive Assistant to the Chairman of Silterra Malaysia Sdn. Bhd. from 2004 to 2006. He has been the Managing Director of Geogenesis Sdn. Bhd., an explorer and developer of natural resources since 2011.

Other Information:
Mr. Henry Choo has no directorships in other public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years and he does not hold any shares in the Company. He attended all six (6) Board Meetings held during the financial year.

Rewi Hamid Bugo ***Independent Non-Executive Director***

Gender: Male | **Nationality:** Malaysian | **Age:** 43 | **Date of Appointment:** 18 September 2015
Tenure of Directorship: One (1) year Seven (7) months
Membership of Board Committee: Remuneration Committee (Chairman) • Audit Committee • Nomination Committee

Qualifications:
Bachelor of Science (Management Science) and a Master of Commerce (Business Administration) from the University of Canterbury in New Zealand.

Working Experiences:
Mr. Bugo serves as a director of several private companies in Malaysia and New Zealand spanning various industries from property development, oil & gas, manufacturing and tourism.

He is presently the Deputy President of the Sarawak Housing Developer's Association for the 2015-2018 term.

Directorship in Other Public Companies and Listed Issuers: Sarawak Consolidated Industries Berhad

Other Information:
Mr. Bugo does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years. He holds 722,500 or 0.192% shares in the Company. He attended all six (6) Board Meetings held during the financial year.

PROFILE OF
BOARD OF DIRECTORS (cont'd)

Lee Eng Leong ***Non-Independent Non-Executive Director***

Gender: Male | **Nationality:** Malaysian | **Age:** 49 | **Date of Appointment:** 10 March 2016
Tenure of Directorship: One (1) year and One (1) month
Membership of Board Committee: Nil

Qualifications:
Member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants.

Working Experiences:
Mr. Lee was formerly the Group Chief Financial Officer of Alliance Bank Malaysia Berhad from 4 January 2010 to 2 October 2012. Prior to joining Alliance Bank Malaysia Berhad, he was the Chief Financial Officer of a major global company where he oversaw their finance operations covering the Asia region. For over 20 years, he has held various leadership roles in management positions within both local companies and multi-national companies in Asia.

Mr. Lee is currently the Executive Director of Mudajaya Group Berhad and the Group Chief Financial Officer of Mulpha International Bhd.

Mr. Lee who was the Non-Independent Non-Executive Chairman of the Company, resigned from the Board on 18 April 2015 subsequently appointed as the Alternate Director to Mr. Lee Seng Huang on 18 April 2015. He ceased to be the Alternate Director when Mr. Lee Seng Huang resigned as a Director on 10 December 2015. He was reappointed to the Board as a Non-Independent Non-Executive Director on 10 March 2016.

Directorship in Other Public Companies and Listed Issuers:
Mudajaya Group Berhad, Mudajaya Corporation Berhad and Leisure Farm Polo Club Berhad.

Other Information:
Mr. Lee does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years and he does not hold any shares in the Company. He attended three (3) Board Meetings held during the financial year.

PROFILES OF KEY MANAGEMENT

Augustone Cheong Kwok Fai

Mr. Augustone Cheong, aged 48, male, Malaysian is a member of CPA Australia and the Malaysian Institute of Accountants. He graduated from Monash University, Melbourne, Australia with a Bachelor of Economics Degree (majoring in Accountancy) in 1993.

In his working career, he has gained diverse experience in the areas of corporate finance, debt and equity fund raising as well as project financing with several financial institutions. Prior to joining Thriven as its Group Chief Financial Officer on 1 April 2015, he had also established and managed several private companies and ventures focussing on advisory and investment opportunities for its shareholders and external clients.

Mr. Augustone Cheong has no directorships in public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years.

Teoh Kong Haur

Mr. Teoh, aged 41, male, Malaysian graduated with a Bachelor Of Business Management Degree from Wawasan Open University, Malaysia and has a Diploma in Civil Engineering from the Federal Institute Technology.

Having 20 years of working experience in property developments which involved private and government projects within Klang Valley, Johor, Penang and Kedah. Mr. Teoh has experience in managing and coordinating large and complex real estate projects through all phases of designing, planning and development.

Mr. Teoh joined Thriven on 17 September 2014 and is currently the General Manager in charge of its Northern Region to provide leadership for regional project management and development functions by managing, coordinating and developing staff.

He has no directorships in public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years.

PROFILES OF KEY MANAGEMENT(cont'd)

Foo Mu Kain

Mr. MK Foo, aged 49, male, Malaysian has a tertiary education in Building Science & Quantity Surveying, with over 25 years of enhanced career working in Singapore and countries around Asia, employed by multi-national corporations head-quartered in Italy, U.S.A., Japan and France, who are leaders in their own industries, particularly in risk & cost control, contracts management and projects implementation. He has a forte in materials selection & hands-on creativity, and possess keen interests in stunning architecture and minimalistic interior designs.

Mr. MK Foo joined Thriven on 2 January 2015 and is currently the General Manager for Contracts, Procurement & Projects Implementation.

He has no directorships in public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years.

Seet Wan Sing (Edmund)

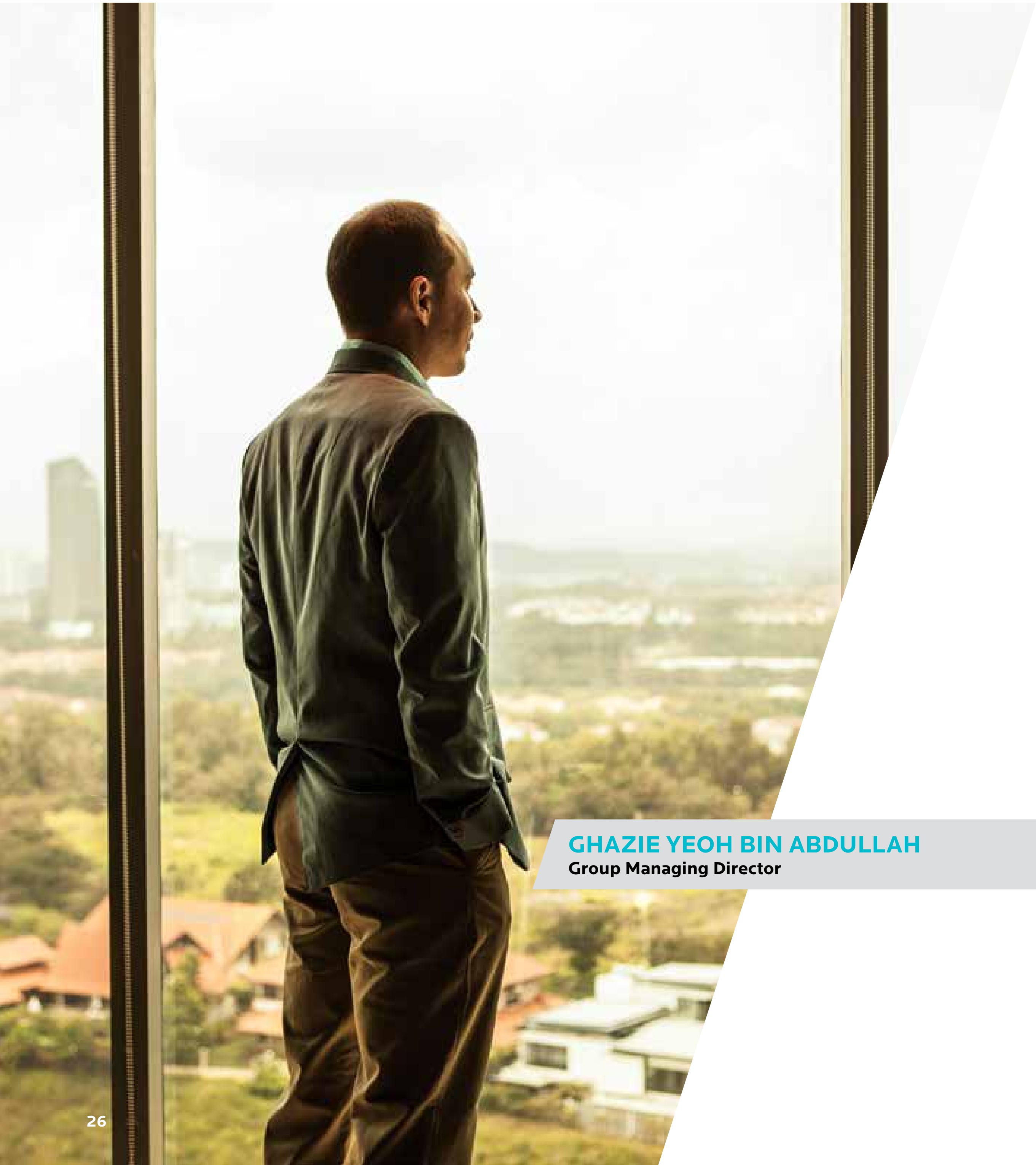
Mr. Seet, aged 41, male, Malaysian graduated with a Bachelor of Law (Honours) Degree from University of East London, England.

He was called to the Malaysian Bar in March, 2002. A lawyer by profession, Mr. Seet was a partner with a leading law firm in Kuala Lumpur before setting up his own legal firm in 2015. He has substantial experience in the practice areas of real estate, banking, corporate and commercial law.

Mr. Seet was appointed as the Joint Company Secretary of Thriven on 1 May 2015.

He has no directorships in public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years.

MANAGEMENT DISCUSSION & ANALYSIS



GHAZIE YEOH BIN ABDULLAH
Group Managing Director

MANAGEMENT DISCUSSION
& ANALYSIS (cont'd)

Overview of Group's Business and Operations

Thriven Global Berhad ("Thriven" or the "Group") is an established property developer listed on the Main Market of Bursa Malaysia. We launched our THRIVEN brand two years ago during the financial year ended 31 December 2015 ("FY2015"), with the change in the controlling shareholders. Derived from the words "thrive" and "driven", this kinetic fusion defines our new corporate culture and character.

For the financial year ended 31 December 2016 ("FY2016"), the principal activities of Thriven are property development, property investment and facilities management. Our development and business activities are located in the central and northern region of Peninsular Malaysia.

In FY2016, for the central region, the focus of our business activities was the development of our LUMI Tropicana project in Tropicana, Petaling Jaya whereas for the northern region, several developments were undertaken in Desa Aman, located in the district of Kulim, Kedah. Both areas of business activities performed well despite the challenging market conditions which prevailed throughout the year. LUMI Tropicana's Phase 1 comprising 372 units of service residences in 2 towers and 62 units of SOHO together with the podium, retail and car park block, has achieved more than 50% sales during the year. In Desa Aman, our single storey terrace (Klasik 2) and double storey terrace houses (Pesona) were also launched and fully sold within the year. The construction of affordable housing for Perbadanan PR1MA Malaysia ("PR1MA") in Desa Aman is well underway and the project is expected to be handed over in 2017.

For FY2016, the Group achieved revenues of RM66.97 million, which is 17.9% higher than the revenues for FY 2015 (RM56.81 million). Despite this, for FY2016, the Group posted pre-tax losses of RM16.59 million in contrast to a pre-tax profit of RM3.22 million in FY2015, as we wrote down the cost of inventory by RM8.81 million to its net realisable value, and continued to incur costs such as depreciation, interest expenses and overheads related to our expanding property development activities.

Nonetheless, in 2017 and going forward, the Group expects to reap the benefits of the resources, planning, branding and marketing efforts invested into its projects, both in the Klang Valley such as Lumi Tropicana and Kepong and in the northern region, namely in Desa Aman (Kedah), Bukit Panchor (mainland Penang) and Behrang (Perak).

Objective and strategies

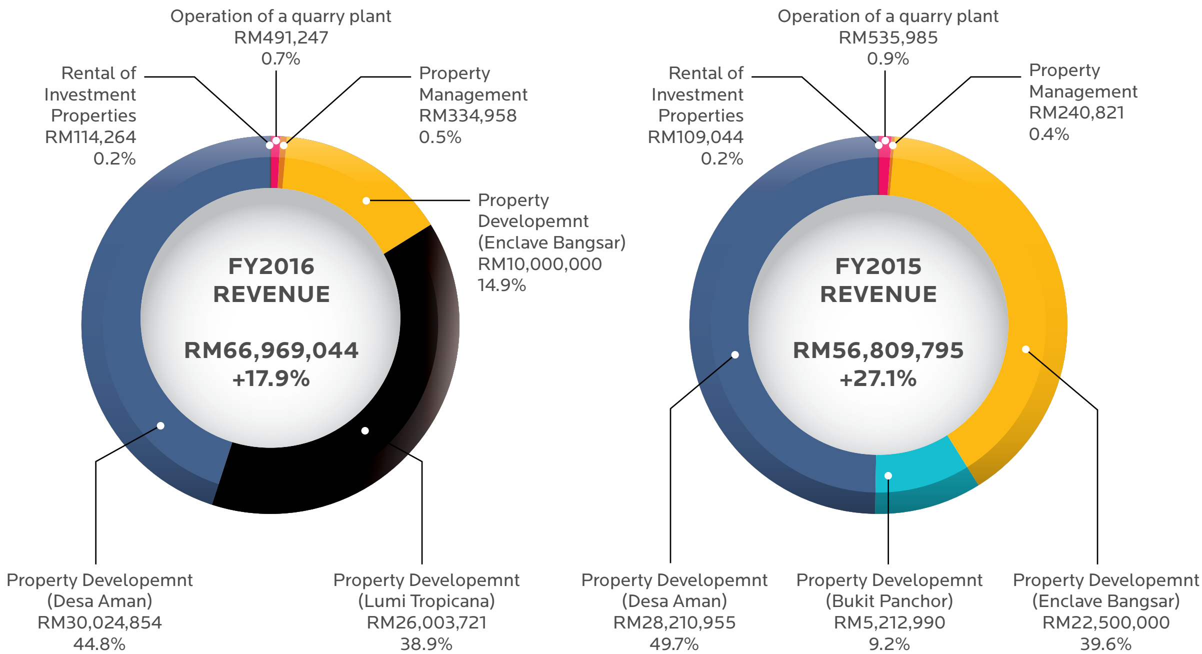
Thriven aims to bring exciting and innovative residential products and services to the Malaysian market, which will define a new level of living experience what we call "Total Living". Our focus over the medium term will be on affordable luxury for the upper mid-market and affordable homes for the middle income segment. Therefore, in terms of product branding, we have created LUMI Collections ("LUMI") and Enesta Affordable Series ("eNESTa") to target the upper mid-market and middle income markets respectively. To date, our LUMI and eNESTa brands has made significant inroads in the Klang Valley and Kedah property markets.

Our developments are currently local but our horizon is regional and beyond. We are dedicated to creating THRIVEN as an international brand in the future, extending our reach across the region, building and maintaining a portfolio of quality projects that will build our reputation internationally.

The retail, commercial and supporting infrastructure at the heart of our developments will create a recurring revenue stream while partnership with key retail operators and joint ventures with land owner(s) will enhance the sustainability of our community-focused lifestyle concepts. Thriven is continuously looking for new business opportunities and strategic partners for the development of skill, knowledge and business growth. Thriven is also set to expand and embark on a proposed hospitality and lifestyle division in the near future besides our existing core business in property development, property investment and facility management.

MANAGEMENT DISCUSSION
& ANALYSIS (cont'd)

Discussion and Analysis on Financial Results and Financial Condition



For FY2016, the Group recorded total revenues of RM66.97 million, an increase of 17.9% from the previous year's result (FY2015: RM56.81 million). The increase was attributable to the additional revenues of RM26.0 million (FY2015: NIL) contributed by Lumi Tropicana, which represented 38.8% of the Group's total revenues for FY2016. Notwithstanding the current weak property market sentiments, our Lumi Tropicana development has managed to sell the majority of its available service residences and SOHO units under Phase 1 due to its attraction as a strategically located and competitively priced premium development supported by unique design themes and branding as an affordable luxury lifestyle product.

In FY2016, the Group relied on two major customers (contract billings with PR1MA and a purchaser of the last unit of Enclave Bangsar bungalow) to generate approximately 38% of the Group's revenues. Enclave Bangsar is a 7-unit super exclusive high end bungalow development with unit prices of at least RM10 million each, which was fully sold in FY2016. The Group has been taking the necessary steps to diversify its revenue sources to avoid such concentration risk. With the enlargement of our customer base resulting from our current and upcoming new developments, we foresee a further reduction in concentration risk or dependency on major customers in 2017.

MANAGEMENT DISCUSSION
& ANALYSIS (cont'd)

	FY2016 RM'000	FY2015 RM'000
(Loss)/Profit before taxation	(16,589)	3,215
Staff cost	8,765	5,817
Depreciation	2,330	321
Finance cost	4,263	2,817
Inventory written down	8,812	–
Number of staff	71	59
Gross profit margin (%)	20.0%	36.4%

Despite the improvement in revenues, the Group posted a pre-tax loss of RM16.59 million in comparison with the corresponding year's pre-tax profit RM3.22 million because of several major items, which comprised of inventory written down, compounded by higher staff cost, depreciation charges and interest expenses incurred relating to property development activities.

Subsequent to the financial year end, the Group decided to dispose of a piece of land in Bukit Tunku, owned by its 51% subsidiary Mulpha Argyle Sdn Bhd, for a sum of RM27,518,166, which resulted in the writing down of the cost of inventory by RM8,812,000 to its net realisable value.

This disposal was made due to, among others, the receipt of a firm offer amid limitations on the land such as its steep contour profile, rejections by the relevant local authority of alternative development options, the additional finance, construction and other costs required to develop the land and the difficulty in light of the prevailing market conditions, of selling six units of very high end bungalows (as originally approved) within a reasonable holding period.

The increase in staff costs was principally due to more staff recruited to support the expansion of the Group. The Group also incurred higher depreciation charges as compared to FY2015, due mostly to the capital expenditure and fixed asset additions from construction of the Lumi Tropicana sales gallery and our corporate office in Menara LGB.

	FY2016 RM'000	FY2015 RM'000	Decrease(-) %
Cash and bank balances	17,694	40,872	-56.7%

During FY2016, the Group's cash and bank balances have been reduced by 56.7% to RM17.69 million (2015: RM40.87 million), principally due to operating losses incurred in the current year (RM7.78 million), net repayment of loans (RM4.93 million) and increases in working capital requirements (RM8.86 million) of the Group.

Nevertheless, the Group's current ratio (current asset/current liabilities) as at 31 December 2016 stood at a relatively healthy 2.06 times (31 December 2015: 2.58 times), which indicates that the Group will be able to meet its short term liquidity obligations as they become due.

MANAGEMENT DISCUSSION
& ANALYSIS (cont'd)

In terms of capital management, the Group's principal objective is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence to sustain its future developments. The Group is determined to maintain an optimal debt-to-equity ratio and also comply with the debt covenants required by its financing facilities. As at 31 December 2016, the Group's gearing ratio remains at a manageable level of 58% (31 December 2015: 52%). Despite the softening in the property market, local financial institutions continue providing financial support for our property development activities.

	FY2016 RM'000	FY2015 RM'000	Increase(+) Decrease(-) %
Inventory	**323,875**	319,857	+1.3%
Trade and other receivables	**26,344**	17,923	+47.0%
Trade and other payables	**73,565**	56,914	+29.4%
Other current liabilities	**5,606**	10,256	-45.3%

Inventories, which comprised of properties held for development (RM36.31 million), property under development (RM286.44 million) and completed properties (RM1.13 million) have increased marginally by 1.3%, mainly because of the capitalisation of development and finance costs, in particular for the development in Lumi Tropicana.

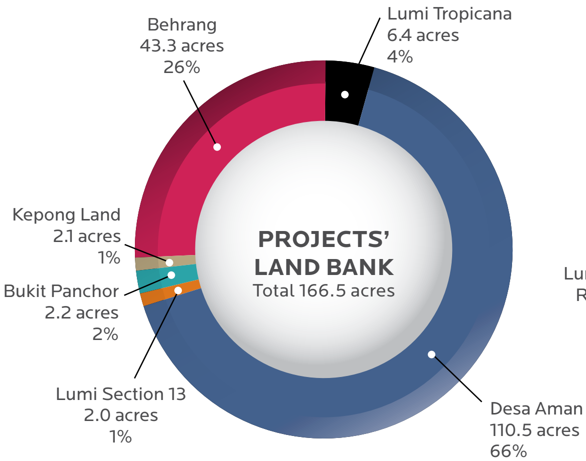
Trade and other receivables increased substantially by 47.0% in the FY2016 mostly as a result of accrued billings (RM7.38 million) in relation to the Lumi Tropicana development.

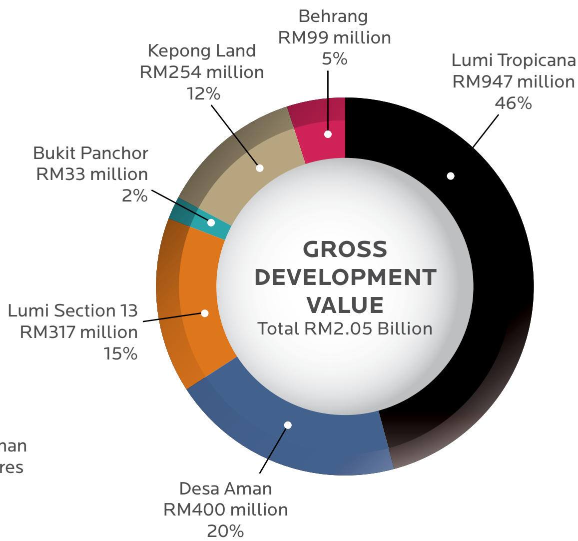
Trade and other payables also increased by 29.4% largely as a consequence of higher retention sums due to contractors and additional advances and interest charged thereon by the non-controlling shareholders of our subsidiaries.

On the other hand, other current liabilities, which comprised of deferred revenue and advance billings on property sales were reduced substantially by 45.3%. The higher other current liabilities reported as at 31 December 2015, were principally attributed to a unit of bungalow sold in Enclave Bangsar, recognised as deferred revenue amounting to RM10.0 million.

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

Review of Operating Activities





CENTRAL REGION

LUMI Tropicana

Our LUMI Tropicana's Phase 1 which comprised of 372 units of service residences in 2 towers (186 units each) and 62 units of SOHO together with the podium, retail and car park block, commenced selling and was launched officially in December 2015 and October 2016 respectively.

On 2 December 2016, Thriven entered into the Settlement Agreement with MJC Development Sdn Bhd ("MJC") to mutually terminate the Subscription and Shareholders' Agreement dated 30 August 2013, entered into between Thriven and MJC.

Upon completion of the proposal, the Group will gain full control of the Lumi Tropicana development through the acquisition of the remaining 49% equity interest in Mayfair Ventures Sdn Bhd ("Mayfair") from MJC. This consequently would result in Mayfair becoming a wholly-owned subsidiary of the Thriven and the Group shall be entitled to the entire earnings to be generated from the development as Thriven will be the sole shareholder of Mayfair. This is expected to contribute positively to the future earnings of the Group.

In addition, 56 units of service residences shall be utilised as settlement for the amounts owing to MJC by Mayfair. In total, together with the majority of the service residences and SOHO already sold by the end of 2016, more than 70% of the available units under Phase 1 will be sold upon completion of this proposal, which is expected to be by the 2nd quarter of 2017.

To provide further sales impetus, the Group intends to launch the third tower of Lumi Tropicana under its Phase 2 in the second quarter of 2017. Interest is strong because of the premium golf course views afforded by both towers in Phase 2.

Construction progress of Lumi Tropicana is within expected timelines. Construction of the structural framework has reached to the top of the podium structure, whereas piling works for Phase 2 will be fully completed in 2017.

MANAGEMENT DISCUSSION
& ANALYSIS (cont'd)

Kepong
Our much awaited project launch for 2017 in the central region is our development in Kepong, owned through our 51% subsidiary Thriven Amona Sdn Bhd. The Group plans to launch two projects located in bustling Kepong town with a total gross development value of RM254 million. The location of the site is strategic, along Jalan Kepong and opposite the site of a proposed MRT station, S07-Jinjang. The proposed projects comprise 254 units of affordable housing ("Residensi ENESTA Kepong") and 258 units of service apartment together with 23 units of retail lots ("eNESTa Kepong"). Residensi ENESTA Kepong is designed exclusively for qualified first home buyers who are currently residing or working in Kuala Lumpur, while eNESTa Kepong is targeted for middle income buyers and investors. Interest for both projects have been very encouraging so far and we are looking forward to their successful launch later this year.

LUMI Section 13
We are planning to launch our Lumi Section 13 project, which is a 310 unit single tower service residence project in Section 13, Petaling Jaya, by the 3rd quarter of 2018, subject to prevailing market conditions.

NORTHERN REGION

Taman Desa Aman, Kedah
In continuing the positive trend from prior years, our sales from Taman Desa Aman remained robust in FY2016. We managed to launch FY2016 and fully sell our single storey terrace house (Klasik 2) and double storey terrace houses (Pesona) within FY2016. Under our subsidiary company, Golden Cignet Sdn Bhd, our developments in Taman Desa Aman contributed revenues of RM14.72 million or equivalent to 22% of the total Group revenues for the FY2016.

The construction of 244 units of homes for PR1MA is well advanced and we expect to complete and handover the project by the second quarter of 2017. For FY2016, our contract billings to PR1MA contributed RM15.30 million or equivalent to 23% of the Group's total revenues. In 2017, we expect the demand for affordable housing in Desa Aman to remain high. As such, the Group is planning to launch a series of affordable housing projects to meet this demand.

We are planning to launch and sell 66 units of single storey terrace houses (Suria), 22 units of single storey semi detached houses (Indahyu - Phase 1), 18 units of shop houses (DA Business Park) and 74 units low medium cost apartment.

Taman Bukit Panchor, Penang
In 2017, we will launch our final phase of projects which comprises of 20 units of shop lots and 25 units of shop offices in Taman Bukit Panchor, Nibong Tebal, mainland Penang, under our subsidiary company, Bukit Punchor Sdn. Bhd. Taman Bukit Panchor is less than 30 minutes from the Second Penang Bridge. Our sites are located close to each other in a high population and matured township, surrounded by amenities and linked by comprehensive infrastructure and transportation networks.

Behrang, Perak
In January 2017, the Group entered into a joint venture agreement with Perak State Secretary Incorporated ("SSI") via its newly incorporated subsidiary, Thriven NCR Sdn Bhd. The Group will work together with SSI to build affordable houses on 11 pieces of land measuring 43.3 acres in Behrang Ulu, Muallim, Perak. The lands are strategically located in a matured location close to established amenities. The joint venture will allow the Group to penetrate into a new market (Perak) with a relatively low capital outlay as we do not require to acquire any land. The gross development value of the projects is estimated at RM99 million and are expected to contribute positively to the Group in the next two years.

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

Identification of Risks

Cost management is important, in particular, the construction cost of our development projects is subject to overruns, which may adversely affect our profitability. We are aware of raw material price volatility and mitigate our risks by entering into fixed price contracts with our contractors, vendors and suppliers, for example in our Lumi Tropicana project.

In this prevailing highly competitive environment, we differentiate ourselves from our competitors by our unique designs which encapsulate community living with value added housekeeping, concierge, maintenance and professional rental management services to showcase our commitment to buyers.

In light of the general credit tightening by local lenders, going forward, we intend to match the demand for our products with the availability of financing in support of our projects, and also minimise our capital outlays by entering into joint ventures with land owners.

Future Prospects

For the financial year ended 31 December 2017 ("FY2017"), the Group's revenues will continue to be supported by new sales and unbilled progress billings which stand at approximately RM171.33 million. We anticipate a soft local property market outlook and sentiment affected by credit tightening measures by financial institutions and a relatively volatile economic environment. Nonetheless, we remain confident as our development projects are at prime locations in the Klang Valley and matured townships such as Desa Aman and Bukit Panchor where there is strong demand for affordable housing products and commercial units.

As issues on affordable housing and affordability for home purchasers will continue to top the national agenda, Thriven is set to prioritise and embark on affordable housing in the central region, where our Kepong projects will spearhead our efforts in this sector. The launch of Lumi Tropicana's Phase 2 will continue to be our focus for this year to build on the success of Phase 1.

Both our Lumi Tropicana (LRT3 – Lien Hoe Station) and Kepong projects (S07-Jinjang MRT station) are going to benefit from being practically at the doorstep of proposed public transport networks which are value enhancing game-changers that increase their attractiveness to investors their values. For the northern region, aside from Desa Aman and Bukit Panchor, we are also entering into a new affordable housing market in Behrang.

For FY2016 and FY2017, the Board of Directors does not intend to declare any dividends to conserve funds for re-investment into our current projects in order to see them to fruition. The Board will review this policy from time to time depending upon a number of factors, including amongst others, future earnings, capital commitments, general economic conditions and distributable reserves.

Ghazie Yeoh bin Abdullah
Group Managing Director
25 April 2017

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (the "Board") of Thriven Global Berhad ("Thriven" or "the Company") considers that the Company and its subsidiaries (the "Group") have applied the principles and recommendations of the Malaysian Code on Corporate Governance 2012 (the "Code") and will continue to review the existing corporate governance practices and policies throughout the Group in ensuring full compliance with the recommendations of the Code.

This statement, which is made pursuant to paragraph 15.25 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), sets out the manner in which the Group has adopted the Code and the extent to which it has applied the principles and the recommendations of the Code.

1. BOARD OF DIRECTORS

1.1 Principal responsibilities of the Board

Thriven is led and managed by a competent Board comprising members with vast experience in the fields relevant to the Company. The breadth and depth of the Board skills are vital for the successful stewardship of Thriven's strategic direction and operations to maximise shareholder value. Besides having an extensive knowledge and expertise in the real estate investment and property development, the Board possesses a good mix of skills in business strategies, management, finance, economics, legal and human resources.

The Board ensures proper control of the economics and financial management of the Company and validates the strategic directions proposed by the Management for implementation.

The Board will act in the best interests of Thriven, honestly, fairly and diligently and in accordance with the duties and obligations imposed upon it by Constitution of the Company and the law.

The Board also serves as a panel to provide effective guidance on the assessment of principal risks and the appropriate systems to manage these risks, as well as to review the adequacy and integrity of the Company's internal control system in safeguarding shareholder interests and the Company assets.

The Board is responsible for:-

- Setting and reviewing the objectives, goals and strategic plans for the Group with a view to maximising shareholders' value.
- Adopting and monitoring progress of the Company's strategies, budgets, plans and policies.
- Overseeing the conduct of the Group's businesses to evaluate whether the businesses are properly managed.
- Identifying principal risks of the Group and ensuring the implementation of appropriate systems to mitigate and manage these risks.
- Considering Management's recommendations on key issues including acquisitions, divestments, restructuring, funding and significant capital expenditure.
- Implementing succession planning for senior management.
- Reviewing the adequacy and integrity of the Group's internal control systems and management information systems.

To ensure the effective discharge of its functions and responsibilities, the Board has in October 2016 revised the existing business authority limits which sets out relevant matters which the Board has delegated to the Management Team led by the Group Managing Director. These authority

STATEMENT ON
CORPORATE GOVERNANCE (cont'd)

limits are reviewed and revised as and when required, to ensure an optimum structure for efficient and effective decision-making in the Group.

The Board delegates certain responsibilities to the Board Committees, all of which operate within defined terms of reference.

1.2 Corporate Code of Conduct, Board Charter and Whistleblowing

A Corporate Code of Conduct, formalised in 2013 by the Board, provides guidance for Directors, senior executives and other employees on the standards expected on them in the conduct of business. Directors and employees are required to uphold high standards of integrity in discharging their duties and to comply with the relevant laws and regulations.

The Board Charter, which was also formalised in 2013, sets out inter alia, the roles and responsibilities of the Board and Board Committees, the procedures for convening Board meetings, financial reporting, investor relations and shareholder communication. The Charter which serves as a source of reference for new Directors, will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter was revised in February 2017 to comply with the recent amendments made to the Listing Requirements.

The Corporate Code of Conduct and Board Charter are available for reference at the Company's website at ***www.thriven.com.my***.

An Employee Handbook, which was adopted by the Group in February 2016, includes the Employee's Code of Conduct and Whistleblowing Policy, which is intended to cover protection for staff who raise concerns in relation to irregular and unlawful practices.

The Whistleblowing Policy is intended to directly support the Company and the Group's Core Values, Code of Ethics and Governance requirement and to encourage and enable employees, directors, shareholders or any parties with a business relationship with the Company to raise concerns regarding any illegal conduct or malpractice at the earliest opportunity without being subject to victimisation, harassment or discriminatory treatment and to have such concerns properly investigated within the Company and the Group prior to seeking resolution outside the Company.

The employees and other stakeholders are guided by the Whistleblowing Policy when relaying any information in relation to the abovementioned in writing to designated persons stated in the said Policy. Upon receipt of report made together with available evidence, the Head of Group Internal Audit or other assigned investigator is tasked to investigate and take all reasonable steps to ensure that investigations regarding the report and disclosure are carried out fairly, unbiased and with due regards to the principles of nature justice. The Head of Group Internal Audit or other assigned investigator will report the outcome of the investigation to the Audit Committee and a copy of the Whistleblowing report will be submitted to the Group Risk Management for Loss Event Reporting purposes.

The details of the procedures and lodgement channels of the Whistleblowing Policy are available on the Company's website at ***www.thriven.com.my***.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

The Board believes that with the present structure and policies in place, it is able to provide effective leadership to the Company.

1.3 Board Composition and Balance

As at 31 December 2016, the Board has seven (7) members, comprising three (3) Executive Directors and four (4) Non-Executive Directors, of which three (3) of the Non-Executive Directors are Independent Directors and one (1) is a Non-Independent Non-Executive Director. This complies with the Listing Requirements of at least two (2) or one-third (1/3) of the Board to be independent.

The Independent Directors provide independent judgment, objectivity and check and balance on the Board. This is to protect the interests of shareholders, employees, various other stakeholders and the communities where the Company operates.

The Executive Chairman is primarily responsible for the orderly conduct and performance of the Board. He also ensures that the Board practises good governance in discharging its duties and responsibilities. The Group Managing Director is responsible for the implementation of the objectives, goals and operational matters of the Group. Although the Executive Chairman, Datuk Fakhri Yassin bin Mahiaddin is not an Independent Director, the Board believes that with the three (3) Independent Directors on the Board, there is a balance of power and authority on the Board.

The Board takes cognisance of the recommendation to have gender diversity on the Board and will through its Nomination Committee take steps to ensure that female candidates are sought as part of its recruitment exercise.

Mr. Lim Kok Beng has been appointed by the Board as the Independent Non-Executive Director to whom any concern regarding the Company may be conveyed.

A brief profile of each Director is presented on pages 20 and 23 of the Annual Report.

1.4 Board Meetings and Supply of Information

The Board normally meets quarterly to review financial, operational and business performances, with additional meetings convened when necessary. In the intervals between Board meetings, Board decisions for urgent matters are obtained via circular resolutions, to which are attached sufficient information required for an informed decision.

All Directors are provided with an agenda and a set of Board papers at least a week prior to the Board meeting to enable the Directors to review and consider the items to be deliberated at the Board meeting. The Directors may seek advice from the Management, or request further explanation, information or updates on the matters of the Company, where necessary.

The Board papers include, inter alia, the progress report on the Group's developments, business plan and budget, quarterly financial results and minutes/decisions of meetings of the Board Committees.

The Board is fully apprised of the need to determine and disclose potential or actual conflicts of interest which may arise in relation to transactions or matters which may be laid before the Board. For the financial year ended 31 December 2016, no situations of conflict of interest involving any of the present Directors arose, save and except for the Settlement Agreement entered into between MJC Development Sdn. Bhd., Mayfair Ventures Sdn. Bhd. and Thriven on 2 December 2016 and the interested director had abstained from deliberating and voting on the same.

STATEMENT ON
CORPORATE GOVERNANCE (cont'd)

There is a schedule of matters reserved specifically for the Board's decision, including the approval of corporate plans and budgets, acquisition and disposal of major investments, changes to the management and control structure of the Company and issues in respect of key policies, procedures and authority limits. The Executive Directors and the Management are tasked to ensure compliance with this.

The Directors may seek independent external professional advice, where necessary, at the Company's expense in furtherance of their duties.

For the financial year ended 31 December 2016, the Board met six (6) times and details of the attendance are as follows:-

Name of Directors	Number of Meetings Attended	Percentage of Attendance (%)
Datuk Fakhri Yassin bin Mahiaddin	6/6	100.00
Ghazie Yeoh bin Abdullah	6/6	100.00
Dato' Low Keng Siong	6/6	100.00
Lim Kok Beng	5/6	83.33
Henry Choo Hon Fai	6/6	100.00
Rewi Hamid Bugo	6/6	100.00
Lt. Col (R) Haji Abdul Jalil bin Abdullah *(retired on 21/06/2016)*	3/3	100.00
Lee Eng Leong *(appointed on 10/03/2016)*	3/5	60.00

Based on the attendance record, none of the above eight (8) Directors were absent for more than 50% of the total board meetings held during the financial year under review, hence complying with Paragraph 15.05 of the Listing Requirements of Bursa Securities.

1.5 Time Commitment

For the financial year under review, the level of time commitment given by the Directors was satisfactory, which was evidenced by the attendance record of the Directors at the Board meetings held.

In accordance with the Board Charter, Directors are required to notify the Chairman before accepting any new directorship and to indicate the time that will be spent on the new appointment.

To facilitate the Directors' time planning, a schedule of meetings for the next financial year comprising the dates of Board and Board Committees' meetings and Annual General Meeting ("AGM"), would be prepared and circulated to them at the end of every year.

1.6 Re-Election of Directors

In accordance with the Article 76 of the Company's Articles of Association, one-third (1/3) or the number nearest to one-third (1/3) of the Directors for the time being shall retire from their office and be eligible for re-election provided always that all the Directors shall retire from their office once at least in every three (3) years.

In accordance with Article 76 of the Articles of Association of the Company, Datuk Fakhri Yassin bin Mahiaddin ("Datuk Fakhri") and Dato' Low Keng Siong ("Dato' Low") shall retire by rotation at the forthcoming AGM. Both Datuk Fakhri and Dato' Low have offered themselves for re-election to the Board.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

1.7 Appointment of New Directors

A formal procedure and process has been established in 2014 for the nomination and appointment of new Directors. The process for the nomination and appointment of new Directors is summarised as follows:-

(a) Identification of skills required for the Board.
(b) Selection of candidates.
(c) Review and assessment by the Nomination Committee.
(d) Recommendation to the Board for approval.

A proposed candidate is first considered by the Nomination Committee which takes into account, among others, the skills and experience of the candidate, before making a recommendation to the Board for approval. In evaluating the suitability of the candidates, the following factors are considered:-

(i) background, character, competence, integrity and time commitment;
(ii) qualifications, skills, expertise and experience;
(iii) professionalism; and
(iv) in the case of candidates for the position of Independent Non-Executive Directors, the candidate's independence and ability to discharge such responsibilities as expected from Independent Non-Executive Directors, will be evaluated.

In pursuit of the diversity policy (in terms of gender, ethnicity and age), the Nomination Committee is mindful of its responsibilities to ensure that new appointments would provide the appropriate mix of skills, experience and competencies which are relevant to enhance the Board's composition. The Nomination Committee will endeavour to consider female candidates in the recruitment exercise, when the need arises.

1.8 Directors' Training and Development

In addition to the Mandatory Accredited Programme (MAP) as required by Bursa Securities, all the Directors had attended training programmes and seminars during the financial year, organised by the relevant regulatory authorities or professional bodies to broaden their knowledge and to keep abreast with the relevant changes in laws, regulations and the business environment.

The Directors have on-going access to continuing education programmes as they are kept informed of relevant training programmes by the Company Secretaries. The records of all training programmes attended by the Directors are maintained by the Company Secretaries.

The Board is also constantly updated by the Company Secretaries on changes to the relevant guidelines on the regulatory and statutory requirements.

Details of the training programmes attended by the Directors during the financial year ended 31 December 2016 are as follows:-

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

Name of Directors	Title	Organiser	Date
Datuk Fakhri Yassin bin Mahiaddin	• Role of The Board in Effective Risk Oversight	Internal Audit & Risk Assurance Department, Eden Inc Berhad	24 February 2016
	• Crucial IR Knowledge For HODs and Managers	MECA Centre For Industrial Relations Sdn. Bhd.	13 June 2016
	• How To Leverage on AGMs for Better Engagement with Shareholders	The Malaysian Institute of Chartered Secretaries and Administrators	21 November 2016
Ghazie Yeoh bin Abdullah	• Crucial IR Knowledge For HODs and Managers	MECA Centre For Industrial Relations Sdn. Bhd.	13 June 2016
Dato' Low Keng Siong	• Crucial IR Knowledge For HODs and Managers	MECA Centre For Industrial Relations Sdn. Bhd.	13 June 2016
	• How To Leverage on AGMs for Better Engagement with Shareholders	The Malaysian Institute of Chartered Secretaries and Administrators	21 November 2016
Lim Kok Beng	• New Companies Act 2016 – A Snapshot of Changes	Malaysian Institute of Accountants	2 December 2016
	• Tax Issues and Implications for Property Developers	Malaysian Institute of Accountants	13 December 2016
Henry Choo Hon Fai	• Crucial IR Knowledge For HODs and Managers	MECA Centre For Industrial Relations Sdn. Bhd.	13 June 2016
Rewi Hamid Bugo	• Risk Management & Internal Control: Workshop for Audit Committee Members "An Integrated Assurance on Risk Management and Internal Control – Is Our Line of Defence Adequate and Effective?"	Bursa Malaysia	10 October 2016
Lee Eng Leong	• Corporate Governance Breakfast Series with Directors: "The Strategy, the Leadership, the Stakeholders and the Board"	Bursa Malaysia Berhad & Malaysian Directors Academy (MINDA)	6 May 2016
	• Advocacy Session on Management Discussion & Analysis for Chief Executive Officers and Chief Financial Officers of Listed Issuers	Bursa Malaysia Berhad	26 September 2016

The Board members were invited to provide feedback on their training needs for the financial period under review. The Nomination Committee and the Board then carried out an assessment on the training needs for each of the Board members.

1.9 Number of Directorships

Directors of the Company shall not hold more than five (5) directorship in public listed companies, as required by the Listing Requirements of Bursa Securities. As at the date of this statement, all the Board members of the Company have complied with this requirement. The directorship of each Director are set out in the Board of Directors' Profile on pages 20 to 23 of this Annual Report.

1.10 Directors' Performance Evaluation

The Board, through its delegation to the Nomination Committee, reviews annually its required mix of skills, expertise, attributes and core competencies of its Directors. The Board has set up and implemented a process to be carried out by the Nomination Committee for the assessment and contribution of the individual members of the Board as well as the assessment and effectiveness of the Board as a whole. This framework and process is designed to maintain cohesiveness of the Board and, at the same time, serves to improve the Board's effectiveness.

1.11 Annual Assessment of Independence

In maintaining the independence of the Independent Directors, annual assessment is performed in order to mitigate risks arising from conflict of interests or undue influence affecting their independence. The assessment is conducted via the Assessment Sheet for each of the Independent Directors of the Company to ensure that the Director is able to exercise independent judgment, impartiality and objectivity in the best interest of the Company.

It is also the Directors' responsibility to declare to the Board whether they have any potential or actual conflict of interest in any transactions or in any contract or proposed contract with the Company or any of its related companies. Where issues involve conflict of interest, the Directors will abstain from discussion and voting on the matters as well as abstain from any other decision making process in relation to these transactions.

A self-assessment of independence was also carried out by each of the Independent Directors. Based on the self-assessment of independence, the Independent Directors have declared that they fulfilled the criteria of independence, as defined under the Listing Requirements of Bursa Securities. The Nomination Committee and the Board then performed an assessment on the independence of the Independent Directors. The Board is generally satisfied with the level of independence demonstrated by the Independent Directors and their ability to act in the best interest of the Company.

Mr. Lim Kok Beng ("Mr. Lim") and Mr. Henry Choo Hon Fai ("Mr. Choo") have served on the Board as Independent Non-Executive Directors for a cumulative term of more than 9 years. Thus, shareholders' approval will be sought to retain them as Independent Directors of the Company. Based on the self-assessment of independence, both Mr. Lim and Mr. Choo have declared that they satisfied and fulfilled all the criteria of independence, as defined under the Listing Requirements of Bursa Securities. Mr. Lim and Mr. Choo have demonstrated that they are independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment, objectivity or the ability to act in the best interests of the Company. Upon the Nomination Committee's recommendation, the Board, therefore, recommended for shareholders' approval at the forthcoming AGM to retain Mr. Lim and Mr. Choo as Independent Non-Executive Directors of the Company, based on the following justification:

(a) Mr. Lim and Mr. Choo fulfilled the criteria under the definition of "Independent Director" as stated in the Listing Requirements of Bursa Securities and thus, they would be able to function as a check and balance, and bring an element of objectivity and independent judgment to the Board.

STATEMENT ON
CORPORATE GOVERNANCE (cont'd)

(b) Mr. Lim and Mr. Choo have performed their duties diligently and in the best interest of the Company without being subject to influence of the management.

(c) Mr. Lim and Mr. Choo have devoted sufficient time in attending Board meetings and has participated in board discussions.

(d) Mr. Lim, who is the Chairman of the Audit Committee, has vast experience in the accounting and audit industry, which enabled him to provide constructive advice, expertise and independent judgment.

1.12 Board Committees

The Board has delegated specific responsibilities to the following Committees:-

(a) Audit Committee ("AC")

Please refer to the AC Report set out on pages 49nd 52 of the Annual Report.

(b) Nomination Committee

The Nomination Committee comprises exclusively of Independent Non-Executive Directors. For the financial year ended 31 December 2016, the composition of the Nomination Committee is as follows:-

(i) Lim Kok Beng (Chairman) *(Independent Non-Executive Director)*
(ii) Henry Choo Hon Fai *(Independent Non-Executive Director)*
(iii) Rewi Hamid Bugo *(Independent Non-Executive Director)*

The main responsibilities of the Nomination Committee are:-

(i) To recommend to the Board, candidates for directorships to be filled.

(ii) To recommend to the Board, Directors or officers of the Company to fill the seats on Board Committees.

(iii) To review the Board's mix of skills, experience and other qualities including core competencies which Directors should bring to the Board, as well as the size and diversity of the Board composition taking into account the current and future needs of the Company.

(iv) To carry out the process annually for assessing the effectiveness of the Board as a whole and the Board Committees, the contributions and performance of individual Directors, and the independence of the Independent Non-Executive Directors.

(v) To review the Directors' training programmes and assess the training needs for the Directors.

(vi) To recommend to the Board for continuation in service of Independent Director(s) who have served the Board for a cumulative term of more than nine (9) years.

The Nomination Committee met once during the financial year ended 31 December 2016 and the meetings were attended by all the Nomination Committee members at the relevant times.

The Nomination Committee takes cognisant of the recommendation to have gender diversity on the Board and will take steps to ensure that female candidates are sought as part of its recruitment exercise.

STATEMENT ON
CORPORATE GOVERNANCE (cont'd)

The terms of reference of the Nomination Committee is made available at the Company's website at ***www.thriven.com.my***.

The activities of the Nomination Committee during the financial year were as follows:-

(i) Reviewed the results of the Board evaluations and assessment of Independent Directors

A Board evaluation exercise was carried out to assess the effectiveness of individual Directors and the Board as a whole for the financial year ended 31 December 2016. The evaluation exercise was conducted via questionnaires, which were distributed to all the Directors and cover areas which include, amongst others, the Board's mix, composition and structure, operations, roles and responsibilities and performance/contribution of the Board Committees. The evaluation also encompassed Director's Self & Peer Evaluation, assessing the individual Director's contribution and interaction, quality of input and understanding of roles and responsibilities as a Director.

The Nomination Committee reviewed the overall results of the evaluations conducted and subsequently tabled the same to the Board and highlighted those areas which required further and continuous improvement.

(ii) Reviewed the term of office and performance of Audit Committee

Pursuant to paragraph 15.20 of the Listing Requirements of Bursa Securities, the Nomination Committee has to review the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

An evaluation exercise of the Audit Committee was carried out by the Nomination Committee to assess the effectiveness of each of the Audit Committee members via questionnaires, which were distributed to all the Nomination Committee members and cover, amongst others, the evaluation on the Audit Committee as a whole, assessing the individual Audit Committee members' skills and competencies, their meeting administration and conduct, their contribution and interaction, quality of input and understanding of roles and responsibilities as an Audit Committee Member.

The Nomination Committee reviewed the overall results of the evaluations conducted and subsequently tabled the same to the Board and highlighted any area which required further and/or continuous improvement.

(iii) Reviewed and recommended the re-election of Directors

The Nomination Committee reviewed and recommended to the Board the Directors' retiring by rotation and re-election at the AGM of the Company held on 21 June 2016:

(a) Mr. Lim Kok Beng – Article 76
(b) Mr. Lee Eng Leong – Article 81
(c) Mr. Rewi Hamid Bugo – Article 81

(iv) Reviewed and assessed the independence of Independent Directors, who have served the Board for more than nine (9) years

The Nomination Committee assessed the independence of the Independent Directors, Mr. Lim Kok Beng who has served the Board for more than nine (9) years and recommended to the Board for his retention as Independent Non-Executive Directors of the Company at the AGM held on 21 June 2016.

STATEMENT ON
CORPORATE GOVERNANCE (cont'd)

(v) Reviewed and assessed the training needs of Directors
The Nomination Committee reviewed and assessed the training needs of Directors for the financial year ended 31 December 2016.

(vi) Reviewed and recommended to the Board the appointment of new Directors
The Nomination Committee reviewed and recommended to the Board the appointment of Mr. Lee Eng Leong (appointed on 10 March 2016) as a Non-Independent Non-Executive Director during the financial year ended 31 December 2016.

(c) Remuneration Committee
The Remuneration Committee consists of two (2) Non-Executive Directors and one (1) Executive Director, a majority of whom are Independent Directors. As at 31 December 2016, the composition of the Remuneration Committee is as follows:-

(i) Rewi Hamid Bugo (Chairman) *(Independent Non-Executive Director)*
(ii) Lim Kok Beng *(Independent Non-Executive Director)*
(iii) Ghazie Yeoh bin Abdullah *(Group Managing Director)*

The terms of reference of the Remuneration Committee is also made available at the Company's website at ***www.thriven.com.my***. The main responsibilities of the Remuneration Committee are to review and recommend to the Board the following:-

(i) Directors' fees and other benefits or allowance of the Non-Executive Directors;
(ii) remuneration package of the Executive Directors; and
(iii) incentive schemes or the like for Management or other employees.

The Remuneration Committee met once during the financial year ended 31 December 2016 to review and recommend to the Board, the Directors' fees and other benefits or allowance of the Non-Executive Directors and the remuneration package of the Executive Directors. The meeting was attended by all the Remuneration Committee members at the relevant time.

1.13 Company Secretaries

The Board is satisfied with the performances and support rendered by two (2) qualified Company Secretaries, who play an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures as well as compliance with the relevant guidelines, regulatory and statutory requirements, corporate governance and best practices.

The Company Secretaries are also responsible in organising and attending all Board and Committee Meetings, ensuring adherence to board policies and procedures and that all statutory records are well maintained at the registered office of the Company. The Company Secretaries also ensures that the deliberations and decisions made at the Board and Committee Meetings are accurately captured and minuted.

All Directors have access to the advice and services of the Company Secretaries.

During the financial year ended 31 December 2016, Ms. Chin Ngeok Mui resigned as Joint Company Secretary of the Company on 23 February 2016 and she was replaced by Ms. Tan Lai Hong on the same date.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

2. DIRECTORS' REMUNERATION AND BENEFITS

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to govern the Group effectively. In the case of Executive Directors, the remuneration is structured to link rewards to corporate and individual performance based on key performance indicators. For Non-Executive Directors, the level of remuneration reflects their experience and level of responsibilities.

The Remuneration Committee recommends to the Board, the remuneration (including Directors' fees) for each Director of the Company. Each individual Director does not participate in the discussion and decision on his own remuneration. Directors' fees payable to the Non-Executive Directors are subject to the approval of shareholders at the AGM. The Non-Executive Directors are also paid meeting allowance for attendance at each Board and Committee meeting.

Details of the aggregate remuneration of the Directors of the Company, categorised into appropriate components, for the financial year ended 31 December 2016 are as follows:-

	Executive Directors RM	Non-Executive Directors RM
Salaries, bonuses & other emoluments	2,298,983	21,000
Fees	–	120,500
Statutory Contributions	267,809	–
Total:	2,566,792	141,500

The number of Directors whose total remuneration falls within the following bands is as follows:-

Range of Remuneration	No. of Executive Directors	No. of Non-Executive Directors	Total
Below RM50,000	–	4	4
RM650,000 to RM700,000	1	–	1
RM850,000 to RM900,000	–	–	–
RM900,000 to RM950,000	1	–	1
RM950,000 to RM1,000,000	1	–	1
Total:	3	4	7

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

3. SHAREHOLDERS

3.1 Communication between the Company and Investors

The Board acknowledges the need for shareholders to be informed of all material business matters of the Company. Announcements to Bursa Securities are made on significant developments and matters of the Group. Financial results are released on a quarterly basis to provide shareholders with a regular overview of the Group's performance. The Corporate Communication Department of the Company also arranges press interviews and briefings, and releases press announcements to provide information on the Group's business activities, performance and major developments, as and when necessary.

In addition to published annual report and quarterly results announced to Bursa Securities, the Company has a website at ***www.thriven.com.my*** from which investors and shareholders can access for information about the Group. Any enquiries may be directed to this email address, ***ir@thriven.com.my***.

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

3.2 Shareholders' Meeting

The Company's general meetings serve as a forum for dialogue and interaction with shareholders. Notices of general meetings and related documents are sent to shareholder within the notice period required by the relevant act and the Listing Requirements of Bursa Securities before the meeting is to be held. Notices of general meetings with sufficient information of business to be dealt with thereat are also published in one national newspaper to provide for wider dissemination of such notice to encourage shareholder participation. At the general meetings, shareholders have direct access to the Board and are encouraged to participate in the question and answer session.

Resolutions will be voted by way of poll, as required under the Listing Requirements of Bursa Securities, and the Company will make an announcement on the detailed results to Bursa Securities.

4. ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

In presenting the annual audited financial statements, annual report and announcement of quarterly results to shareholders, the Board aims to present a balanced and understandable assessment of the Group's position, performance and prospects. The Board considers that in preparing the financial statements and announcements, the Group has used appropriate accounting policies and standards, consistently applied and supported by reasonable and prudent judgments and estimates.

4.2 Internal Control and Risk Management

The Board affirms its overall responsibility for the Group's system of internal controls covering not only financial controls but also controls relating to operational, compliance and risk management. The system, by its nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud. The Statement on Risk Management and Internal Control as set out on pages 54 and 56 of the Annual Report, provides an overview of the state of internal controls and risk management within the Group.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

4.3 Relationship with Auditors

Through the AC, the Board has established an appropriate and transparent relationship with the Company's auditors, both internal and external. The Board, through the AC, seeks professional advice from the external auditors in ensuring the compliance with the provision of the Companies Act, 2016 and applicable Malaysian Financial Reporting Standards.

The external auditors attended the AC's meetings when necessary. For the financial year ended 31 December 2016, the external auditors attended three (3) out of five (5) AC meetings and met the AC twice without the presence of the executive board member and management. The external auditors are also invited to attend the Company's AGM and are available to answer any questions from shareholders on the audited financial statements.

The AC performed annual assessment on the suitability and independence of the external auditors and had obtained written assurance from the external auditors confirming the independencies throughout the conduct of the audit engagement in accordance with the provisions of the Bye-laws (on professional ethics, conducts and practices) of the Malaysian Institute of Accountants and other regulatory requirements.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 2016 to prepare financial statements which are in accordance with applicable approved financial reporting standards and give a true and fair view of the financial position of the Company and the Group at the end of the financial year, as well as of the financial performance and cash flows of the Company and the Group for the financial year.

In preparing the financial statements, the Directors have:-

(i) ensured that the financial statements are in accordance with the provisions of the Companies Act, 2016, the applicable financial reporting standards and the Listing Requirements of Bursa Securities;
(ii) adopted the appropriate accounting policies and applied them consistently; and
(iii) made judgments and estimates that are prudent and reasonable.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy, the financial position of the Company and the Group which enable them to ensure that the financial statements comply with the relevant statutory requirements.

This Statement on Corporate Governance was approved by the Board on 19 April 2017.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:-

1 UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company did not undertake any corporate proposal to raise proceeds during the financial year ended 31 December 2016.

2. AUDIT AND NON-AUDIT FEES

The fees paid/payable to the external auditors for services rendered to the Company and/or its subsidiaries ("the Group") for the financial year ended 31 December 2016 are as follows:-

(a) Audit fees incurred on a group basis is RM184,000; and

(b) Amount of non-audit fees incurred on a group basis is RM22,000

3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving directors' and major shareholders' interests during the financial year ended 31 December 2016, save and except for the Settlement Agreement entered into between MJC Development Sdn. Bhd., Mayfair Ventures Sdn. Bhd. and Thriven on 2 December 2016 and the interested director had abstained from deliberating and voting on the same.

4. RECURRENT RELATED PARTY TRANSACTIONS

Pursuant to Chapter 10, Paragraph 10.08 and Practice Note 12 of the Listing Requirements of Bursa Malaysia Securities Berhad, the details of the recurrent related party transactions of a revenue or trading nature **("RRPT")** conducted pursuant to the Shareholders' Mandate during the financial year ended 31 December 2016 are as follows:-

ADDITIONAL
COMPLIANCE INFORMATION (cont'd)

Transacting Parties	Interested Related Parties	Relationship of Related Parties	Nature of RRPT	Value (RM'000)
(a) Directors and/or Major Shareholders of Thriven Group and/or Persons Connected with them	Directors and Major Shareholders of Thriven Group and Persons Connected with them	–	Sale of development properties and land or land-based properties in the ordinary course of business of not more than 10% of any one Percentage Ratio as defined in the Listing Requirements	1,755
(b) MJC Development Sdn. Bhd. **("MJC")**, a subsidiary of Mudajaya Group Berhad **("MGB")**	<u>Interested Major Shareholders</u> MIB, Nautical Investments Limited, Mountbatten Corporation, Mount Glory Investments Limited, Yong Pit Chin and Lee Seng Huang <u>Interested Directors</u> Lee Eng Leong (ceased to be an Alternate Director of the Company on 10 December 2015)	MIB, being the major shareholder of the Company, is an indirect major shareholder of MGB via Mulpha Infrastructure Holdings Sdn. Bhd. (a wholly-owned subsidiary of MIB). Nautical Investments Limited, Mountbatten Corporation, Mount Glory Investments Limited, Yong Pit Chin and Lee Seng Huang also have deemed interests in MGB via MIB. Lee Eng Leong, the Non-Independent Non-Executive Director is the Executive Director of MGB and a Non-Executive Director of MJC.	Payment of fees for project management services provided by MJC Development Sdn. Bhd.	120

AUDIT COMMITTEE REPORT

CONSTITUTION AND COMPOSITION

The Audit Committee ("AC") was established pursuant to a resolution of the Board passed on 10 April 1997. The current members of the AC are as follows:-

1. **Lim Kok Beng (Chairman)**
   (Independent Non-Executive Director)

2. **Henry Choo Hon Fai**
   (Independent Non-Executive Director)

3. **Rewi Hamid Bugo**
   (Independent Non-Executive Director)

TERMS OF REFERENCE

The terms of reference of the AC was last reviewed and updated on 17 February 2017 and is made available on the Company's corporate website at *www.thriven.com.my*.

MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2016, the AC held five (5) meetings and the record of attendance of the AC members is as follows:-

Name of AC Members	Number of Meetings Attended
Lim Kok Beng	5/5
Henry Choo Hon Fai	5/5
Lt. Col (R) Haji Abdul Jalil bin Abdullah *(retired on 21/06/2016)*	3/3
Rewi Hamid Bugo *(appointed on 18/08/2016)*	2/2

The Group Chief Financial Officer and the representatives of the internal auditors were invited to attend all the meetings. The Group Managing Director was invited to attend one (1) out of the five (5) meetings to facilitate direct communication as well as to provide clarification on audit issues and the Group's operation. The external auditors were present at three (3) of the total meetings held. During the financial year, the AC met with the external auditors two (2) times without the presence of the executive board member and management. Other relevant responsible senior management personnel were invited to attend the meetings, as and when required.

AUDIT COMMITTEE REPORT (cont'd)

SUMMARY OF ACTIVITIES OF THE AC

During the financial year, the AC carried out its activities in line with its terms of reference, which are summarised as follows:-

(a) Reviewed the quarterly results and annual financial statements for recommendation to the Board for approval and release to Bursa Malaysia Securities Berhad.

(b) Reviewed and discussed the Management Accounts of the Company and the Group with management.

(c) Reviewed and approved/adopted the Internal Audit Charter as well as the audit plan, which encompassed the scope of internal audit work.

(d) Reviewed the audit activities and findings of internal audit, as well as the actions and steps taken by management in response to such findings.

(e) Reviewed with the external auditors, their audit plan and scope of audit prior to the commencement of audit.

(f) Reviewed with the external auditors, the audit report, issues, reservations and management responses arising from their audit, as well as the audit and non-audit fees.

(g) Reviewed with the external auditors, the extent of assistance rendered by management and issues arising from their audit, without the presence of the executive board member and management.

(h) Ensured the independence of the external auditors by obtaining written assurance from the external auditors that the external auditors are independent in accordance with the Bye-laws (on professional ethics, conducts and practices) of the Malaysia Institute of Accountants.

(i) Reviewed the recurrent related party transactions entered into by the Company and the Group.

(j) Reported to the Board on significant issues and concerns discussed during the AC Meetings together with applicable recommendations. Minutes of the AC Meetings were tabled and noted by the Board.

(k) Reviewed and recommended to the Board for approval, the Circular to Shareholders in relation to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions.

(l) Reviewed and recommended to the Board for approval, the Statement on Risk Management and Internal Control for inclusion in the Annual Report.

(m) Reviewed and approved the AC Report for inclusion in the Annual Report.

(n) Reviewed the terms of reference of the AC.

AUDIT
COMMITTEE REPORT (cont'd)

As part of the duties and responsibilities to oversight the financial reporting, the AC ensures that the changes in or implementation of major accounting policy changes and all significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed are adhered to.

The AC also ensures that the financial reporting of the Company and the Group are in compliance with the Main Market Listing Requirements, applicable approved accounting standards and other statutory and regulatory requirements.

INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES

The Board recognised the importance of the internal audit function whose principal responsibility is to evaluate and improve the effectiveness of risk management, control and governance processes.

The role of Internal Audit was out-sourced to CGRM Infocomm Sdn. Bhd. ("**CGRM**"), a professional consultancy firm specialises in corporate governance, risk management and internal audit. CGRM which reports to the AC, undertake regular reviews of the systems of controls, procedures and operations so as to provide reasonable assurance that the internal control system is sound, adequate and operating satisfactorily.

The attainment of such objectives involved the following activities being carried out by CGRM during the financial year ended 31 December 2016:-

(a) Reviewed and revised the 36-month risk-based internal audit plan for approval/adoption of the AC.

(b) Reviewed and appraised the adequacy, effectiveness and reliability of internal control systems, policies and procedures.

(c) Monitored the adequacy, reliability, integrity, security and timeliness of financial and other management information systems.

(d) Determined the extent of compliance with relevant laws, codes, standards, regulations, policies, plans and procedures.

(e) Reviewed the efficiency and effectiveness of operational controls to mitigate identified risks.

(f) Reviewed and verified the means used to safeguard assets.

(g) Tabled to the AC, the audit reports incorporating the audit findings, audit recommendations and management responses on the following areas:

- Project Management
- Sales Administration and Sales Processing
- Human Resource Management
- Finance and Treasury
- Progress Claims Payment Management

AUDIT
COMMITTEE REPORT (cont'd)

(h) Incorporated suggestions made by the AC and management on concerns over operations or controls and significant issues pertinent to the Company and the Group into the audit planning.

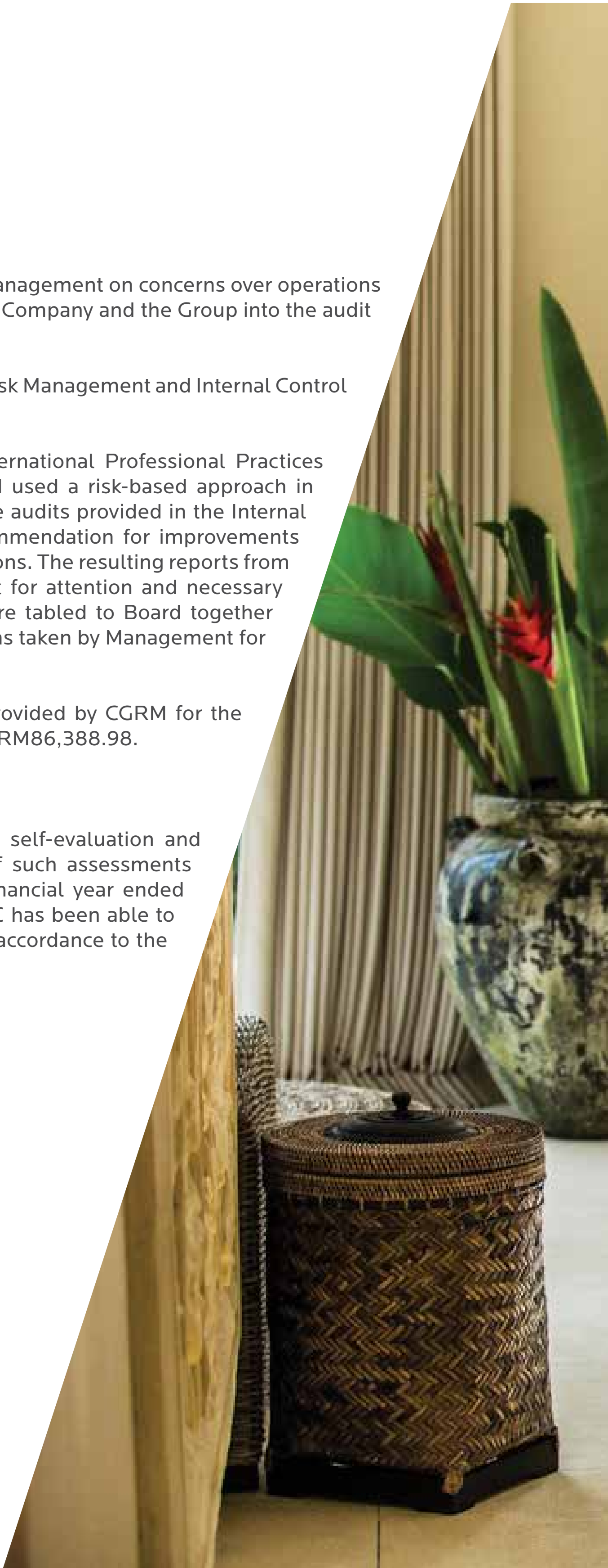
(i) Assisted in the preparation of the Statement on Risk Management and Internal Control for inclusion in the Annual Report.

The outsourced internal auditor referred to the International Professional Practices Framework of the Institute of Internal Auditors and used a risk-based approach in preparing their internal audit plan. The results of the audits provided in the Internal Audit Reports together with the findings and recommendation for improvements were presented to the Audit Committee for deliberations. The resulting reports from the audits were also forwarded to the Management for attention and necessary corrective actions, if any periodic status reports were tabled to Board together with a summary of improvements required and actions taken by Management for noting.

Total costs incurred for the internal audit service provided by CGRM for the financial year ended 31 December 2016 amounted to RM86,388.98.

PERFORMANCE OF AC

The performance of the AC was assessed through self-evaluation and the Nomination Committee reviewed the results of such assessments prior to recommending to the Board. During the financial year ended 31 December 2016, the Board is satisfied that the AC has been able to discharge its function, duties and responsibilities in accordance to the Terms of Reference of the AC



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This statement on the risk management and internal controls of the Company and its subsidiaries ("the Group") is provided by the Board of Directors ("Board") pursuant to the requirements stipulated in paragraph 15.26(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

This statement is intended to provide our stakeholders and readers of this Annual Report with information about the current state of the Group's system of risk management and internal controls in the current financial year.

BOARD'S RESPONSIBILITY

The Board recognises its responsibility to regularly review the adequacy and effectiveness of the Group's risk management and internal controls system. The Board, with the assistance of the Management, designs and implements the Board's policies on risks and controls.

However, the Board acknowledges that the system of risk management and internal controls are designed to manage and mitigate rather than eliminate the risks which may impede the achievement of the Group's business objectives. The system would therefore provide only reasonable and not absolute assurances against material misstatements, fraud or losses.

RISK MANAGEMENT

For the financial year ended 31 December 2016, the Board adopted the same Enterprise Risk Management framework, policy and procedures as the previous financial year. The Group also commenced the establishment of a new framework and process for identifying, evaluating, monitoring and managing the Group's significant risk, which is expected to be finalised and adopted in 2017.

In addition, Management was responsible for the identification, management and monitoring of the significant operational risks and internal controls affecting their respective business units. They were also involved in the formulation and implementation of appropriate risk management and control measures. Significant risks that require the Board's attention will be escalated for deliberation.

KEY ELEMENTS OF INTERNAL CONTROL

In order to achieve a sound control environment, the key elements in the framework of the Group's internal control systems are as follows:-

Control Environment

1. Organisation structure and reporting responsibilities of all job roles were established.

2. Job responsibilities and duties were stipulated in respective job descriptions.

3. Management had lines of responsibilities and delegation of authorities for all levels within the Group.

Risk Assessment

1. Insurance was acquired for major projects undertaken by the Group.

2. A Safety Committee was established to ascertain and discuss matters concerning safety matters on required project sites.

Control Activities

1. The Group practiced segregation of duties to ensure check-and-balance existed for all major business transactions.

2. Internal policies, procedures and manuals were established and maintained.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

3. Terms of appointment and project progress statuses were verified and approved by Management prior to execution / acceptance.

Information and Communication

1. Management meetings were convened monthly to update, discuss and resolve all matters relating to operations.

2. Financial results were prepared and reviewed quarterly by the Board and the Audit Committee.

3. Exceptional and comparative reports were prepared for and reviewed by the Board as part of on-going monitoring of the Group's operations.

Monitoring

1. The Executive Committee comprised of Executive Chairman, Group Managing Director, Executive Director, and Group Chief Financial Officer will collectively review and decide on business and project strategy, feasibility and revisions, where require.

2. The Board and Board Committees provided important oversight function and ascertained the adequacy of the internal control framework in the Group. Further details on the structures of the Board and its committees are provided under Corporate Information on page 13 as well as the Statement on Corporate Governance and Audit Committee Report on pages 34 and 49.

INTERNAL AUDIT

The Group's internal audit function is outsourced to an independent professional firm, CGRM Infocomm Sdn Bhd ("CGRM"), who supports the Audit Committee, and by extension, the Board, by providing an independent assurance on the effectiveness of the Group's systems of internal control.

During the year under review, CGRM has performed reviews to assess the adequacy and effectiveness of the Group's overall governance, risk assessment and system of internal control and compliance thereto. The reviews were conducted with reference to the International Professional Practices Framework and the Code of Ethics issued by the Institute of Internal Auditors, Inc.

CGRM reports to the Audit Committee, who in turn reports to the Board, on its activities, significant audit results or findings and the necessary recommendations or actions needed to be taken by the management to rectify highlighted issues. Several internal control improvements were identified during the financial year ended 31 December 2016 which have been or are being, addressed to ensure the integrity of internal controls. None of the said findings have resulted in direct material losses, contingencies or uncertainties that would require mention in the annual report.

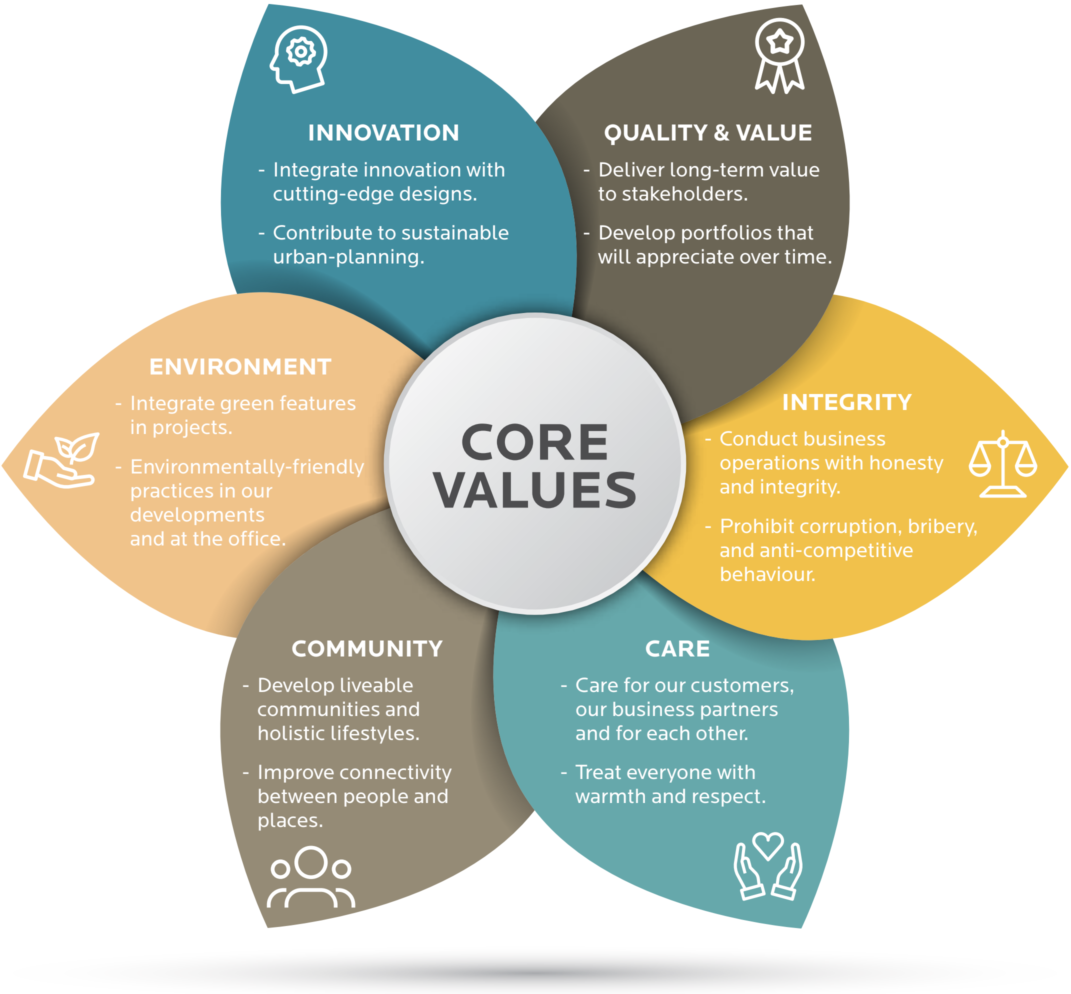
ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Group Managing Director and Group Chief Financial Officer that the Group's risk management and internal control system is operating effectively, in all material aspects, based on the risk management and internal control system of the Group. For the financial year under review, except as disclosed in the financial statements, there were no material control failures or adverse compliance issues that have directly resulted in any material loss to the Group.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 19 April 2017.

SUSTAINABILITY STATEMENT

SUSTAINABILITY IS EMBEDDED IN OUR CORE VALUES AND IS AT THE HEART OF OUR BUSINESS AND PROJECTS.



SUSTAINABILITY MANAGEMENT

The Board has the overall responsibility for ensuring effective corporate governance across the Group, and maintains sound and effective risk management and internal control systems, in order to safeguard the Group's assets and stakeholders' interests. Economic, environmental and social risks are considered when formulating business strategies.

The sustainability topics covered in this statement have been defined through a materiality analysis. In the first step, we identified the economic, environmental and social aspects that impact our business or on which our operations have material impact. The second step consisted of identifying and prioritising the interests of our main stakeholders depending on their level of influence on our operations. In the third step,

SUSTAINABILITY STATEMENT (cont'd)

the sustainability aspects were mapped to stakeholder categories and weighted according to the relevance of the aspect for the stakeholder category. The sustainability aspects which ranked the highest were then shortlisted to define the material aspects of our organisation. The materiality results were finally validated by internal feedback and peer benchmarking.

STAKEHOLDERS' ENGAGEMENT

We understand the importance of our stakeholders in the performance and reputation of our Company, and endeavour to nurture an open and transparent relationship with them through regular engagement and effective communication. In doing so, we continue to earn their confidence and build trust.

We engage a wide variety of stakeholders including investors and shareholders, customers, public/government agencies, employees, suppliers, communities and media through various channels.

Our engagement with stakeholders focus, amongst other topics, on the areas of compliance, public policy and regulations, urban planning, innovation, market analysis and benchmarking, customer satisfaction, and marketing and branding.

Stakeholders	Engagement Channel	Frequency of Engagement
Shareholders & investors	General Assembly Quarterly reports Investor Relations page on the Group website	Yearly Quarterly
Customers	Marketing campaigns (leaflet, advertisement in the newspapers, Facebook and other internet media, participation in property exhibitions)	Ongoing
Public/government Agencies	Online survey Regular meeting with regulators Consultations with local authorities	Ongoing
Employees	E-letters & memos, Whatsapp exchanges Management meetings Performance appraisal review Internal Work Safety training Townhall meetings Employee engagement Activities (Festive Events, monthly walks and Annual Trip) Team building	Ongoing Ongoing Twice a year Ongoing Quarterly Ongoing Ongoing Yearly
Communities	Meeting with residents' association	At least once a year
Supply chain	Pre-qualification of suppliers Procurement activities Assessments & consultants performance review	Ongoing
Industry associations	REHDA membership Industry forum (e.g. MAPEX, Archidex, iProperty etc.)	Ongoing Yearly
Media	Meetings Website and social media Press conferences & Interviews	Ongoing

SUSTAINABILITY STATEMENT (cont'd)

MARKET PLACE

RM 66.97 MILLION +18%

REVENUE IN FY 2016

In 2016, our revenues grew by 18% to RM66.97 millions. However, we reported an after tax loss attributable to shareholders of RM10.15 million, principally due to write down of inventory, higher depreciation, interest expenses and overheads incurred relating to our property development activities. Nevertheless, interest in our Lumi Tropicana project remains strong, with the majority of our Phase 1 units sold and construction of the podium block well advanced. At the same time, our Northern Region projects continue to be profitable.

INNOVATIVE PORTFOLIO

We are strengthening our resilience in the current softening property market by developing a portfolio that integrates innovative concepts for the market. Our developments are urban-planning led, integrating cutting-edge planning and design, with great attention to detail and the needs of our customers.

Our projects, whether from the affordable luxury or the affordable home series, are planned in a sustainable manner: they must fulfil the future needs and desires of the communities we are building today. Connectivity, communication and convenience are thus at the heart of our projects.

With the high expectations and demands of our customers in mind, we have designed our affordable luxury line, the LUMI Collection, to provide enhanced lifestyle. The development integrates liveable working spaces, comfortable and cosy residences, a range of facilities and amenities that focus on wellness, action, play and

LUMI Tropicana Project

SUSTAINABILITY STATEMENT (cont'd)

business and lifestyle experiences with retails, to provide a holistic experience to the people living there. Our LUMI Tropicana development reflects our "FORWARD LIVING" philosophy, offering a vibrant and thriving environment.

Our thoughtful and futuristic design, and the integrated luxurious lifestyle concept of the LUMI Tropicana project was rewarded by the Excellence prize in the "Best Touch & Feel Award" category at the StarProperty.my Awards 2016.

StarProperty.my Awards 2016

Our affordable series, the eNESTa Homes ("eNESTa"), provides access to property for the middle-income category, without compromising on the quality and lifestyle experience of the residents. Our eNESTa residences integrate essential home features and careful space-management, while at the same time combining residential dwellings with commercial buildings within already well-developed communities. They are located in strategic areas with easy connectivity to roads and public transport, neighbouring retail facilities and business hubs.

Our unique portfolio enables us to build our reputation and grow our business steadily. In the next 2 years, we expect to reap the benefits of the resources, planning, branding and marketing efforts invested into our projects. The launch of Lumi Tropicana Phase 2 and our Kepong projects (Residensi Enesta Kepong and eNESTa Kepong) in 2017 is expected to contribute positively to our future financial results, while further projects are also being planned for launch in Desa Aman, Kedah Bukit Panchor, Penang and Behrang, Perak in 2017.

MOVING FORWARD

Our focus in 2016 was mainly on property development in the Malaysian market, but we are continuing to expand our portfolio of activities into facility management services, hospitality and lifestyle retail services and property investment management as sources of recurring income to ensure the long term sustainability of our business. Although our current focus is on Malaysia, we intend to reach out regionally in the future.

SUSTAINABILITY STATEMENT (cont'd)

ENVIRONMENT

GREEN BUILDING

The LUMI Tropicana design blends innovation and sustainability together. It integrates green features, among which are energy-efficient installations and rainwater harvesting system for landscape watering and outdoor spaces cleaning. We have thus prepared the application for the Green Building Index (GBI) Gold rating, for which the main green features of LUMI Tropicana are summarised in the table below.

ENERGY EFFICIENCY

- High-performance glazing (Low-E glass) installed on UV intensive windows
- Extra openings in the common areas to maximise natural lighting and reduce the use of artificial lighting
- Lighting controlled by photo-detectors with motion sensors in the common areas

INNOVATION

- Charging station for hybrid/EV cars
- External Shading Devices
- Regenerative lifts
- Water sub-metering for the major water consuming services
- Heat pump system

INDOOR ENVIRONMENTAL QUALITY

- Cross and/or stack ventilation in habitable rooms and natural ventilation in public and circulation spaces
- Use of materials and finishes that contain low volatile organic compounds (VOC) and formaldehyde
- Optimisation of daylight penetration in interiors
- Controlled sound insulation

WATER EFFICIENCY

- Rainwater harvesting system
- Water efficient irrigation & landscaping
- Water efficient fittings

MATERIALS & RESOURCES

- Reuse of products and materials
- Use of recycled materials
- Local sourcing of materials maximised
- Use of sustainable timber
- Storage and collection of recyclables
- Management of construction waste

SUSTAINABLE PLANNING & MANAGEMENT

- Close proximity to facilities (schools, retails, hospital, etc.) and public transport
- Consultants apply to Quality Assessment System for Building Construction Work (QLASSIC)
- Dedicated pedestrian and cycling lanes
- Composting

SUSTAINABILITY STATEMENT (cont'd)

PRESERVING AND DEVELOPING GREEN SPACES

As we care for the living environment of our residents and as sustainability is at the heart of our developments, we ensure that all the land area of our developments comprise at least 25% of green on the ground. In LUMI Tropicana, we even integrate green spaces in the car park area. These preserved or cultivated green spaces not only offer a serene, soothing environment to the residents and enhance the beauty of their living spaces, but also act as carbon sinks and minimise our carbon footprint.


Integration of green spaces and openings for natural light maximisation

MATERIALS

We reduce our impact on resources scarcity by eliminating the use of raw natural resources such as natural marble, granite and timber in our developments.

ENERGY

Our designs integrate LED lighting in the car park, podium and common areas. The ground floor and the lift lobbies in our projects have extra openings in order to increase cross-ventilation and enhance natural lighting. These features save the energy that would be consumed with air conditioning and mechanical ventilation, as well as extra lighting in these areas.

Additionally, LED lightings have been installed in our Kuala Lumpur and Northern offices to further reduce our electricity consumption.

WATER

We contribute to water preservation by integrating rainwater harvesting systems. The collected water will be used for watering plants and cleaning common areas, thus allowing the reduction of pressure on freshwater resources.

WASTE

Our waste is managed by accredited contractors, and as per the regulations in place. We extend the life-cycle of the scaffolding and formworks by reusing them up to five times in our projects.

NOISE

We use noise-free machineries and low-vibration equipment in order to minimise the noise pollution for the surrounding dwellers. This is critical as most of our developments are in urban and densely populated areas.

MINIMISING OUR IMPACTS

We strive to minimise the impact of our developments on the neighbouring communities by upgrading the infrastructure in the vicinity of our projects. As such, we have budgeted RM1.0 million to resolve the drainage and flooding problems in the tunnel leaving the LUMI Tropicana site and to upgrade the tunnels' road surfaces. Previously, this tunnel was prone to regular flooding during heavy rain episodes, and our efforts in the second half of 2016 has resolved the issue and improved the vehicle flow commuting through it. We are also budgeting RM8.0 million to refurbish the sewerage treatment plant located near our development site. Finally, another RM3.0 million has been allocated for the upgrading and widening of the roads around the development, thereby ensuring easier traffic flows and minimum negative impact on the neighbourhood community during and after the construction phase.

SUSTAINABILITY
STATEMENT (cont'd)

WORKPLACE

We recognise the importance of our human capital in the success of our company, and care for them by providing them a conducive and pleasant working environment.

We have gathered a vibrant and dynamic team, which expanded by 18% in 2016, totalling 71 employees at the end of the year. All ethnicities of Malaysia are represented, while male and female represent respectively 61% and 39% of our workforce.

DEVELOPING A HARMONIOUS WORKPLACE

We believe in work-life balance. In our Kuala Lumpur office, we provide free flow of food and beverage for breakfast and lunch. Employees can access our gym, relax at the pool table, and take their meals at the dining and pantry areas. We also provide uniforms to all employees, to be worn weekly and on certain specific occasions.


Staff birthday celebration


Work-out at the gym

The workplace is a space of respect and tolerance. We therefore prohibit and condemn any form of sexual or racial harassment, abuse of authority and we guarantee protection to whistle-blowers. Our Employee Handbook covers all areas of misconduct, which are managed under specific procedures.

A specific grievance mechanism for employees has also been implemented to allow them to formulate complaints, which are followed through and managed according to the procedure in place.

We promote team spirit by engaging with our employees in different activities, such as team buildings and annual trips, monthly walks, badminton sessions, annual and festive events for Chinese New Year, Hari Raya and Christmas.


Relaxing time at the pool table after townhall meeting


Chinese New Year at THRIVEN

SUSTAINABILITY
STATEMENT (cont'd)


Monthly walk

Team building 2016

REWARDING COMMITMENT AND LOYALTY

Our permanent employees are covered by hospitalisation and medical plan and we contribute to the EPF. In addition to the mandatory leave days, we reward the loyalty and commitment of the employees who have been working with us more than ten years with a long service holiday award.

EMPLOYEE TRAINING AND DEVELOPMENT

New employees follow a one to two-day induction programme, during which they learn about the values and mission of the company, business and operations, and, where relevant, undertake site visits of our developments.

Our Training and Development programme enables our people to acquire new skills and pursue their career development. This is critical to adapt to the changing market and working environments. By acquiring new competencies, they gain in effectiveness, productivity, quality and performance. The in-house and external trainings offered cover the areas of management, property development, contracts, sales and administration, human resources, legal aspects and IT. In 2016, we managed to provide an average of 12 hours of training per employee.

Our employees go through a performance appraisal process twice a year, during which their objectives, targets, and achievements are reviewed. Under-performing employees may go through counselling to improve their performance, while employees who outperform are rewarded.

HEALTH AND SAFETY


Health & Safety Awareness Talk (Aug 2016)

Our Safety and Health Policy safeguards the protection and well-being of every employee. Our company policies and regulations encompass the areas of employee health, accident prevention, on-the-job accident or illness, safe operation of machinery and safety equipment and attire. Our employees go through a fire safety training and a fire drill exercise organised on a yearly basis. At the developments' sites, contractors are under the obligation to enforce their Health and Safety policies and rules.

SOCIETY

CUSTOMERS

We engage regularly with our customers to obtain their feedback and continuously improve our products and designs based on their experience and expectations.


Property Roadshow

Potential customers are approached during roadshows such as MAPEX (April 2016) in MidValley. This is the occasion for us to understand better their expectations and requirements, and subsequently to analyse the relevant trends in property demand.


Property Roadshow

We protect customers' privacy as per the Personal Data Protection Act 2010.

SUPPLY CHAIN

Our suppliers go through a pre-qualification process before we engage with them for procurement. We regularly review their performance in terms of quality, pricing and timely delivery. Our consultants go through a performance review.

We favour local suppliers, which promotes the local economy and reduces the carbon footprint linked to the transport of the goods.

COMMUNITY

We not only consider the urban planning aspects of our projects but also take into account their social impacts on communities.

Our developments foster connections between people and neighbourhoods. The integration of residences with commercial, offices and entertainment areas in LUMI Collection creates lively and vibrant neighbourhoods where people can live, work, and entertain in one place. On the other hand, eNESTa focuses on connectivity between our developments and existing neighbourhoods. Local commercial and lifestyle retail businesses benefit from new development, which in turn offer a convenient daily environment for the new residents.

The upgrading of the existing infrastructure that we undertake in the vicinity of our developments also benefit the neighbouring communities.

We engage with residents' association to ensure the acceptance and integration of our projects into the local community. In this regard, we find out about any issues that they may raise, and collaborate to find agreeable solutions for all parties.

In 2016, we were invited for the annual dinner of a residents' association for one of our developments, further strengthening an important relationship. We also purchased Hari Raya and Chinese New Year gifts to assist with Nur Aleesya Husna, a 5 year old cancer patient's medical bill.

SUSTAINABILITY STATEMENT (cont'd)


Tropicana Residents' Association dinner


Art exhibit briefing in the Museum of Asian Art, UM

Past CSR activities we have organised included a tree planting session for our employees and selected customers, a RM10,000 donation as our contribution to the Intima'I Ramadhan exhibition in the Museum of Asian Art, University of Malaya ("UM") and encouraging our staff to take part in a blood donation drive and organ pledging campaign organised in Menara LGB.


Participation in blood donation and organ pledging campaign


Tree Planting activity


Restoran
BLUELINK

FINANCIAL STATEMENTS

DIRECTORS' REPORT

for the year ended 31 December 2016

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2016.

Principal activities

The principal activities of the Company are investment holding, property development and property investment, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Loss the year attributable to:		
Owners of the Company	10,145	2,092
Non-controlling interests	6,555	–
	16,700	2,092

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year under review except as disclosed in note to the financial statements.

Dividends

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the year under review.

Directors of the Company

Directors who served since the date of the last report are:

Datuk Fakhri Yassin bin Mahiaddin
Ghazie Yeoh bin Abdullah
Dato' Low Keng Siong
Lim Kok Beng
Henry Choo Hon Fai
Rewi Hamid Bugo
Lee Eng Leong
Abdul Jalil bin Abdullah (retired on 21 June 2016)

DIRECTORS' REPORT (CONT'D)
for the year ended 31 December 2016

Directors' interests in shares

The direct and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

The Company	Number of ordinary shares of RM0.10 each At 1.1.2016	Acquired	Sold	At 31.12.2016
Direct interests				
Ghazie Yeoh bin Abdullah	2,437,500	817,500	–	3,255,000
Dato' Low Keng Siong	28,139,250	–	–	28,139,250
Abdul Jalil bin Abdullah	90,000	–	–	90,000
Rewi Hamid Bugo	622,500	100,000	–	722,500
Deemed interests				
Datuk Fakhri Yassin bin Mahiaddin [1]	112,518,790	–	–	112,518,790
Ghazie Yeoh bin Abdullah [2]	29,468,100	331,900	–	29,800,000
Dato' Low Keng Siong [2]	29,468,100	331,900	–	29,800,000

The Company	Number of warrants over ordinary shares of RM0.10 each At 1.1.2016	Acquired	Sold	At 31.12.2016
Direct interests				
Ghazie Yeoh bin Abdullah	1,218,750	–	–	1,218,750
Dato' Low Keng Siong	14,069,625	–	–	14,069,625
Abdul Jalil bin Abdullah	45,000	–	–	45,000
Rewi Hamid Bugo	311,250	–	–	311,250
Deemed interests				
Datuk Fakhri Yassin bin Mahiaddin [1]	56,259,472	–	–	56,259,472
Ghazie Yeoh bin Abdullah [2]	14,734,050	–	–	14,734,050
Dato' Low Keng Siong [2]	14,734,050	–	–	14,734,050

[1] Deemed interest pursuant to Section 6A of the Companies Act, 1965 by virtue of his shareholding in Ketapang Capital Sdn. Bhd..

[2] Deemed interest pursuant to Section 6A of the Companies Act, 1965 by virtue of their shareholdings in Pasukan Sehati Sdn. Bhd..

Directors' interests in shares (continued)

By virtue of their interests in the shares of the Company, Datuk Fakhri Yassin bin Mahiaddin, Ghazie Yeoh bin Abdullah and Dato' Low Keng Siong are also deemed interested in the shares of all the subsidiaries during the financial year to the extent that the Company has an interest.

On 6 March 2015, Teladan Kuasa Sdn. Bhd. exercised its rights under the call option agreement dated 17 May 2012 entered with Mulpha International Bhd to acquire 75,000,000 ordinary shares in the Company. The details of the transaction are as disclosed in Note 31(i) to the financial statements.

None of the other Directors holding office at 31 December 2016 has any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than as disclosed in Note 29 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the warrants issued by the Company.

Issue of shares and debentures

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Warrants

As at the end of the financial year, the Company has the following outstanding warrants:

Warrants	Exercise price per ordinary share	Expiry date	Number of warrants outstanding as at 31.12.2016
Warrants	RM0.64	5 October 2020	188,349,562

On 6 October 2015, the Company issued 188,349,562 free warrants on the basis of one (1) warrant for every two (2) existing ordinary shares held in the Company, after the completion of the Bonus Issue of Shares. These warrants were listed on Bursa Malaysia Securities Berhad on 13 October 2015.

DIRECTORS' REPORT (CONT'D)
for the year ended 31 December 2016

Warrants (continued)

The main features of the warrants are as follows:

a) each warrants will entitle its registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price, which has been fixed at RM0.64 per share subject to adjustments in accordance with the provisions of the Deed Poll constituting the warrants.

b) the warrants may be exercised on or after 6 October 2015. The tenure of the warrants is five (5) years, with the expiry date on 5 October 2020. Warrants not exercised during the exercise period shall thereafter lapse and cease to be valid for any purpose.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the warrants as disclosed in the financial statements.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT (CONT'D)

for the year ended 31 December 2016

Other statutory information (continued)

At the date of this report, there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except as disclosed in Note 13 and 20 to the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 December 2016 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Significant events

The significant events are as disclosed in Note 31 to the financial statements.

Subsequent events

The subsequent events are as disclosed in Note 32 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Datuk Fakhri Yassin bin Mahiaddin
Chairman

Ghazie Yeoh bin Abdullah
Managing Director

Kuala Lumpur,
Date: 25 April 2017

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Assets					
Property, plant and equipment	3	**11,050**	10,692	**4,569**	3,204
Investment properties	4	**5,768**	3,434	**878**	904
Investments in subsidiaries	5	**–**	–	**84,018**	84,018
Goodwill	6	**7,205**	7,205	**–**	–
Inventories	7	**36,308**	44,306	**–**	–
Deferred tax assets	8	**–**	–	**–**	495
Trade and other receivables	9	**–**	–	**–**	25,565
Total non-current assets		**60,331**	65,637	**89,465**	114,186
Inventories	7	**287,567**	275,551	**–**	7,689
Trade and other receivables	9	**26,344**	17,923	**107,846**	63,417
Prepayments		**47**	441	**35**	27
Income tax recoverable		**695**	43	**103**	44
Cash and bank balances	10	**17,694**	40,872	**663**	16,646
Total current assets		**332,347**	334,830	**108,647**	87,823
Total assets		**392,678**	400,467	**198,112**	202,009

STATEMENTS OF FINANCIAL POSITION (CONT'D)

as at 31 December 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Equity					
Share capital	11	**37,670**	37,670	**37,670**	37,670
Share premium	12	**7,182**	7,182	**7,182**	7,182
Warrant reserve	12	**14,126**	14,126	**14,126**	14,126
Capital reserve	12	**86,004**	86,004	**83,203**	83,203
Retained earnings	12	**10,855**	21,000	**28,886**	30,978
Total equity attributable to owners of the Company		**155,837**	165,982	**171,067**	173,159
Non-controlling interests		**(9,629)**	(3,074)	**–**	–
Total equity		**146,208**	162,908	**171,067**	173,159
Liabilities					
Deferred tax liabilities	8	**4,294**	5,269	**–**	–
Bank borrowings	13	**80,887**	102,612	**1,338**	–
Total non-current liabilities		**85,181**	107,881	**1,338**	–
Bank borrowings	13	**82,015**	61,997	**23,895**	17,000
Trade and other payables	14	**73,565**	56,914	**1,812**	1,850
Other current liabilities	15	**5,606**	10,256	**–**	10,000
Income tax payable		**103**	511	**–**	–
Total current liabilities		**161,289**	129,678	**25,707**	28,850
Total liabilities		**246,470**	237,559	**27,045**	28,850
Total equity and liabilities		**392,678**	400,467	**198,112**	202,009

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Revenue	16	**66,969**	56,810	**20,114**	55,809
Cost of sales	17	**(53,541)**	(36,138)	**(7,447)**	(17,430)
Gross profit		**13,428**	20,672	**12,667**	38,379
Other income	18	**1,846**	1,601	**12,017**	6,600
Other expenses		**(27,600)**	(16,241)	**(25,972)**	(38,594)
Results from operating activities		**(12,326)**	6,032	**(1,288)**	6,385
Finance costs	19	**(4,263)**	(2,817)	**(591)**	(885)
(Loss)/Profit before tax	20	**(16,589)**	3,215	**(1,879)**	5,500
Income tax expense	23	**(111)**	(2,839)	**(213)**	(231)
(Loss)/Profit for the year, Total comprehensive (expense)/ income for the year		**(16,700)**	376	**(2,092)**	5,269
Total comprehensive(expense)/ income attributable to:					
Owners of the Company		**(10,145)**	3,508	**(2,092)**	5,269
Non-controlling interests		**(6,555)**	(3,132)	**–**	–
Total comprehensive (expense)/ income for the year		**(16,700)**	376	**(2,092)**	5,269
(Loss)/Earnings per ordinary share:					
Basic/diluted (sen per share)	24	**(2.69)**	0.97		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2016

Group
At 1 January 2015
Total comprehensive income for the year
Contribution by and distribution to owners of the Company
Issuance of ordinary shares
Share issuance expenses
Bonus issue – ordinary shares
– warrants
Total transactions with owners of the Company
At 31 December 2015/1 January 2016
Total comprehensive expense for the year
At 31 December 2016

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

for the year ended 31 December 2016

← Attributable to owners of the Company →							
← *Non-distributable* →				*Distributable*			
Share capital RM'000	**Share premium RM'000**	**Warrant reserves RM'000**	**Capital reserves RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
22,830	2,481	–	86,004	31,618	142,933	58	142,991
–	–	–	–	3,508	3,508	(3,132)	376
2,283	17,443	–	–	–	19,726	–	19,726
–	(185)	–	–	–	(185)	–	(185)
2,283	17,258	–	–	–	19,541	–	19,541
12,557	(12,557)	–	–	–	–	–	–
–	–	14,126	–	(14,126)	–	–	–
14,840	4,701	14,126	–	(14,126)	19,541	–	19,541
37,670	7,182	14,126	86,004	21,000	165,982	(3,074)	162,908
–	–	–	–	(10,145)	(10,145)	(6,555)	(16,700)
37,670	**7,182**	**14,126**	**86,004**	**10,855**	**155,837**	**(9,629)**	**146,208**
Note 11	**Note 12**	**Note 12**	**Note 12**	**Note 12**			

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2016

Company	Share capital RM'000	Share premium RM'000	Warrant reserves RM'000	Capital reserves RM'000	Retained earnings RM'000	Total equity RM'000
	Attributable to owners of the Company					
	Non-distributable				Distributable	
At 1 January 2015	22,830	2,481	–	83,203	39,835	148,349
Total comprehensive income for the year	–	–	–	–	5,269	5,269
Contribution by and distribution to owners of the Company						
Issuance of ordinary shares	2,283	17,443	–	–	–	19,726
Share issuance expenses	–	(185)	–	–	–	(185)
	2,283	17,258	–	–	–	19,541
Bonus issue						
– ordinary shares	12,557	(12,557)	–	–	–	–
– warrants	–	–	14,126	–	(14,126)	–
	14,840	4,701	14,126	–	(14,126)	19,541
At 31 December 2015/ 1 January 2016	37,670	7,182	14,126	83,203	30,978	173,159
Total comprehensive expense for the year	–	–	–	–	(2,092)	(2,092)
At 31 December 2016	**37,670**	**7,182**	**14,126**	**83,203**	**28,886**	**171,067**
	Note 11	**Note 12**	**Note 12**	**Note 12**	**Note 12**	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Cash flows from operating activities					
(Loss)/Profit before tax		**(16,589)**	3,215	**(1,879)**	5,500
Adjustments for:					
Depreciation of property, plant and equipment	3	**2,304**	304	**795**	223
Depreciation of investment properties	4	**26**	17	**26**	17
Reversal of impairment loss on amount due from a subsidiary		**–**	–	**(604)**	(50)
Reversal of impairment loss on a trade receivable		**–**	(170)	**–**	(170)
Property, plant and equipment written off		**6**	–	**2**	–
Loss on disposal of property, plant and equipment		**–**	4	**–**	4
Inventory written down		**8,812**	–	**–**	–
Impairment loss on investment in subsidiary		**–**	–	**–**	28,400
Impairment loss on inter company balances		**–**	–	**14,576**	–
Interest expense		**4,263**	2,817	**591**	885
Interest income		**(810)**	(1,135)	**(257)**	(4,517)
Operating (loss)/profit before changes in working capital		**(1,988)**	5,052	**13,250**	30,292
Changes in working capital					
Inventories		**(12,830)**	(30,854)	**7,689**	17,152
Receivables		**(8,027)**	(11,920)	**11,705**	(11,544)
Payables		**1,616**	13,344	**(9,924)**	9,543
Related companies		**10,385**	4,848	**(111)**	(8,440)
Subsidiaries		**–**	–	**(44,549)**	(37,064)
Cash used in operations		**(10,844)**	(19,530)	**(21,940)**	(61)

STATEMENTS OF CASH FLOWS (CONT'D)
for the year ended 31 December 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Cash used in operations		**(10,844)**	(19,530)	**(21,940)**	(61)
Interest paid		**(4,263)**	(2,817)	**(591)**	(885)
Tax paid		**(2,574)**	(3,066)	**(205)**	(182)
Tax refund		**428**	136	**428**	36
Net cash used in operating activities		**(17,253)**	(25,277)	**(22,308)**	(1,092)
Cash flows from investing activities					
Purchase of property, plant and equipment	3	**(2,668)**	(9,826)	**(2,165)**	(3,276)
Development cost incurred on investment property	4	**(2,360)**	(590)	**–**	–
Acquisition of a subsidiary	30.1	**–**	(6,310)	**–**	(6,310)
Proceeds from disposal of property, plant and equipment		**–**	15	**–**	15
Interest received		**810**	1,135	**257**	4,517
Net cash used in investing activities		**(4,218)**	(15,576)	**(1,908)**	(5,054)
Cash flows from financing activities					
Placement of pledged deposits		**(313)**	(18)	**(304)**	(7)
Proceeds from issuance of share capital		**–**	19,541	**–**	19,541
Net (repayment)/drawdown of bank borrowings		**(4,932)**	28,166	**7,541**	(4,500)
Net cash (used in)/from financing activities		**(5,245)**	47,689	**7,237**	15,034
Net (decrease)/increase in cash and cash equivalents		**(26,716)**	6,836	**(16,979)**	8,888
Cash and cash equivalents at 1 January		**23,773**	16,937	**16,412**	7,524
Cash and cash equivalents at 31 December	10	**(2,943)**	23,773	**(567)**	16,412

STATEMENTS OF CASH FLOWS (CONT'D)

for the year ended 31 December 2016

Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Cash and deposits with licensed banks	10	17,694	40,872	663	16,646
Bank overdrafts	13	(19,769)	(16,544)	(692)	–
Deposits and interest reserve account pledged	10	(868)	(555)	(538)	(234)
Cash and cash equivalents		(2,943)	23,773	(567)	16,412

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

Thriven Global Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business and registered office

Level 23A, Menara LGB
No. 1, Jalan Wan Kadir
Taman Tun Dr Ismail
60000 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 December 2016 do not include other entities.

The principal activities of the Company are investment holding, property development and property investment, whilst the principal activities of the subsidiaries are as disclosed in Note 5 to the financial statements.

During the previous financial year, Mulpha International Bhd ("MIB") ceased to be the holding company subsequent to the exercise of option rights by Teladan Kuasa Sdn. Bhd. ("TKSB") on 6 March 2015 under the call option agreement dated 17 May 2012 with MIB. The details of the transaction are as disclosed in Note 31(i).

These financial statements were authorised for issue by the Board of Directors on 25 April 2017.

1. Basis of preparation

1.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

MFRSs, Interpretations and amendments early adopted by the Group

MFRS 15, *Revenue from Contracts with Customers*

During the previous financial year, the Company has early adopted MFRS 15. The Company will recognise the revenue from contracts with customers on the basis of depicting the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

1. Basis of preparation (continued)

1.1 Statement of compliance (continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- Amendments to MFRS 12, *Disclosure of Interests in Other Entities (Annual Improvements 2014-2016 Cycle)*
- Amendments to MFRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to MFRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments* (2014)
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2014-2016 Cycle)*
- Amendments to MFRS 2, *Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts* – Applying MFRS 9 Financial Instruments with MFRS 4, *Insurance Contracts*
- Amendments to MFRS 128, *Investment in Associates and Joint Ventures (Annual Improvements 2014-2016 Cycle)*
- Amendments to MFRS 140, *Transfers of Investment Property*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements and* MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company plans to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2017 for those amendments that are effective for annual periods beginning on or after 1 January 2017.

- from the annual period beginning on 1 January 2018 for those accounting standards that are effective for annual periods beginning on or after 1 January 2018 except for Amendments to MFRS 1, Amendments to MFRS 2, Amendments to MFRS 4 which is not applicable to the Company.

1. Basis of preparation (continued)

1.1 Statement of compliance (continued)

- from the annual period beginning on 1 January 2019 for the accounting standard that is effective for annual periods beginning on or after 1 January 2019.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and Company except for the adoption of MFRS 9, *Financial Instruments* (2014) and MFRS 16, *Leases.*

MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments*: *Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group will assess the financial impact that may arise from the adoption of MFRS 9.

MFRS 16, Leases

MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

The Group will assess the financial impact that may arise from the adoption of MFRS 16.

Amendments to MFRS 128, Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)

The amendments clarify that an entity, which is a venture capital organisation, or a mutual fund, unit trust or similar entities, has an investment-by-investment choice to measure its investments in associates and joint ventures at fair value.

The Group will assess the financial impact that may arise from the adoption of the amendments.

1.2 Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

The Group prepared its financial statements by applying the going concern assumption. The Group recently embarked on a property development project which requires a significant amount of funding to complete the development.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2016

1. Basis of preparation (continued)

1.2 Basis of measurement (continued)

The validity of the going concern assumption is dependent upon the ability of the Group to generate sufficient cash flow from its property development project as well as the banks continuing to provide financing support to the Group to enable the Group to continue as a going concern.

The Group has prepared and considered prospective financial information based on assumptions and events that may occur in the next 12 months and beyond. Prospective financial information includes the Group's profit and cash flow forecast for the ongoing property development project. In preparing the cash flow forecast, the Directors have considered the availability of banking facilities (refer to Notes 13 and 32(ii)). The forecast also incorporates development expenditure and other future expected expenditure, along with substantial sales of the ongoing property development project. Based on the forecasts, availability of funding and existing bank facilities, the Directors consider that the Group and the Company have adequate funding to complete the property development project in the stipulated timeframe.

As at the date of this report, there is no reason for the Directors to believe that there is any significant uncertainty which may cast significant doubt that the Group will not generate sufficient cash flow from its property development project and that the banks will not continue to provide continuing financial support to enable it to continue as a going concern. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that would result from the going concern basis of preparation being inappropriate.

1.3 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

1.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Malaysian Financial Reporting Standards ("MFRSs") requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1. Basis of preparation (continued)

1.4 Use of estimates and judgements (continued)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 4 - valuation of investment properties
- Note 5 - valuation of investment in subsidiaries
- Note 6 - measurement of the recoverable amounts of cash-generating units
- Note 8 - recognition of capital allowances and tax losses carried forward
- Note 13 and 26.5 - measurement of the recoverable amounts of the cash- generating units
- Note 26 - financial instruments
- Note 26.4 - contingent liabilities
- Note 30 - business combinations

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the years presented in these financial statements, unless otherwise stated.

2.1 Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

2. Significant accounting policies (continued)

2.1 Basis of consolidation (continued)

(ii) Business combinations (continued)

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2. Significant accounting policies (continued)

2.1 Basis of consolidation (continued)

(v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2.2 Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

2. Significant accounting policies (continued)

2.2 Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets are subject to review for impairment as disclosed in Note 2.9(i).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

2. Significant accounting policies (continued)

2.3 Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Land and buildings	5 - 50 years
• Motor vehicles	5 years
• Office equipment, furniture and fittings	5 - 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

2. Significant accounting policies (continued)

2.4 Leased assets

Operating leases

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, the leased assets are not recognised in the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

2.5 Intangible assets

Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses.

Goodwill with indefinite useful life is not amortised but is tested for impairment annually and whenever there is an indication that they may be impaired.

2.6 Investment property

(i) Investment property carried at cost

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is measured stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Depreciation is recognised in profit or loss on a straight-line basis at 2% per annum.

2. Significant accounting policies (continued)

2.6 Investment property (continued)

(i) Investment property carried at cost (continued)

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

The Directors estimate the fair values of the Group's investment properties without involvement of independent valuers. Fair value is arrived at by reference to market evidence of transaction prices for similar properties within the same/adjacent location.

(ii) Reclassification to/from investment property

When an item or property, plant and equipment or inventories is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment or inventories. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

2.7 Inventories

(i) Properties held for development

Properties held for development consists of land or such portions thereof on which no development activities have been carried out or where active development activities are not expected to be completed within the Group's normal operating cycle. Such land is classified as non-current assets and is stated at cost and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities less accumulated impairment losses, if any.

(ii) Properties under development

Properties under development comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

2. Significant accounting policies (continued)

2.7 Inventories (continued)

(ii) Properties under development (continued)

Cost of properties under development not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

(iii) Completed properties

Completed properties are stated at the lower of cost and net realisable value. Cost consists of costs associated with the acquisition of land, direct costs, appropriate proportions of common costs attributable to developing the properties to completion and borrowing costs.

2.8 Cash and bank balances

Cash and bank balances consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts, pledged deposits and interest reserve account.

2.9 Impairment

(i) Financial assets

All financial assets (except for investments in subsidiaries) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the financial asset's recoverable amount is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

2. Significant accounting policies (continued)

2.9 Impairment (continued)

(i) Financial assets (continued)

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for inventories, amount due from contract customers, deferred tax assets and non-current assets classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

2. Significant accounting policies (continued)

2.9 Impairment (continued)

(ii) Other assets (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

2.10 Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity.

2.11 Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2. Significant accounting policies (continued)

2.11 Employee benefits (continued)

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

2.12 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

2.13 Revenue and other income

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a product or service to a customer.

The following is a description of principal activities separated by reportable segments from which the Group generates its revenue. The detailed information about the reportable segments, is as disclosed in Note 25.

(i) Property development

The property development segment of the Group generates revenue from the sale of properties to customers. The sale of properties can be disaggregated into two main types as follows:

(a) Revenue from sale of completed properties

The sale of completed properties to customers is recognised upon such customers taking legal possession of the property. This occurs when persuasive evidence exists, usually in the form of an executed sale agreement or evidence of purchase price settlement, or when the customer takes vacant possession of the properties.

(b) Sale of properties under construction

The sale of properties under construction is recognised over time. The revenues are recognised over time commencing upon the Group entities entering into agreements with its customers.

Revenue recognised over time is based on the stage of completion measured by reference to the architects' and/or technical consultants' certificates for work performed to date.

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

2. Significant accounting policies (continued)

2.13 Revenue and other income (continued)

(ii) Rental of investment property

Revenue of the rental of investment property is derived from the rental of investment property of the Group and the Company. The revenue is recognised on a straight-line basis over the term of the lease.

(iii) Operation of a quarry plant

Revenue derived from the operation of a quarry plant comprises the leasing of usage rights of a plot of land to a third party. The revenue is recognised net of cost based on the quantity extracted from the land calculated on a fixed rate.

(iv) Property management

Revenue of property management is derived from providing maintenance and facilities management services. The revenue from services rendered is recognised in the period the service was provided to the customers.

(v) Dividend income

The dividend income of the Group is derived from the Company's subsidiaries. The revenue is recognised when the Company's right to receive payment is established.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method in the profit or loss.

2.14 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

2. Significant accounting policies (continued)

2.15 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.16 Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2016

2. Significant accounting policies (continued)

2.17 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Group Managing Director, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

2.18 Contingencies

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2.19 Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

3. Property, plant and equipment

Group	Land and buildings RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Capital work-in-progress RM'000	Total RM'000
Cost					
At 1 January 2015	902	255	484	–	1,641
Additions	5,932	111	3,445	338	9,826
Disposals	–	(29)	–	–	(29)
At 31 December 2015/ 1 January 2016	6,834	337	3,929	338	11,438
Additions	167	1,940	258	303	2,668
Reclassification	383	–	(12)	(371)	–
Write off	–	–	(2)	(4)	(6)
At 31 December 2016	**7,384**	**2,277**	**4,173**	**266**	**14,100**
Depreciation					
At 1 January 2015	93	140	219	–	452
Charge for the year	92	26	186	–	304
Disposals	–	(10)	–	–	(10)
At 31 December 2015/ 1 January 2016	185	156	405	–	746
Charge for the year	1,238	258	808	–	2,304
At 31 December 2016	**1,423**	**414**	**1,213**	**–**	**3,050**
Carrying amounts					
At 1 January 2015	809	115	265	–	1,189
At 31 December 2015/ 1 January 2016	6,649	181	3,524	338	10,692
At 31 December 2016	**5,961**	**1,863**	**2,960**	**266**	**11,050**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2016

3. Property, plant and equipment (continued)

Company	Buildings RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
Cost				
At 1 January 2015	–	29	192	221
Additions	1,632	107	1,537	3,276
Disposals	–	(29)	–	(29)
At 31 December 2015/1 January 2016	1,632	107	1,729	3,468
Additions	83	1,940	142	2,165
Reclassification	80	–	(80)	–
Transfer to a related company	–	–	(3)	(3)
Write off	–	–	(2)	(2)
At 31 December 2016	**1,795**	**2,047**	**1,786**	**5,628**
Depreciation				
At 1 January 2015	–	8	43	51
Charge for the year	47	11	165	223
Disposals	–	(10)	–	(10)
At 31 December 2015/1 January 2016	47	9	208	264
Charge for the year	232	238	325	795
At 31 December 2016	**279**	**247**	**533**	**1,059**
Carrying amounts				
At 1 January 2015	–	21	149	170
At 31 December 2015/1 January 2016	1,585	98	1,521	3,204
At 31 December 2016	**1,516**	**1,800**	**1,253**	**4,569**

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

4. Investment properties

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Cost					
At 1 January		**3,834**	3,244	**1,303**	1,303
Reclassified from inventory	7	**1,090**	–	**–**	–
Addition during the year		**1,270**	590	**–**	–
At 31 December		**6,194**	3,834	**1,303**	1,303
Depreciation					
At 1 January		**400**	383	**399**	382
Charge for the year		**26**	17	**26**	17
At 31 December		**426**	400	**425**	399
Carrying amounts					
At 31 December		**5,768**	3,434	**878**	904
Investment properties at fair value		**7,421**	4,569	**2,009**	2,039
Rental income derived from investment properties		**114**	109	**114**	109
Direct operating expenses arising from investment properties		**30**	28	**30**	28

An investment property of the Group with a carrying value of RM4,890,687 (2015: RM2,530,000) is still under construction. The leasehold land of the said investment property was pledged as security for bank borrowings (Note 13).

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

4. Investment properties (continued)

4.1 Fair value information

Fair value of investment properties are categorised as follows:

	2016 Level 2 RM'000	2016 Level 3 RM'000	2016 Total RM'000	2015 Level 2 RM'000	2015 Level 3 RM'000	2015 Total RM'000
Group						
Land and building	–	7,421	7,421	–	4,569	4,569
Company						
Land and building	–	2,009	2,009	–	2,039	2,039

Level 2 fair value

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Level 3 fair value

The following table shows a reconciliation of Level 3 fair values:

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
At 1 January	4,569	4,270	2,039	2,330
Additions	1,762	299	–	–
Decrease	–	–	(30)	(291)
Transfer from inventory	1,090	–	–	–
At 31 December	7,421	4,569	2,009	2,039

Level 3 fair value is estimated using unobservable inputs for the investment property.

4. Investment properties (continued)

4.1 Fair value information (continued)

Level 3 fair value (continued)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The Group estimates the fair value of the investment properties based on the comparison of the Group's investment properties with similar properties using the following techniques: *(i) Valuation report from external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.* *(ii) Properties that were listed for sale within the same locality or other comparable localities.*	*Market price of property in vicinity compared.*	*The estimated fair value would increase/(decrease) if market prices of property were higher/(lower).*

Valuation processes applied by the Group for Level 3 fair value

The Group estimates the fair value of all investment properties based on the comparison of the Group's investment properties with similar properties that were listed for sale within the same locality or other comparable localities.

Assessment of the fair values of the Group's investment properties is undertaken annually. The changes in Level 3 fair values are analysed by the management based on the assessment undertaken.

5. Investments in subsidiaries

	Note	Company 2016 RM'000	2015 RM'000
Unquoted shares, at cost		**118,815**	118,815
Less: Accumulated impairment losses	5.1	**(34,797)**	(34,797)
		84,018	84,018

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

5. Investments in subsidiaries (continued)

5.1 Impairment loss in a subsidiary

During the previous financial year, the Company recognised an impairment loss of RM28,400,000 with respect to the cost of investment in a wholly owned subsidiary, Thriven Properties Sdn. Bhd. ("TPM"). The impairment loss arose subsequent to the issuance of dividend by TPM amounting to RM28,400,000 to the Company, which resulted in the decrease of recoverable amount of investment in TPM.

Management estimated the recoverable amount for the cost of investment in TPM based on the assumption of the dividends receivable from TPM upon the completion of any future development project.

The impairment loss is recognised in other expenses in the statement of profit or loss and other comprehensive income.

Details of the subsidiaries are as follows:

Subsidiaries of Thriven Global Berhad:	Country of incorporation	Principal activities	Proportion of ownership interest 2016 %	2015 %
Dynamic Unity Sdn. Bhd.	Malaysia	Investment holding	**100**	100
Bukit Punchor Development Sdn. Bhd.	Malaysia	Property development	**100**	100
Mulpha Argyle Property Sdn. Bhd.	Malaysia	Property development	**51**	51
Indahview Sdn. Bhd.	Malaysia	Investment holding	**100**	100
MLB Quarry Sdn. Bhd	Malaysia	Licensing of a quarry plant	**60**	60
Eco Green Services Sdn. Bhd.	Malaysia	Maintenance services and facilities management services	**100**	100
Thriven Properties Sdn. Bhd.	Malaysia	Property ownership and management	**100**	100
Bakat Stabil Sdn. Bhd.	Malaysia	Property development	**100**	100
Mayfair Ventures Sdn. Bhd.	Malaysia	Property development	**51**	51
Thriven Amona Sdn. Bhd.[1]	Malaysia	Property development	**51**	51
Thriven NCR Sdn. Bhd. [2] #	Malaysia	Property development	**85**	–
Subsidiary of Dynamic Unity Sdn. Bhd.:				
Golden Cignet Sdn. Bhd.	Malaysia	Property development	**100**	100

5. Investments in subsidiaries (continued)

5.1 Impairment loss in a subsidiary (continued)

Not audited by member firms of KPMG International.

[1] On 10 July 2015, the Company acquired 510,000 ordinary shares of RM1.00 each, representing 51% equity interest in Thriven Amona Sdn. Bhd. ("TASB") for a total cash consideration of RM6,310,000. The effects of the business combination is disclosed in Note 30.

[2] On 6 December 2016, the Company subscribed for 85 ordinary shares of RM1.00 each for a total consideration of RM85 in Thriven NCR Sdn. Bhd. and the balance of 15 ordinary shares of RM1.00 each was subscribed by a non-controlling party for a cash consideration of RM15. Pursuant to these transactions, the equity interest of the Company in Thriven NCR Sdn. Bhd. ("TNSB") is 85%.

5.2 Non-controlling interest in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	Mayfair Ventures Sdn. Bhd. RM'000	Mulpha Argyle Property Sdn. Bhd. RM'000	Thriven Amona Sdn. Bhd. RM'000	Other subsidiary with immaterial NCI RM'000	Total RM'000
2016					
NCI percentage of ownership interest and voting interest	49%	49%	49%		
Carrying amount of NCI	5,042	(14,251)	(1,005)	585	(9,629)
Profit/(Loss) allocated to NCI	144	(5,873)	(950)	124	(6,555)

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

5. Investments in subsidiaries (continued)

5.2 Non-controlling interest in subsidiaries (continued)

Summarised financial information before intra-group elimination	Mayfair Ventures Sdn. Bhd. RM'000	Mulpha Argyle Property Sdn. Bhd. RM'000	Thriven Amona Sdn. Bhd. RM'000	Other subsidiary with immaterial NCI RM'000	Total RM'000
2016					
As at 31 December 2016					
Non-current assets	**10,972**	**–**	**80**		
Current assets	**209,099**	**27,792**	**17,939**		
Non-current liabilities	**(47,419)**	**(3,655)**	**(8,358)**		
Current liabilities	**(162,509)**	**(58,084)**	**(10,729)**		
Net assets/(liabilities)	**10,143**	**(33,947)**	**(1,068)**		
Year ended 31 December 2016					
Profit/(Loss) for the year and total comprehensive expense for the year	**294**	**(14,585)**	**(1,940)**		
Cash flows from operating activities	**6,695**	**4,594**	**364**		
Cash flows used in investing activities	**(2,481)**	**(4,632)**	**(75)**		
Cash flows used in financing activities	**(5,319)**	**–**	**–**		
Net (decrease)/increase in cash and cash equivalents	**(1,105)**	**(38)**	**289**		
2015					
NCI percentage of ownership interest and voting interest	49%	49%	49%		
Carrying amount of NCI	4,898	(8,379)	(54)	461	(3,074)
(Loss)/Profit allocated to NCI	(1,734)	(1,468)	(54)	124	(3,132)

5. Investments in subsidiaries (continued)

5.2 Non-controlling interest in subsidiaries (continued)

Summarised financial information before intra-group elimination	Mayfair Ventures Sdn. Bhd. RM'000	Mulpha Argyle Property Sdn. Bhd. RM'000	Thriven Amona Sdn. Bhd. RM'000
2015			
As at 31 December 2015			
Non-current assets	8,564	–	5
Current assets	177,691	38,922	15,685
Non-current liabilities	(57,437)	(8,275)	(8,500)
Current liabilities	(118,822)	(50,009)	(6,304)
Net assets/(liabilities)	9,996	(19,362)	886
Year ended 31 December 2015			
Loss for the year and total comprehensive expense for the year	(3,539)	(2,996)	(111)
Cash flows (used in)/from operating activities	(5,039)	4,767	(9,390)
Cash flows used in Investing activities	(7,677)	–	(5)
Cash flows from/(used in) financing activities	14,393	(4,245)	9,500
Net increase in cash and cash equivalents	1,677	522	105

6. Goodwill

	Note	Group 2016 RM'000	2015 RM'000
At cost			
At 1 January		7,205	1,891
Addition during the year	6.1	–	5,314
At 31 December		7,205	7,205

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
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6. Goodwill (continued)

6.1 Addition in goodwill

The addition in goodwill during the previous financial year is generated from the acquisition of Thriven Amona Sdn. Bhd. The details of the transaction is disclosed in Note 30.1 to the financial statements.

6.2 Impairment testing for cash-generating units ("CGU") containing goodwill

The carrying amount of goodwill is in relation to the investment in Golden Cignet Sdn. Bhd., a wholly owned subsidiary of Dynamic Unity Sdn. Bhd. and Thriven Amona Sdn. Bhd..

For the purpose of impairment testing, goodwill is allocated to the subsidiaries acquired which represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

The recoverable amount of the CGU is determined based on the value in use ("VIU") calculation. The VIU is calculated using the pre-tax cash flow projections based on financial budgets approved by management. VIU was determined by discounting the future cash flows generated from the development of properties of the CGU and was based on the following key assumptions:

(i) Cash flows projected were based on the gross development value of projects planned and that there will be continual demand for quality residential properties; and

(ii) The discount rates of 6.9% to 10.0% (2015: 7.2% to 9.6%) are applied in discounting the cash flows and were based on the estimated cost of funds of the CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources (historical data).

Based on the impairment test undertaken, no impairment loss is required to be recognised.

The above estimates are particularly sensitive in the following areas:

(i) Fluctuations in future planned revenues and development costs arising from fluctuations in raw material costs and constructions costs; and

(ii) Fluctuations in the discount rate used and general interest rates.

7. Inventories

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Non-current assets				
Properties held for development				
- Cost of acquisition of freehold land	6,344	8,640	–	–
- Capitalised development cost	29,964	35,666	–	–
Total non-current inventories	36,308	44,306	–	–
Current assets				
Properties under development				
- Cost of acquisition of freehold land/ leasehold land	182,065	197,720	–	–
- Capitalised development cost	104,371	68,779	–	–
	286,436	266,499	–	–
Completed properties	1,131	9,052	–	7,689
Total current inventories	287,567	275,551	–	7,689
Total inventories	323,875	319,857	–	7,689
Recognised in profit or loss:				
Inventories recognised as cost of sales	39,435	32,721	7,417	17,402
Write down to net realisable value	8,812	–	–	–

(i) Included in properties under development of the Group is interest capitalised during the financial year amounting to RM9,816,908 (2015: RM7,922,575) (Note 19).

(ii) Freehold/leasehold land of the Group included in properties held for/under development with carrying value of RM190,609,794 (2015: RM203,574,850) were pledged as security for bank borrowings (Note 13).

(iii) In financial year ended 31 December 2016, the Group has reclassified a portion of properties under development that is designated as retail lots and intended to be held by the Group for rental income and capital appreciation purposes to investment property. The portion of properties under development reclassified to investment property in the current financial year amounted to RM1,089,788 (2015: RM Nil) as disclosed in Note 4.

(iv) The Group has written down its inventory during the financial year amounting to RM8,812,000 (2015: RM Nil), following the disposal of land located in Bukit Tunku owned by its subsidiary, Mulpha Argyle Property Sdn. Bhd. ("MAPSB") as disclosed in Notes 20 and 32 (iii).

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THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

8. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2016 RM'000	2015 RM'000	**2016 RM'000**	2015 RM'000	**2016 RM'000**	2015 RM'000
Group						
Inventories	**–**	678	**(5,615)**	(5,764)	**(5,615)**	(5,086)
Properties, plant and equipment	**–**	–	**(73)**	(145)	**(73)**	(145)
Other items	**1,394**	11	**–**	(49)	**1,394**	(38)
	1,394	689	**(5,688)**	(5,958)	**(4,294)**	(5,269)
Group						
Inventories	**–**	678	**–**	–	**–**	678
Properties, plant and equipment	**–**	–	**–**	(134)	**–**	(134)
Other items	**–**	–	**–**	(49)	**–**	(49)
	–	678	**–**	(183)	**–**	495

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Non-current assets				
Unutilised tax losses	**8,556**	4,609	**865**	–

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available in a subsidiary against which the Group can utilise the benefits therefrom.

8. Deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the year

	At 1.1.2015 RM'000	Recognised in profit or loss (Note 23) RM'000	At 31.12.2015/ 1.1.2016 RM'000	Recognised in profit or loss (Note 23) RM'000	At 31.12.2016 RM'000
Group					
Inventories	5,897	(811)	5,086	529	**5,615**
Property, plant and equipment	47	98	145	(72)	**73**
Other items	(179)	217	38	(1,432)	**(1,394)**
	5,765	(496)	5,269	(975)	**4,294**
Company					
Inventories	–	(678)	(678)	678	**–**
Property, plant and equipment	10	124	134	(134)	**–**
Other items	(222)	271	49	(49)	**–**
	(212)	(283)	(495)	495	**–**

Deferred tax liabilities are due to temporary differences arising from the fair valuation adjustments on inventories at Group level upon the acquisition of subsidiaries in previous years.

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

9. Trade and other receivables

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Non-current					
Non-trade					
Amounts due from a subsidiary	9.1	–	–	–	25,565
Current					
Trade					
Trade receivables		21,640	21,144	4,572	16,233
Less: Allowance for impairment		(4,572)	(4,572)	(4,572)	(4,572)
		17,068	16,572	–	11,661
Accrued billings	9.2	7,380	–	–	–
		24,448	16,572	–	11,661
Non-trade					
Amounts due from subsidiaries	9.3	–	–	132,354	62,239
Less: Allowance for impairment	9.3	–	–	(25,588)	(11,012)
Add: Reversal of impairment loss		–	–	604	–
		–	–	107,370	51,227
Amounts due from a related company		–	6	–	–
Other receivables		951	470	414	465
Deposits		945	875	62	64
		26,344	17,923	107,846	63,417
		26,344	17,923	107,846	88,982

9.1 Amounts due from a subsidiary

The amounts due from a subsidiary is unsecured, subject to interest of 6.5% (2015: 6.5%) per annum.

9.2 Accrued billings

The amount relates to stages of construction completed which the billing has yet to be issued to customers.

9.3 Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, subject to interest of 8% (2015: 8%) per annum and repayable on demand. During the financial year ended 31 December 2016, the Company has impaired the amount due from its subsidiary, MAPSB amounting to RM14,575,809 (2015: RM Nil), following MAPSB's disposal of its land located in Bukit Tunku as disclosed in Notes 20 and 32 (iii).

10. Cash and bank balances

	Group 2016 RM'000	2015 RM'000	Company 2016 RM'000	2015 RM'000
Cash on hand and at bank	**15,049**	19,577	**125**	4,722
Deposits with licensed bank	**2,645**	21,295	**538**	11,924
	17,694	40,872	**663**	16,646

Included in cash and bank balances of the Group are:

(i) An amount of RM8,801,358 (2015: RM9,848,686) held by certain subsidiaries pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 which is restricted from use in other operations;

(ii) Fixed deposit placement of the Group and of the Company amounting to RM868,856 (2015: RM554,829) and RM538,577 (2015: RM234,177) respectively are pledged to certain banks for borrowings as disclosed in Note 13.

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group 2016 RM'000	2015 RM'000	Company 2016 RM'000	2015 RM'000
Cash and deposits with licensed banks		**17,694**	40,872	**663**	16,646
Bank overdrafts	13	**(19,769)**	(16,544)	**(692)**	–
Deposits and interest reserve account pledged		**(868)**	(555)	**(538)**	(234)
Cash and cash equivalents		**(2,943)**	23,773	**(567)**	16,412

NOTES TO
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11. Share capital

Share capital

	Group and Company			
	Number of shares 2016 '000	Amount 2016 RM'000	Number of shares 2015 '000	Amount 2015 RM'000
Authorised:				
Ordinary shares of RM0.10 each	**1,000,000**	**100,000**	1,000,000	100,000
Preference shares of RM1.00 each	**100,000**	**100,000**	100,000	100,000
	1,100,000	**200,000**	1,100,000	200,000
Issued and fully paid:				
Ordinary shares of RM0.10 each				
At 1 January	**376,699**	**37,670**	228,303	22,830
Issuance of shares	**–**	**–**	22,830	2,283
Bonus issue	**–**	**–**	125,566	12,557
At 31 December	**376,699**	**37,670**	376,699	37,670

(i) Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company and rank equally with regard to the Company's residual assets.

(ii) Warrants

On 6 October 2015, the Company issued 188,349,562 free warrants on the basis of one (1) warrant for every two (2) existing ordinary shares held in the Company, after the completion of the Bonus Issue of Shares. These warrants were listed on Bursa Malaysia Securities Berhad on 13 October 2015.

The main features of the warrants are as follows:

a) each warrants will entitle its registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price, which has been fixed at RM0.64 per share subject to adjustments in accordance with the provisions of the Deed Poll constituting the warrants.

b) the warrants may be exercised on or after 6 October 2015. The tenure of the warrants is five (5) years, with the expiry date on 5 October 2020. Warrants not exercised during the exercise period shall thereafter lapse and cease to be valid for any purpose.

11. Share capital (continued)

(ii) Warrants (continued)

The warrant reserve will be transferred to share capital upon the holder converting the warrants to ordinary shares. Warrant reserve related to the unexercised expired warrants will be transferred to retained earnings upon expiry on 5 October 2020. As at 31 December 2016, none of the warrants were exercised.

12. Reserves

Share premium

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

Warrant reserve

The warrant reserve arose from the issuance of 188,349,562 warrants, as disclosed in Note 11 (ii). The warrant reserve will be transferred to share capital upon the holder converting the warrants to ordinary shares. Warrant reserve related to the unexercised expired warrants will be transferred to retained earnings upon expiry on 5 October 2020. As at 31 December 2016, none of the warrants were exercised.

Capital reserves

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Non-distributable	**86,004**	86,004	**83,203**	83,203

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

12. Reserves (continued)

The capital reserve represents the capitalisation of reserves arising from:

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Changes in ownership interest in a subsidiary					
At 1 January/31 December		**8,601**	8,601	**5,800**	5,800
Reduction in par value of the ordinary shares of the Company in 2010		**77,403**	77,403	**77,403**	77,403
		86,004	86,004	**83,203**	83,203

The movement of reserves is shown in the statements of changes in equity.

Retained earnings

Under the single-tier system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividend paid under this system are tax exempt in the hands of shareholders.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2016

13. Bank borrowings

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current				
Secured				
Term loans	60,949	102,612	–	–
Bridging loans	18,600	–	–	–
Hire purchase	1,338	–	1,338	–
	80,887	102,612	1,338	–
Current				
Secured				
Term loans	39,043	28,453	–	–
Revolving credit	23,000	17,000	23,000	17,000
Hire purchase	203	–	203	–
Bank overdrafts	19,769	16,544	692	–
	82,015	61,997	23,895	17,000
Total borrowings	162,902	164,609	25,233	17,000

The bank borrowings are secured by the following:

(i) Pledge of investment property of the Group, as disclosed in Note 4;

(ii) Pledge of certain properties held for and under development and completed properties of the Group and of the Company, as disclosed in Note 7;

(iii) Lien on a portion of fixed deposit placement and amount held in an interest reserve account of the Group and of the Company as disclosed in Note 10; and

(iv) Corporate guarantees by the holding company and the Company.

(v) Bank borrowings includes a term loan of RM54.82 million (2015: RM81.27 million) and a bank overdraft of RM19.08 million (2015: RM16.54 million) obtained by a subsidiary whereby the 49% non-controlling shareholder has agreed to indemnify and reimburse the Company for its share of any losses incurred by the Company.

During the year, a subsidiary of the Company commenced negotiations with its lending bank to reschedule and defer repayment of certain loan facilities. The bank has since granted its approval of the Company's request and further details are disclosed in Note 32(ii).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

14. Trade and other payables

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Current					
Trade					
Trade payables		**11,816**	2,814	**515**	833
Non-trade					
Amount due to subsidiaries		**–**	–	**–**	3
Amount due to related companies	14.1	**53,422**	43,037	**–**	111
Other payables		**8,327**	11,063	**1,297**	903
		61,749	54,100	**1,297**	1,017
		73,565	56,914	**1,812**	1,850

14.1 Amount due to related companies

The amount due to related companies comprise of:

(i) an amount due to certain non-controlling interests in subsidiaries of the Group amounting to RM53,422,367 (2015: RM42,817,556) which are unsecured, subject to interest ranging from 6.5% to 8% (31.12.2015: 6.5% to 8%) per annum and repayable on demand;

(ii) the remaining balances due to related companies of the Group and the Company are non-interest bearing, unsecured and repayable on demand.

15. Other current liabilities

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Deferred revenue advance billings on property sales	**5,606**	10,256	**–**	10,000

16. Revenue

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Property development				
Sales of completed properties	**13,099**	38,721	**10,000**	22,500
Sales of properties under construction	**52,930**	17,203	**–**	–
	66,029	55,924	**10,000**	22,500
Rental of investment properties	**114**	109	**114**	109
Operation of a quarry plant	**491**	525	**–**	–
Property management	**335**	252	**–**	–
Dividend income	**–**	–	**10,000**	33,200
	66,969	56,810	**20,114**	55,809

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a product or service to a customer.

The principal activities separated by reportable segments from which the Group generates its revenue is as disclosed in Note 2.13. The detailed information about the reportable segments, is as disclosed in Note 25.

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THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

16. Revenue (continued)

A. Disaggregation of revenue

In the following table, revenue is disaggregated by the type of services and the timing of transfer of revenue recognition.

	Timing revenue recognition					
	Product transferred at a point of time		Product transferred over time		Total	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Group						
Property development	12,844	38,721	53,185	17,203	66,029	55,924
Rental of investment properties	114	109	–	–	114	109
Operation of a quarry plant	491	525	–	–	491	525
Property management	335	506	–	–	335	506
Dividend income	20,100	35,600	–	–	20,100	35,600
Total reportable segment	33,884	75,461	53,185	17,203	87,069	92,664
Adjustments and eliminations	(20,100)	(35,854)	–	–	(20,100)	(35,854)
Total	13,784	39,607	53,185	17,203	66,969	56,810
Company						
Property development	10,000	22,500	–	–	10,000	22,500
Rental of investment properties	114	109	–	–	114	109
Dividend income	10,000	33,200	–	–	10,000	33,200
Total	20,114	55,809	–	–	20,114	55,809

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

16. Revenue (continued)

B. Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers:

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Receivables, which are included in "Trade and other receivables"	**17,068**	16,572	**–**	11,661
Contract asset/(liabilities)	**1,774**	(10,256)	**–**	(10,000)

The receivables primarily relate to the Group's and the Company's rights to consideration for work completed and was billed at the financial year. The contract liabilities relate to advance consideration received from customers for sales of completed units.

Significant changes in the contract liabilities balance during the year are as follows:

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Balances as at 1 January	**(10,256)**	(2,914)	**(10,000)**	–
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**10,256**	2,914	**10,000**	–
Decrease/(Increase) due to cash received	**21,637**	(4,324)	**–**	(4,300)
Increase due to advance billings	**(19,863)**	(5,932)	**–**	(5,700)
Balances as at 31 December	**1,774**	(10,256)	**–**	(10,000)

C. Transaction prices allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at the reporting date.

	2017 RM'000	2018 RM'000	2019 RM'000	Total RM'000
Group				
Sales of properties under construction	44,170	111,450	15,713	171,333

All consideration from contracts with customers is included in the amounts presented above.

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

17. Cost of sales

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Property development				
Cost of completed properties	8,805	23,332	7,417	17,402
Cost of properties under construction	44,353	12,543	–	–
	53,158	35,875	7,417	17,402
Cost attributable to investment properties	30	28	30	28
Cost attributable to property management	353	235	–	–
	53,541	36,138	7,447	17,430

18. Other income

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Interest income	636	1,135	7,507	4,517
Rental income	227	237	–	–
Reversal of impairment loss on amount due from a subsidiary	–	–	604	50
Reversal of impairment loss on a trade receivable	–	170	–	170
Management fees received	–	–	3,611	1,838
Miscellaneous	983	59	295	25
	1,846	1,601	12,017	6,600

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
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19. Finance costs

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Interest expense					
- bank overdrafts		552	597	33	66
- term loan and bridging loan		2,864	1,158	–	–
- revolving credit		515	697	516	697
- hire purchase		42	–	42	–
- related company		–	122	–	122
Advances from non-controlling interest of a subsidiary		290	243	–	–
		4,263	2,817	591	885
Recognised in profit or loss		4,263	2,817	591	885
Capitalised on qualifying assets:					
- Properties under development	7	9,817	7,923	–	–
		14,080	10,740	591	885

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)

31 December 2016

20. (Loss)/Profit before tax

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
(Loss)/Profit for the year is arrived after charging:					
Employee benefits expense	21	**8,765**	5,817	**6,788**	4,924
Auditors' remuneration:					
- Audit fees		**184**	171	**55**	50
- Non-audit fees		**22**	85	**22**	77
Depreciation of property, plant and equipment	3	**2,304**	304	**795**	223
Depreciation of investment properties	4	**26**	17	**26**	17
Loss on disposal of property, plant and equipment		**–**	4	**–**	4
Inventory written down		**8,812**	–	**–**	–
Impairment loss on investment in a subsidiary		**–**	–	**–**	28,400
Impairment loss on inter company balances		**–**	–	**14,576**	–
and after (crediting):					
Reversal of impairment loss:					
- Amount due from a subsidiary	18	**–**	–	**(604)**	(50)
- Trade receivable		**–**	(170)	**–**	(170)

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
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21. Employee benefits expense

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Wages and salaries	**7,465**	4,130	**5,774**	3,940
Defined contribution plans	**873**	562	**678**	471
Social security contributions	**44**	26	**28**	19
Other staff-related expenses	**383**	1,099	**308**	494
	8,765	5,817	**6,788**	4,924

Included in employee benefits expense of the Group and the Company are Directors' salaries and emoluments which are analysed in Note 22.

22. Directors' remuneration

The details of remuneration receivable by Directors of the Company during the year are as follows:

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Executive				
Salaries and other emoluments	**2,567**	1,640	**2,567**	1,640
Non-executive				
Directors' fees	**123**	136	**123**	136
Other emoluments	**21**	20	**21**	20
	144	156	**144**	156
Total Directors' remuneration	**2,711**	1,796	**2,711**	1,796

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

22. Directors' remuneration (continued)

The number of directors of the Group and of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2016	2015
Executive Director		
RM350,000 – RM550,000	–	2
RM550,000 – RM750,000	1	–
RM750,000 - RM950,000	1	1
RM950,000 and above	1	–
Non-executive Directors		
Below RM50,000	5	4

23. Income tax expense

Recognised in profit or loss

Major components of income tax expense include:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current income tax				
- Current year	1,431	3,161	–	514
- (Over)/Under provision in prior year	(345)	174	(282)	–
Total current tax recognised in profit or loss	1,086	3,335	(282)	514
Deferred income tax (Note 8)				
- Origination and reversal of temporary differences	(975)	(496)	495	(283)
Total deferred tax recognised in profit or loss	(975)	(496)	495	(283)
Income tax expense recognised in profit or loss	111	2,839	213	231

Income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the year.

23. Income tax expense (continued)

Reconciliation of tax expense

	Group 2016 RM'000	2015 RM'000	Company 2016 RM'000	2015 RM'000
(Loss)/Profit before tax	**(16,589)**	3,215	**(1,879)**	5,500
Income tax calculated using Malaysian tax rate of 24% (2015: 25%)	**(3,981)**	804	**(451)**	1,375
Non-deductible expenses	**3,490**	1,616	**3,554**	7,156
Tax exempt income	**–**	–	**(2,400)**	(8,300)
Current year losses for which no deferred tax asset was recognised	**1,041**	324	**(208)**	–
Recognition of previously unutilised tax loss	**(94)**	(79)	**–**	–
(Over)/Under provision of income tax in respect of prior years	**(345)**	174	**(282)**	–
Income tax expense for the year	**111**	2,839	**213**	231

24. (Loss)/Earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2016 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group 2016	2015
(Loss)/Profit attributable to ordinary shareholders (RM'000)	**(10,145)**	3,508
Issued ordinary shares ('000)	**376,699**	228,303
Effect of ordinary shares distributed during the year via a bonus issue ('000)	**–**	114,152
	376,699	342,455
Issuance of shares during the year	**–**	12,619
Effect of ordinary shares distributed during the year via a bonus issue ('000)	**–**	6,308
Weighted average number of ordinary shares ('000)	**376,699**	361,382
Basic/diluted (loss)/earnings per ordinary share (Sen)	**(2,69)**	0.97

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
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24. (Loss)/Earnings per ordinary share (continued)

The previous year's earnings per ordinary share has been restated to reflect the bonus issue implemented in the year under review.

There are no dilution effects for the warrants issued on the ordinary shares. Accordingly, the diluted earnings per ordinary share for the year is equal to the basic earnings per ordinary share.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

25. Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group Managing Director (the chief operating decision maker) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Segment 1: Property development
- Segment 2: Property investment
- Segment 3: Investment holding and others

Performance is measured based on segment profit before tax ("Segment Profit") as included in the internal management reports that are reviewed by the Group Managing Director (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group Managing Director. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities are measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group Managing Director. Segment liabilities are used to measure the gearing of each segment.

Segment capital expenditure

Segment capital expenditure is total cost incurred during the financial year to acquire property, plant and equipment and investment properties.

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THE FINANCIAL STATEMENTS (CONT'D)
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25. Operating segments (continued)

	Property development		Property investments	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue				
External	**66,029**	55,924	**114**	109
Results				
Depreciation of property, plant and equipment and investment properties	**1,505**	81	**26**	17
Segment (loss)/profit	**(2,911)**	6,737	**61**	67
Assets:				
Additions to non-current assets	**499**	9,814	**1,270**	590
Segment assets	**375,525**	438,513	**5,768**	3,441
Segment liabilities	**345,543**	300,405	**–**	13

Note: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

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THE FINANCIAL STATEMENTS (CONT'D)
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	Investment holdings and others		Total		Adjustments and eliminations		Per consolidated financial statements	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
	826	777	**66,969**	56,810	**–**	–	**66,969**	56,810
	799	223	**2,330**	321	**–**	–	**2,330**	321
	(4,261)	8,114	**(7,111)**	14,918	**(9,478)**	(11,703)	**(16,589)**	3,215
	2,170	12	**3,939**	10,416	**–**	–	**3,939**	10,416
	249,275	156,609	**630,568**	598,563	**(237,890)**	(198,096)	**392,678**	400,467
	34,374	19,860	**379,917**	320,278	**(133,447)**	(82,719)	**246,470**	237,559

25. Operating segments (continued)

Reconciliation of reportable segment (loss)/profit, assets and liabilities

(i) The following items are deducted from segment (loss)/profit to arrive at "(Loss)/Profit before tax" presented in the consolidated statement of comprehensive income:

	2016 RM'000	2015 RM'000
Total segment (loss)/profit	(7,111)	14,918
Elimination of inter-segment profits	(9,478)	(11,703)
Consolidated (loss)/profit before tax	(16,589)	3,215

(ii) Additions to non-current assets consist of:

	2016 RM'000	2015 RM'000
Property, plant and equipment	2,669	9,826
Investment properties	1,270	590
	3,939	10,416

(iii) The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2016 RM'000	2015 RM'000
Inter-segment assets	237,890	198,096

(iv) The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2016 RM'000	2015 RM'000
Inter-segment liabilities	133,447	82,719

Geographical segments

Segment information relating to geographical areas of operation has not been presented as the Group operates only in Malaysia.

Major customers

Approximately 38% of the Group's revenue are from 2 major customers.

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

26. Financial instruments

26.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables ("L&R");
(b) Financial liabilities measured at amortised cost ("FL").

	Carrying amount RM'000	L&R RM'000	FL RM'000
2016			
Financial assets			
Group			
Trade and other receivables	26,344	26,344	–
Cash and bank balances	17,694	17,694	–
	44,038	44,038	–
Company			
Trade and other receivables	107,846	107,846	–
Cash and bank balances	663	663	–
	108,509	108,509	–
Financial liabilities			
Group			
Bank borrowings	162,902	–	162,902
Trade and other payables	73,565	–	73,565
	236,467	–	236,467
Company			
Bank borrowings	25,233	–	25,233
Trade and other payables	1,812	–	1,812
	27,045	–	27,045

26. Financial instruments (continued)

26.1 Categories of financial instruments (continued)

	Carrying amount RM'000	L&R RM'000	FL RM'000
2015			
Financial assets			
Group			
Trade and other receivables	17,923	17,923	–
Cash and bank balances	40,872	40,872	–
	58,795	58,795	–
Company			
Trade and other receivables	63,417	63,417	–
Cash and bank balances	16,646	16,646	–
	80,063	80,063	–
Financial liabilities			
Group			
Bank borrowings	164,609	–	164,609
Trade and other payables	56,914	–	56,914
	221,523	–	221,523
Company			
Bank borrowings	17,000	–	17,000
Trade and other payables	1,850	–	1,850
	18,850	–	18,850

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

26. Financial instruments (continued)

26.2 Net gains and losses arising from financial instruments

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Net gains/(losses) on:				
Loans and receivables	**636**	1,135	**5,570**	4,517
Financial liabilities measured at amortised cost	**(4,263)**	(2,817)	**(591)**	(885)
	(3,627)	(1,682)	**4,979**	3,632

26.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

26.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and investment in debt securities. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries.

Receivables

Risk management objectives, policies and processes for managing the risk

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

26. Financial instruments (continued)

26.4 Credit risk (continued)

Receivables (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

The Group's normal credit terms range from 15 to 60 days. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors.

Impairment losses

The Group maintains an ageing analysis in respect of trade receivables only. The ageing of trade receivables as at the end of the reporting period was:

	Gross RM'000	Individual impairment RM'000	Net RM'000
Group			
2016			
Neither past due nor impaired	**9,596**	**–**	**9,596**
Past due 1 - 30 days	**5,301**	**–**	**5,301**
Past due 31 - 60 days	**1,059**	**–**	**1,059**
Past due more than 60 days	**5,684**	**(4,572)**	**1,112**
	21,640	**(4,572)**	**17,068**
2015			
Neither past due nor impaired	3,982	–	3,982
Past due 1 - 30 days	5,698	–	5,698
Past due 31 - 60 days	73	–	73
Past due more than 60 days	11,391	(4,572)	6,819
	21,144	(4,572)	16,572

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

26. Financial instruments (continued)

26.4 Credit risk (continued)

Receivables (continued)

	Gross RM'000	Individual impairment RM'000	Net RM'000
Company			
2016			
Neither past due nor impaired	–	–	–
Past due 1 - 30 days	–	–	–
Past due 31 - 60 days	–	–	–
Past due more than 60 days	4,572	(4,572)	–
	4,572	(4,572)	–
2015			
Neither past due nor impaired	5,661	–	5,661
Past due 1 - 30 days	–	–	–
Past due 31 - 60 days	–	–	–
Past due more than 60 days	10,572	(4,572)	6,000
	16,233	(4,572)	11,661

26. Financial instruments (continued)

26.4 Credit risk (continued)

Receivables (continued)

The movements in the allowance for impairment losses of trade receivables (excluding related party balances) during the financial year were:

	Group and Company	
	2016 RM'000	2015 RM'000
At 1 January	**4,572**	4,742
Reversal of impairment loss	**–**	(170)
At 31 December	**4,572**	4,572

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to its subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayment made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM99,990,997 (2015: RM131,065,000) representing the outstanding banking facilities of its subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that the subsidiary would default on repayment.

As at reporting date, no values are ascribed on corporate guarantees provided by the Group and the Company to secure bank loans and other banking facilities granted to its subsidiary where such loans and bank facilities are fully collateralised by charges over land held for development of the subsidiary and where the Directors regard the value of the credit enhancement provided by the corporate guarantees as minimal.

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

26. Financial instruments (continued)

26.4 Credit risk (continued)

Financial guarantees (continued)

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

In addition, the Company provided financial support to certain subsidiaries to enable them to continue as going concern.

Impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries are not recoverable other than an amount due from a subsidiary amounting to RM14,575,809, as disclosed in Note 20. The Directors believe that the loans and advances to the subsidiaries will be recoverable upon the crystallisation of the future plans on the subsidiary's land held for development. The Company does not specifically monitor the ageing of current advances to the subsidiaries.

Inter company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

26.5 Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position.

26. Financial instruments (continued)

26.5 Liquidity risk (continued)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts, except for the rescheduling and deferment of loan repayment, as disclosed in Notes 13 and 32(ii).

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000
Group						
2016						
Trade and other payables	73,565	6.50	73,565	73,565	–	–
Bank borrowings	161,361	5.00 - 8.75	232,023	88,886	137,767	5,369
Hire purchase	1,541	2.61 - 2.80	1,806	278	1,389	139
	236,467		307,394	162,729	139,156	5,508
2015						
Trade and other payables	56,914	6.50	56,914	56,914	–	–
Bank borrowings	164,609	5.20 - 9.30	181,677	73,079	106,992	1,606
	221,523		238,591	129,993	106,992	1,606

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

26. Financial instruments (continued)

26.5 Liquidity risk (continued)

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000
Company						
2016						
Trade and other payables	**1,812**	**–**	**1,812**	**1,812**	**–**	**–**
Bank borrowings	**23,692**	**5.25 - 8.75**	**24,971**	**24,971**	**–**	**–**
Hire purchase	**1,541**	**2.61 - 2.80**	**1,806**	**278**	**1,389**	**139**
	27,045		**28,589**	**27,061**	**1,389**	**139**
2015						
Trade and other payables	1,850	–	1,850	1,850	–	–
Bank borrowings	17,000	5.35 - 5.60	17,926	17,926	–	–
	18,850		19,776	19,776	–	–

26.6 Market risk

Market risk is the risk that changes in market prices, such as interest rates that will affect the Group's financial position or cash flows.

26.6.1 Interest rate risk

The Group's investments in fixed rate debt securities and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. The short term receivables and payables are not significantly exposed to interest rate risk.

26. Financial instruments (continued)

26.6 Market risk (continued)

26.6.1 Interest rate risk (continued)

Risk management objectives, policies and processes for managing the risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings and deposits, and is managed through the use of fixed and floating rate borrowings and deposits. The Group does not use derivative financial instruments to hedge its interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Fixed rate instruments				
Financial assets	**2,645**	21,295	**538**	11,924
Financial liabilities	**(54,963)**	(43,037)	**–**	(114)
	(52,318)	(21,742)	**538**	11,810
Floating rate instruments				
Financial liabilities	**(161,361)**	(164,609)	**(25,233)**	(17,000)

Interest rate risk sensitivity analysis

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

26. Financial instruments (continued)

26.6 Market risk (continued)

26.6.1 Interest rate risk (continued)

Interest rate risk sensitivity analysis (continued)

(b) *Cash flow sensitivity analysis for variable rate instruments*

A change of 50 basis points ("bp") in interest rates at the end of the reporting period would have increased (decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remained constant.

	2016		2015	
	50bp increase RM'000	50bp decrease RM'000	50bp increase RM'000	50bp decrease RM'000
Group				
Floating rate instruments	(613)	613	(617)	617
Company				
Floating rate instruments	(96)	96	(64)	64

26.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables, and short term borrowings are approximately fair values due to the relatively short term nature of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2015

26. Financial instruments (continued)

26.7 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
Group										
2016										
Financial liabilities										
Bank borrowings	–	–	–	–	–	–	**202,568**	**202,568**	**202,568**	**161,361**
2015										
Financial liabilities										
Bank borrowings	–	–	–	–	–	–	162,499	162,499	162,499	164,609
Company										
2016										
Financial liabilities										
Bank borrowings	–	–	–	–	–	–	**24,062**	**24,062**	**24,062**	**25,233**
2015										
Financial liabilities										
Bank borrowings	–	–	–	–	–	–	17,000	17,000	17,000	17,000

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

26. Financial instruments (continued)

26.7 Fair value information (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For other borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2015: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

26. Financial instruments (continued)

26.7 Fair value information (continued)

Level 3 fair value (continued)

Financial instruments not carried at fair value

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Loans and borrowings	Discounted cash flows	• Interest rate (2016: 5.20% - 9.30%)	The estimated fair value would increase (decrease) if the interest rates were higher (lower).

27. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group's gearing ratio at 31 December 2016 and 31 December 2015 were as follows:

	Note	2016 RM'000	2015 RM'000
Bank borrowings	13	162,902	164,609
Trade and other payables	14	73,565	56,914
Less: Cash and cash equivalents	10	(17,694)	(40,872)
Net debt		218,773	180,651
Equity attributable to the owners of the parent, representing total capital		155,837	165,982
Capital and net debt		374,610	346,633
Gearing ratio		58%	52%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

27. Capital management (continued)

There was no change in the Group's approach to capital management during the financial year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

28. Operating leases

Leases as lessee

Non-cancellable operating lease rental is payable as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Less than one year	**1,086**	987	**984**	987
Between one and five years	**441**	1,390	**406**	1,390
	1,527	2,377	**1,390**	2,377

Leases as lessor

The Group and the Company lease out their investment properties under operating leases (disclosed in Note 4). The future minimum lease receivables under non-cancellable leases are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Less than one year	**96**	116	**96**	116
Between one and five years	**–**	96	**–**	96
	96	212	**96**	212

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THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

29. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. Key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with significant investors, subsidiaries and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Notes 9 and 14.

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
A. Directors of the Company				
Acquisition of motor vehicle	–	107	–	107
Sale of properties	2,263	–	–	–
B. Subsidiaries of the Company				
Interest income	–	–	7,250	4,087
Management fee income	–	–	3,611	1,838
Maintenance fee	–	–	117	147
Dividend income	–	–	10,000	33,200
C. Subsidiaries of Mulpha International Bhd.				
Management fee expense	–	462	–	161
Rental expense	–	238	–	227
Interest expense	–	122	–	122
Secretarial services fee expenses	–	11	–	–

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

29. Related parties (continued)

Significant related party transactions (continued)

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
D. Other related parties				
A company related to a person connected to a Director of the holding company:				
- Interest expense	–	193	–	–
Non-controlling interests of subsidiaries				
- Interest expense	3,218	1,875	–	–
- Project management fee expense	120	120	–	–
E. Key management personnel				
Directors				
- Remuneration	2,253	1,223	2,253	1,223
- Fees	123	136	123	136
- Defined contribution plans	268	175	268	175
- Estimated money value of of benefits-in-kind	67	262	67	262
	2,711	1,796	2,711	1,796
Other key management personnel				
- Remuneration	1,254	1,386	1,254	1,386
- Defined contribution plans	147	136	147	136
	1,401	1,522	1,401	1,522

29. Related parties (continued)

Significant related party transactions (continued)

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

30. Business combinations

30.1 Acquisition of Thriven Amona Sdn. Bhd.

On 10 July 2015, the Group acquired 510,000 ordinary shares of RM1.00 each, representing 51% equity interest in Thriven Amona Sdn. Bhd. ("TASB") for a total cash consideration of RM6,310,000.

The following summarises the major classes of consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Identifiable assets acquired and liabilities assumed:

	RM'000
Deposits	1,000
Other payable and accruals	(4)
Total identifiable net assets	996

Pre-acquisition carrying amounts were determined based on applicable MFRSs immediately before the acquisition. The values of assets, liabilities, and contingent liabilities recognised on acquisition are their estimated fair values.

Net cash outflow arising from acquisition of subsidiary

	RM'000
Purchase consideration settled in cash and cash equivalents	6,310

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

30. Business combinations (continued)

30.1 Acquisition of Thriven Amona Sdn. Bhd. (continued)

Goodwill

Goodwill was recognised as a result of the acquisition as follows:

	RM'000
Total consideration	6,310
Fair value of net identifiable assets	(996)
Positive goodwill on acquisition	5,314

31. Significant events

(i) Cessation of Mulpha International Bhd ("MIB") as the holding company

During the previous financial year, Mulpha International Bhd ("MIB") ceased to be the holding company subsequent to the exercise of option rights by Teladan Kuasa Sdn. Bhd. ("TKSB") on 6 March 2015 under the call option agreement dated 17 May 2012 with MIB, pursuant to which it acquired 75,000,000 ordinary shares of RM0.10 each in the Company ("Option Shares"), representing 32.85% of the issued and paid up capital of the Company from MIB at RM0.47 per Option Share.

TKSB had also extended a mandatory take-over offer pursuant to Section 218(2) of the Capital Markets and Services Act 2007 and Section 9(1), Part III of the Malaysian Code on Take-Over and Mergers, 2010, to acquire all the remaining ordinary shares of RM0.10 each in the Company ("Shares"), other than the Shares held or to be held by TKSB together with Ketapang Capital Sdn. Bhd., Datuk Fakhri Yassin bin Mahiaddin and the persons acting in concert with them ("PACs"), for a cash offer price of RM0.497 for each share ("MGO").

The acquisition of the Option Shares was completed on 9 March 2015, whilst the MGO offer period was closed on 17 April 2015, resulting from which TKSB and its PACs hold a total of 115,042,400 ordinary shares of RM0.10 each, representing approximately 50.39% of the issued and paid up share of the Company.

(ii) Proposed acquisition of Mayfair Ventures Sdn. Bhd.'s non-controlling shares

On 2 December 2016, Thriven Global Berhad ("the Company") entered into Settlement Agreement with MJC Development Sdn Bhd ("MJC") to mutually terminate the Subscription and Shareholder Agreement ("SSA") dated 30 August 2013 and Supplemental Letter to the SSA dated 13 November 2013 and 20 November 2013 for the subscription of 1,020,000 ordinary shares of RM1.00 each in the subsidiary of the Company, Mayfair Ventures Sdn. Bhd. ("Mayfair") representing 51% of the equity interest in Mayfair together with the 255,000 units of redeemable preference shares of RM1.00 each in Mayfair.

31. Significant events (continued)

(ii) Proposed acquisition of Mayfair Ventures Sdn. Bhd.'s non-controlling shares (continued)

Based on the SSA, the Company and MJC have undertaken to jointly develop two parcels of adjoining land in Bandar Damansara, Selangor, which have been amalgamated for the development in Tropicana, named "LUMI Tropicana".

The Settlement Agreement is to facilitate the following:

(i) proposed acquisition by the Company of the following securities in Mayfair that are currently held by MJC:

 (a) 980,000 Mayfair shares representing 49% of the issued and paid-up share capital in Mayfair for a purchase consideration of RM980,000 or RM1.00 each, being the par value of Mayfair share; and

 (b) 45,000 Mayfair RPS for a purchase consideration of RM45,000 or RM1.00 each, being the par value of Mayfair RPS;

(ii) proposed settlement of MJC's advances and contribution to Mayfair together with the interest accrued on the advances for an aggregate settlement sum of RM52,880,670.

The settlement will be satisfied through the transfer of 56 service apartment units of the Development ("Settlement Units") to be constructed on the Tropicana Land with a total built-up area of 58,387 square feet and an aggregated value of RM52,780,116 based on the net selling prices of the Settlement Units and the balancing of RM100,554 will be satisfied by cash.

Upon the completion of the Proposed Acquisition, Mayfair will become a wholly owned subsidiary of the Company.

The Settlement Agreement is conditional upon the following conditions:

(i) The Company to obtain the approval of the non-interested shareholders of the Company at an Extraordinary General Meeting ("EGM") to be convened for the Proposal;

(ii) Thriven to obtain the approval of its Board for the execution of agreements including inter alia, the Proposal;

(iii) MJC to obtain its Board's approval for the execution of the Settlement Agreement;

(iv) Mayfair to obtain the written consent from its lending bank; and

(v) If required, all the parties shall take all necessary steps to procure the necessary approvals from the relevant regulatory authorities for all the transactions contemplated under the Settlement Agreement.

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31 December 2016

31. Significant events (continued)

(ii) Proposed acquisition of Mayfair Ventures Sdn. Bhd.'s non-controlling shares (continued)

As at 31 December 2016, these conditions were not yet fulfilled. Hence, the transaction is not reflected in the financial statements.

32. Subsequent events

(i) Joint venture

Thriven NCR Sdn. Bhd. ("TNSB"), a subsidiary of the Company, has on 12 January 2017, entered into a Joint Venture agreement ("JVA") with the Perak State Secretary Incorporated ("SSI"). TNSB and SSI wish to work together as strategic joint development partners to jointly develop affordable housing scheme ("Project") on eleven (11) pieces of freehold land measuring approximately 43.297 acres in Tempat R.T.P. Behrang Ulu, Mukim of Hulu Bernam Timur, District of Muallim, State of Perak Darul Ridzuan.

(ii) Rescheduling of loan repayment

A subsidiary of the Company, Mayfair Ventures Sdn. Bhd. has secured a term loan and overdraft facility with outstanding balances amounting to RM54,818,399 and RM19,076,579 respectively as at 31 December 2016. According to the terms of the agreement, the term loan is repayable in tranches commencing from March 2016 to December 2018 and the overdraft facility is repayable in full in November 2018.

During the year, Management had requested the bank to reschedule and defer the repayment of certain tranches of the term loan from the financial year 2017 to 2018 and to defer the overdraft repayment from financial year 2018 to 2019 respectively. Construction delays which arose from delays in obtaining the relevant authorities' approvals have necessitated this request in order to enable the borrower to better match the inflow of progress billings with the timing of the scheduled loan repayments. The rescheduling of the loan facilities resulted in the following:-

(a) Term loan: Lower principal repayment amounts in 2017, with the remaining amount being repayable in 2018.

(b) Overdraft: Repayment of overdraft loan rescheduled from November 2018 to July 2019.

32. Subsequent events (continued)

(ii) Rescheduling of loan repayment (continued)

	2017 RM'000	2018 RM'000	2019 RM'000	Total RM'000
Before rescheduling:				
Term loan	26,000	28,818	–	54,818
Overdraft	–	19,077	–	19,077
	26,000	47,895	–	73,895
After rescheduling:				
Term loan	15,600	39,218	–	54,818
Overdraft	–	–	19,077	19,077
	15,600	39,218	19,077	73,895

Subsequent to the year end, the approval of the rescheduling and deferment of these facilities was obtained from the banker.

The financial impact of the loan rescheduling has not been reflected in the current year financial statements as the approval for rescheduling is received subsequent to the financial year end.

(iii) Disposal of land located in Bukit Tunku by Mulpha Argyle Property Sdn. Bhd. ("MAPSB")

On 11 April 2017, MAPSB entered into a Sale and Purchase Agreement with Mount Well Sdn. Bhd. for the sale of one (1) piece of freehold land located in Bukit Tunku, District of Kuala Lumpur for a total consideration of RM27,518,166, subject to the fulfilment of the conditions precedent as follows:

(a) the approval from the relevant authority of the State of Wilayah Persekutuan Kuala Lumpur for the acquisition of the Land by the Purchaser pursuant to Section 433B of National Land Code 1965 and if applicable, the approval from the Economic Planning Unit, Prime Minister's Department of Malaysia, at the Purchaser's own cost and expense; and

(b) the extension of the development order for the proposed construction of six (6) units of Stratified Bungalows to be erected on the Land which was granted by Jabatan Perancangan Bandar, Dewan Bandaraya Kuala Lumpur ("DBKL") on 1 August 2011 (extended until 1 September 2016 via a letter from DBKL dated 6 April 2016) OR a confirmation letter from the relevant authority that the Development Order need not be extended, at MAPSB's own cost and expense.

Barring any unforeseen circumstances, the Proposed Sale of Land is expected to be completed within the financial year ended 31 December 2017.

As a result of the above, the Group decided to write down the cost of inventory by RM8,812,000 to its net realisable value for the financial year ended 31 December 2016. Arising therefrom, the Company is also impairing the amount due from its subsidiary, MAPSB amounting to RM14,575,809.

NOTES TO
THE FINANCIAL STATEMENTS (CONT'D)
31 December 2016

33. Supplementary financial information on the breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group and of the Company as at 31 December, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total retained earnings				
- realised	6,103	22,262	28,886	30,483
- unrealised	1,321	(130)	–	495
	7,424	22,132	28,886	30,978
Consolidation adjustments	3,431	(1,132)	–	–
Total retained earnings	10,855	21,000	28,886	30,978

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants on 20 December 2010.

STATEMENT BY DIRECTORS

pursuant to Section 169(15)of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 75 to 156 are drawn up in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia and with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 33 on page 157 to the financial statements has been compiled in accordance with Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Datuk Fakhri Yassin bin Mahiaddin
Chairman

Ghazie Yeoh bin Abdullah
Managing Director

Kuala Lumpur,
Date: 25 April 2017

STATUTORY DECLARATION

pursuant to Section 169(16) of the Companies Act, 1965

I, **Augustone Cheong Kwok Fai**, the officer primarily responsible for the financial management of Thriven Global Berhad, do solemnly and sincerely declare that the financial statements set out on pages 75 to 157 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named at Kuala Lumpur on 25 April 2017.

Augustone Cheong Kwok Fai

Before me:

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THRIVEN GLOBAL BERHAD

(Company No. 182350-H)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Thriven Global Berhad, which comprise the statements of financial position as at 31 December 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 75 to 157 .

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THRIVEN GLOBAL BERHAD (cont'd)
(Company No. 182350-H)
(Incorporated in Malaysia)

<table>
<tr><th>The key audit matter identified are:</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>Revenue recognition on Properties under construction

The recognition of revenue for properties under construction of the Group is recognised over time and upon the Group entities entering into agreements with its customers.

Revenue recognition is based on the stage of completion measured by reference to the architects' and/or technical consultant's certificates for work performed to date.

There is a risk that revenue is not recognised in the appropriate accounting period.

Refer to the significant accounting policy in Note 2.13 and the disclosure of revenue in Note 16.</td><td><u>Revenue from the sales of properties under construction</u>

Our audit procedures in addressing this key audit matter included, amongst others are as follows:

• Performed test on design and implementation of controls over the sales process in relation to the recognition of development revenue and expense.
• Performed test of operating effectiveness of controls over the sales process to ascertain that property development revenue and expense is recognised in respect of units sold.
• Performed test of details by agreeing the stage of completion to the architect certificates and Sales and Purchase agreements to ascertain the reasonableness of revenue recognised.
• Performed substantive analytical procedures by comparing the revenue computed by us against the revenue recognised to ascertain the reasonableness of revenue recognised.
• Performed project review to ascertain the progress of development projects and the reasonableness of revenue recognised.</td></tr>
<tr><td>Valuation of Inventories

Inventories of the Group mainly comprise of properties held for development and properties under development, and are stated at the lower of cost and net realisable value.

An assessment of the net realisable value of inventory is carried out each financial year and is dependent upon the Group's future projects and cash flow projections.

Due to the inherent uncertainties of the key underlying assumptions included in forecasting and discounting of future cash flows, this is a key judgemental area that our audit is focused on.

Refer to the significant accounting policy in Note 2.7 and the disclosure of inventories in Note 7.</td><td>Our audit procedures in addressing this key audit matter amongst others are as follows:

<u>Properties held for development</u>
• Performed test on land and associated costs by agreeing to Sales and Purchase Agreement ("SPA") and other supporting documents.
• Assessed the land held for future development are stated at the lower of cost and net realisable value (market values).

<u>Property development costs ("PDC")</u>
• Checked construction costs and infrastructure costs to contractors' progress claims and certificates from engineers at year end.
• Reviewed the capitalisation of borrowing costs in PDC to assess that it is in accordance with the relevant accounting standard.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THRIVEN GLOBAL BERHAD (cont'd)

(Company No. 182350-H)
(Incorporated in Malaysia)

	Property development costs ("PDC") (continued) • Reviewed the reasonableness of the basis of PDC allocation to respective phases/units. • Compared the carrying amount of the respective land within the Group with the market price to agree that the carrying amount is measured at lower of cost or net realisable value. • Testing the Group's forecasting process and appropriateness of the key underlying assumptions upon which the projections are premised upon. • In assessing the key underlying assumptions, we took into account of actual results, external data and current market conditions. • We also performed sensitivity analysis to challenge the Group's key underlying assumptions in the forecast.
Going concern The Group recently embarked on a property development project which requires a significant amount of funding to complete the development. The Group has prepared and considered prospective financial information based on assumptions and events that may occur in the next 12 months and beyond. Due to the inherent uncertainties involved in forecasting and discounting future cash flows, together with the appropriateness of key underlying assumptions used to arrive at the projections, this is a key judgemental area that our audit is concentrated on.	Our audit procedures in addressing this key audit matter included, amongst others are as follows: • Reviewed the availability of funds to finance all the property development projects planned by the Group. • We agreed the sources of liquidity and uses of funds to supporting documentation. • We have tested the robustness of management forecasting process, tested the design and implementation of controls over approvals of revenue and cost, and compared cash flow forecasts for prior periods to actual outcomes. • We tested the appropriateness of the key underlying assumptions by comparing it against actual results, external data and current market conditions. • We also performed our own sensitivity calculations to test the adequacy of the available headroom and, in particular, covenant compliance. • We checked the appropriateness of the disclosures made in the Group Financial Statements in respect of going concern.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THRIVEN GLOBAL BERHAD (cont'd)
(Company No. 182350-H)
(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report and Statement on Risk Management and Internal Control, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THRIVEN GLOBAL BERHAD (cont'd)
(Company No. 182350-H)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THRIVEN GLOBAL BERHAD (cont'd)
(Company No. 182350-H)
(Incorporated in Malaysia)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 5 to the financial statements.

Other Reporting Responsibilities

The supplementary information set out in Note 33 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Chew Beng Hong
Approval Number: 2920/02/18(J)
Chartered Accountant

25 April 2017
Petaling Jaya

LIST OF PROPERTIES OF THE GROUP
as at 31 December 2016

No.	Location/Address	Year of acquisition/ Completion	Tenure	Year of lease expiring	Age of Building (Years)	Land area/ Built up area as at 31/12/2016	Description/ Existing Use	Net Book Value as at 31/12/2016 RM'000
1	PN 30649 & PN30650 Lot 212 & 213 Mukim Bandar Damansara Daerah Petaling, Selangor	2013	Leasehold	2114	N/A	6.41 acres	Land being used for residential and commercial development	**199,339**
2	Lot 1524 HS(D) 3059/95 Padang Meha Kulim, Kedah	2002	Freehold	N/A	N/A	110.45 acres	Land being used for residential and commercial development	**43,574**
3	Geran 78921 Lot 20007 Seksyen 71 (formerly held under Geran 23566, 23567 & 12881 Lot No. 350, 351 & 9992) Bandar dan Daerah Kuala Lumpur	2007	Freehold	N/A	N/A	2.53 acres	Land held for sales	**26,968**
4	PN 3679, Lot 53 Seksyen 13 Bandar Petaling Jaya Daerah Petaling, Selangor	2013	Leasehold	2066	N/A	1.99 acres	Land being used for residential and commercial development	**51,830**
5	Mukim 7 Daerah Seberang Perai Selatan Nibong Tebal, Pulau Pinang	2006	Freehold	N/A	N/A	2.16 acres	Land to be used for residential, commercial and industrial development	**3,902**
6	Lot 58453 Hak Milik 46467 Mukim Batu Kepong, Kuala Lumpur	2015	Leasehold	2100	N/A	2.09 acres	Land being used for residential and commercial development	**17,523**
7	B1003 & B1005 Pusat Dagangan Phileo Damansara II No 15, Jalan 16/11 Off Jalan Damansara 46350 Petaling Jaya, Selangor	1999	Freehold	N/A	17	465.63 sq.metres	Investment property: Office Lot	**877**
8	PN3679, Lot 53 Seksyen 13, Bandar Petaling Jaya Daerah Petaling, Selangor	2015	Leasehold	2066	2	761.81 sq.metres	Sales Gallery	**3,276**
9	Lot 4183 Padang Meha Kulim, Kedah	2014	Freehold	N/A	3	130 sq.metres	Sales Gallery	**1,164**
	TOTAL							**348,453**

ANALYSIS OF SHAREHOLDINGS AND WARRANTHOLDINGS

as at 18 April 2017

(A) ANALYSIS OF SHAREHOLDINGS as at 18 April 2017

Issued and Paid-up Share Capital	:	376,699,125 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	1) One vote per shareholder on a show of hands
		2) One vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100	170	7.93	3,727	0.00
100 - 1,000	70	3.26	26,985	0.01
1,001 - 10,000	1,094	51.00	5,826,623	1.55
10,001 - 100,000	677	31.56	20,233,369	5.37
100,001 – 18,834,955 (less than 5% of issued shares)	130	6.06	88,257,345	23.43
18,834,956 (5% of issued shares) and above	4	0.19	262,351,076	69.64
TOTAL	2,145	100.00	376,699,125	100.00

THIRTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Teladan Kuasa Sdn Bhd	112,518,750	29.87
2.	Mulpha International Bhd	91,893,076	24.39
3.	Pasukan Sehati Sdn Bhd	29,800,000	7.91
4.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Low Keng Siong	28,139,250	7.47
5.	Lim Chee Meng	17,070,000	4.53
6.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank for Brahmal A/L Vasudevan (M73106)	15,054,900	4.00
7.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lau Lian Huat	4,425,000	1.17
8.	HLIB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ghazie Yeoh bin Abdullah	3,255,000	0.86

ANALYSIS OF SHAREHOLDINGS
AND WARRANTHOLDINGS (cont'd)
as at 18 April 2017

No.	Name of Shareholders	No. of Shares	%
9.	Brahmal A/L Vasudevan	3,000,000	0.80
10.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lau Lian Huat (8055176)	2,850,375	0.76
11	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)	2,462,300	0.65
12.	Citigroup Nominees (Asing) Sdn Bhd - Pershing LLC for Asia Network Management Limited	2,220,370	0.59
13.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Teh Siew Wah (021)	1,400,700	0.37
14.	Luis Chi Leung Tong	1,053,800	0.28
15.	Tan Hye @ Tan Chuan Li	980,000	0.26
16.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Cheong Chen Yue	935,800	0.25
17.	Lee Kay Huat	930,000	0.25
18.	Maybank Nominees (Tempatan) Sdn Bhd - Low Wui Li	882,800	0.23
19.	Chin Kian Fong	825,450	0.22
20.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank for Salbiah binti Shuib (MM0641)	825,000	0.22
21.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Cheong Chen Yue	819,500	0.22
22.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Chiah Cheang (TCS/HLG)	813,750	0.22
23.	Lee Eng Keong	766,375	0.20
24.	Lye Foong Thye	660,000	0.18
25.	Lee Kee Huat	659,800	0.18
26.	Yap Teck Siong	649,000	0.17
27.	Lee Yean Aun Keefe	648,750	0.17
28.	Tam Shuk Yi	628,000	0.17
29.	Chin Kiam Hsung	625,550	0.17
30.	Clarence Gerard Boudville	600,000	0.16

ANALYSIS OF SHAREHOLDINGS AND WARRANTHOLDINGS (cont'd)
as at 18 April 2017

SUBSTANTIAL SHAREHOLDERS

	Direct		Indirect	
Name of Shareholders	No. of Shares	%	No. of Shares	%
Teladan Kuasa Sdn Bhd	112,518,790	29.87	–	–
Ketapang Capital Sdn Bhd	–	–	112,518,790[a]	29.87
Datuk Fakhri Yassin bin Mahiaddin	–	–	112,518,790[b]	29.87
Mulpha International Berhad	91,893,076	24.39	–	–
Nautical Investments Limited	–	–	91,893,076[c]	24.39
Mountbatten Corporation	–	–	91,893,076[d]	24.39
Mount Glory Investments Limited	–	–	91,893,076[e]	24.39
Yong Pit Chin	–	–	91,893,076[f]	24.39
Lee Seng Huang	–	–	91,893,076[g]	24.39
Pasukan Sehati Sdn Bhd	29,800,000	7.91	–	–
Dato' Low Keng Siong	28,139,250	7.47	29,800,000[h]	7.91
Ghazie Yeoh bin Abdullah	3,255,000	0.86	29,800,000[h]	7.91
Lim Chee Khang	–	–	29,800,000[h]	7.91

DIRECTORS' SHAREHOLDINGS IN THRIVEN GLOBAL BERHAD

	Direct		Indirect	
Name of Directors	No. of Shares	%	No. of Shares	%
Datuk Fakhri Yassin bin Mahiaddin	–	–	112,518,790[b]	29.87
Ghazie Yeoh bin Abdullah	3,255,000	0.86	29,800,000[h]	7.91
Dato' Low Keng Siong	28,139,250	7.47	29,800,000[h]	7.91
Lim Kok Beng	–	–	–	–
Henry Choo Hon Fai	–	–	–	–
Rewi Hamid Bugo	722,500	0.19	–	–
Lee Eng Leong	–	–	–	–

ANALYSIS OF SHAREHOLDINGS
AND WARRANTHOLDINGS (cont'd)
as at 18 April 2017

Notes:

a Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of its shareholding in Teladan Kuasa Sdn Bhd.

b Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of his shareholding in Ketapang Capital Sdn Bhd.

c Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of its shareholding in Mulpha International Bhd.

d Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of its shareholding in Nautical Investments Limited.

e Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of its shareholding in Mountbatten Corporation.

f Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of her shareholding in Mount Glory Investments Limited.

g Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of his family relationship with Yong Pit Chin.

h Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of his shareholding in Pasukan Sehati Sdn Bhd.

(B) ANALYSIS OF WARRANTHOLDINGS as at 18 April 2017

Warrants B 2015/2020	:	188,349,562 Warrants at an exercise price of RM0.64 each
Maturity Date	:	5 October 2020
Right of Warrant Holders	:	The warrant holders are not entitled to vote in any general meeting of the Company and/or to participate in any distribution and/or offer of further securities in the Company unless and until the holder of warrants becomes a shareholder of the Company by exercising his warrants into new ordinary shares of the Company.

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants Held	%
Less than 100	213	10.66	5,384	0.00
100 - 1,000	57	2.85	25,360	0.01
1,001 - 10,000	1,278	63.93	4,672,723	2.48
10,001 - 100,000	366	18.31	10,928,362	5.80
100,001 – 9,417,477 (less than 5% of issued warrants)	81	4.05	41,608,146	22.09
9,417,478 (5% of issued warrants) and above	4	0.20	131,109,587	69.61
TOTAL	1,999	100.00	188,349,562	100.00

ANALYSIS OF SHAREHOLDINGS
AND WARRANTHOLDINGS (cont'd)
as at 18 April 2017

THIRTY LARGEST WARRANTHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Teladan Kuasa Sdn Bhd	56,259,375	29.87
2.	Mulpha International Bhd	46,046,537	24.45
3.	Pasukan Sehati Sdn Bhd	14,734,050	7.82
4.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Low Keng Siong	14,069,625	7.47
5.	Lim Chee Meng	8,535,000	4.53
6.	First Positive Sdn Bhd	4,486,500	2.38
7.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lau Lian Huat	2,212,500	1.17
8.	Lee Kee Huat	1,867,900	0.99
9.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lau Lian Huat (8055176)	1,425,187	0.76
10.	HLIB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ghazie Yeoh bin Abdullah	1,218,750	0.65
11.	Citigroup Nominees (Asing) Sdn Bhd - Pershing LLC for Asia Network Management Limited	1,110,185	0.59
12.	Tam Shuk Yi	847,500	0.45
13.	Chin Kiam Hsung	708,225	0.38
14.	Yap Teck Siong	600,000	0.32
15.	Clarence Gerard Boudville	500,000	0.27
16.	Lim Jia Kheng	500,000	0.27
17.	Boon Kim Yu	495,500	0.26
18.	Lee Kay Huat	465,000	0.25
19.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chin Kiam Hsung	455,475	0.24
20.	Wong Weng Onn	430,000	0.23
21.	Maybank Nominees (Tempatan) Sdn Bhd - Low Leong Hock	422,500	0.22
22.	Lee Ming Hock	414,200	0.22
23.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank for Salbiah binti Shuib (MM0641)	412,500	0.22

ANALYSIS OF SHAREHOLDINGS AND WARRANTHOLDINGS (cont'd)

as at 18 April 2017

No.	Name of Shareholders	No. of Shares	%
24.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Chiah Cheang (TCS/HLG)	406,875	0.22
25.	Chaang Kok Leong	400,000	0.21
26.	Lim Cheng Ten	400,000	0.21
27.	Lyncher Wung Wei Fong	400,000	0.21
28.	Maple Leaf Realty Sdn Bhd	400,000	0.21
29.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Edwin Khoo Sek Hon	400,000	0.21
30.	Maybank Nominees (Tempatan) Sdn Bhd - Low Wui Li	400,000	0.21

SUBSTANTIAL WARRANTHOLDERS

	Direct		Indirect	
Name of Shareholders	No. of Shares	%	No. of Shares	%
Teladan Kuasa Sdn Bhd	56,259,472	29.87	–	–
Ketapang Capital Sdn Bhd	–	–	56,259,472[a]	29.87
Datuk Fakhri Yassin bin Mahiaddin	–	–	56,259,472[b]	29.87
Mulpha International Bhd	46,046,537	24.45	–	–
Nautical Investments Limited	–	–	46,046,537[c]	24.45
Mountbatten Corporation	–	–	46,046,537[d]	24.45
Mount Glory Investments Limited	–	–	46,046,537[e]	24.45
Yong Pit Chin	–	–	46,046,537[f]	24.45
Lee Seng Huang	–	–	46,046,537[g]	24.45
Pasukan Sehati Sdn Bhd	14,734,050	7.82	–	–
Dato' Low Keng Siong	14,069,625	7.47	14,734,050[h]	7.82
Ghazie Yeoh bin Abdullah	1,218,750	0.65	14,734,050[h]	7.82
Lim Chee Khang	–	–	14,734,050[h]	7.82

ANALYSIS OF
SHAREHOLDINGS (cont'd)
as at 18 April 2017

DIRECTORS' WARRANTHOLDINGS IN THRIVEN GLOBAL BERHAD

	Direct		Indirect	
Name of Directors	No. of Shares	%	No. of Shares	%
Datuk Fakhri Yassin bin Mahiaddin	–	–	56,259,472[b]	29.87
Ghazie Yeoh bin Abdullah	1,218,750	0.65	14,734,050[h]	7.82
Dato' Low Keng Siong	14,069,625	7.47	14,734,050[h]	7.82
Lim Kok Beng	–	–	–	–
Henry Choo Hon Fai	–	–	–	–
Rewi Hamid Bugo	311,250	0.17	–	–
Lee Eng Leong	–	–	–	–

Notes:

a Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of its shareholding in Teladan Kuasa Sdn Bhd.

b Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of his shareholding in Ketapang Capital Sdn Bhd.

c Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of its shareholding in Mulpha International Bhd.

d Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of its shareholding in Nautical Investments Limited.

e Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of its shareholding in Mountbatten Corporation.

f Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of her shareholding in Mount Glory Investments Limited.

g Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of his family relationship with Yong Pit Chin.

h Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of his shareholding in Pasukan Sehati Sdn Bhd.

THRIVEN

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