

THRIVEN

Annual Report 2017

WELLNESS LIVING



Imagine a residence that provides the perfect blend of luminous luxury, health and wellness. A revolutionary lifestyle to restore the balance of the mind, body and soul in the comfort of your own home.

This is the LUMI Wellness Tower lifestyle.



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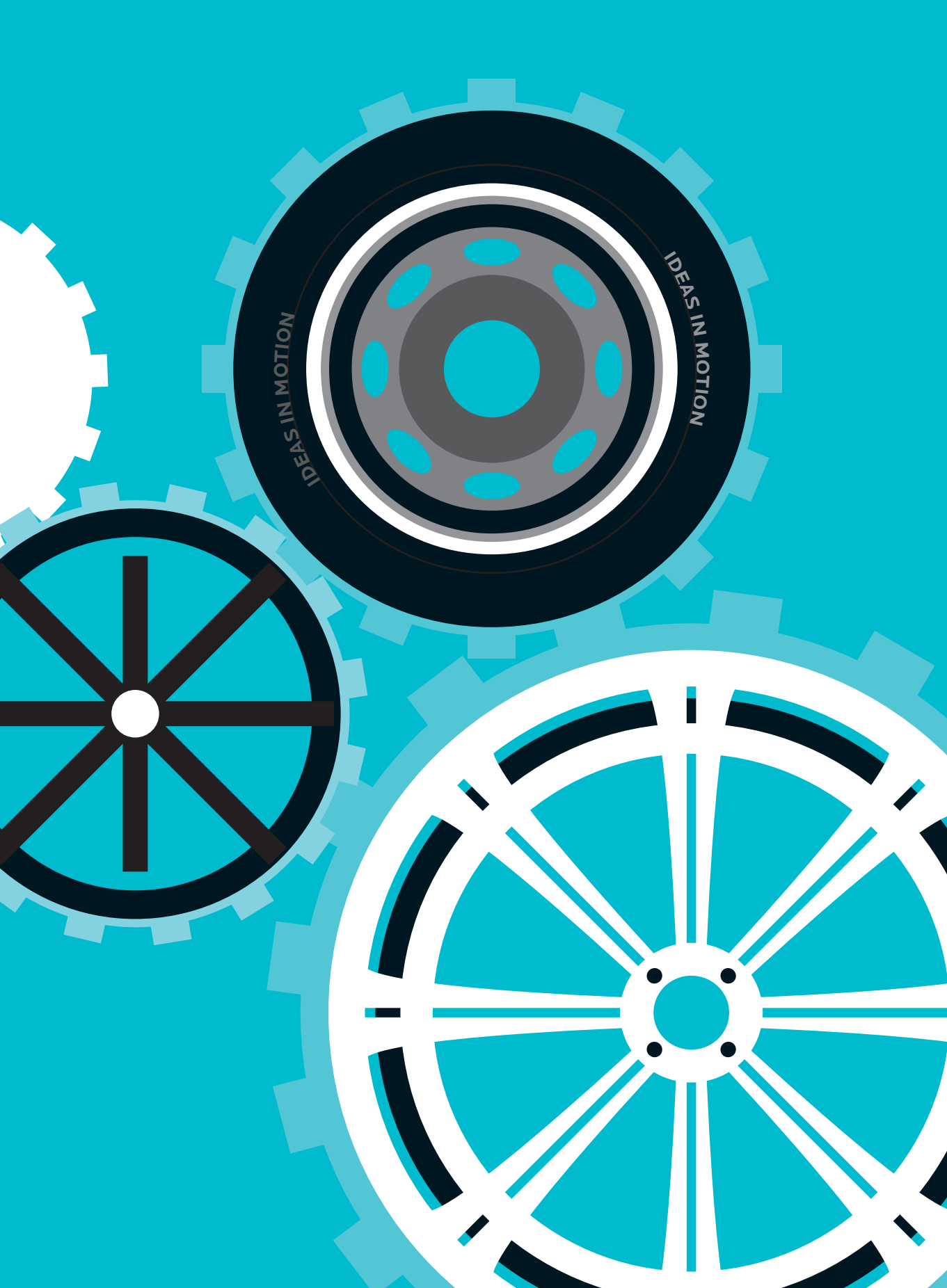
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INNOVATION

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

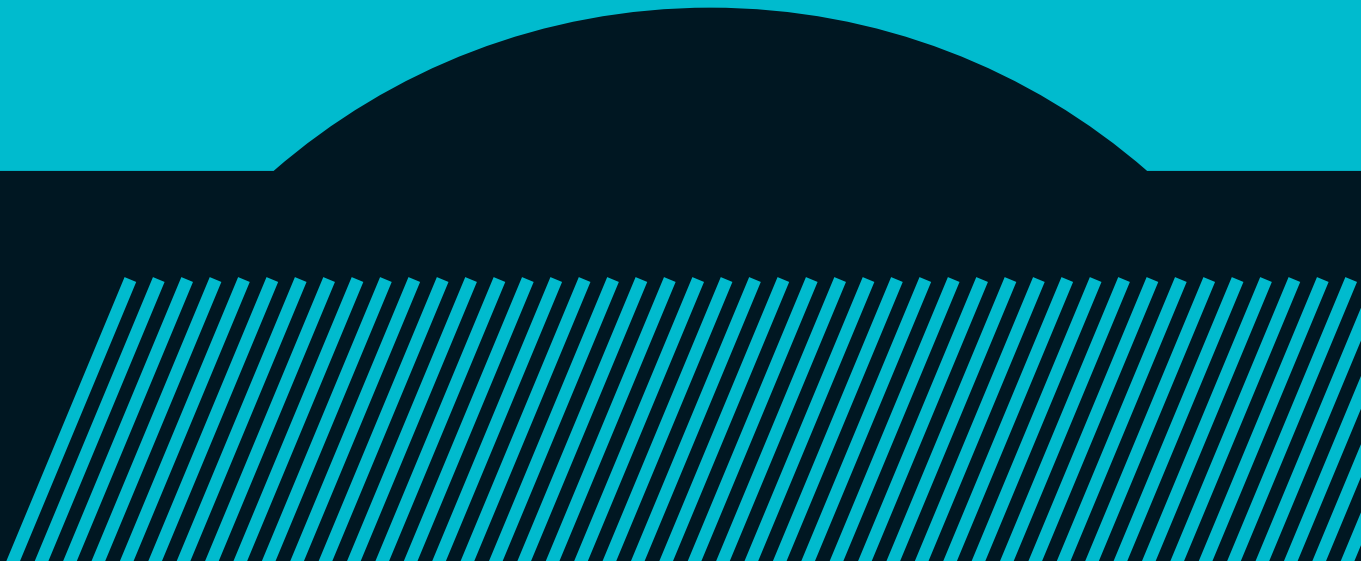
IDEAS IN MOTION

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.





CARE

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, Threven Global Berhad 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 utilise 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 in pursuit 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 AND RISK MANAGEMENT COMMITTEE

Lim Kok Beng (*Chairman*)

Rewi Hamid Bugo

Lee Eng Leong

NOMINATION COMMITTEE

Rewi Hamid Bugo (*Chairman*)

Lim Kok Beng

Henry Choo Hon Fai

REMUNERATION COMMITTEE

Rewi Hamid Bugo (*Chairman*)

Lim Kok Beng

Henry Choo Hon Fai

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

BDO (AF: 0206)

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

RHB 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

Statements of Profit or Loss and Other Comprehensive Income

	2017 RM'000	2016 RM'000	2015 RM'000	2014 RM'000 Restated #	2013 RM'000
Revenue	122,870	66,969	56,810	44,680	47,143
Profit /(Loss) before taxation	2,650	(16,589)	3,215	9,009	11,779
Profit /(Loss) after taxation	1,791	(16,700)	376	5,542	8,880
Profit /(Loss) attributable to owners of the Company	201	(10,145)	3,508	9,821	8,506

Statements of Financial Position

	2017 RM'000	2016 RM'000	2015 RM'000	2014 RM'000 Restated #	1.1.2014/ 2013 RM'000 Restated #
Issued share capital	44,852 ^	37,670	37,670	22,830	22,830
Reserves	114,741	118,167	128,312	120,103	107,481
Total shareholders' funds	159,593	155,837	165,982	142,933	130,311
Total assets	409,004	392,678	400,467	320,554	365,017
Total liabilities	253,244	246,470	237,559	177,563	223,523
Non-controlling interest	(3,833)	(9,629)	(3,074)	58	11,183
Earnings/(Loss) per ordinary share ("EPS")(sen)	0.05	(2.69)	0.97	2.87 *	2.48 *
Net dividends per ordinary share ("DPS")(sen)	-	-	-	-	0.20 *
Net tangible assets per share attributable to owners of the Company ("NTAPS")(RM)	0.42	0.41	0.44	0.41 *	0.37 *

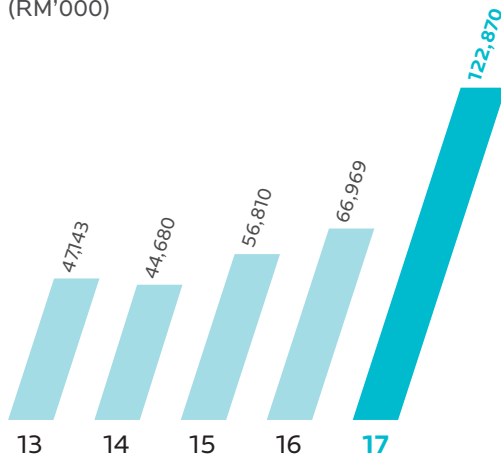
Comparatives have been restated due to the early adoption of MFRS 15 *Revenue from Contracts with Customers*.

* 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.

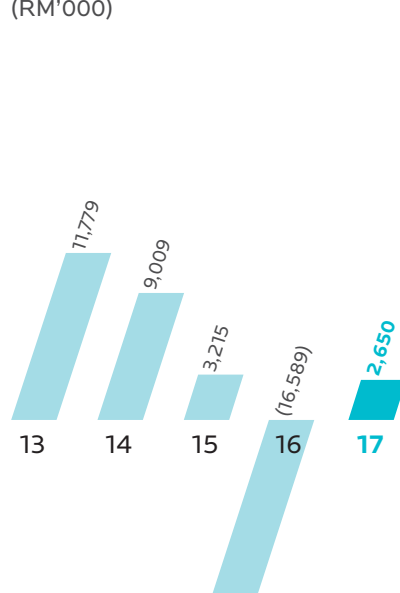
^ Pursuant to the Companies Act 2016 in Malaysia the credit balance in the share premium account has been transferred to the share capital account.

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

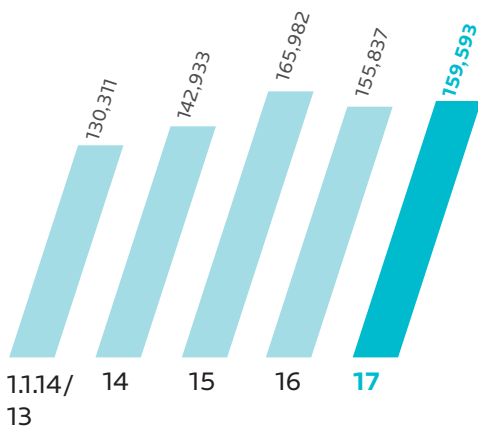
Revenue (RM'000)



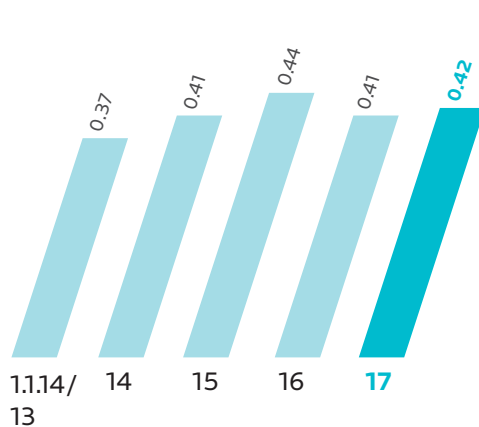
Profit / (Loss) Before Taxation (RM'000)



Total Shareholders' Funds (RM'000)



Net Tangible Assets Per Share (RM)



FINANCIAL CALENDAR

2017

<p>FEBRUARY</p> <p>24</p>	<p>Announcement of the unaudited consolidated results for the 4th quarter and financial year ended 31 December 2016</p>	<p>JUNE</p> <p>20</p>	<p>28th Annual General Meeting & Extraordinary General Meeting</p>
<p>APRIL</p> <p>26</p>	<p>Announcement of the audited financial statements for the year ended 31 December 2016</p>	<p>AUGUST</p> <p>30</p>	<p>Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2017</p>
<p>MAY</p> <p>31</p>	<p>Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2017</p>	<p>NOVEMBER</p> <p>29</p>	<p>Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2017</p>

2018

<p>FEBRUARY</p> <p>28</p>	<p>Announcement of the unaudited consolidated results for the 4th quarter and financial year ended 31 December 2017</p>	<p>AUGUST</p> <p>24*</p>	<p>Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2018</p>
<p>MAY</p> <p>31*</p>	<p>Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2018</p>	<p>NOVEMBER</p> <p>23*</p>	<p>Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2018</p>
<p>JUNE</p> <p>5*</p>	<p>29th Annual General Meeting</p>		

2019

<p>FEBRUARY</p>	<p>Announcement of the unaudited consolidated results for the 4th quarter and financial year ended 31 December 2018</p>
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* Date is subject to change



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1,500 UNITS



Project L
1,800 UNITS



Project H
1,400 UNITS



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ONLY 258 UNITS!**



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2,500 UNITS



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FITTED*



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WHERE DREAMS
COME HOME

BOARD OF DIRECTORS & KEY SENIOR MANAGEMENT



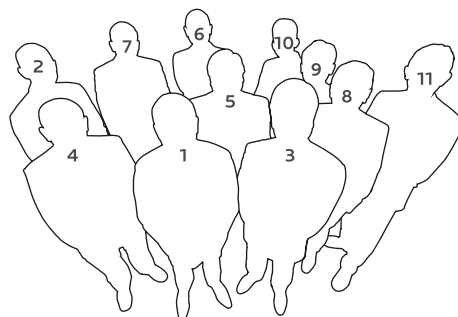


BOARD OF DIRECTORS

- 1. Datuk Fakhri Yassin bin Mahiaddin**
Executive Chairman
- 2. Ghazie Yeoh bin Abdullah**
Group Managing Director
- 3. Dato' Low Keng Siong**
Executive Director
- 4. Lim Kok Beng**
Independent Non-Executive Director
- 5. Henry Choo Hon Fai**
Independent Non-Executive Director
- 6. Rewi Hamid Bugo**
Independent Non-Executive Director
- 7. Lee Eng Leong**
Non-Independent Non-Executive Director

KEY SENIOR MANAGEMENT

- 8. Augustone Cheong Kwok Fai**
Group Chief Financial Officer
- 9. Teoh Kong Haur**
General Manager, Northern Region
- 10. Foo Mu Kain**
General Manager, Contracts, Procurement & Projects Implementation
- 11. Seet Wan Sing (Edmund)**
Joint Company Secretary



PROFILE OF BOARD OF DIRECTORS

DATUK FAKHRI YASSIN BIN MAHIADDIN *Executive Chairman*

Gender: Male | **Nationality:** Malaysian | **Age:** 42 | **Date of Appointment:** 18 April 2015

Length of Service (as at 22 March 2018): 2 years 11 months

Board Meeting Attendance in 2017: 5/5

Board Committee Membership(s): Nil

Academic/Professional Qualification/Membership(s):

- Bachelor of Science (Econs) Degree in Business Economics, Queen Mary College, University of London, United Kingdom

Present Directorship(s) in other Listed Companies: Nil

Present Directorship(s) in other Public Companies: Nil

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 was a Director of Eden Inc. Berhad until 31 December 2017.

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.

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.

GHAZIE YEOH BIN ABDULLAH *Group Managing Director*

Gender: Male | **Nationality:** Malaysian | **Age:** 41 | **Date of Appointment:** 22 May 2012

Length of Service (as at 22 March 2018): 5 years 10 months

Board Meeting Attendance in 2017: 5/5

Board Committee Membership(s): Nil

Academic/Professional Qualification/Membership(s):

- Bachelor of Science Degree (Information Technology), Monash University, Melbourne, Australia

Present Directorship(s) in other Listed Companies: Nil

Present Directorship(s) in other Public Companies: Nil

Working Experiences: Armed with 18 years of experience in the property industry, Encik Ghazie brings with him vast knowledge and understanding in the development, construction and building materials sector.

Other Information: Encik Ghazie 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 18,136,075 or 4.814% shares in the Company.

PROFILE OF BOARD OF DIRECTORS (cont'd)

DATO' LOW KENG SIONG *Executive Director*

Gender: Male | **Nationality:** Malaysian | **Age:** 44 | **Date of Appointment:** 4 September 2013

Length of Service (as at 22 March 2018): 4 years 6 months

Board Meeting Attendance in 2017: 5/5

Board Committee Membership(s): Nil

Academic/Professional Qualification/Membership(s):

- Bachelor of Laws (Hons) Degree, King's College London, United Kingdom
- Barrister at Law, Lincoln's Inn
- Advocate and Solicitor of the High Court of Malaya (Non-practising)

Present Directorship(s) in other Listed Companies: Nil

Present Directorship(s) in other Public Companies: Nil

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.

Other Information: Dato' Low 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 38,079,250 or 10.109% shares in the Company.

LIM KOK BENG *Independent Non-Executive Director*

Gender: Male | **Nationality:** Malaysian | **Age:** 71 | **Date of Appointment:** 28 August 2001

Length of Service (as at 22 March 2018): 16 years 6 months

Board Meeting Attendance in 2017: 5/5

Board Committee Membership(s): • Remuneration Committee • Nomination Committee

• Audit And Risk Management Committee (*Chairman*)

Academic/Professional Qualification/Membership(s):

- Fellow of the Institute of Chartered Accountants England & Wales
- Member of the Malaysian Institute of Certified Public Accountants
- Member of the Malaysian Institute of Accountants

Present Directorship(s) in other Listed Companies: Nil

Present Directorship(s) in other Public Companies: Nil

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 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.

PROFILE OF BOARD OF DIRECTORS (cont'd)

HENRY CHOO HON FAI *Independent Non-Executive Director*

Gender: Male | **Nationality:** Malaysian | **Age:** 45 | **Date of Appointment:** 13 September 2007

Length of Service (as at 22 March 2018): 10 years 6 months

Board Meeting Attendance in 2017: 5/5

Board Committee Membership(s): • Remuneration Committee • Nomination Committee

Academic/Professional Qualification/Membership(s):

• Bachelor of Science Degree (Computer Science), La Trobe University, Melbourne, Australia

Present Directorship(s) in other Listed Companies: Nil

Present Directorship(s) in other Public Companies: Nil

Working Experiences: Mr. Henry Choo has 2 decades of direct investment and operations experience within the venture capital/private equity and securities industry in Malaysia, Hong Kong and Australia. He was a former head of investment and chief operating officer of a Sovereign Wealth Corporate Venture fund. He is active on the Boards and advisory committees of several private and public companies in the Asia-Pacific region. He has been the Managing Director of Geogenesis Sdn. Bhd., an explorer and developer of natural resources since 2011.

He was formerly the Independent Non-Executive Director of Mudajaya Group Berhad from 2004 to 1 January 2015.

Other Information: Mr. Henry Choo 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.

REWI HAMID BUGO *Independent Non-Executive Director*

Gender: Male | **Nationality:** Malaysian | **Age:** 44 | **Date of Appointment:** 18 September 2015

Length of Service (as at 22 March 2018): 2 years 6 months

Board Meeting Attendance in 2017: 5/5

Board Committee Membership(s): • Remuneration Committee (*Chairman*)

• Nomination Committee (*Chairman*) • Audit And Risk Management Committee

Academic/Professional Qualification/Membership(s):

• Bachelor of Science (Management Science), University of Canterbury, New Zealand

• Master of Commerce (Business Administration), University of Canterbury, New Zealand

Present Directorship(s) in other Listed Companies: Sarawak Consolidated Industries Berhad

Present Directorship(s) in other Public Companies: Nil

Working Experiences: Mr. Bugo serves as a Director of several private companies in Malaysia and New Zealand spanning various industries including property development, manufacturing, insurance broking and tourism.

He is presently the Deputy President of the Sarawak Housing Developer's Association for the 2015-2018 term and serves on the Board of Trustees for WWF-Malaysia.

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 1,022,500 or 0.271% shares in the Company and is deemed interested in 370,000 or 0.098% shares in the Company by virtue of his shareholdings in Santubong Properties Sdn. Bhd.

PROFILE OF BOARD OF DIRECTORS (cont'd)

LEE ENG LEONG *Non-Independent Non-Executive Director*

Gender: Male | **Nationality:** Malaysian | **Age:** 50 | **Date of Appointment:** 10 March 2016

Length of Service (as at 22 March 2018): 2 years

Board Meeting Attendance in 2017: 3/5

Board Committee Membership(s): • Audit And Risk Management Committee

Academic/Professional Qualification/Membership(s):

- Member, Malaysian Institute of Certified Public Accountants
- Member, Malaysian Institute of Accountants

Present Directorship(s) in other Listed Companies:

- Mudajaya Group Berhad
- Mulpha International Bhd

Present Directorship(s) in other Public Companies:

- Mudajaya Corporation Berhad
- Leisure Farm Polo Club Berhad

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 was the Group Chief Financial Officer of Mulpha International Bhd from 3 October 2012 to 2 July 2017.

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

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.

PROFILE OF KEY SENIOR MANAGEMENT

AUGUSTONE CHEONG KWOK FAI *Group Chief Financial Officer*

Gender: Male | **Nationality:** Malaysian | **Age:** 49 | **Date of Appointment:** 1 April 2015

Academic/Professional Qualification(s):

- Member of CPA Australia and the Malaysian Institute of Accountants
- Bachelor of Economics (majoring in Accountancy) from Monash University, Melbourne

Present Directorship(s):

Listed entity: Nil

Other public companies: Nil

Working Experience: 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, he had also established and managed several private companies and ventures focusing on advisory and investment opportunities for its shareholders and external clients.

Others: 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 nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

TEOH KONG HAUR *General Manager, Northern Region*

Gender: Male | **Nationality:** Malaysian | **Age:** 42 | **Date of Appointment:** 1 January 2016

Academic/Professional Qualification(s):

- Bachelor of Business Management Degree from Wawasan Open University, Malaysia
- Diploma in Civil Engineering from the Federal Institute Technology

Present Directorship(s):

Listed entity: Nil

Other public companies: Nil

Working Experience: Having more than 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. He joined Thriven on 17 September 2014 as Project Manager 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.

Others: 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 nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT (cont'd)

FOO MU KAIN *General Manager, Contracts, Procurement & Projects Implementation*

Gender: Male | **Nationality:** Malaysian | **Age:** 50 | **Date of Appointment:** 1 January 2017

Academic/Professional Qualification(s):

- Diploma in Building Science & Quantity Surveying from Singapore Polytechnic

Present Directorship(s):

Listed entity: Nil

Other public companies: Nil

Working Experience: Over 26 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. An avid believer of transformation initiatives and leadership qualities. Mr. MK Foo joins Thriven on 2 January 2015 as Senior Manager, Contracts & Procurement and is currently the General Manager for Contracts, Procurement & Projects Implementation.

Others: 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 nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

SEET WAN SING (EDMUND) *Joint Company Secretary*

Gender: Male | **Nationality:** Malaysian | **Age:** 42 | **Date of Appointment:** 1 May 2015

Academic/Professional Qualification(s):

- Bachelor of Laws, University of East London, England
- Certificate in Legal Practice
- Advocate & Solicitor of the High Court of Malaya

Present Directorship(s):

Listed entity: Nil

Other public companies: Nil

Working Experience: Mr. Seet was called to the Malaysian Bar in March, 2002. A lawyer by profession, he 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.

Others: 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 nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CHAIRMAN'S MANAGEMENT DISCUSSION & ANALYSIS



DATUK FAKHRI YASSIN BIN MAHIADDIN
Executive Chairman

CHAIRMAN'S 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. The THRIVEN brand was launched three years ago with the change in Thriven's controlling shareholders. Derived from the words "thrive" and "driven", this kinetic fusion defines our new corporate culture and character. 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 financial year ended 31 December 2017 ("FY2017"), the focus of our central region activities was the third tower of our LUMI Tropicana development, namely WELLNESS Tower, in Tropicana, Petaling Jaya, Residensi ENESTA Kepong and Suite eNESTa Kepong in Kepong, Kuala Lumpur. For the northern region, we undertook several projects, including single storey terrace houses (Suria), single storey semi-detached houses (Indahyu) and shop houses (DA Business Park) in Desa Aman, which is located in the district of Kulim, Kedah. Both our central and northern developments performed well despite the challenging market conditions which prevailed throughout the year. In FY2017, we also handed over the 244 units of affordable housing in Desa Aman that we constructed for Perbadanan PR1MA Malaysia ("PR1MA").

For FY2017, the Group achieved revenues of RM122.87 million, which is 83% higher than the preceding year's revenues of RM66.97 million. The better revenues were attributable to the strong sales in the second half of 2017 in tandem with construction progress. With the higher revenues attained in the current year, the Group managed to turn around from the preceding year's pre-tax loss of RM16.59 million to a pre-tax profit of RM2.65 million.

Nonetheless, in 2018 and going forward, for the central region, the Group will continue to focus on its existing developments i.e. Lumi Tropicana, Residensi ENESTA Kepong and Suite eNESTa Kepong. In the northern region, we will emphasise on the launch of the new phase of semi-detached houses (Indahyu) and low medium cost apartments in Desa Aman (Kedah), and also on the commencement of our affordable housing project in Behrang (Perak).

Objective and strategies

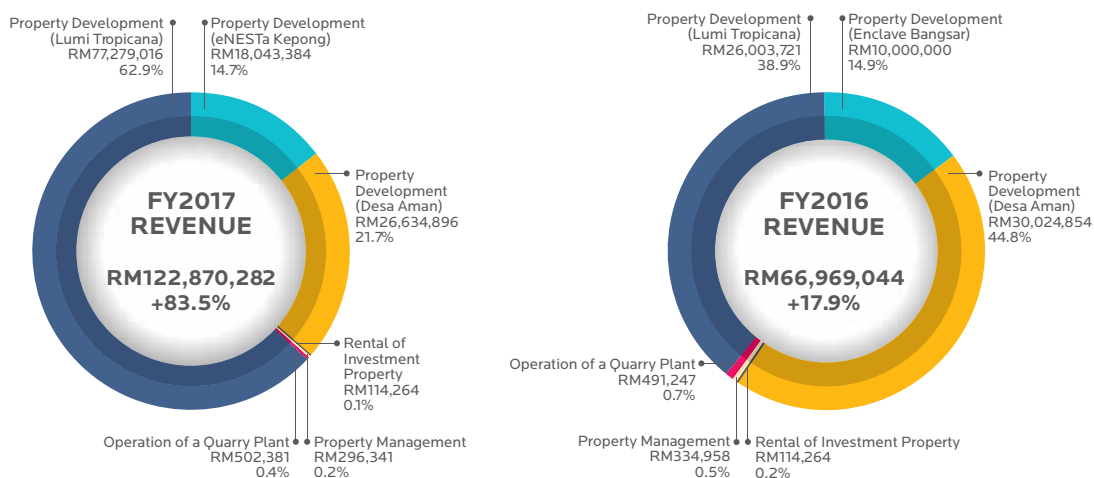
Thriven aims to bring exciting and innovative residential products and services to the Malaysian market, which will define a new level of living experience that we call "Total Living". Our focus over the medium term will be on affordable luxury for the upper mid-market and affordable homes for the middle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

Our developments are currently local but our medium to long term 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.

**CHAIRMAN'S
MANAGEMENT DISCUSSION
& ANALYSIS (cont'd)**

Discussion and Analysis on Financial Results and Financial Condition



For FY2017, the Group recorded total revenues of RM122.87 million, an increase of 83.5% from the previous year's result (FY2016: RM66.97 million). The substantial growth was attributable to the stronger contribution from LUMI Tropicana of RM77.28 million (FY2016: RM26.0 million) and additional revenues of RM18.04 million generated by the developments in Kepong, which represented 62.9% and 14.7% of the Group's total revenues for FY2017 respectively.

	FY2017 RM'000	FY2016 RM'000
Profit/(Loss) before taxation	2,650	(16,589)
Staff cost	9,216	8,765
Depreciation	2,431	2,330
Finance cost	3,634	4,263
Inventory written down	-	8,812
Number of staff	77	71
Gross profit margin (%)	22.0%	20.0%

Accordingly, with the higher revenues and profit margin in the current year under review, the Group managed to turn around from the preceding year's pre-tax loss of RM16.59 million (caused by, among others, the inventory written down of RM8.81 million resulting from the disposal of land in Bukit Tunku), to a pre-tax profit of RM2.65 million.

CHAIRMAN'S MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

The increase in staff costs and depreciation was principally due to additional staff recruited and fixed asset additions to support the expansion of the Group. However, the financial impact of higher staff cost and depreciation incurred was offset with decreased finance costs as we endeavoured to reduce our total borrowings and utilise our lowest cost credit lines in FY2017.

The Group has managed to diversify its revenue sources to avoid concentration risk. For FY2017, there are no major customer who contributed more than 10% of the total revenues. As compared to FY 2016, 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. 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 2018 and beyond.

	FY2017 RM'000	FY2016 RM'000	Decrease(-) %
Cash and bank balances	13,745	17,694	-22.3%

During FY2017, the Group's cash and bank balances was reduced by 22.3% to RM13.75 million (2016: RM17.69 million), principally due to the acquisition of 49% interest in Mayfair Ventures Sdn Bhd (RM1.03 million) and net repayment of borrowings (RM2.01 million).

Nevertheless, the Group's current ratio (current asset/current liabilities) as at 31 December 2017 is still at a comfortable level of 1.75 times (31 December 2016: 2.06 times), which indicates that the Group will be able to meet its short term liquidity obligations as they become due.

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 2017, the Group's gearing ratio remains at a manageable level of 60% (31 December 2016: 58%), and our bankers continue to provide financial support for our property development activities.

	FY2017 RM'000	FY2016 RM'000	Increase(+)/ Decrease(-) %
Inventory	310,203	323,875	-4.2%
Trade and other receivables	62,863	26,391	+138.2%
Trade and other payables	90,317	73,565	+22.8%
Other current liabilities	133	5,606	-97.6%

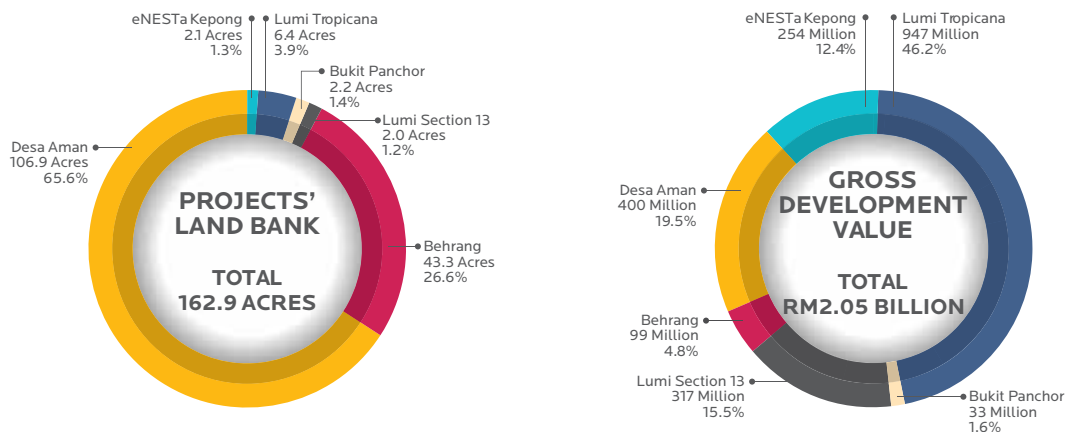
For FY 2017, inventories, which comprised of properties held for development (RM34.76 million), property under development (RM275.16 million) and completed properties (RM288k) have decreased marginally by 4.2%, principally due to our disposal of land in Bukit Tunku in FY2016.

**CHAIRMAN'S
MANAGEMENT DISCUSSION
& ANALYSIS (cont'd)**

Trade and other receivables increased substantially by 138.2% in conjunction with the increase of the Group's revenues. Trade and other payables has also increased by 22.8% largely as a consequence of higher retention sums due to contractors.

On the other hand, other current liabilities, which comprised of deferred revenue and advance billings on property sales and construction billings were reduced by 97.6%, mainly due to the drop in advance billings from our construction project for PR1MA.

Review of Operating Activities



CENTRAL REGION

LUMI Tropicana

Our LUMI Tropicana's Phase 1 which comprised of 2 towers (186 units of service residences each), namely "PLAY Tower" and "ACTION Tower" respectively and 62 units of SOHO together with the podium, retail and car park block, was launched officially in October 2016. In FY2017, the Group launched the third tower of Lumi Tropicana (Phase 2), termed as the "WELLNESS Tower", which received a strong sales response due to, among others, the premium golf course views afforded by both towers in Phase 2, the iconic design concept, facilities and amenities (including LRT3-Lien Hoe Station). Today, Lumi Tropicana has achieved an average take up rate of more than 70% for all the units launched (including WELLNESS Tower).

The Group intends to launch the last tower of Lumi Tropicana (Phase 2), called "BUSINESS Tower" in the second half of 2018, to further capitalise on the positive sales interest for this phase.

Construction of the structural framework has reached up to level 26 and 23 of the PLAY and ACTION Towers respectively. The construction progress of Phase 1 is within projected timelines and we expect to hand over to our customers in mid-2019. The Phase 2's main buildings works have been awarded to our contractor and construction is well underway. Phase 2 is expected to be completed by the end of 2020.

CHAIRMAN'S MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

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, which included the proposed acquisition of the remaining 49% non-controlling interest of Mayfair Ventures Sdn Bhd (“MVSB”), the owner and developer of the Lumi Tropicana project. On 17 October 2017, with the transfer of ordinary shares, MVSB is now a wholly owned subsidiary of the Company. Going forward, the earnings of the Lumi Tropicana development will be fully attributable to Thriven Global Berhad.

Kepong

Our Kepong development is located in a strategic area, along Jalan Kepong and opposite the site of a proposed MRT station, S07-Jinjang. This development comprised of 254 units of affordable housing under the RUMAWIP program (“Residensi ENESTA Kepong”) and 258 units of service apartment together with 23 units of retail lots (“Suite eNEStA Kepong”). Residensi ENESTA Kepong is designed exclusively for qualified first home buyers who are currently residing or working in Kuala Lumpur, while Suite eNEStA Kepong is targeted at middle income buyers and investors.

In FY2017, both phases were launched and had received very encouraging response from purchasers. All the non-bumiputra units for both projects have been fully sold, with an average take up rate exceeding 70%.

Residensi ENESTA Kepong has commenced construction work for the structural framework and we anticipate to complete and hand over the units to buyers by early of 2020. The main building works for Suite eNEStA Kepong has been awarded to a reputable contractor and piling work will be completed by the first half of 2018.

NORTHERN REGION

Taman Desa Aman, Kedah

In FY2017, the Group has launched 66 units of single storey terrace houses (Suria), 52 units of single storey semi-detached houses (Indahyu) in Taman Desa Aman. In continuing the positive trend from prior years, our sales from Taman Desa Aman remained robust, with an average take up rate exceeding 90% for residential houses. The construction of 244 units of affordable houses for PR1MA has been successfully completed in FY2017.

In 2018, 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 which included a new phase of single storey semi-detached houses (Indahyu) and low medium cost apartments to meet the local market demand.

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 and Kepong projects.

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. We also offer innovative ownership packages to attract our buyers to invest in our housing products.

CHAIRMAN'S MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

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 ending 31 December 2018 (“FY2018”), the Group's revenues will continue to be underpinned by new sales and unbilled sales of more than RM450 million to be delivered over the next three (3) financial years. For the central region, we will continue to focus our resources on three (3) key Klang Valley projects, namely our landmark Lumi Tropicana and the two (2) other high rise projects in Kepong, i.e. Residensi ENESTA Kepong (RUMAWIP) and Suite eNESTa Kepong.

Aside from their prime locations in matured residential areas within the Klang Valley, both our Lumi Tropicana (LRT3 – Lien Hoe Station) and Kepong projects (S07-Jinjang MRT station) will benefit from being practically at the doorstep of proposed public transport networks which are value enhancing game-changers that increase their attractiveness to investors.

For FY2018, we believe that the local property market outlook, though generally soft, will remain relatively stable, with a potential for upswing in certain niche sub-sectors, such as affordable housing, while demand in prime areas will continue to be resilient.

We are primed to benefit from our Klang Valley projects' unique selling points and to deliver affordable housing products to address the needs of the market. For the northern region, aside from Desa Aman, we are also entering into a new affordable housing market in Behrang. Desa Aman itself has developed into a matured township, and we are optimistic that our projects there will continue to be in demand and anchor our northern region's activities.

For 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.

Datuk Fakhri Yassin bin Mahiaddin
Executive Chairman

29 March 2018

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CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the “Board”) of Thriven Global Berhad (“Thriven” or the “Company”) is committed in ensuring that the Company and its subsidiaries (the “Group”) practise a high standard of corporate governance in discharging its responsibilities to enhance shareholders’ value and financial position of the Group.

The Board continues to review its existing corporate governance practices and policies throughout the Group in ensuring full application of key corporate governance principles as set out in the Malaysian Code on Corporate Governance 2017 (“MCCG”).

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 applied the principles and recommendations of MCCG. It must be read together with the Corporate Governance Report published on Thriven’s website at www.thriven.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I Board Responsibilities

The Board is cognisant of its responsibilities by ensuring proper control of the economics and financial management of the Company and validates the strategic directions proposed by the Management for implementation.

The Board acts in the best interests of Thriven, honestly, fairly and diligently and in accordance with the duties and obligations imposed upon it by the 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 shareholders’ interests and the Company’s assets.

The Board’s role and responsibilities include but are not limited to the following:-

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (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.

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.

The Board delegates certain responsibilities to the Board Committees, all of which operate within defined terms of reference. The term of reference of Board Committees are published on Thriven's website at www.thriven.com.my.

The roles of the Chairman and Group Managing Director remain separate and distinct. The Chairman with the assistance from the Company Secretary plays an important leadership role and is responsible for:

- Setting the agenda for meetings of the Board that focus on strategic direction and performance.
- Maintaining on-going dialogue and relationship of trust with and between the Directors and Management.
- Ensuring clear and relevant information is provided to Directors on timely manner.
- Ensuring sufficient time is allowed for the discussion of complex or critical issues.
- Cultivating good governance and compliance practices throughout the Group.

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 and Corporate Code of Conduct, which was formalised in 2013 and revised in March 2018 to be in line with MCCG, 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 and Corporate Code of Conduct 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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 any one or more of the designated persons stated in the said Policy. Upon receipt of report made together with available evidence, the Whistleblowing Committee (comprising of the Chairman and the Independent Non-Executive Directors) may assign the Head of Group Internal Audit or other assigned investigator 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 and Risk Management Committee and a copy of the Whistleblowing report will be submitted to the Audit and Risk Management Committee 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.

The Board members have full access to the two (2) Companies Secretaries, both are professionally qualified, 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 well captured and minuted.

II Board Composition

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 shareholders 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.

As at 31 December 2017, 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 paragraph 3.04 of the Listing Requirements of at least two (2) or one-third (1/3) of the Board to be independent.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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 through its Nomination Committee (“NC”) is taking steps to ensure that women candidates are sought as part of its recruitment exercise. NC will endeavour to consider women candidates in the recruitment exercise.

In maintaining the effectiveness of the Board and the independence of Independent Directors, the Board through its NC performs annual assessment in order to review that the Board as a whole and to ensure that individual Director performed effectively in discharging their functions and duties as well as to mitigate risks arising from conflict of interests or undue influence affecting their independence. The assessment is conducted via the Assessment Sheet for each member of the Board and the Independent Directors of the Company. The assessment on independence serves as a form of attestation by the Independent Directors that they are able to exercise independent judgment, impartiality and objectivity in the best interest of the Company.

The disclosures in relation to Practice 4.2 of the MCGG are disclosed in the Corporate Governance Report.

III Remuneration

The Board believes in a competitive and transparent remuneration framework that supports the Directors' and Senior Management's responsibilities and fiduciary duties in managing the Group to achieve its long term objective and enhance stakeholders' value.

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, level of responsibilities and industry average.

**CORPORATE GOVERNANCE
OVERVIEW STATEMENT (cont'd)**

The remuneration of the Directors on a named basis are set out below:-

Name	Salary/ Fees (RM)	Bonus (RM)	Defined contribution plan – EPF (RM)	Other emoluments/ allowances (RM)	Benefits- in-kind (RM)	Total (RM)
Executive Directors						
Datuk Fakhri Yassin bin Mahiaddin (Executive Chairman)	648,000	–	77,760	–	37,900	763,660
Ghazie Yeoh bin Abdullah (Group Managing Director)	598,920	–	71,880	–	36,700	707,500
Dato' Low Keng Siong (Executive Director)	453,600	–	54,432	–	37,600	545,632
Non-Executive Directors						
Lim Kok Beng (Independent Non- Executive Director)	86,000 #	–	–	5,600 @	–	91,600
Henry Choo Hon Fai (Independent Non- Executive Director)	62,000 #	–	–	5,300 @	–	67,300
Rewi Hamid Bugo (Independent Non- Executive Director)	62,000 #	–	–	5,600 @	–	67,600
Lee Eng Leong (Non-Independent Non-Executive Director)	–	–	–	1,500 @	–	1,500
Lt. Col. (R) Haji Abdul Jalil bin Abdullah* (Independent Non- Executive Director)	15,500 ^	–	–	–	–	15,500
TOTAL	1,926,020	–	204,072	18,000	112,200	2,260,292

Notes:

* Retired on 21 June 2016

Total Directors' fees paid in the year 2017, comprising Directors' fees for the financial year ended 31 December 2016 and financial year ended 31 December 2017, pursuant to approvals by shareholders' at the Company's 28th Annual General Meeting held on 20 June 2017.

@ Other emoluments / allowances comprising meeting allowances which vary from one Director to another, depending on the number of committees they sit on and the number of meetings attended in the year 2017. The allowance for meetings attended by Mr. Lee Eng Leong is paid to his employer, Mulpha International Bhd.

^ Directors' fees for the period from January to 21 June 2016.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

The remuneration (including salary, bonus, allowances, benefits-in-kind and other emoluments) of top six (6) key Senior Management personnel on a named basis during the financial year in bands of RM50,000 are set out below:-

Range of Remuneration	Name of Key Senior Management
RM250,001 to RM300,000	Teoh Kong Haur (General Manager – Northern Region)
RM300,001 to RM350,000	Foo Mu Kain (General Manager – Contracts, Procurement & Projects Implementation)
RM500,001 to RM550,000	Augustone Cheong Kwok Fai (Group Chief Financial Officer)
RM500,001 to RM550,000	Dato' Low Keng Siong (Executive Director)
RM700,001 to RM750,000	Ghazie Yeoh bin Abdullah (Group Managing Director)
RM750,001 to RM800,000	Datuk Fakhri Yassin bin Mahiaddin (Executive Chairman)

The disclosures on Practises 6.2 and 7.1 to 7.3 of the MCCG are disclosed in the Corporate Governance Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I Audit Committee

In 2017, the Audit Committee (“AC”) comprises three (3) members, all of whom are Non-Executive Directors and is chaired by an Independent Non-Executive Director.

The composition of the AC is reviewed by the NC annually and recommended to the Board for approval. In safeguarding an independent and effective AC whilst taking guidance from the MCCG, the membership for AC consists at least one (1) member who is financially literate and possesses appropriate level of expertise, experience and strong understanding the Company’s business.

On 28 February 2018, the AC was renamed as Audit and Risk Management Committee (“ARMC”) to reflect the ARMC’s role to support the Board in fulfilling its responsibility in governance of the Company’s risk management matters, in line with the recommendation of the MCCG. The members of the ARMC have been reshuffled on 28 February 2018 with the resignation of Mr. Henry Choo Hon Fai as member of the ARMC and the appointment of Mr. Lee Eng Leong as a member of the ARMC on 28 February 2018. The ARMC now comprises of three (3) members, two (2) of whom are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This meets the requirements of paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements.

The disclosures on Practises 8.1 to 8.5 of the MCCG are disclosed in the Corporate Governance Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

II Risk Management and Internal Control Framework

The Board understands that the ultimate responsibility for ensuring a sound internal control systems which provides reasonable assurance on the effectiveness and efficiency of the systems lies with the Board. The Group's internal control system is crafted to manage the risks to achieve Company's objectives aside from safeguarding the stakeholder's interest and the Group's asset.

The details of the Risk Management and Internal Control Framework are set out in the Statement on Internal Control and Risk Management of the Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

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 Marketing Communications 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.

II Conduct of General Meetings

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 shareholders within the notice period required by the relevant law 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 shareholders participation. At the general meetings, shareholders have direct access to the Board and key Senior Management 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.

In facilitating greater participation by shareholders at AGMs of the Company, Thriven will continue to explore possible means of leveraging the technology.

This Corporate Governance Statement was approved by the Board of Thriven on 29 March 2018.

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 2017.

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 2017 are as follows:-

- (a) Audit fees incurred on a group basis is RM166,000; and
- (b) Amount of non-audit fees incurred on a group basis is RM12,000.

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 2017.

4. RECURRENT RELATED PARTY TRANSACTIONS

Pursuant to Chapter 10, Paragraphs 10.08 and 10.09 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 2017 are as follows:-

Transacting Parties	Interested Related Parties	Relationship of Related Parties	Nature of RRPT	Value (RM'000)
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	3,628

AUDIT COMMITTEE REPORT

CONSTITUTION AND TERMS OF REFERENCE

The Audit Committee (“AC”) was established pursuant to a resolution of the Board of Directors (“Board”) passed on 10 April 1997. The Board had at its meeting held on 30 May 2017 resolved to expand the duties and responsibilities of the AC to overseeing the Company and its subsidiaries’ risk management framework and policies and to comply with recommendations and the requirements of the applicable practices and guidance under the new Malaysian Code on Corporate Governance 2017 (“MCCG”).

On 28 February 2018, the AC was renamed as Audit and Risk Management Committee (“ARMC”) to reflect the ARMC’s role to support the Board in fulfilling its responsibility in governance of the Company’s risk management matters, in line with the recommendation of the MCCG.

The terms of reference of the AC was reviewed and updated on 27 February 2018 to reflect the requirements of the applicable practices and guidance of the MCCG and to incorporate the Terms of Reference of the Risk Management Committee. The terms of reference of the ARMC is made available on the Company’s corporate website at www.thriven.com.my.

COMPOSITION

The members of the ARMC have been reshuffled with the resignation of Mr. Henry Choo Hon Fai as member of the ARMC and the appointment of Mr. Lee Eng Leong as a member of the ARMC on 28 February 2018. The ARMC now comprises of three (3) members, two (2) of whom are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This meets the requirements of paragraph 15.09(1) (a) and (b) of the Main Market Listing Requirements (“MMLR”).

The current members of the ARMC are as follows:-

1. Lim Kok Beng (Chairman) (*Independent Non-Executive Director*)
2. Rewi Hamid Bugo (*Independent Non-Executive Director*)
3. Lee Eng Leong (*Non-Independent Non-Executive Director*)

The ARMC Chairman is a 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. Accordingly, the Company complies with paragraph 15.09(1)(c)(i) of the MMLR.

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 for notation. During the financial year ended 31 December 2017, the Board is satisfied that the AC has discharged its function, duties and responsibilities in accordance to the Terms of Reference of the AC, supporting the Board in ensuring the Group upholds appropriate Corporate Governance standards, practices and guidance.

MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2017, 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
Rewi Hamid Bugo	5/5

AUDIT COMMITTEE REPORT (cont'd)

The Group Chief Financial Officer and the Senior Manager of Group Finance and Treasury were invited to attend all the meetings to present and provide clarification on the unaudited consolidated quarterly results and audit issues. 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 twice (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.

In 2017, internal auditors attended four (4) out of the five (5) meetings held to table the respective internal audit reports and presented their recommendations as the actions and steps taken by management in response to any audit findings. Follow-up audit reports on the status, actions and steps taken by management on previous audit findings were tabled to the AC at the next following AC meeting to update the AC accordingly.

Minutes of each AC meeting were recorded and tabled for confirmation at the next following AC meeting and subsequently presented to the Board for notation. The AC Chairman, with the assistance of the Group Chief Financial Officer and the Senior Manager of Group Finance and Treasury, presented to the Board the Committee's recommendations to approve the annual and quarterly financial statements. The AC Chairman also conveyed and made recommendations to the Board on matters of significant concern as and when raised by the external auditors or internal auditors in the respective presentations or reports.

The AC is responsible for overseeing the implementation of the Company's Policy on Whistleblowing for the Group's employees and third parties. In 2017, the AC did not receive any complain or information in respect of any illegal, unethical or questionable practices.

SUMMARY OF WORK OF THE AC

During the financial year, the AC carried out its work 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.

The AC is delegated with the responsibility to ensure that the Group's statutory accounts are fairly stated and conform to the relevant regulations and acceptable accounting policies. The AC focuses particularly on changes in or implementation of major accounting policy changes, significant and other legal requirements before recommending them for approval by the Board for announcement to Bursa Securities.

In review of the annual audited financial statements, the AC discussed with the Management and the External Auditors the accounting principles and standards that and their judgement of the items that may affect the financial statements as well as issues and reservation arising from the statutory audits.

- (b) Reviewed and approved audit plan, which encompassed the scope of internal audit work.
- (c) Reviewed the audit activities and findings of internal audit, as well as the actions and steps taken by management in response to such findings.
- (d) Reviewed with the external auditors, their audit plan and scope of audit prior to the commencement of audit.
- (e) 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.

AUDIT COMMITTEE REPORT (cont'd)

- (f) 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.

During the year under review, the AC had two (2) independent meetings with the External Auditors without the presence of the Management to discuss any problems/issues arising from the final audit and the assistance given by the employees or the Management during the course of audit by External Auditors. The AC was pleased to report that there was no significant matter of disagreement that arose between the External Auditors and Management.

- (g) Reviewed the recurrent related party transactions entered into by the Company and the Group to ensure that such transactions are undertaken on normal commercial terms and that internal control procedures employed are both sufficient and effective.
- (h) 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.
- (i) Reviewed the independence status and performance of the External Auditors for the financial year ended 31 December 2017.

The AC carried out an assessment on the performance of External Auditors covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees of the External Auditors with the assistance from the Management.

The AC also 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 *By-Laws (on Professional Ethics, Conducts and Practice)* of the Malaysia Institute of Accountants.

Having satisfied with the independence, suitability and performance of BDO, the AC recommended to the Board for approval of the re-appointment of BDO as External Auditors for the ensuing financial year end of 31 December 2018 at its meeting held on 29 March 2018.

- (j) Reviewed and recommended to the Board for approval, the Circular to Shareholders in relation to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions.
- (k) Reviewed and recommended to the Board for approval, the Statement on Risk Management and Internal Control for inclusion in the Annual Report.
- (l) Reviewed and approved the AC Report for inclusion in the Annual Report.

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 MMLR, applicable approved accounting standards and other statutory and regulatory requirements.

INTERNAL AUDIT FUNCTION AND SUMMARY OF WORK

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 reports functionally to the AC and 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.

AUDIT COMMITTEE REPORT (cont'd)

The attainment of such objectives involved the following activities being carried out by CGRM during the financial year ended 31 December 2017:-

- (a) Continuously reviewed and revised the 24-month risk-based internal audit plan for approval by the AC for implementation taking cognisance of changes in the Group and operating environment.
- (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:
 - Sales Marketing Management
 - (follow-up audit on) Human Resources Management
 - (follow-up audit on) Finance & Treasury and Progress Payment Processing Management
 - Update on Enterprise Risk Management Process
 - Contractor Management, Site Safety, Health and Environment Management
 - (follow-up audit on) Sales Marketing Management
 - Executive Summary of the Comprehensive Enterprise-wide Risk Management
 - Information Technology and Information System Management
- (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 pre-audit planning.
- (i) Assisted Management in the design and implementation of a Group risk management framework.
- (j) Facilitated two (2) workshops for risk awareness, identification, quantification and management.
- (k) Assisted in the preparation of the Statement on Risk Management and Internal Control for inclusion in the Annual Report.

The outsourced internal auditors 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 AC for deliberations. The resulting reports from the audits were also forwarded to the Management for attention and necessary corrective actions, if any, and periodic status reports were tabled to Board together with a summary of improvements required and actions taken by Management for the Board's review and noting.

Total costs incurred for the internal audit service provided by CGRM for the financial year ended 31 December 2017 amounted to RM65,768.29 as compared to RM86,388.98 in 2016.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Thriven Global Berhad recognises its responsibility for ensuring that a sound system of risk management and internal control is established and maintained within Thriven Global Berhad and its subsidiaries (collectively referred to as the “Group”).

The Board is pleased to provide the following Statement on Internal Control and Risk Management which outlines the risk management and internal controls system for financial year ended 31 December 2017. This Statement is provided by the Board pursuant to paragraph 15.26(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) and Principle B(II) of the 2017 Malaysian Code on Corporate Governance, guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

BOARD’S RESPONSIBILITY

The Board is responsible and committed to ensure the adequacy and effectiveness of the Group’s risk management and internal controls system. Management supports the Board by reviewing / designing and implementing processes which fulfil the expectations and policies of the Board in respect of risks and controls. The Board periodically reviews this system.

In view of the inherent limitations of any such system, the Board recognises that the system of risk management and internal controls is designed to efficiently, effectively and / or economically manage and mitigate, rather than eliminate, the risks which may impede the achievement of the Group’s business objectives. The Board takes cognisance of the system’s inherent limitations, therefore, such a system may only provide reasonable, and not absolute, assurance against material misstatements or losses.

RISK MANAGEMENT

In this financial year, the Group established and adopted a new framework and process for identifying, evaluating, managing, reporting and monitoring the Group’s significant risks. The framework contains elements drawn from ISO 31000: 2009 Risk Management – Principles and Guidelines; and the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Enterprise Risk Management standard published in 2004.

Risk Management Framework

The framework is designed to provide an integrated risk management infrastructure to identify, evaluate / prioritise, respond to, communicate / report and monitor strategic key risks of the Group in a continuous and systematic manner. The framework outlines the principles (covering the philosophy, culture, ownership, etc.), risk appetite, roles and responsibilities of the Board and Management in respect of risk management, definitions of risk and controls, reporting structure and the terms of reference (“TOR”) of the Executive Risk Management Committee (“ERMC”).

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

The framework was presented to and discussed by the Audit and Risk Management Committee (“ARMC”) before recommending the same to the Board for adoption on 30 May 2017. The Board, through the ARMC, had also considered and endorsed the risk evaluation and prioritisation parameters (collectively referred to as the “risk appetite”) used by the Group to evaluate and stratify identified risks.

Risk Management Committees

The ERMC, chaired by the Group Managing Director, was formed to promote and spearhead the risk management activities of the Group. The ERMC periodically reports and updates to the ARMC on key risks identified together with the corresponding mitigating strategies to lessen any negative impact as a result.

As at the date of this annual report, the ERMC had convened two (2) workshops to identify / review, evaluate and catalogue the significant risks affecting the Group. A register of risks and mitigating controls was prepared / updated following these workshops. The same was tabled to the Board for comments and/or notation.

Interrelationship Between Risk Management and Internal Audit

The ARMC referred to the risk register to determine and align the coverage and priority for internal audit reviews via a risk-based internal audit plan.

INTERNAL CONTROLS

The Group’s system of internal control covers not only financial and financial reporting controls but operational, risk and compliance controls as well. The system is designed to manage, rather than eliminate, the impact of non-achievement of the Group’s targets, objectives and goals.

The key elements of the Group’s internal control systems are categorised and summarised according to the COSO Internal Controls – Integrated Framework as follows: -

Control Environment

1. The ethos of the Group is represented in its brand values for “Forward Living”.
2. The Group’s commitment to integrity and high ethical standards of business conduct are embodied in its Corporate Code of Conduct. A copy of the Corporate Code of Conduct is available on our corporate website (thriven.com.my > investor relations > corporate governance > corporate code of conduct).
3. Job descriptions have been established for all levels of staff which clearly stipulates their respective job responsibilities and duties.
4. An organisation structure and reporting responsibilities for all job roles is established covering the operations of the Group. For clarity, separate organisation structures are established for the central and northern operations of the Group.
5. Managers have ready access to Senior Management to address significant / potential issues expediently.
6. The Board had set out a business authority limits policy which covered key aspects of the Groups business and financial operations. This policy is communicated to all levels of staff for reference and adherence.
7. Periodic individual and collective progress assessments are carried out to ensure alignment and achievement of individual department deliverables / targets to Group objectives and goals.

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

Risk Assessment

8. Feedback and monitoring mechanisms exist that enable Management to periodically assess whether business and/or Group-wide objectives have been achieved.
9. Departmental / functional objectives are communicated to and understood by employees with specific criteria established to measure achievement of such objectives.
10. Management periodically considers / anticipates, identifies, and responds to routine events or activities that could have an impact on achieving Group-wide or process-level objectives.

Control Activities

11. Appropriate internal policies and procedures are established by the respective head of departments and approved for implementation by the Group Managing Director.
12. Appropriate and timely actions are taken on exceptions to / deviations from department's control policies and procedures as and when these are identified and/or highlighted.
13. Segregation of duties is applied to ensure adequate check-and-balance exists for all major business transactions and processes.

Information and Communication

14. Management is provided with timely, relevant and reliable management, financial, and operational reports from business operations and financial reporting functions of the Group.
15. Management meetings are convened monthly to update, discuss and resolve all matters relating to operations.
16. Quarterly financial results are reviewed and deliberated by the ARMC prior to announcement and release to the investing public.
17. The Group Chief Financial Officer and Group Managing Director are the key reference points of the Group for all, be it internal or external, enquiries and/or matters of the Group.
18. Employees are required to sign a non-disclosure undertaking so as not to divulge / release confidential and/or personal information, which they may have privy or access through the course of their work, in accordance to Group Code of Conduct and applicable laws.
19. The Group had established a Whistleblower Policy and procedures that is intended to encourage and enable employees and other stakeholders to raise concerns within the Group 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 prior to seeking resolution outside the Group. All complaints / disclosures received would be placed before a Whistleblower Committee, comprising a Chairman and Independent Non-Executive Directors, for its action. The ARMC has the overall responsibility to oversee the implementation of the Whistleblower Policy and procedures of the Group.

Monitoring

20. Management sets and periodically monitors the achievement of performance indicators to align and guide individual staff performance to the targets, objectives and goals of the Group.
21. Management continuously evaluates the adequacy, sufficiency and effective operation of the Group's risk management and internal control system.

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

22. The Board and its sub-committees also periodically reviews and provides feedback and oversight of this system. Further details on the structures of the Board and its committees are provided under Corporate Information on page 13 as well as the Corporate Governance Overview Statement and Audit Committee Report on pages 34 and 42.
23. The internal audit function of the Group, which is outsourced to CGRM Infocomm Sdn. Bhd. (“CGRM”), an independent professional firm, supports the ARMC and the Board by planning, conducting and providing independent assurance of the adequacy, effectiveness and reliability of the Group’s risk management processes and system of internal controls. 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 and classified and reported according to the principles of COSO Internal Control – Integrated Framework. Refer to the Audit Committee Report on pages 42 to 45 for a summary of internal audit activities during the financial year.

Several internal control improvements were recommended during the financial year ended 31 December 2017 which have been or are being addressed by Management to continuously evaluate and improve the system of internal controls. However, none of the matters highlighted 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.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the MMLR, the external auditors have reviewed this statement for inclusion in the 2017 Annual Report. The scope of their review is set out in *Audit and Assurance Practice Guide 3 (“AAPG3”) Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control* included in the Annual Report issued by the Malaysian Institute of Accountants.

They have reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal controls.

CONCLUSION

In view that the development of a sound system of risk management and internal control is an on-going process, the Board continues to take pertinent measures to sustain and, where required, to improve the Group’s system of risk management and internal control in meeting the Group’s strategic objectives, targets and goals.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 29 March 2018.

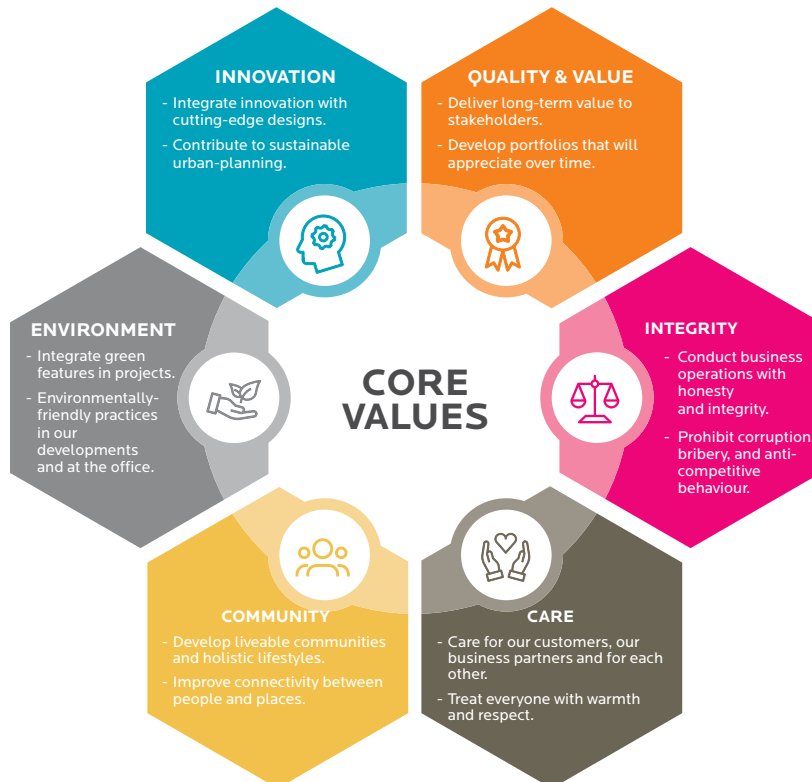
SUSTAINABILITY @ THRIVEN

With our commitment to deliver a total living experience, we endeavour to unlock the potential of our project sites, as well as our people and the communities where we operate. In doing so, we ensure that our customers derive value for their investments; our employees gain equal opportunities for growth and well-being; and the members of the community benefit from our business as well as social agenda.

Our sustainability scope involves careful review of our marketplace, workplace, community and environmental risks. We then devise both near-term and long-term strategies to mitigate such risks. The centre of all our sustainability efforts and initiatives are our multiple stakeholders and their diverse interests. At Thriven, in keeping with the Group's aspirations, we are continuously reviewing our current processes, which need to be streamlined for us to articulate our sustainability vision and to set specific sustainability targets and programmes for implementation.

In 2017, the Group has continued to incorporate sustainability into our operations and processes metrics. Our humble efforts during the year under review helped us to start laying the foundation for a more robust and strategic sustainability roadmap for Thriven in the near future.

GHAZIE YEOH BIN ABDULLAH
Group Managing Director



SUSTAINABILITY @ THRIVEN (cont'd)

ABOUT SUSTAINABILITY DISCLOSURES

Scope: The 2017 Sustainability Report includes key information on various aspects of our governance, our people strategies and initiatives, as well as our community involvement programmes. The report has been prepared in keeping with the prescribed approach of Bursa Malaysia Securities Berhad. The report covers information on our Malaysian operations during the period 1 January 2017 to 31 December 2017.

Stakeholder Engagement: At Thriven, we are always seeking opportunities to engage with our stakeholders throughout the year. We have active interactions between staff and management; we conduct real-time review sessions with our panel of contractors and suppliers, and we invite feedback from our customers regularly. Any potential issues or insights that may surface from our stakeholder engagement exercises are discussed amongst the management members and presented to the Board along with new ideas and solutions for implementation. 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, marketing and branding.

Sustainability @ Thriven: The sustainability agenda at Thriven is very much stakeholder-centric and our current and future efforts will be guided by everything that is perceived as value by our employees, our customers, the regulators and of course, our shareholders. This would include both financial and non-financial aspects of growth.

Governance: The sustainability agenda is currently driven by our Group Managing Director, who in turn updates the Board on the progress. 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.

Disclosure and External Assurance: For the 2017 Sustainability Report, considering that we are yet to institutionalise a sustainability function at Thriven, we have not conducted any external assurance activities. While we aspire to achieve the maturing of our reporting standards for sustainability, it will be a progressive journey for us over the next 3-5 years.

Material Issues: As shared earlier, from the various stakeholder engagement initiatives during the year, we have assimilated various issues and insights for us to deliberate with the management and the Board. Based on business priorities and our budget allocation for the year under review, we prioritised issues that were both material to our stakeholders and the management.

SUSTAINABILITY
@ THRIVEN (cont'd)

Stakeholders	Engagement Channel	Frequency of Engagement	Material Topic(s)
Shareholders & Investors 	<ul style="list-style-type: none"> • General Meetings • Reports • Investor Briefings / Press Release • Website • Announcements 	Yearly Quarterly	<ul style="list-style-type: none"> • Value Creation for multiple stakeholders • Profits
Customers 	<ul style="list-style-type: none"> • Marketing campaigns (leaflets, advertisements in the newspapers, Facebook and other internet / social media, participation in property exhibitions) 	As and when required	<ul style="list-style-type: none"> • Affordable Housing Solutions • Quality • Return on Investments
Public/Government Agencies and Regulators 	<ul style="list-style-type: none"> • Online surveys • Meetings • Consultations 	As and when required	<ul style="list-style-type: none"> • Compliance • National Agenda
Employees 	<ul style="list-style-type: none"> • Townhall Meetings • Management Meetings • Performance Appraisals • E-letters and Memos, Whatsapp Exchanges • Employee Engagement Activities (Festive Events, Monthly Walks, Lunches, Team Building and Annual Trip) 	Quarterly Monthly Half-yearly	<ul style="list-style-type: none"> • Competitive Remuneration • Employee-friendly Policies • Career Development
Communities 	<ul style="list-style-type: none"> • Meetings / Community Events 	Yearly	<ul style="list-style-type: none"> • Responsible Community Engagement
Suppliers 	<ul style="list-style-type: none"> • Supplier' Meetings • Procurement Activities • Assessments & Performance Review 	As and when required	<ul style="list-style-type: none"> • Transparent Processes • Fair and Timely Payments
Industry Associations 	<ul style="list-style-type: none"> • Members' Events • Industry Forums 	Yearly	<ul style="list-style-type: none"> • Participation in Policy Dialogue
Media 	<ul style="list-style-type: none"> • Meetings • Website and Social Media • Press Conferences and Interviews 	As and when required	<ul style="list-style-type: none"> • Credible Information • Thought Leadership

SUSTAINABILITY @ THRIVEN (cont'd)



MARKETPLACE

Our customers are at the centre of all our business, where our objectives are three-fold. We create property solutions to meet their ever-changing demands. We cultivate a sense of pride by creating vibrancy and completeness in living experiences. We care enough to ensure our customers enjoy the value, standards, the living experience for many years. In delivering such services and solutions, we place great importance to quality of processes, standards, and service.

Quality & Value

We endeavour to deliver high standards of quality, which will promise long-term value for our customers' investments and well as in terms of a complete living experience. Towards this, we strictly adhere to QCLASSIC quality standards which our contractors are contractually obligated to achieve a minimum scoring point of 70, and to comply with The Occupational Safety And Health Act 1994, The Environment Quality Act 1974 and other relevant enactments or by-laws pertaining to occupational health, safety, security and environmental practices. We have already obtained the provisional Green Building Index (GBI) Gold rating certification for our Lumi Tropicana project, which would be confirmed upon its completion.

In the past 3 years, we have conducted internal reviews on our procedures relating to tender, contracts & procurement and project management where we have identified and since remedied the deficiencies in our processes. We are confident of maintaining our excellent quality specifications and exemplary safety record at project sites in addition to providing continuous training and awareness programmes on quality and safety to our staff.

Integrity

We promote values such as honesty and integrity amongst our network of suppliers and contractors, to ensure that we deliver our business with great

responsibility. At Thriven, our contractors and suppliers go through a strict pre-qualification processes, with emphasis on their financial strength and industry experience. We regularly review contractors' and suppliers' performance, to ensure quality, pricing and delivery of their services and products are according to our requirements, specifications and standards. We also encourage our local contractors and suppliers to engage / select locally-produced and ecologically friendly products, which reduce the carbon footprint linked to goods' transportation and use of non-renewable resources.

Our policies and procedures governing suppliers also reflect our commitment to not only meet various regulatory and compliance requirements, but to also inspire our people to demonstrate ethical and professional codes of conduct, which helps to reinforce our trust in delivering quality solutions. Our supplier policies are transparent and fair; and give utmost importance to meritocracy. Based on competitive offerings, we also prioritise professional opportunities for the local / underserved community of vendors. During the past 2 years, we have awarded approximately RM500 million in value of contracts, who were also reviewed purely on merit and industry strength. We also conform to key procedures and policies that promote good governance during our tender evaluation and award stages, with consultation from accredited professional engineers, quantity surveyors and architects.

Care

We care for our multiple stakeholders as together, they contribute to meeting our objectives, with emphasis on quality and safety. Their welfare and wellbeing are critical in ensuring business continuity and consistently high-levels of performance. Hence, it is our constant mission to maintain a healthy dialogue with all our stakeholders, with platforms to solicit active feedback for continuous improvement.

For instance, our safety guidelines, strictly observed at all our project sites, encompass accident prevention, on-the-job accident or illness, safe operation of machinery and safety equipment and attire etc. It is mandatory for our on-site workers,

SUSTAINABILITY @ THRIVEN (cont'd)

contractors and supervisors to go through a complete 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.

Since the commencement of our Klang Valley projects, we were fortunate to avoid fatal accidents and any life-threatening incidents because our contractors had inculcated safety awareness via weekly briefings and "tool-box talks" every Saturday morning, and periodic CIDB training to their workers at site.

Whistleblowing Policy

Our Whistleblowing Policy has been defined in keeping with our organisational values, as well to meet the code of ethics and governance requirements. All employees (whether permanent, contract, part-time or casual), Directors, shareholders, consultants, vendors, contractors, agents or any parties with a business relationship with the Company or its subsidiaries are encouraged to disclose any wrongdoing that may adversely impact the Company. The issues could be incidents of fraud, corruption, bribery, breach of law or regulatory obligations, breach of policies and procedures etc.

All complaints and disclosures received through the established channels are reviewed by Whistleblowing Committee, which comprises of the Chairman and Independent Non-Executive Directors. The internal auditor is involved in conducting investigation and submitting recommendations to the Committee. A copy of the Whistleblowing report is confidentially submitted to Board's Audit & Risk Management Committee for Loss Event Reporting (LER) purposes. In 2017, zero cases were reported.

Customers

Our developments focus on integrating cutting-edge planning and design concepts, with great attention to detail. Our projects, whether from the affordable luxury or the affordable home series, are planned in a sustainable manner, i.e., 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 all our projects. We are also guided by our **WAVE** strategy, which allows us to look at value creation and well-being of customers with a long-term horizon.

Wellbeing: Our development offers liveable working spaces, comfortable and cosy residences, a range of facilities and amenities that focus on wellness, action, play and business and lifestyle experiences. Our "FORWARD LIVING" philosophy helps us to create vibrant and thriving environments for our customers, with access to critical aspects such as education, health and wellness.

Our latest launch for Lumi Tropicana – the Wellness Tower features a dual-level Sky Terrace which exceeds 3,000 square feet in area, comprises of a gym with full equipment, yoga & pilates area, as well as a self-spa zone with steam baths and sauna rooms.

There will be 2 sauna rooms, 2 steam baths, 2 whirlpool baths and a signature Ice Shower. The layout of facilities was designed to deliver the best possible viewing angle towards the neighbouring golf course. The interior has also been enhanced with planter boxes and touches of green to create a soothing ambience while our residents are relaxing.

More facilities are provided in the 3-acre Lumi Park such as rock climbing walls of 3-metres and 4-metres height each, sunken futsal and tennis courts, jogging path, putting green, kids' playground and also a 190-metres long infinity pool. All these facilities and the more than 60% dedicated green areas available of total development area from the development are put in place to ensure the comfort and convenience of residents all year round.

Affordability: Alongside our luxury home segment, we support the national agenda of 'Housing for All' and we recognise our responsibility to cater to the aspirations of the young first-home buyers. Through our eNESTa Homes ("eNESTa"), we provide access to property for the middle-income category, without compromising on the quality and lifestyle experience of the residents. Our eNESTa residences

SUSTAINABILITY @ THRIVEN (cont'd)

integrate essential home features and careful space-management, while combining residential dwellings with commercial buildings within well-developed communities. They are located in strategic areas with easy connectivity to roads and public transport, neighbouring retail facilities and business hubs.

Value: We continually create opportunities for our customers to reap the benefits of their investments in our sustainable properties. Our branding and marketing initiatives help profile our properties and their intrinsic as well as market value, which again depend on our strategic planning process that includes catalysing economic and social activity in and around our properties. As a developer, Thriven has undertaken to provide all necessary fittings such as air-conditioners, lightings, kitchen cabinets and wardrobes. The objective is to provide our purchasers a home where they can move in immediately upon handover without the need to incur additional renovation costs. For investors, this means immediate rental income and potentially higher sub-sale value.

Engagement: It is both our intent and aspiration to bridge long-term relationships with our customers. In doing so, we spare no efforts to understand their evolving needs and expectations, which are then integrated into designing property solutions. For instance, our eProperty Track application for customers allows us to connect with them consistently to not only keep them abreast of critical information on their properties, but to also solicit their feedback. In addition, we also have other multiple channels such as WhatsApp Business, Facebook, and dedicated email and phone lines for customers to interact and engage with us. Our customer service philosophy rests on our fair and transparent complaint handling processes. The standard operating procedure is to provide first response within 12 hours of an enquiry, and our target is to provide 100% resolution and customer satisfaction.

In addition, we send out the Thriven News (e-newsletter) to all our purchasers and registrants to keep them up to date on progress of projects that they have bought into.

Various Customers Engagement Opportunities at Thriven



In 2017, Thriven was invited for the annual dinner of Tropicana Residents Association at Tropicana Golf and Country Club



Massive walk in prospects enquiring on the newly launched Suria single storey terrace houses during grand opening of Desa Aman Sales Gallery at Padang Meha, Kedah



Happy homeowners collecting their house keys during handover and appreciation event for Klasik II and Anggun I

In December 2017, we were listed as

TOP 10
MOST INSPIRING
OFFICES by Property Insight



SUSTAINABILITY
@ THRIVEN (cont'd)



People are our most valuable assets, who shape our processes and deploy our innovative solutions, contributing to organisational growth. Therefore, it is a top-most priority to nurture our people, provide them a conducive working environment, and create equal opportunities for learning and growth. Our people strategy cuts across all aspects of HR (human resources): recruitment, training and development, career progression, succession planning and even the exit process.

Recruitment

We have a structured recruitment process in place, which helps us to not only plan our human resources (HR) ahead in time, but to also optimize their potential by providing a career platform, from skills to opportunities for learning and growth. Every year at the end of the third quarter, the respective heads of departments forecast their HR requirements (new hires, training and development, budgets etc.) and the Head of HR works to implement a robust HR strategy, with emphasis on quality, productivity and performance. We are an equal opportunity employer and we do not discriminate on the basis of age, religion, ethnicity, gender, or status.

As at 31 December 2017, we have a total of

77 STAFF, and
37.33%

of the workforce comprise of
WOMEN EMPLOYEES



More than
40%
of our
TOP MANAGEMENT POSITIONS
are held by
WOMEN

The average age is 36.8 years, making it a dynamic workplace, with a healthy interaction between multi-generational employees and high productivity.

Training and Development

At Thriven, our staff retention strategies take into account the expectations of employees to continuously learn new skills, positively contribute to the department and organisational key performance indicators (KPI) and grow in their careers. Our training and development therefore aims to:

- Enhance individual, group and organisational effectiveness in the areas of productivity, quality, performance management and team spirit;
- Develop sufficiently skilled manpower to meet the changing business needs of the Company; and
- Develop employees, improve their work performance and catalyse their career advancement.

Our employees are encouraged to take full accountability for their development within the organisation and this includes their empowerment to self-nominate for any training or skills development programmes. The minimum training hours are prescribed in the Employee Handbook and are also part of individual job descriptions.

SUSTAINABILITY @ THRIVEN (cont'd)

In 2017, we conducted more than

1,600 

TRAINING HOURS,
with an **INVESTMENT**
of approximately

RM63,000

from our contributions to the
**HUMAN RESOURCES
DEVELOPMENT FUND**

To ensure effective delivery of our in-house training, we provide facilities such as a Convention Room, Conference Room, 2 meeting rooms and full-fledged pantry with a trained in-house chef and well-trained tea ladies to provide nutritious meals for our employees and trainers during training seminars.



We also have a clearly defined

**CAREER
PROGRESSION**

and

**SUCCESSION
PLANNING
PROCESS**



in place, which helps keep
HIGH LEVELS OF MOTIVATION
as well as to **PLAN AHEAD FOR
CHANGE MANAGEMENT**

that may be required, specially to
manage shift in



**CRITICAL
LEADERSHIP
ROLES**

At Thriven, we have Mid-Year and Year-End Reviews, in addition to the monthly and ongoing feedback sessions between employees and their respective department heads. The performance reviews are based on the set KPIs, which are discussed and mutually agreed with the employees every year. Using various tools such as Appraisal Review Forms and meetings, supported by active peer feedback, we conclude annual reviews by end-November.

The term 'promotion', at Thriven, has connotations of advancement, self-improvement, increased responsibility, increased difficulty in the tasks required and more favourable benefits. Hence, promotions are usually carried out during Year-End Reviews, but are also considered after the Mid-Year Reviews if deemed suitable taking into account the employees' current responsibility and accountability besides their satisfactory performance.



In 2017,

100%

of the employees
underwent their annual
reviews and were

SUCCESSFULLY

**APPRAISED for THEIR
PERFORMANCE**

During the year under review, we have initiated the process of succession planning. The Head of Human Resources, having attended a specialised workshop, worked closely with various department heads to build a preliminary list of critical job functions and positions within the organisation. The basic idea has been to redefine and differentiate the role of 'employees' versus the role of high-potential 'talents'. The former need to be nurtured for delivering beyond KPIs; and the latter need to be further developed to assume critical roles and positions in the organisation.

SUSTAINABILITY @ THRIVEN (cont'd)

Employees Benefits and Policies

Considering the average age of our workforce is presently is at 36.8 years, who are always seeking to achieve some degree of work-life balance, our employee policies offer a healthy mix of flexible and performance-driven benefits. Our ultimate objective is to inspire energy, ideas, action and of course, performance and growth, which is meaningful for everyone – the organisation as well as the employees. In other words, at Thriven, we promote work-life balance as a ‘healthy lifestyle’ to be adopted by our employees – an idea that we emphasise in our Brand Book: “The Power of Thriven – This Way to Forward Living” which we also expound in our recruitment postings. This has proven effective to not only improve our staff retention by creating a balanced culture, but to also attract a valuable pool of candidates for new job openings.



Thriven Northern Family Day was held on 9 September 2017 at Tropical Spice Garden, Penang to instill team spirit, boosting staff morale and promoting healthy and balanced lifestyle

Healthy Diet and Exercise for Wellness: At Thriven, we recognise that one of the positive ways to reduce workplace related stress is to exercise. We also have noted that employees, with healthy dietary habits and exercise are also at less risk of contracting common illnesses, which in turn reduce absenteeism, and enhance productivity. In 2017, we implemented the following:

- We encouraged our staff to utilise the in-house fully-equipped Gymnasium as well the pool table.
- On the last Friday of the month, we organise a “Walk in the Park” activity. All staff members clock-out at 4.30pm from work to enjoy a 1-hour walk at the Serenity Trail, Kota Damansara

Community Forest (KDCF) which was sponsored by Thriven for CSR and also at the nearby Taman Rimba Kiara.

- We organised “Thrive to Fit by Thriven” at Thriven Sales Gallery for a period of 6 months, starting 15 July 2017, which sought active participation of employees in a fitness regime. Activities lined up included yoga, Zumba, jumping fitness, jazzercise, HIIT class, functional training and lean cycling. A nutritious cooking demonstration was also provided by a nutritionist during the “Thrive To Fit by Thriven” campaign.
- Our well-equipped pantry and kitchen allows employees to not only share healthy and creative recipes, but also participate in catering to our in-house quarterly townhalls, management meetings and trainings etc. We also have a trained chef at our HQ and well-trained tea ladies to prepare nutritious food for the staff. The free-flow of healthy food and beverages and access to exercise facilities allows our employees to stay energised, be efficient and productive.

Knowledge for Growth and Wellbeing: In today’s competitive marketplace, we understand the importance of acquiring new knowledge to remain relevant and useful at the workplace. With emerging technologies, business and management principles, there is a need to strengthen the knowledge-based of employees, for them to not only grow in their careers, but also to move to high-income category. For example:

- We inculcate a reading habit amongst our staff to promote knowledge and intelligent conversations that foster new ideas and productivity at workplace. Staff are encouraged to access our mini library and new additions to include management philosophies, workplace motivation, fiction and non-fiction etc.
- We also encourage our employees to subscribe to memberships with relevant professional bodies/societies, which provide platforms to network, share and gain new knowledge as well as to stay abreast of industry developments. We sponsor an annual subscription up to a maximum value of RM200 per employee.

Inclusive Policies for Welfare: Our efforts are always to ensure our employees enjoy the benefit

SUSTAINABILITY @ THRIVEN (cont'd)

of our policies, which are comparable with the best in the market. The idea is to promote employee welfare, and keep them motivated to learn, perform and grow. Beyond compliance requirements as per the Malaysian labour laws and regulations, we offer a host of benefits to our employees, such as:

- Providing interest-free, 10-month loans to our confirmed/permanent employees, especially those in need or with financial difficulties. The loans are offered in appreciation of employees' loyalty and their positive contributions to the organisation.
- Offering Long-service Holiday Awards to employees serving 10, 15 and 20 years with the organisation. Employees with 10 years of service can apply for two months of basic salary allowance, whereas employees completing 15 and 20 years of tenure are able to apply for four and six months of basic salary respectively. Our objective is to recognise long-serving employees and their commitment in growing their careers and planning their working lives with Thriven.
- In addition to these, all employees, depending on their tenure and their grades, can access many other benefits such as medical, hospitalisation, dental, group personal accident insurance, company car, transportation and handphone allowances, travel reimbursements, allowances for staff working on public holidays and weekends etc.
- In addition to our Whistleblowing Policy, we also have a well-defined Sexual Harassment Policy and procedure in place, where employees can safely and discreetly submit formal complaints to their respective head of departments or to the Group Chief Financial Officer, on a case-to-case basis. Due diligence and investigations are carried in an unbiased manner, while safeguarding the interests of the victimised employees.
- Our policy on safety and health in the workplace provides guidelines to maintain a healthy, germ-free, controlled environment that is conducive to better productivity. For instance, our planned office spaces with additional windows, skylights, glass partitions and locally-controlled air-conditioned systems allow employees to maintain a temperature that is most comfortable to them.

Similarly, we also ensure that office accidents mainly due to slips, trips and falls are avoided completely through proper education and safe workplace practices. In 2017, all new employees were provided an induction on the basics of safety to include fire evacuation, good housekeeping, handling electric appliances and tools, as well as the policy on safety and health.



**ZERO
ACCIDENTS**
were reported at
OUR WORKPLACES
during the year
under review.

Employees' Engagement

At Thriven, it is in our DNA to communicate, engage and keep the dialogue flowing between employees and management to better align organisational goals with employee aspirations. For instance, even our new employee induction programme includes high levels of interaction with different divisions so that the employee embraces the organisational values, understands our mission, as well as his or her own growth and career opportunities with the Company. All employee communications and various platforms for engagement are conducted in an open and transparent manner.

In 2017, we conducted



with both existing and exiting employees.

In addition, we also organised a host of events, festival celebrations and group activities to promote team spirit and a sense of camaraderie amongst employees.

SUSTAINABILITY
@ THRIVEN (cont'd)



COMMUNITY

We endeavour to create positive impact in the communities where we operate. At Thriven, we also promote a culture of responsibility amongst all employees – not only towards their individual roles in the organisation, but towards our multiple stakeholders and members of the community. In fulfilling our corporate citizenship, our employees come together in solidarity to support worthy community programmes and social causes. We are also strong proponents of employee volunteerism and we encourage staff to participate in our annual community events. Our focus in 2017 was on health and environment.

Forest Conservation: With active participation of 150 Thriven customers, staff and other stakeholders, we partnered with Kota Damansara Community Forest (KDCF) and our contractor, Setiakon Builders Sdn. Bhd. to build a new hiking trail. The objective was to raise awareness as well as to collect trash along the trail from lakes, parks and the forest reserve.

We have also



RM10,000

to **KOTA DAMANSARA
COMMUNITY FOREST (KDCF)**
to sustain its forest
conservation efforts



Cleaning up of fallen leaves, branches and debris along the KDCF hiking trail, organised on 23 May 2017

SUSTAINABILITY
@ THRIVEN (cont'd)



Thriven Global Berhad hands over mock cheque to Kota Damansara Community Forest Society

Health & Fitness: On 20 August 2017, in partnership with Taylor's College Sri Hartamas, we participated in the 'Jog for Hope' – a 3 km corporate Fun Run, with participation from hundreds members of the community.



MORE THAN

RM42,000

of **FUNDS**

obtained were donated to

PUSAT
JAGAAN
CAHAYA
KASIH
BESTARI

PRAISE
EMMANUEL
CHILDREN'S
HOME

CORNERSTONE
ORPHANAGE
HOME



SUSTAINABILITY
@ THRIVEN (cont'd)

Similarly, to promote healthy lifestyles, we launched a 6-month Wellness programme themed “Towards a healthier nation, building better lives”. Our objective was to provide an opportunity to general population to improve their wellbeing, irrespective of age, gender or background in society. The campaign included fully sponsored wellness-related classes on a bi-weekly basis covering, yoga, jazzercise, Zumba, indoor cycling, nutritional talks, fitness classes etc. The activities commenced on 8 July 2017 at the Thriven Sales Gallery located on Jalan Semangat, Section 13 Petaling Jaya.



Yoga session during the launch of Thrive to Fit campaign

During the
6 MONTHS
CAMPAIGN,

we have had more than

500 
PARTICIPANTS

from different **AGE GROUPS**
and **SOCIAL BACKGROUNDS**
joining our free classes.

Flood Mitigation: For Thriven Global Berhad, we undertook improvement works on the Persiaran Tropicana tunnel and surrounding areas to address the perennial issue of flash flooding and poor road surface condition. The work included thorough inspection, excavation and clearing of earth and blockages from the drains. Since completion of the works, zero flash floods were recorded in the area. Similarly, we also widened the junction of Jalan Bukit Mayang Emas/Persiaran Tropicana to address the issue of traffic congestion due to the tunnel bottleneck. These efforts are in keeping with our continuing mission to contribute to quality infrastructure and improved public safety and experience.



Zumba session for more intense workout

SUSTAINABILITY @ THRIVEN (cont'd)

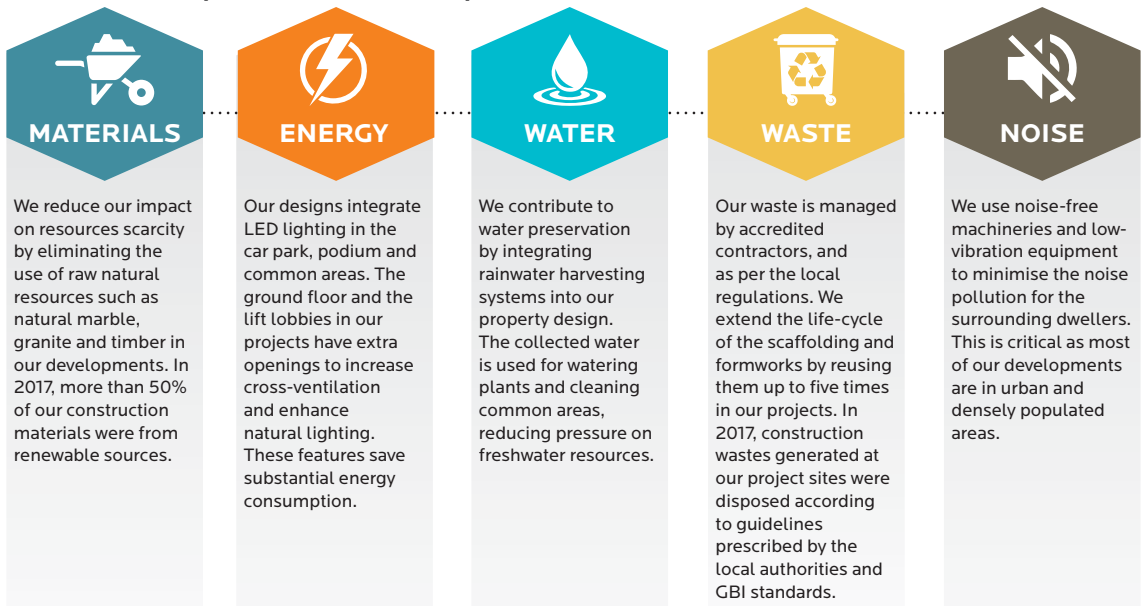


ENVIRONMENT

At Thriven, we continuously take stock of our direct and indirect impacts on the environment. This includes our efforts in energy consumption, waste management, noise and other kinds of pollution – at both our project sites and our operating offices. While we strictly adhere to environmental laws and regulations prescribed by the Department of Environment, we also promote green features, technologies, and practices through our sustainable developments, as well as our environmental consciousness, best demonstrated through our participation in various green causes and awareness campaigns.

Project Sites: On property development front, our design philosophy is to integrate green features such as energy-efficient installations, 60% green coverage, 25% green on ground and rainwater harvesting system etc. For instance, our flagship LUMI Tropicana, has secured a provisional Green Building Index (GBI) Gold rating certification, to be confirmed upon its completion. Through our projects alone, we have propagated green lifestyles, with greater public awareness to reduce carbon footprints.

Through various innovative techniques, technology and materials, we continue to minimise our environmental impact. Some of the examples are as below:



Operational Sites and Offices: At the workplace, we follow a strict policy on safety and health, which includes managing air quality with effective air filtration and ventilation and the regular maintenance of air conditioning units, photocopiers and printers to reduce ozone depletion and carbon black levels to well below required limits. We also utilise LED lightings in our Kuala Lumpur and Northern offices to reduce our electricity consumption.

LUMI

TROPICANA



GET YOUR PERFECT HOLIDAY HOME @ LUMI TROPICANA

Come stay for holiday and enjoy over 30 facilities designed for everyone in your family.

Get pampered by our professional concierge service, whether for throwing a private party or arranging for that urgent business meeting, our concierge takes care of the nitty-gritty of things.

And when you go off, rest assured that your getaway home is in our good hands while getting the all important ROI as well!



Indulge now ! **018 605 9999**

THRIVEN
w thriven.com.my f thriven

Developer: Mayfair Ventures Sdn Bhd (1046201 - T) • Address: Level 23A, Menara LGB, 1, Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur • Developer's License No. 14157 - 2/06 - 2019/0409(L) • Validity Period: 06/06/2017 - 05/06/2019 • Advertising & Sales Permit No: 14157 - 2/06-2019/0409(P) • Validity Period: 06/06/2017 - 05/06/2019 • Approving Authority: Majlis Bandaraya Petaling Jaya • Approval Plan No: MBPJ/1/20100/P/107/3/2015 • Land Encumbrances: United Overseas Bank (Malaysia) Bhd • Land Tenure: Leasehold 99 years (Basis 30 December 2114) • Expected date of completion: June 2021 • Type of property: Serviced Residences • Total Units: 372 • Selling Price: RM1,133,760.00(Min) - RM 3,456,960.00 (Max) • Built Up: 862 sq. ft. (Min) - 2,218sq. ft. (Max) • Bumiputera Discount: 10 % • Restriction in Interest: This land cannot be transferred, leased or charged without prior consent from State Authority.

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, property development and property investment.

The principal activities and other information of the subsidiaries are set out in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	1,791	2,360
Attributable to:		
Owners of the parent	201	2,360
Non-controlling interests	1,590	–
	1,791	2,360

DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend any payment of dividend in respect of the financial year ended 31 December 2017.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than the effects, which arose from the introduction of the Companies Act 2016 in Malaysia as disclosed in Note 14 to the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

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.

The warrants were listed on Bursa Malaysia Securities Berhad on 13 October 2015.

Salient features of the warrants are as follows:

- (a) each warrant entitles its registered holder thereof ('warrant holders') to subscribe for one (1) new ordinary share in the Company at the exercise price, which has been fixed at RM0.64 per share, subject to the adjustments in accordance with the provisions of the Deed Poll constituting the warrants; and

DIRECTORS' REPORT (cont'd)

WARRANTS (continued)

- (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.

The movements of the warrants of the Company during the financial year are as follows:

Exercise price per ordinary share	Date of offer	Expiry date	Number of warrants outstanding		
			Balance as at 1.1.2017	Exercised	Balance as at 31.12.2017
RM0.64	6 October 2015	5 October 2020	188,349,562	–	188,349,562

DIRECTORS

The Directors who have held for office 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*#

* Directors of the Company and its subsidiaries

Resigned as Director of a subsidiary on 5 September 2017

Pursuant to Section 253 of Companies Act 2016 in Malaysia the Directors of the subsidiaries of the Company who have held for office since the date of the last report, excluding those who are listed above are:

Augustone Cheong Kwok Fai
 Tunku Zainol bin Tengku Izham
 Che Hasnadi bin Che Hassan
 Ramzia binti Arshad (Alternate Director to Tunku Zainol bin Tengku Izham)
 Au Gek Wee (Retired on 19 June 2017)
 James Wong Tet Fong (Resigned on 5 September 2017)

**DIRECTORS'
REPORT** (cont'd)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and warrants of the Company and of its related corporations during the financial year ended 31 December 2017 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

Shares in the Company	Balance as at 1.1.2017	Number of ordinary shares		Balance as at 31.12.2017
		Acquired	Sold	
Direct interests				
Ghazie Yeoh bin Abdullah	3,255,000	14,881,075	–	18,136,075
Dato' Low Keng Siong	28,139,250	9,940,000	–	38,079,250
Rewi Hamid Bugo	722,500	300,000	–	1,022,500
Deemed interests				
Datuk Fakhri Yassin bin Mahiaddin ^[1]	112,518,790	–	–	112,518,790
Ghazie Yeoh bin Abdullah ^[2]	29,800,000	–	(29,800,000)	–
Dato' Low Keng Siong ^[2]	29,800,000	–	(29,800,000)	–
Rewi Hamid Bugo ^[3]	–	370,000	–	370,000
Warrants in the Company	Balance as at 1.1.2017	Number of warrants		Balance as at 31.12.2017
		Acquired	Sold	
Direct interests				
Ghazie Yeoh bin Abdullah	1,218,750	4,420,215	–	5,638,965
Dato' Low Keng Siong	14,069,625	4,420,215	–	18,489,840
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 8(4) of the Companies Act 2016 by virtue of his shareholding in Ketapang Capital Sdn. Bhd..

^[2] Deemed interest pursuant to Section 8(4) of the Companies Act 2016 by virtue of their shareholdings in Pasukan Sehati Sdn. Bhd..

^[3] Deemed interest pursuant to Section 8(4) of the Companies Act 2016 by virtue of his shareholdings in Santubong Properties Sdn. Bhd..

By virtue of their substantial 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 to the extent that the Company has an interest.

DIRECTORS' REPORT (cont'd)

DIRECTORS' INTERESTS (continued)

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares and warrants of the Company or options over ordinary shares and debentures of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) 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 the following:

- (a) certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into the ordinary course of business with companies in which certain Directors have substantial financial interests; and
- (b) certain Directors who received remuneration from the related corporations in their capacity as Directors or full time employees of those corporations.

The details of the above transactions are disclosed in Note 30 to the financial statements.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the warrants issued by the Company.

DIRECTORS' REMUNERATION

The details of remuneration paid and payable to the Directors of the Group and of the Company for the financial year are as follows:

	Group and Company	
	2017 RM'000	2016 RM'000
Executive:		
- Salaries and other emoluments	2,017	2,500
Non-executive:		
- Directors' fees	90	123
- Other emoluments	18	21
	108	144
Total	2,125	2,644

The estimated monetary value of benefits-in-kind provided to the Directors of the Group and of the Company during the financial year amounted to RM112,000 (2016: RM67,000).

DIRECTORS'
REPORT (cont'd)

DIRECTORS' REMUNERATION (continued)

Remuneration paid and payable to the Directors of the Group and of the Company for the financial year, analysed into bands of RM50,000 are as follows:

	Number of Directors	
	2017	2016
Executive:		
RM500,000 - RM550,000	1	–
RM650,000 - RM700,000	–	1
RM700,000 - RM750,000	1	–
RM750,000 - RM800,000	1	–
RM900,000 - RM950,000	–	1
RM950,000 - RM1,000,000	–	1
	3	3
Non-executive:		
Below RM50,000	4	5

INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors.

The total amount of insurance premium effected for the Directors and officers of the Group and of the Company were RM26,000 for the financial year.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIRECTORS' REPORT (cont'd)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Significant event during the financial year is disclosed in Note 32 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant event subsequent to the end of the reporting period is disclosed in Note 33 to the financial statements.

DIRECTORS'
REPORT (cont'd)

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2017 amounted to RM49,000 and RM117,000 respectively.

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

.....
Datuk Fakhri Yassin bin Mahiaddin
Director

.....
Ghazie Yeoh bin Abdullah
Director

Kuala Lumpur
29 March 2018

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 81 to 146 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....
Datuk Fakhri Yassin bin Mahiaddin
Director

.....
Ghazie Yeoh bin Abdullah
Director

Kuala Lumpur
29 March 2018

STATUTORY DECLARATION

I, Augustone Cheong Kwok Fai, being 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 81 to 146 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 abovenamed at)
Kuala Lumpur this)
29 March 2018)

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 2017 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 financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 81 to 146.

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 2017, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our 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.

a. Property development revenue recognition

Revenue from property development during the financial year as disclosed in Note 20 to the financial statements is RM121,957,000.

Property development revenue recognition is measured based on the consideration specified in a contract with a customer. The Group recognises the revenue when it transfers control over a product or service to its customer over time or at a point in time.

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF THRIVEN GLOBAL BERHAD (cont'd)**

(Company No. 182350-H)

(Incorporated in Malaysia)

Key Audit Matters (continued)**a. Property development revenue recognition (continued)**

The satisfaction of performance obligations as stated in the contract with a customer involves significant judgement in estimating the stage of completion of property development activities and assessing the estimated costs to completion.

In estimating the total costs to completion, the Group considers the completeness and accuracy of its costs estimation, including its obligations to contract variations, claims and cost contingencies. The total costs to completion including sub-contractor costs, can vary with market conditions and can be different due to unforeseen events during the development stage.

Our audit procedures included the following:

- (i) assessed estimated total costs to complete through inquiries with operational and financial personnel of the Group;
- (ii) inspected documentation to support cost estimates made including contract variations and cost contingencies;
- (iii) recomputed stage of completion determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs;
- (iv) compared contract budgets to actual outcomes to assess reliability of management budgeting process; and
- (v) inspected correspondences from sub-contractors in relation to variations and claims to corroborate key judgements applied by management.

b. Recoverability of trade receivables

As at 31 December 2017, trade receivables of the Group that were past due but not impaired amounted to RM3,002,000.

The details of trade receivables and its credit risk have been disclosed in Note 11 to the financial statements.

Management recognised impairment losses on trade receivables based on specific known facts or circumstances and customers' abilities to pay, which involved significant management judgement.

Our audit procedures included the following:

- (i) obtained an understanding of the credit process operated by management over the recoverability of trade receivables of the Group;
- (ii) assessed recoverability of trade receivables that were past due but not impaired with reference to their ageing profiles and past historical repayment trends;
- (iii) inquired with management regarding the action plans to recover overdue amounts;
- (iv) assessed cash receipts subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period; and
- (v) assessed likelihood of property buyers securing loans subsequent to the end of the reporting period by inspecting relevant supporting documents.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THRIVEN GLOBAL BERHAD (cont'd)

(Company No. 182350-H)
(Incorporated in Malaysia)

Key Audit Matters (continued)

c. Impairment assessment of the carrying amounts of goodwill

Goodwill of the Group is mainly derived from acquisitions of two (2) subsidiaries, which are Mulpha Argyle Property Sdn. Bhd. ('MAPSB') and Thriven Amona Sdn. Bhd. ('TASB') with carrying amounts of RM1,891,000 and RM5,314,000 respectively as disclosed in Note 9 to the financial statements. The Group has fully impaired goodwill of RM1,891,000 in respect of MAPSB during the financial year.

We have focused on this impairment assessment as it requires significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the subsidiaries in determining the recoverable amounts. These key assumptions include forecasting growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates.

Our audit procedures included the following:

- (i) challenged the identification and determination of subsidiaries based on our understanding of the nature of the subsidiaries;
- (ii) compared prior period projections to actual outcomes to assess reliability of management forecasting process;
- (iii) compared cash flow projections against recent performance, and assessed and challenged the key assumptions in projections;
- (iv) verified gross profit margins and growth rates to support the key assumptions in projections;
- (v) verified pre-tax discount rate for each subsidiaries by comparing to the weighted average cost of capital of the Group and relevant risk factors; and
- (vi) performed sensitivity analysis of our own to stress test the key assumptions in the impairment model.

d. Recoverability of carrying amounts of investments in subsidiaries (Company level)

As at 31 December 2017, the net carrying amount of investments in subsidiaries amounted to RM85,043,000 as disclosed in Note 8 to the financial statements.

Impairment assessment on the carrying amount of investments in subsidiaries requires significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the subsidiaries in determining the recoverable amounts. In this instance, the recoverable amount is based on value-in-use or fair value less cost to sell, whichever is higher. These key assumptions include different budgeted gross margins, growth rates, as well as determining an appropriate pre-tax discount rate used for each subsidiary.

Our audit procedures included the following:

- (i) challenged assessment of management that no further impairment losses on investments was required based on recoverable amounts of the subsidiaries;

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THRIVEN GLOBAL BERHAD (cont'd)

(Company No. 182350-H)

(Incorporated in Malaysia)

Key Audit Matters (continued)

d. Recoverability of carrying amounts of investments in subsidiaries (Company level) (continued)

Our audit procedures included the following (continued):

- (ii) compared cash flow projections against recent performance and historical accuracy of forecasts/projections and challenged assumptions in projections;
- (iii) compared prior period projections to actual outcomes to assess reliability of management forecasting process;
- (iv) verified gross profit margins and growth rates by assessing evidence available to support these key assumptions;
- (v) assessed the reasonableness of the pre-tax discount rate used for each subsidiary by comparing to the weighted average cost of capital of the Company and relevant risk factors; and
- (vi) performed sensitivity analysis of our own to stress test the key assumptions in the impairment model.

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 annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information 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 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, 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 MFRSs, IFRSs and the requirements of the Companies Act 2016 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.

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

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 ISAs 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.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) 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.
- b) 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 internal control of the Group and of the Company.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- d) 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.
- e) 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 achieves fair presentation.
- f) 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.

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)

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.

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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The financial statements of the Group and of the Company for the financial year ended 31 December 2016 were audited by another firm of chartered accountants whose report dated 25 April 2017 expressed an unqualified opinion on those statements.

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.

BDO
AF : 0206
Chartered Accountants

Kuala Lumpur
29 March 2018

Lee Ken Wai
03185/07/2019 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2017

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	6	9,607	11,050	3,728	4,569
Investment properties	7	6,770	5,768	852	878
Investments in subsidiaries	8	–	–	85,043	84,018
Goodwill	9	5,314	7,205	–	–
Inventories	10	34,758	36,308	–	–
		56,449	60,331	89,623	89,465
Current assets					
Inventories	10	275,445	287,567	–	–
Trade and other receivables	11	62,863	26,391	105,408	107,881
Current tax assets		502	695	264	103
Cash and bank balances	12	13,745	17,694	1,315	663
		352,555	332,347	106,987	108,647
TOTAL ASSETS		409,004	392,678	196,610	198,112
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	13	44,852	37,670	44,852	37,670
Reserves	14	114,741	118,167	128,575	133,397
		159,593	155,837	173,427	171,067
Non-controlling interests		(3,833)	(9,629)	–	–
TOTAL EQUITY		155,760	146,208	173,427	171,067

**STATEMENTS OF
FINANCIAL POSITION (cont'd)**

as at 31 December 2017

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	15	1,673	4,294	-	-
Bank borrowings	16	49,545	80,887	1,123	1,338
		51,218	85,181	1,123	1,338
Current liabilities					
Bank borrowings	16	111,361	82,015	16,515	23,895
Trade and other payables	18	90,317	73,565	5,545	1,812
Other current liabilities	19	133	5,606	-	-
Current tax liabilities		215	103	-	-
		202,026	161,289	22,060	25,707
TOTAL LIABILITIES		253,244	246,470	23,183	27,045
TOTAL EQUITY AND LIABILITIES		409,004	392,678	196,610	198,112

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2017

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	20	122,870	66,969	7,725	23,725
Cost of sales	21	(95,874)	(53,541)	(43)	(7,447)
Gross profit		26,996	13,428	7,682	16,278
Other income	22	3,104	1,846	6,215	8,406
Other expenses	23	(23,816)	(27,600)	(10,309)	(25,972)
Operating profit/(loss)		6,284	(12,326)	3,588	(1,288)
Finance costs	24	(3,634)	(4,263)	(1,331)	(591)
Profit/(Loss) before tax		2,650	(16,589)	2,257	(1,879)
Taxation	26	(859)	(111)	103	(213)
Profit/(Loss) for the financial year		1,791	(16,700)	2,360	(2,092)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income/(loss) for the financial year		1,791	(16,700)	2,360	(2,092)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		201	(10,145)	2,360	(2,092)
Non-controlling interests		1,590	(6,555)	-	-
		1,791	(16,700)	2,360	(2,092)
Earnings/(Loss) per ordinary share attributable to equity holders of the Company					
Basic/Diluted (sen per share)	27	0.05	(2.69)		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2017

	Note
Group	
Balance as at 1 January 2016	
Loss for the financial year	
Other comprehensive income, net of tax	
Total comprehensive loss	
Balance as at 31 December 2016	
Balance as at 1 January 2017	
Profit for the financial year	
Other comprehensive income, net of tax	
Total comprehensive income	
Transactions with owners	
Additional non-controlling interests arising on a business combination	
Ordinary shares contributed by non-controlling interests of a subsidiary	8
Total transactions with owners	
Transfer pursuant to Companies Act 2016*	14
Balance as at 31 December 2017	

* Pursuant to the Companies Act 2016 in Malaysia the credit balance in the share premium account has been transferred to the share capital account.

Amount is less than RM1,000.

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

for the financial year ended 31 December 2017

←-----Non-distributable-----→				Distributable			
Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	Capital reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
37,670	7,182	14,126	86,004	21,000	165,982	(3,074)	162,908
-	-	-	-	(10,145)	(10,145)	(6,555)	(16,700)
-	-	-	-	-	-	-	-
-	-	-	-	(10,145)	(10,145)	(6,555)	(16,700)
37,670	7,182	14,126	86,004	10,855	155,837	(9,629)	146,208
37,670	7,182	14,126	86,004	10,855	155,837	(9,629)	146,208
-	-	-	-	201	201	1,590	1,791
-	-	-	-	-	-	-	-
-	-	-	-	201	201	1,590	1,791
-	-	-	3,555	-	3,555	4,206	7,761
-	-	-	-	-	-	#	#
-	-	-	3,555	-	3,555	4,206	7,761
7,182	(7,182)	-	-	-	-	-	-
44,852	-	14,126	89,559	11,056	159,593	(3,833)	155,760

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2017

Company

Balance as at 1 January 2016

Loss for the financial year

Other comprehensive income, net of tax

Total comprehensive loss

Balance as at 31 December 2016

Balance as at 1 January 2017

Profit for the financial year

Other comprehensive income, net of tax

Total comprehensive income

Transfer pursuant to Companies Act 2016*

Balance as at 31 December 2017

* Pursuant to the Companies Act 2016 in Malaysia the credit balance in the share premium account has been transferred to the share capital account.

The accompanying notes form an integral part of the financial statements.

**STATEMENT OF
CHANGES IN EQUITY (cont'd)**
for the financial year ended 31 December 2017

Note	←----- Non-distributable ----->				Distributable	
	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	Capital reserve RM'000	Retained earnings RM'000	Total equity RM'000
	37,670	7,182	14,126	83,203	30,978	173,159
	-	-	-	-	(2,092)	(2,092)
	-	-	-	-	-	-
	-	-	-	-	(2,092)	(2,092)
	37,670	7,182	14,126	83,203	28,886	171,067
	37,670	7,182	14,126	83,203	28,886	171,067
	-	-	-	-	2,360	2,360
	-	-	-	-	-	-
	-	-	-	-	2,360	2,360
14	7,182	(7,182)	-	-	-	-
	44,852	-	14,126	83,203	31,246	173,427

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2017

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		2,650	(16,589)	2,257	(1,879)
Adjustments for:					
Depreciation of:					
- property, plant and equipment	6	2,405	2,304	921	795
- investment properties	7	26	26	26	26
Loss/(Gain) on disposal of property, plant and equipment		5	-	(1)	-
Property, plant and equipment written off	6	75	6	-	2
Inventory written down	10	-	8,812	-	-
Impairment losses on:					
- goodwill	9	1,891	-	-	-
- amount due from a subsidiary	11(g)	-	-	43	14,576
- trade and other receivables	11(g)	689	-	-	-
Reversal of impairment losses on:					
- amount due from a subsidiary	11(g)	-	-	(333)	(604)
- trade receivables	11(g)	(11)	-	(11)	-
Bad debts written off		7	-	-	-
Write back of amount due to a related party	22	(2,184)	-	-	-
Dividend income	20	-	-	(4,000)	(10,000)
Finance costs	24	3,634	4,263	1,331	591
Finance income	22	(266)	(810)	(5,870)	(7,507)
Operating profit/(loss) before changes in working capital		8,921	(1,988)	(5,637)	(4,000)
Working capital changes:					
Inventories		13,672	(13,920)	-	7,689
Trade and other receivables		(37,157)	(8,027)	(40)	11,705
Trade and other payables		28,298	1,616	(1,030)	(9,924)
Related parties		(6,049)	10,385	-	(111)
Subsidiaries		-	-	8,426	(32,299)
Cash generated from/(used in) operations		7,685	(11,934)	1,719	(26,940)
Interest paid		(3,634)	(4,263)	(1,331)	(591)
Tax refunded		168	428	-	428
Tax paid		(3,343)	(2,574)	(58)	(205)
Net cash from/(used in) operating activities		876	(18,343)	330	(27,308)

STATEMENTS OF CASH FLOWS (cont'd)

for the financial year ended 31 December 2017

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of additional interests in subsidiaries	31	(1,025)	–	(1,025)	–
Dividends received		–	–	9,000	5,000
Interest received		266	810	21	257
Proceeds from disposal of property, plant and equipment		13	–	2	–
Additions to investment properties under construction	7	(1,028)	(1,270)	–	–
Purchase of property, plant and equipment	6	(1,055)	(728)	(81)	(225)
Net cash (used in)/from investing activities		(2,829)	(1,188)	7,917	5,032
CASH FLOWS FROM FINANCING ACTIVITIES					
Ordinary share capital contributed by non-controlling interest of a subsidiary	8	*	–	–	–
Withdrawals/(Placements) of:					
- fixed deposits pledged with licensed banks		313	(313)	(17)	(304)
- fixed deposit placed with a licensed bank with maturity of more than three (3) months		(140)	–	–	–
(Repayments)/Drawdowns of:					
- bank borrowings		(2,008)	(6,473)	(6,700)	6,000
- hire purchase creditors		(203)	(399)	(203)	(399)
Net cash (used in)/from financing activities		(2,038)	(7,185)	(6,920)	5,297
Net (decrease)/increase in cash and cash equivalents		(3,991)	(26,716)	1,327	(16,979)
Cash and cash equivalents at beginning of financial year		(2,943)	23,773	(567)	16,412
Cash and cash equivalents at end of financial year	12	(6,934)	(2,943)	760	(567)

**STATEMENTS OF
CASH FLOWS (cont'd)**

for the financial year ended 31 December 2017

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Note	As At 1.1.2017 RM'000	Cash Flows RM'000	Non-Cash Flows RM'000	As At 31.12.2017 RM'000
Group					
Term loans		99,992	(26,385)	-	73,607
Bridging loans		18,600	31,077	-	49,677
Revolving credits		23,000	(6,700)	-	16,300
Total borrowings excluding bank overdrafts and hire purchase creditors	16	141,592	(2,008)	-	139,584
Hire purchase creditors	17	1,541	(203)	-	1,338
Company					
Revolving credits	16	23,000	(6,700)	-	16,300
Hire purchase creditors	17	1,541	(203)	-	1,338

* Amount is less than RM1,000.

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

1. CORPORATE INFORMATION

Thriven Global Berhad ('the Company') is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are located at Level 23A, Menara LGB, No. 1, Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.

The consolidated financial statements for the financial year ended 31 December 2017 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 29 March 2018.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, property development and property investment. The principal activities of the subsidiaries are set out in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

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 ('IFRSs') and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 34 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

4. OPERATING SEGMENTS

The Group has three reportable segments, as described below, which are the strategic business units of the Group. 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 reportable segments of the Group:

- (a) Property development
- (b) Property investment
- (c) 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.

(a) 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 assets are used to measure the return of assets of each segment.

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

4. OPERATING SEGMENTS (continued)

	Property development RM'000	Property investments RM'000	Investment holding and others RM'000	Total RM'000	Adjustments and eliminations* RM'000	Per consolidated financial statements RM'000
2017						
Revenue						
Revenue from external customers	121,957	114	799	122,870	-	122,870
Inter-segment revenue	-	-	8,066	8,066	(8,066)	-
Total revenue	121,957	114	8,865	130,936	(8,066)	122,870
Results						
Finance income	245	-	5,870	6,115	(5,849)	266
Finance costs	(3,036)	-	(1,449)	(4,485)	851	(3,634)
Net finance (costs)/ income	(2,791)	-	4,421	1,630	(4,998)	(3,368)
Depreciation of property, plant and equipment and investment properties	1,482	26	923	2,431	-	2,431
Segment profit	9,132	88	2,572	11,792	(9,142)	2,650
Assets						
Additions to non-current assets	2,176	-	81	2,257	-	2,257
Segment assets	406,928	851	242,793	650,572	(241,568)	409,004
Liabilities						
Segment liabilities	369,760	-	25,126	394,886	(141,642)	253,244

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

4. OPERATING SEGMENTS (continued)

	Property development RM'000	Property investments RM'000	Investment holding and others RM'000	Total RM'000	Adjustments and eliminations* RM'000	Per consolidated financial statements RM'000
2016						
Revenue						
Revenue from external customers	66,029	114	826	66,969	-	66,969
Inter-segment revenue	-	-	24,107	24,107	(24,107)	-
Total revenue	66,029	114	24,933	91,076	(24,107)	66,969
Results						
Finance income	552	-	7,508	8,060	(7,250)	810
Finance costs	(6,750)	-	(758)	(7,508)	3,245	(4,263)
Net finance (costs)/ income	(6,198)	-	6,750	552	(4,005)	(3,453)
Depreciation of property, plant and equipment and investment properties	1,505	26	799	2,330	-	2,330
Segment (loss)/ profit	(2,911)	61	(4,261)	(7,111)	(9,478)	(16,589)
Assets						
Additions to non-current assets	2,027	-	2,170	4,197	-	4,197
Segment assets	375,525	5,768	249,275	630,568	(237,890)	392,678
Liabilities						
Segment liabilities	345,543	-	34,374	379,917	(133,447)	246,470

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

4. OPERATING SEGMENTS (continued)

Reportable segment profit or loss, assets and liabilities of the Group are as follows:

	2017 RM'000	2016 RM'000
Profit/(Loss) for the financial year		
Segment profit/(loss)	2,650	(16,589)
Taxation	(859)	(111)
Profit/(Loss) for the financial year per consolidated statement of profit or loss and other comprehensive income	1,791	(16,700)
Additions to non-current assets		
Investment properties	1,028	1,270
Properties held for development	174	259
Property, plant and equipment	1,055	2,668
	2,257	4,197
Assets		
Total assets for reportable segments per consolidated statement of financial position	409,004	392,678
Current tax assets	502	695
Liabilities		
Total liabilities for reportable segments per consolidated statement of financial position	253,244	246,470
Current tax liabilities	215	103
Deferred tax liabilities	1,673	4,294

Geographical segments

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

Major customers

In the previous financial year, approximately 38% of the revenue of the Group are from 2 major customers.

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

5. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The objectives of the Group when managing capital is to maintain a strong capital base and safeguard the ability of the Group 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. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2017 and 31 December 2016.

The Group monitors capital utilisation on the basis of net debt-to-equity ratio, which is net debt divided by total capital. The Group includes within net debt, bank borrowings and trade and other payables less cash and bank balances. Capital represents equity attributable to the owners of the parent. The net debt-to-equity ratios as at 31 December 2017 and 31 December 2016 are as follows:

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Bank borrowings	160,906	162,902	17,638	25,233
Trade and other payables	90,317	73,565	5,545	1,812
Less: Cash and bank balances	(13,745)	(17,694)	(1,315)	(663)
Net debt	237,478	218,773	21,868	26,382
Total capital	159,593	155,837	173,427	171,067
Net debt	237,478	218,773	21,868	26,382
Total	397,071	374,610	195,295	197,449
Gearing ratio	60%	58%	11%	13%

Pursuant to the requirements of Practice Note No. 17/2005 of Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of not less than or equal to twenty-five percent (25%) 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 for the financial year ended 31 December 2017.

The Group is not subject to any other externally imposed capital requirements.

(b) Financial risk management objectives and policies

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

5. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management objectives and policies (continued)

The Group is exposed mainly to credit risk, liquidity and cash flow risk and interest rate risk. Information on the management of the related exposures is detailed below:

(i) 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 exposure to credit risk of the Group arises principally from its receivables from customers. The exposure to credit risk of the Company arises principally from loans and advances to subsidiaries.

The credit risk concentration profiles have been disclosed in Note 11 to the financial statements.

(ii) Liquidity and cash flow risk

Liquidity risk is the risk that the Group or the Company would encounter difficulty in meeting financial obligations due to shortage of funds. The exposure to liquidity and cash flow risk of the Group and of the Company arises primarily from mismatches of the maturities of financial assets and liabilities. The objective of the Group and of the Company 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.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 16 and 18 to the financial statements.

(iii) Interest rate risk

The fixed rate borrowings of the Group is exposed to a risk of change in their fair value due to changes in interest rates. The variable rate borrowings of the Group 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.

The income and operating cash flows of the Group are substantially independent of changes in market interest rate. Interest rate exposure arises from the borrowings and deposits of the Group 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.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 11, 12, 16 and 18 to the financial statements.

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

6. PROPERTY, PLANT AND EQUIPMENT

	Note	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
Group						
2017						
Carrying amount						
As at 1 January 2017		5,961	1,863	2,960	266	11,050
Additions		234	–	277	544	1,055
Disposal		–	–	(18)	–	(18)
Written off		–	–	–	(75)	(75)
Depreciation charge for the financial year	23	(1,138)	(430)	(837)	–	(2,405)
As at 31 December 2017		5,057	1,433	2,382	735	9,607
Cost		7,618	2,277	4,421	735	15,051
Accumulated depreciation		(2,561)	(844)	(2,039)	–	(5,444)
Carrying amount		5,057	1,433	2,382	735	9,607
2016						
Carrying amount						
As at 1 January 2016		6,649	181	3,524	338	10,692
Additions		167	1,940	258	303	2,668
Written off		–	–	(2)	(4)	(6)
Depreciation charge for the financial year	23	(1,238)	(258)	(808)	–	(2,304)
Reclassifications		383	–	(12)	(371)	–
As at 31 December 2016		5,961	1,863	2,960	266	11,050
Cost		7,384	2,277	4,173	266	14,100
Accumulated depreciation		(1,423)	(414)	(1,213)	–	(3,050)
Carrying amount		5,961	1,863	2,960	266	11,050

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

6. PROPERTY, PLANT AND EQUIPMENT (continued)

	Note	Buildings RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
Company					
2017					
Carrying amount					
As at 1 January 2017		1,516	1,800	1,253	4,569
Additions		-	-	81	81
Disposal		-	-	(1)	(1)
Depreciation charge for the financial year	23	(180)	(409)	(332)	(921)
As at 31 December 2017		1,336	1,391	1,001	3,728
Cost		1,795	2,047	1,862	5,704
Accumulated depreciation		(459)	(656)	(861)	(1,976)
Carrying amount		1,336	1,391	1,001	3,728
2016					
Carrying amount					
As at 1 January 2016		1,585	98	1,521	3,204
Additions		83	1,940	142	2,165
Written off		-	-	(2)	(2)
Transfer to a related company		-	-	(3)	(3)
Depreciation charge for the financial year	23	(232)	(238)	(325)	(795)
Reclassifications		80	-	(80)	-
As at 31 December 2016		1,516	1,800	1,253	4,569
Cost		1,795	2,047	1,786	5,628
Accumulated depreciation		(279)	(247)	(533)	(1,059)
Carrying amount		1,516	1,800	1,253	4,569

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

6. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.
- (b) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied for the business of the Group. The principal annual depreciation rates used are as follows:

Land and buildings	2% - 20%
Motor vehicles	20%
Office equipment, furniture and fittings	10% - 33%

Capital work-in-progress consists of office shoplots under construction for intended use as office premises. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to capital work-in-progress. Capital work-in-progress are not depreciated until such time when the assets are available for use.

- (c) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Purchase of property, plant and equipment	1,055	2,668	81	2,165
Financed by hire purchase and lease arrangements	-	(1,940)	-	(1,940)
Cash payments on purchase of property, plant and equipment	1,055	728	81	225

- (d) Included in property, plant and equipment of the Group and of the Company are assets acquired under hire purchase arrangements with a carrying amount of RM1,335,000 (2016: RM1,723,000).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

7. INVESTMENT PROPERTIES

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Investment properties		852	878	852	878
Investment properties under construction		5,918	4,890	–	–
		6,770	5,768	852	878
Investment properties pledged as securities	16	5,918	4,890	–	–

(a) The details of the investment properties are as follows:

	Group and Company	
	2017 RM'000	2016 RM'000
Investment properties		
Carrying amount		
As at 1 January	878	904
Depreciation charge for the financial year	(26)	(26)
As at 31 December	852	878
Cost	1,304	1,304
Accumulated depreciation	(452)	(426)
	852	878

	Note	Group	
		2017 RM'000	2016 RM'000
Investment properties under construction			
Carrying amount			
As at 1 January		4,890	2,530
Additions		1,028	1,270
Transfer from inventories	10(a)(ii)	–	1,090
As at 31 December		5,918	4,890
Cost		5,918	4,890
Accumulated depreciation		–	–
		5,918	4,890

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

7. INVESTMENT PROPERTIES (continued)

- (b) Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the investment properties to their residual values on a straight line basis over their estimated useful lives. The principal depreciation rate for the investment properties is 2.00% per annum.

- (c) 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.
- (d) The cost of investment properties under construction includes the cost of materials, direct labour and other costs directly attributable to bringing the investment properties to a working condition for their intended use.
- (e) Additions to investment properties under construction during the financial year include interest expense of RM183,000 (2016: RM211,000). Interest costs are capitalised at rates ranging from 5.38% to 7.66% (2016: 5.37% to 7.66%) per annum.
- (f) The fair value of investment properties of the Group and of the Company are categorised as follows:

Land and Buildings	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2017	-	-	11,158	11,158
2016	-	-	7,421	7,421
Company				
2017	-	-	2,456	2,456
2016	-	-	2,009	2,009

- (i) There were no transfers between Level 1, Level 2, and Level 3 fair value measurements during the financial years ended 31 December 2017 and 31 December 2016.
- (ii) Investment properties at Level 3 fair value measurements are based on the comparison of the investment properties of the Group with valuation reports from external independent property valuers, having appropriate recognised professional qualifications and recent experience with similar properties that are listed for sale within the same locality or other comparable localities.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

7. INVESTMENT PROPERTIES (continued)

- (g) The following are recognised in the statements of profit or loss and other comprehensive income in respect of investment properties:

	Group and Company	
	2017 RM'000	2016 RM'000
Rental income derived from investment properties	114	114
Direct operating expenses arising from investment properties	43	30

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2017 RM'000	2016 RM'000
Unquoted shares, at costs	119,840	118,815
Less: Accumulated impairment losses	(34,797)	(34,797)
	85,043	84,018

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.
- (b) All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.
- (c) Management reviews the material investments in subsidiaries for impairment when there is an indication of impairment.

The recoverable amounts of the investments in subsidiaries are assessed by reference to the value-in-use or fair value less cost to sell of the respective subsidiaries, whichever is higher.

Estimating a value in use requires significant judgements and estimates about the future results and key assumptions applied to the cash flow projections of the subsidiaries in determining the recoverable amounts. These key assumptions include different budgeted margins, growth rates, as well as determining an appropriate pre-tax discount rate for used for each subsidiary.

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

8. INVESTMENTS IN SUBSIDIARIES (continued)

(d) The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Effective interest in equity		Principal activities
		2017 %	2016 %	
Dynamic Unity Sdn. Bhd.	Malaysia	100	100	Investment holding
Bukit Punchor Development Sdn. Bhd.	Malaysia	100	100	Property development
Mulpha Argyle Property Sdn. Bhd.	Malaysia	90	51	Property development
Lumi Hospitality Sdn. Bhd. (f.k.a. Indahview Sdn. Bhd.)	Malaysia	100	100	Investment holding
MLB Quarry Sdn. Bhd.	Malaysia	60	60	Licensing of a quarry plant
Eco Green Services Sdn. Bhd.	Malaysia	100	100	Maintenance services and facilities management services
Thriven Properties Sdn. Bhd.	Malaysia	100	100	Property ownership and management
Bakat Stabil Sdn. Bhd.	Malaysia	100	100	Property development
Mayfair Ventures Sdn. Bhd.	Malaysia	100	51	Property development
Thriven Amona Sdn. Bhd.	Malaysia	51	51	Property development
Thriven NCR Sdn. Bhd.	Malaysia	85	85	Property development
Subsidiary of Dynamic Unity Sdn. Bhd.				
Golden Cignet Sdn. Bhd.	Malaysia	100	100	Property development

All subsidiaries are audited by BDO.

- (i) In the previous financial year, 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%.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

8. INVESTMENTS IN SUBSIDIARIES (continued)

(d) The details of the subsidiaries are as follows (continued):

(ii) On 17 October 2017, the Company had fulfilled the conditions of the settlement agreement dated 2 December 2016 with the non-controlling interest for the subscription of 1,025,000 ordinary shares in Mayfair Ventures Sdn. Bhd. ('MVSb') for a total cash consideration of RM1,025,000. This resulted in the termination of the Subscription and Shareholder Agreement ('SSA') and the increase in equity interest in MVSb from 51% to 100% as at the end of the reporting period. The analysis of acquisition has been disclosed in Note 31 to the financial statements.

(iii) On 31 October 2017, the Company acquired additional 117,000 ordinary shares in Mulpha Argyle Property Sdn. Bhd. ('MAPSB') for a total cash consideration of RM1.00 only from a non-controlling interest. This resulted in an increase in equity interest in MAPSB from 51% to 90% as at the end of the reporting period. The analysis of acquisition has been disclosed in Note 31 to the financial statements.

(e) The subsidiaries of the Group that have non-controlling interests ('NCI') are as follows:

	Mayfair Ventures Sdn. Bhd. RM'000	Mulpha Argyle Property Sdn. Bhd. RM'000	Thrive Amona Sdn. Bhd. RM'000	MLB Quarry Sdn. Bhd. RM'000	Thrive NCR Sdn. Bhd. RM'000	Total RM'000
2017						
NCI percentage of ownership and voting interest	–*	10%*	49%	40%	15%	
Carrying amount of NCI	–	(3,190)	(68)	(568)	(7)	(3,833)
Profit/(Loss) allocated to NCI	1,081	(85)	456	145	(7)	1,590
2016						
NCI percentage of ownership and voting interest	49%	49%	49%	40%	15%	
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)

* Increase in equity interest by the Company in subsidiaries during the financial year as disclosed in Notes 8(d)(ii) and 8(d)(iii) to the financial statements.

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

8. INVESTMENTS IN SUBSIDIARIES (continued)

- (f) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows:

	Mayfair Ventures Sdn. Bhd. RM'000	Mulpha Argyle Property Sdn. Bhd. RM'000	Thriven Amona Sdn. Bhd. RM'000	MLB Quarry Sdn. Bhd. RM'000	Thriven NCR Sdn. Bhd. RM'000
2017					
Assets and liabilities					
Non-current assets	-	-	638	-	-
Current assets	-	12	44,741	328	144
Non-current liabilities	-	-	(18,915)	-	-
Current liabilities	-	(31,916)	(26,602)	(1,747)	(191)
Net liabilities	-	(31,904)	(138)	(1,419)	(47)
Results					
Revenue	-	-	18,043	502	-
Profit/(Loss) for the financial year and total comprehensive income/(loss)	-	2,044	930	363	(47)
Cash flows from/(used in) operating activities	-	7,468	(8,664)	31	41
Cash flows used in investing activities	-	(8,273)	(102)	-	-
Cash flows from financing activities	-	330	12,107	-	-
Net (decrease)/increase in cash and cash equivalents	-	(475)	3,341	31	41

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

8. INVESTMENTS IN SUBSIDIARIES (continued)

- (f) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows (continued):

	Mayfair Ventures Sdn. Bhd. RM'000	Mulpha Argyle Property Sdn. Bhd. RM'000	Thrive Amona Sdn. Bhd. RM'000	MLB Quarry Sdn. Bhd. RM'000	Thrive NCR Sdn. Bhd. RM'000
2016					
Assets and liabilities					
Non-current assets	10,972	-	80	-	-
Current assets	209,099	27,792	17,939	278	-
Non-current liabilities	(47,419)	(3,655)	(8,358)	-	-
Current liabilities	(162,509)	(58,084)	(10,729)	(2,060)	-
Net assets/(liabilities)	10,143	(33,947)	(1,068)	(1,782)	-
Results					
Revenue	26,004	-	-	491	-
Profit/(Loss) for the financial year and total comprehensive income/(loss)	294	(14,585)	(1,940)	309	-
Cash flows from/(used in) operating activities	6,695	4,594	364	(50)	-
Cash flows used in investing activities	(2,481)	(4,632)	(75)	-	-
Cash flows from financing activities	(5,319)	-	-	-	-
Net (decrease)/increase in cash and cash equivalents	(1,105)	(38)	289	(50)	-

9. GOODWILL

	Note	Group 2017 RM'000	2016 RM'000
As at 1 January		7,205	7,205
Less: Impairment losses	23	(1,891)	-
As at 31 December		5,314	7,205

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

9. GOODWILL (continued)

	Cost RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000
Group			
2017	31,675	(26,361)	5,314
2016	31,675	(24,470)	7,205

- (a) Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses.
- (b) The carrying amount of goodwill is in relation to the investments in Mulpha Argyle Property Sdn. Bhd. ('MAPSB') and Thriven Amona Sdn. Bhd. ('TASB').
- (c) 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 subsidiaries are 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 subsidiaries and were 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 pre-tax discount rate of 8.70% (2016: 6.90% to 10.00%) is applied in discounting the cash flows and was based on the weighted average cost of capital and relevant risk factors of the subsidiaries.
- (d) The values assigned to the key assumptions represent assessment of the management of future trends in the industry and are based on both external sources and internal sources (historical data).

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.
- (e) Based on the annual impairment testing undertaken by the Group, the carrying amount of goodwill for MAPSB is determined to be lower than the recoverable amount. Accordingly, an impairment loss amounting to RM1,891,000 is recognised during the financial year due to the subsidiary being in a capital deficiency position and not having any future planned projects.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

10. INVENTORIES

	Note	Group	
		2017 RM'000	2016 RM'000
Non-current assets			
Properties held for development	10(a)(i)	34,758	36,308
Current assets			
Properties under development	10(a)(ii)	275,157	286,436
Completed properties		288	1,131
		275,445	287,567
Total inventories		310,203	323,875
Inventories pledged as securities:			
- Properties under development	16	272,972	283,441

(a) The details of the inventories are as follows:

(i) Non-current assets - Properties held for development

	Note	Freehold land RM'000	Development costs RM'000	Total RM'000
Group				
At cost				
2017				
As at 1 January		6,344	29,964	36,308
Additions		-	174	174
Transfer from properties under development	10(a)(ii)	-	3	3
Recognised in profit or loss		-	(1,727)	(1,727)
As at 31 December		6,344	28,414	34,758

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

10. INVENTORIES (continued)

(a) The details of the inventories are as follows (continued):

(i) Non-current assets - Properties held for development (continued)

	Note	Freehold land RM'000	Development costs RM'000	Total RM'000
Group				
At cost				
2016				
As at 1 January		8,640	35,667	44,307
Additions		-	259	259
Transfer to properties under development	10(a)(ii)	(2,148)	(5,139)	(7,287)
Disposals		(148)	(201)	(349)
Recognised in profit or loss		-	(622)	(622)
As at 31 December		6,344	29,964	36,308

(ii) Current assets - Properties under development

	Note	Land costs RM'000	Development costs RM'000	Accumulated costs charged to profit or loss RM'000	Accumulated impairment losses RM'000	Total RM'000
Group						
At cost						
2017						
As at 1 January		198,624	132,374	(25,550)	(19,012)	286,436
Cost incurred during the financial year		-	101,060	-	-	101,060
Transfer to properties held for development	10(a)(i)	-	(3)	-	-	(3)
Transfer to inventories		(14)	(274)	-	-	(288)
Reversal of completed projects		(365)	(8,279)	8,644	-	-
Disposal		(31,826)	(14,098)	-	19,012	(26,912)
Cost recognised in profit or loss during the financial year		-	-	(85,136)	-	(85,136)
As at 31 December		166,419	210,780	(102,042)	-	275,157

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

10. INVENTORIES (continued)

- (a) The details of the inventories are as follows (continued):
 (ii) Current assets - Properties under development (continued)

	Note	Land costs RM'000	Development costs RM'000	Accumulated costs charged to profit or loss RM'000	Accumulated impairment losses RM'000	Total RM'000
Group						
At cost						
2016						
As at 1 January		197,720	86,378	(7,397)	(10,200)	266,501
Cost incurred during the financial year		-	53,366	-	-	53,366
Transfer from properties held for development	10(a)(i)	2,148	5,139	-	-	7,287
Transfer to investment properties	7(a)	(709)	(381)	-	-	(1,090)
Transfer to inventories		(25)	(666)	-	-	(691)
Reversal of completed projects		(510)	(11,462)	11,972	-	-
Written down during the financial year	23	-	-	-	(8,812)	(8,812)
Cost recognised in profit or loss during the financial year		-	-	(30,125)	-	(30,125)
As at 31 December		198,624	132,374	(25,550)	(19,012)	286,436

- (b) Inventories are stated at lower of cost or net realisable value.
- (c) Properties held for development consists of land where no development activities have been carried out or are not expected to be completed within the normal operating cycle of the Group. Such land is classified as non-current assets.
- (d) Borrowing costs capitalised during the financial year of the Group amounted to RM14,066,000 (2016: RM9,817,000) with interest rates ranging from 5.19% to 7.66% (2016: 5.37% to 7.66%) per annum.
- (e) In the previous financial year, the Group had written down its inventory by RM8,812,000, following the disposal of land located in Bukit Tunku owned by its subsidiary, Mulpha Argyle Property Sdn. Bhd. ('MAPSB') as disclosed in Note 32 to the financial statements.

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

10. INVENTORIES (continued)

- (f) Completed development properties comprises costs associated with the acquisition of land, direct costs, appropriate proportions of common costs attributable to developing the properties to completion and borrowing costs.
- (g) During the financial year, completed properties of the Group recognised as cost of sales amounted to RM1,131,000 (2016: RM8,689,000). In the previous financial year, completed properties of the Company recognised as cost of sales amounted to RM7,417,000.

11. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Trade receivables					
Third parties		29,748	21,640	4,561	4,572
Less: Impairment losses					
- Third parties		(4,705)	(4,572)	(4,561)	(4,572)
	20	25,043	17,068	-	-
Contract assets in relation to property development activities	20	36,349	7,380	-	-
Total trade receivables		61,392	24,448	-	-
Other receivables					
Amounts due from subsidiaries		-	-	138,326	141,140
Third parties		2,521	2,719	1,665	1,649
Deposits		584	400	56	62
		3,105	3,119	140,047	142,851
Less: Impairment losses on:					
- Amounts due from subsidiaries		-	-	(33,480)	(33,770)
- Other receivables		(1,780)	(1,235)	(1,235)	(1,235)
Total other receivables		1,325	1,884	105,332	107,846
Loans and receivables					
Prepayments		62,717	26,332	105,332	107,846
		146	59	76	35
		62,863	26,391	105,408	107,881

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

11. TRADE AND OTHER RECEIVABLES (continued)

- (a) Receivables are classified as loans and receivables and are measured at amortised cost using the effective interest method.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group and the Company ranged from 15 to 60 days (2016: 15 to 60 days). Other credit terms are assessed and approved on a case by case basis. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (c) Contract assets in relation to property development activities represent remaining contractual billings to customers from its property development activities and would be billed progressively in accordance to stages of construction completed and upon the fulfilment of contractual milestones notwithstanding that control of the assets has not been transferred to the customers.
- (d) Non-trade balances due from subsidiaries represent advances and payments on behalf, which are unsecured, interest-free and repayable on demand in cash and cash equivalents except for an amount of RM104,711,000 (2016: RM101,137,000), which bear interest at rates ranging from 6.00% to 8.00% (2016: 8.00%) per annum. Included in non-trade balances due from subsidiaries in the previous financial year was dividend receivable of RM5,000,000.

Sensitivity analysis for amounts due from subsidiaries as at the end of the reporting period is not presented as fixed rate instruments are not significantly affected by change in interest rates.

- (e) Trade and other receivables are denominated in RM.
- (f) Ageing analysis of trade receivables of the Group and of the Company are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Neither past due nor impaired	22,041	9,596	-	-
Past due but not impaired				
1 - 30 days	1,315	5,301	-	-
31 - 60 days	775	1,059	-	-
More than 60 days	912	1,112	-	-
	3,002	7,472	-	-
Past due and impaired	4,705	4,572	4,561	4,572
	29,748	21,640	4,561	4,572

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

11. TRADE AND OTHER RECEIVABLES (continued)

(f) Ageing analysis of trade receivables of the Group and of the Company are as follows (continued):

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the trade receivables of the Group and of the Company that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Trade receivables of the Group and of the Company that are past due but not impaired are unsecured in nature. These trade receivables are creditworthy debtors with healthy business relationship with the Group and the Company and have active transactions. The Group and the Company seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management.

Receivables that are past due and impaired

Trade receivables of the Group and of the Company that are past due and individually impaired at the end of each reporting period are as follows:

	Group Individually impaired		Company Individually impaired	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Trade receivables, gross	4,705	4,572	4,561	4,572
Less: Impairment losses	(4,705)	(4,572)	(4,561)	(4,572)
	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

11. TRADE AND OTHER RECEIVABLES (continued)

(g) Reconciliation of movements in the impairment losses of trade and other receivables are as follows:

	Note	Group 2017 RM'000	2016 RM'000	Company 2017 RM'000	2016 RM'000
Trade receivables					
As at 1 January		4,572	4,572	4,572	4,572
Charge for the financial year	23	144	–	–	–
Reversal of impairment losses	22	(11)	–	(11)	–
As at 31 December		4,705	4,572	4,561	4,572
Other receivables					
As at 1 January		1,235	1,235	1,235	1,235
Charge for the financial year	23	545	–	–	–
As at 31 December		1,780	1,235	1,235	1,235

	Note	Company 2017 RM'000	2016 RM'000
Amounts due from subsidiaries			
As at 1 January		33,770	19,798
Charge for the financial year	23	43	14,576
Reversal of impairment losses	22	(333)	(604)
As at 31 December		33,480	33,770

Trade and other receivables that were individually determined to be impaired at the end of the reporting period were related to those receivables that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(h) The Group does not have any significant concentration of credit risks as at the end of the reporting period.

The Company does not have any significant exposure to any individual customer or counterparty other than amounts due from subsidiaries, which constitutes 99.54% (2016: 99.56%) of total loans and receivables as at the end of the reporting period.

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

12. CASH AND BANK BALANCES

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash and bank balances		12,033	15,049	760	125
Deposits with licensed banks		1,712	2,645	555	538
As reported in the statements of financial position		13,745	17,694	1,315	663
Less:					
- Bank overdrafts	16	(19,984)	(19,769)	-	(692)
- Deposit placed with a licensed bank with maturity of more than three (3) months		(140)	-	-	-
- Deposits pledged to licensed banks	16	(555)	(868)	(555)	(538)
Cash and cash equivalents included in the statements of cash flows		(6,934)	(2,943)	760	(567)

- (a) Included in cash and bank balances of the Group and of the Company is a balance of RM9,497,000 (2016: RM8,801,000) held under Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations, 2015, which is not available for general use by the Group.
- (b) Deposits with licensed banks have maturity period ranging from one (1) month to one (1) year (2016: one (1) month to three (3) months).
- (c) Deposits with licensed banks of the Group and of the Company were pledged as securities for banking facilities granted to the Group and to the Company as disclosed in Note 16 to the financial statements.
- (d) The weighted average effective interest rate of deposits with licensed banks of the Group and of the Company are 3.06% (2016: 3.05%) and 2.95% (2016: 2.95%) per annum respectively.

Sensitivity analysis for fixed rate deposits at the end of the reporting period is not presented as fixed rate instruments are not significantly affected by changes in interest rates.

- (e) Cash and bank balances are denominated in RM.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

13. SHARE CAPITAL

	Group and Company			
	2017 Number of shares '000	RM'000	2016 Number of shares '000	RM'000
Issued and fully paid				
As at 1 January	376,699	37,670	376,699	37,670
Transfer from share premium account pursuant to the Companies Act 2016	–	7,182	–	–
As at 31 December	376,699	44,852	376,699	37,670

- (a) Owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank *pari passu* with regard to the residual assets of the Company.
- (b) With the introduction of the Companies Act 2016 effective 31 January 2017, the concepts of authorised share capital and par value of share capital have been abolished. Consequently, balance within the share premium account of RM7,182,000 has been transferred to the share capital account pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016. Notwithstanding this provision, the Company may utilise its share premium account for purposes stipulated in Section 618(3) of the Companies Act 2016 for a transitional period of 24 months from 31 January 2017. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

14. RESERVES

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-distributable					
Share premium	14(a)	–	7,182	–	7,182
Warrant reserve	14(b)	14,126	14,126	14,126	14,126
Capital reserve	14(c)	89,559	86,004	83,203	83,203
Distributable					
Retained earnings		11,056	10,855	31,246	28,886
		114,741	118,167	128,575	133,397

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

14. RESERVES (continued)

(a) Share premium

With the introduction of the Companies Act 2016 effective 31 January 2017, the balance within the share premium account has been transferred to the share capital account as disclosed in Note 13(b) to the financial statements.

(b) Warrant reserve

The warrant reserve arose from the issuance of 188,349,562 warrants. The warrant reserve would be transferred to share capital upon the holder converting the warrants to ordinary shares. Warrant reserve related to the unexercised expires warrants would be transferred to retained earnings upon expiry on 5 October 2020. As at 31 December 2017, none of the warrants were exercised.

(c) Capital reserve

The capital reserve represents the following:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Changes in ownership interest in a subsidiary				
As at 1 January	8,601	8,601	5,800	5,800
Additions	3,555	-	-	-
As at 31 December	12,156	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
	89,559	86,004	83,203	83,203

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

15. DEFERRED TAX

(a) The deferred tax assets and liabilities are made up of the following:

	Note	Group 2017 RM'000	2016 RM'000	Company 2017 RM'000	2016 RM'000
As at 1 January		(4,294)	(5,269)	-	495
Recognised in profit or loss	26	2,621	975	-	(495)
As at 31 December		(1,673)	(4,294)	-	-
Represented by:					
Deferred tax assets, net		-	1,394	-	-
Deferred tax liabilities, net		(1,673)	(5,688)	-	-
		(1,673)	(4,294)	-	-

(b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group

	Provisions RM'000
As at 1 January 2017	1,394
Recognised in profit or loss	(1,394)
As at 31 December 2017	-
As at 1 January 2016	-
Recognised in profit or loss	1,394
As at 31 December 2016	1,394

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

15. DEFERRED TAX (continued)

- (b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows (continued):

Deferred tax liabilities of the Group

	Inventories RM'000	Property, plant and equipment RM'000	Provisions RM'000	Total RM'000
As at 1 January 2017	(5,615)	(73)	–	(5,688)
Recognised in profit or loss	3,956	59	–	4,015
As at 31 December 2017	(1,659)	(14)	–	(1,673)
As at 1 January 2016	(5,086)	(145)	(38)	(5,269)
Recognised in profit or loss	(529)	72	38	(419)
As at 31 December 2016	(5,615)	(73)	–	(5,688)

Deferred tax assets of the Company

	Inventories RM'000
As at 1 January 2016	678
Recognised in profit or loss	(678)
As at 31 December 2016	–

Deferred tax liabilities of the Company

	Property, plant and equipment RM'000	Provisions RM'000	Total RM'000
As at 1 January 2016	(134)	(49)	(183)
Recognised in profit or loss	134	49	183
As at 31 December 2016	–	–	–

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

15. DEFERRED TAX (continued)

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the consolidated statements of financial position are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Unused tax losses	3,338	428	2,802	84
Unabsorbed capital allowances	1,354	1,159	1,330	1,157
Other taxable temporary differences	(845)	(1,035)	(801)	(992)
	3,847	552	3,331	249

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The deductible temporary differences do not expire under the current tax legislation.

16. BANK BORROWINGS

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current					
Term loans		25,745	60,949	-	-
Bridging loans		22,677	18,600	-	-
Hire purchase creditors		1,123	1,338	1,123	1,338
		49,545	80,887	1,123	1,338
Current					
Term loans		47,862	39,043	-	-
Bridging loans		27,000	-	-	-
Revolving credits		16,300	23,000	16,300	23,000
Hire purchase creditors		215	203	215	203
Bank overdrafts		19,984	19,769	-	692
		111,361	82,015	16,515	23,895

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

16. BANK BORROWINGS (continued)

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Total borrowings					
Term loans		73,607	99,992	-	-
Bridging loans		49,677	18,600	-	-
Hire purchase creditors	17	1,338	1,541	1,338	1,541
Revolving credits		16,300	23,000	16,300	23,000
Bank overdrafts	12	19,984	19,769	-	692
		160,906	162,902	17,638	25,233

- (a) Bank borrowings are classified as other financial liabilities, and are measured at amortised cost using the effective interest method.
- (b) Bank borrowings are denominated in RM.
- (c) The bank borrowings are secured by the following:
 - (i) Pledge of investment properties of the Group as disclosed in Note 7 to the financial statements;
 - (ii) Pledge of certain properties under development of the Group as disclosed in Note 10 to the financial statements;
 - (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 12 to the financial statements; and
 - (iv) Corporate guarantees by the Company.
- (d) In the previous financial year, bank borrowings included term loan and bank overdraft amounted to RM54,818,000 and RM19,077,000 respectively, which were obtained by a subsidiary whereby the 49% non-controlling shareholder had agreed to indemnify and reimburse the Company for its share of any losses incurred by the Company.
- (e) Fair value of the bank borrowings of the Group and of the Company are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

16. BANK BORROWINGS (continued)

- (f) Bank borrowings that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values are as follows:

	2017		2016	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group and Company				
Hire purchase creditors	1,338	1,309	1,541	1,504

Fair values of the bank borrowings are estimated by discounting expected future cash flows at the current market interest rate available to the Group and the Company for similar instruments.

Carrying amounts of hire purchase creditors are reasonable approximation of fair values due to the current rates offered to the Group and the Company approximate the market rates for similar borrowings of the same remaining maturities.

- (g) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of the Group and of the Company that are exposed to interest rate risk:

	Weighted average effective interest rate per annum %	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	More than five (5) years RM'000	Total RM'000
Group					
31 December 2017					
Floating rates					
Term loans	5.38	47,862	25,745	–	73,607
Bridging loans	5.38	27,000	22,677	–	49,677
Revolving credits	5.33	16,300	–	–	16,300
Bank overdrafts	7.66	19,984	–	–	19,984
Fixed rates					
Hire purchase creditors	5.00	215	986	137	1,338

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

16. BANK BORROWINGS (continued)

(g) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of the Group and of the Company that are exposed to interest rate risk (continued):

	Weighted average effective interest rate per annum %	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	More than five (5) years RM'000	Total RM'000
Group					
31 December 2016					
Floating rates					
Term loans	5.49	39,043	59,358	1,591	99,992
Bridging loans	5.42	–	18,600	–	18,600
Revolving credits	5.37	23,000	–	–	23,000
Bank overdrafts	7.70	19,769	–	–	19,769
Fixed rates					
Hire purchase creditors	5.00	203	936	402	1,541
Company					
31 December 2017					
Floating rates					
Revolving credits	5.33	16,300	–	–	16,300
Fixed rates					
Hire purchase creditors	5.00	215	986	137	1,338
31 December 2016					
Floating rates					
Revolving credits	5.37	23,000	–	–	23,000
Bank overdrafts	8.75	692	–	–	692
Fixed rates					
Hire purchase creditors	5.00	203	936	402	1,541

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

16. BANK BORROWINGS (continued)

- (g) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of the Group and of the Company that are exposed to interest rate risk (continued):

Sensitivity analysis for fixed rate borrowings as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates. Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period, assuming all other variables remain constant are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Effects of 50 basis points changes to profit/ (loss) after tax				
- Increase by 0.5% (2016: 0.5%)	(606)	(613)	(62)	(90)
- Decrease by 0.5% (2016: 0.5%)	606	613	62	90

- (h) The table below summarises the maturity profile of the bank borrowings of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	Over five (5) years RM'000	Total RM'000
Group				
31 December 2017				
Term loans	50,492	27,419	-	77,911
Bridging loans	29,185	23,178	-	52,363
Hire purchase creditors	278	1,111	139	1,528
Revolving credits	16,300	-	-	16,300
Bank overdrafts	19,984	-	-	19,984
	116,239	51,708	139	168,086

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

16. BANK BORROWINGS (continued)

(h) The table below summarises the maturity profile of the bank borrowings of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations as follows (continued):

	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	Over five (5) years RM'000	Total RM'000
Group				
31 December 2016				
Term loans	43,755	62,729	1,632	108,116
Bridging loans	1,000	18,987	–	19,987
Hire purchase creditors	278	1,111	417	1,806
Revolving credits	23,000	–	–	23,000
Bank overdrafts	19,769	–	–	19,769
	87,802	82,827	2,049	172,678
Company				
31 December 2017				
Hire purchase creditors	278	1,111	139	1,528
Revolving credits	16,300	–	–	16,300
	16,578	1,111	139	17,828
31 December 2016				
Hire purchase creditors	278	1,111	417	1,806
Revolving credits	23,000	–	–	23,000
Bank overdrafts	692	–	–	692
	23,970	1,111	417	25,498

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

17. HIRE PURCHASE CREDITORS

	Note	Group and Company 2017 RM'000	2016 RM'000
Minimum hire purchase payments:			
- not later than one (1) year		278	278
- later than one (1) year and not later than five (5) years		1,111	1,111
- later than five (5) years		139	417
Total minimum hire purchase payments		1,528	1,806
Less: Future interest charges		(190)	(265)
Present value of hire purchase payments	16	1,338	1,541
Repayable as follows:			
Current liabilities			
- not later than one (1) year		215	203
Non-current liabilities			
- later than one (1) year and not later than five (5) years		986	936
- later than five (5) years		137	402
		1,123	1,338
		1,338	1,541

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

18. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Trade payables					
Third parties		26,129	11,816	1	515
Other payables					
Amounts due to subsidiaries		–	–	4,763	–
Amounts due to related parties		36,403	53,422	–	–
Third parties		1,751	2,856	444	722
Accruals		23,320	4,228	298	536
Deposits received	20	2,714	1,243	39	39
		64,188	61,749	5,544	1,297
Total payables		90,317	73,565	5,545	1,812

- (a) Trade and other payables are classified as other financial liabilities, and are measured at amortised cost using effective interest method.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company ranged from 30 to 45 days (2016: 30 to 45 days).
- (c) Included in trade payables of the Group and of the Company are retention sums for contract works. The retention sums are unsecured, interest-free and are expected to be payable as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Within one (1) year	759	759	1	515
More than one (1) year	7,141	4,309	–	–
	7,900	5,068	1	515

- (d) Non-trade balances due to related parties represent advances and payments on behalf, which are unsecured, interest-free and payable on demand in cash and cash equivalents. In the previous financial year, non-trade balances due to related parties bear interest rates ranging from 6.50% to 8.00% per annum.
- (e) Included in the amounts due to related parties is a balance of RM36,403,000 (2016: RM42,452,000) due to MJC Development Sdn. Bhd. ('MJC'), which represents the remaining outstanding balance due for the acquisitions of securities in MVS B, which were previously held by MJC as detailed in the settlement agreement dated 2 December 2016.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

18. TRADE AND OTHER PAYABLES (continued)

- (f) Included in the accruals is an amount of RM12,592,000 (2016: RM1,962,000), which mainly represents project cost accruals of the Group.
- (g) Trade and other payables are denominated in RM.
- (h) Maturity profile of trade and other payables of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is payable on demand or within one (1) year.
- (i) Sensitivity analysis for fixed rate profile of other payables at the end of the reporting period is not presented as fixed rate instruments are not significantly affected by change in interest rates.

19. OTHER CURRENT LIABILITIES

	Note	Group 2017 RM'000	2016 RM'000
Deferred revenue on advance billings of property sales	20	133	5,606

Other current liabilities represent advance billings issued on the property sales prior to the Group fulfilling the performance obligations. During the financial year, the Group recognises project costs of RM7,464,000 (2016: RM13,722,000) in the cost of sales.

20. REVENUE

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Property development:				
- Sales of completed properties	2,152	12,844	-	10,000
- Sales of properties under construction	119,805	53,185	-	-
	121,957	66,029	-	10,000
Rental of investment properties	114	114	114	114
Operation of a quarry plant	502	491	-	-
Property management	297	335	-	-
Management fee	-	-	3,611	3,611
Dividend income	-	-	4,000	10,000
	122,870	66,969	7,725	23,725

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

20. REVENUE (continued)

Revenue is measured by reference to each distinct performance obligation promised in the contract with customer or as the Group and the Company transfer the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

At the inception of each contract with customer, the Group and the Company determine whether control of the goods or services for each performance obligation is transferred over time or at a point in time. Revenue is recognised over time if:

- (a) the customer simultaneously receives and consumes all of the benefits provided by the Group and the Company;
- (b) the performance of the Group and of the Company creates or enhances a customer-controlled asset;
or
- (c) the Group or the Company does not have an alternative use of the asset that it creates or enhances and has an enforceable rights to payment for performance completed to date.

The Group and the Company recognises revenue when it transfers control over a product or service to a customer.

(a) 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:

(i) 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.

(ii) 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 property development costs incurred for work performed to date against the estimated property development costs to completion.

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

20. REVENUE (continued)

(b) Rental of investment property

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

(c) 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.

(d) 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.

(e) Dividend income

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

(f) Interest income

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

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

20. 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 in time		Product transferred over time		Total	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Group						
Property development	2,152	12,844	119,805	53,185	121,957	66,029
Rental of investment properties	114	114	-	-	114	114
Operation of a quarry plant	502	491	-	-	502	491
Property management	752	731	-	-	752	731
Management fee	3,611	3,611	-	-	3,611	3,611
Dividend income	4,000	20,100	-	-	4,000	20,100
Total reportable segment	11,131	37,891	119,805	53,185	130,936	91,076
Adjustments and eliminations	(8,066)	(24,107)	-	-	(8,066)	(24,107)
Total	3,065	13,784	119,805	53,185	122,870	66,969
Company						
Property development	-	10,000	-	-	-	10,000
Rental of investment properties	114	114	-	-	114	114
Management fee	3,611	3,611	-	-	3,611	3,611
Dividend income	4,000	10,000	-	-	4,000	10,000
Total	7,725	23,725	-	-	7,725	23,725

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

20. REVENUE (continued)

B. Contract balances

The following table provides information about receivables and contract balances with contract customers:

	Note	Group 2017 RM'000	2016 RM'000	Company 2017 RM'000	2016 RM'000
Contract receivables, included in 'Trade and other receivables'	11	25,043	17,068	-	-
Contract balances:					
- contract assets in relation to property development activities	11	36,349	7,380	-	-
- deposits received	18	(2,714)	(1,243)	(39)	(39)
- deferred revenue	19	(133)	(5,606)	-	-
Contract assets		33,502	531	(39)	(39)

The receivables primarily relate to the rights to consideration for work completed of the Group and are billed during the financial year.

Reconciliation of movements in contract assets/(liabilities) during the financial year are as follows:

	Group 2017 RM'000	2016 RM'000	Company 2017 RM'000	2016 RM'000
As at 1 January	531	(10,509)	(39)	(10,039)
Performance obligations satisfied in previous financial year	(7,380)	-	-	-
Revenue recognised during financial year, included in contract liabilities at the beginning of the reporting period	6,156	10,443	-	10,000
	(693)	(66)	(39)	(39)
Deposits received during financial year	(2,021)	(1,177)	-	-
Progress billings issued during financial year	(79,585)	(53,812)	-	-
Revenue recognised during financial year	115,801	55,586	-	-
As at 31 December	33,502	531	(39)	(39)

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

20. REVENUE (continued)
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.

	Group 2017 RM'000	2016 RM'000
Sales of properties under construction expected to be recognised in financial year:		
2017	–	44,170
2018	259,958	111,450
2019	162,481	15,713
2020	29,466	–
	451,905	171,333

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

21. COST OF SALES

	Group 2017 RM'000	2016 RM'000	Company 2017 RM'000	2016 RM'000
Property development:				
- Cost of completed properties	1,131	8,689	–	7,417
- Cost of properties under construction	94,327	44,469	–	–
	95,458	53,158	–	7,417
Investment properties	43	30	43	30
Property management	373	353	–	–
	95,874	53,541	43	7,447

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

22. OTHER INCOME

Other income comprises of the following:

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Interest income on:					
- fixed deposits with licensed banks		84	450	21	195
- housing development accounts		112	258	-	-
- others		70	102	-	62
- subsidiaries		-	-	5,849	7,250
		266	810	5,870	7,507
Rental income		-	227	-	-
Reversal of impairment losses on:					
- amount due from a subsidiary	11(g)	-	-	333	604
- trade and other receivables	11(g)	11	-	11	-
Write back of amount due to a related party		2,184	-	-	-
Miscellaneous		643	809	1	295
		3,104	1,846	6,215	8,406

23. OTHER EXPENSES

Included in other expenses are the following:

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Depreciation of property, plant and equipment	6	2,405	2,304	921	795
Employee benefits	25	9,216	8,765	5,999	6,788
Impairment losses on:					
- goodwill	9	1,891	-	-	-
- amount due from a subsidiary	11(g)	-	-	43	14,576
- trade and other receivables	11(g)	689	-	-	-
Inventory written down	10(a)(ii)	-	8,812	-	-
Rental expense on office premises		1,088	1,065	974	985

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

24. FINANCE COSTS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Interest expense on:				
- amounts due to related parties	-	290	-	-
- bank overdrafts	637	552	83	33
- hire purchase creditors	75	42	75	42
- others	1	-	-	-
- revolving credits	1,173	516	1,173	516
- term loans and bridging loans	1,748	2,863	-	-
	3,634	4,263	1,331	591

25. EMPLOYEE BENEFITS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Salaries, wages, bonuses and allowances	7,994	7,465	5,210	5,774
Defined contribution plans	923	873	605	678
Social security contributions	56	44	31	28
Other staff-related expenses	243	383	153	308
	9,216	8,765	5,999	6,788

Included in employee benefits of the Group and of the Company are Directors' remuneration amounting to RM2,035,000 (2016: RM2,521,000).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

26. TAXATION

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current tax expense based on profit for the financial year		3,507	1,431	-	-
Over provision in prior years		(27)	(345)	(103)	(282)
		3,480	1,086	(103)	(282)
Deferred tax					
- Relating to origination and reversal of temporary differences		(2,702)	(975)	-	495
- Under provision in prior year		81	-	-	-
	15	(2,621)	(975)	-	495
		859	111	(103)	213

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2016: 24%) of the estimated taxable profit for the fiscal year.
- (b) Numerical reconciliation between the tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit/(Loss) before tax	2,650	(16,589)	2,257	(1,879)
Tax at Malaysian statutory tax rate of 24% (2016: 24%)	636	(3,981)	542	(451)
Tax effects in respect of:				
Non-allowable expenses	290	3,490	758	3,138
Non-taxable income	(820)	-	(2,040)	(2,400)
Deferred tax assets not recognised	791	1,041	740	208
Utilisation of previously unrecognised tax losses	(92)	(94)	-	-
	805	456	-	495
(Over)/Under provision in prior years				
- current tax expense	(27)	(345)	(103)	(282)
- deferred tax expense	81	-	-	-
	859	111	(103)	213

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

27. EARNINGS/(LOSS) PER ORDINARY SHARE

(a) Basic

Basic earnings/(loss) per ordinary share for the financial year is calculated by dividing the profit/(loss) for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2017 RM'000	2016 RM'000
Profit/(Loss) attributable to equity holders of the parent	201	(10,145)
Weighted average number of ordinary shares in issue (unit)	376,699	376,699
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share (unit)	376,699	376,699
Basic earnings/(loss) per ordinary share (sen)	0.05	(2.69)

(b) Diluted

The diluted earnings/(loss) per ordinary share for the current and previous financial year is equal to the basic earnings/(loss) per ordinary share for the respective financial year as there are no dilution effects of the warrants issued on the ordinary shares.

28. OPERATING LEASE COMMITMENTS

(a) The Group and the Company as a lessee

The Group and the Company had entered into non-cancellable lease agreements for certain premises for terms between one (1) to three (3) years and renewable at the end of the lease period subject to an increase clause.

The Group and the Company have aggregate future minimum lease commitments as at the end of each reporting period as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Not later than one (1) year	441	1,086	406	984
Later than one (1) year and not later than five (5) years	-	441	-	406
	441	1,527	406	1,390

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

28. OPERATING LEASE COMMITMENTS (continued)

(b) The Group and the Company as a lessor

The Group and Company have entered into non-cancellable lease agreements on its investment properties for terms of one (1) year and renewable at the end of the lease period subject to an increase clause.

The Group and Company have aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group and Company	
	2017	2016
	RM'000	RM'000
Not later than one (1) year	96	96

29. CONTINGENT LIABILITIES

	Company	
	2017	2016
	RM'000	RM'000
Corporate guarantee given to financial institutions for credit facilities granted to subsidiaries		
- Limit of guarantee	15,053	10,913
- Amount utilised	12,150	5,445

The Group designates corporate guarantees given to financial institutions for credit facilities granted to subsidiaries as financial liabilities at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets* and where appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contract with Customers*.

The Company monitors on an ongoing basis the results of the subsidiaries and repayment made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiary would default on repayment and no values are ascribed on corporate guarantees provided by 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 properties under constructions 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 2017

29. CONTINGENT LIABILITIES (continued)

The Directors are of the view that the likelihood of the financial institutions calling upon the corporate guarantees is remote. Accordingly, the fair values of the above corporate guarantees given to the subsidiaries for banking facilities are negligible.

The table below summarises the maturity profile of the liabilities of the Company at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

Corporate guarantees	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	Over five (5) years RM'000	Total RM'000
Company				
2017	261	11,889	-	12,150
2016	-	5,445	-	5,445

30. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group 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 and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 8 to the financial statements; and
- (ii) Key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Executive Directors of the Group and certain members of senior management of the Group.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

30. RELATED PARTY DISCLOSURES (continued)

- (b) The Group and the Company had the following transactions with related parties during the financial year:

	Group	
	2017 RM'000	2016 RM'000
Directors of the Company, close members of their families and companies in which they have interests		
Sale of properties	3,302	2,023
Other key management personnel		
Sale of properties	412	240
Related parties		
Interest expense	–	(3,218)
Project management fee	–	(120)
Subsidiaries of the Company		
Interest income	5,849	7,250
Management fee income	3,611	3,611
Maintenance fee	(94)	(94)
Dividend income	4,000	10,000

The related party transactions described above were carried out on agreed contractual terms and conditions and in the ordinary course of business between the related parties of the Group and the Company.

Information regarding outstanding balances with related parties at the end of the financial year are disclosed in Notes 11 and 18 to the financial statements.

**NOTES TO
THE FINANCIAL STATEMENTS (cont'd)**

31 December 2017

30. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel

The remunerations of Directors and other key management personnel during the financial year were as follows:

	Note	Group and Company 2017 RM'000	2016 RM'000
Directors' remuneration			
Salaries, bonuses and allowances		1,831	2,253
Defined contribution plans		204	268
	25	2,035	2,521
Estimate money value of benefits-in-kind		112	67
Fees		90	123
		2,237	2,711
Other key management personnel			
Salaries, bonuses and allowances		985	1,254
Defined contribution plans		117	147
		1,102	1,401
Estimate money value of benefits-in-kind		7	-
		3,346	4,112

(d) Material contracts

There were no material contracts, which have been entered into by the Company or its subsidiaries which involved Directors' and major shareholders' interests subsisting at the end of the financial year ended 31 December 2017 or entered into since the end of the previous financial year except as disclosed elsewhere in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

31. ACQUISITION OF ADDITIONAL INTERESTS IN SUBSIDIARIES

(a) Acquisition of Mayfair Ventures Sdn. Bhd. ('MVSb')

On 17 October 2017, the Company increased its shareholding in MVSb, a subsidiary incorporated in Malaysia, from 51% to 100%.

Details of net assets acquired are as follows:

	Group RM'000
Carrying amounts of net identifiable assets, liabilities and contingent liabilities, if any, of MVSb as at the date of acquisition	12,665
Less: Carrying amounts of 51% equity interest held previously as a subsidiary	(6,542)
Identifiable net assets acquired at 49%	6,123
Less: Excess of cost arising from additional interests acquired over the interest in the carrying amounts of the identifiable assets, liabilities and contingent liabilities, if any	(5,098)
Purchase consideration settled in cash	1,025

(b) Increase in equity interest in Mulpha Argyle Property Sdn. Bhd. ('MAPSB')

On 31 October 2017, the Company increased its shareholding in MAPSB, a subsidiary incorporated in Malaysia, from 51% to 90%.

Details of net liabilities acquired are as follows:

	Group RM'000
Carrying amounts of net identifiable assets, liabilities and contingent liabilities, if any, of MAPSB as at the date of acquisition	(34,689)
Less: Carrying amounts of 51% equity interest held previously as a subsidiary	20,891
Identifiable net liabilities acquired at 49%	(13,798)
Less:	
- Excess of cost arising from additional interests acquired over the interest in the carrying amounts of the identifiable assets, liabilities and contingent liabilities, if any	1,543
- Remaining non-controlling interests as at the date of acquisition	3,469
- Gain on bargain purchase	8,786
Purchase consideration settled in cash	*

* Amount is less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

32. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Disposal of land located in Bukit Tunku, Kuala Lumpur

On 11 April 2017, the Company announced that its subsidiary, Mulpha Argyle Property Sdn. Bhd. ('MAPSB') had entered into a Sale and Purchase Agreement ('SPA') with Mount Well Sdn. Bhd. for the sale of one (1) piece of freehold land held under Geran 78921 Lot 20007 Seksyen 71, Town of Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur for a total consideration of RM27,518,000, 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.

As a result of the above, the Group had written down the cost of inventory by RM8,812,000 to its net realisable value and had impaired the amount due from MAPSB amounting to RM14,576,000 for the financial year ended 31 December 2016.

The sale of the freehold land has been completed following the full payment of the sale consideration on 23 August 2017.

33. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Proposed private placement of up to 10% of the total number of issued shares of the Company

On 28 February 2018, the Company announced that UOB Kay Hian Securities (M) Sdn. Bhd. ('UOBKH') proposed to undertake a private placement of up to 10% of the total number of issued shares of the Company to a third party investor(s) to be identified at a later stage.

The application pursuant to the proposed private placement has been submitted to Bursa Malaysia Securities Berhad ('BURSA') on 6 March 2018.

Subsequently, on 13 March 2018, the Company announced that BURSA had approved the listing and quotation of up to 56,504,868 placement shares to be issued pursuant to the proposed private placement subject to the following conditions:

- (a) the Company and UOBKH must fully comply with the relevant provisions under the Main Market Listing Requirements of BURSA pertaining to the implementation of the proposed private placement;

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

33. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD (continued)

Proposed private placement of up to 10% of the total number of issued shares of the Company (continued)

Subsequently, on 13 March 2018, the Company announced that BURSA had approved the listing and quotation of up to 56,504,868 placement shares to be issued pursuant to the proposed private placement subject to the following conditions (continued):

- (b) the Company and UOBKH to inform BURSA upon the completion of the proposed private placement; and
- (c) the Company to furnish BURSA with a written confirmation of its compliance with the terms and conditions of BURSA approval once the proposed private placement is completed.

34. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

34.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Title	Effective Date
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 12 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2017

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

34.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2018

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2017

34. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

34.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2018 (continued)

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been early adopted by the Group and the Company (continued):

Title	Effective Date
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group does not expect the adoption of the above Standards to have a significant impact on the financial statements, except for MFRS 9 and MFRS 16.

The Group is currently finalising the adjustments upon adoption of MFRS 9. The adjustments upon adoption of MFRS 9 have no material impact on the Group and the Company.

LIST OF PROPERTIES OF THE GROUP

as at 31 December 2017

No.	Location/Address	Year of acquisition/Completion	Tenure	Year of lease expiring	Age of Building (Years)	Land area/ Built up area as at 31/12/2017	Description/ Existing Use	Carrying amount as at 31/12/2017 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	210,231
2	Lot 1524 HS(D) 3059/95 Padang Meha Kulim, Kedah	2002	Freehold	N/A	N/A	106.92 acres	Land being used for residential and commercial development	42,342
3	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	52,575
4	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	4,170
5	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	31,108
6	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	852
7	PN3679, Lot 53 Seksyen 13, Bandar Petaling Jaya Daerah Petaling, Selangor	2015	Leasehold	2066	2	761.81 sq.metres	Sales Gallery	2,631
8	Lot 4183 Padang Meha Kulim, Kedah	2014	Freehold	N/A	3	130 sq.metres	Sales Gallery	593
	TOTAL							344,502

ANALYSIS OF SHAREHOLDINGS AND WARRANTHOLDINGS

as at 22 March 2018

(A) ANALYSIS OF SHAREHOLDINGS as at 22 March 2018

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	182	8.95	4,040	0.00
100 - 1,000	73	3.59	27,043	0.01
1,001 - 10,000	1,050	51.62	5,566,648	1.48
10,001 - 100,000	609	29.94	18,180,533	4.83
100,001 – 18,834,955 (less than 5% of issued shares)	117	5.75	120,369,745	31.95
18,834,956 (5% of issued shares) and above	3	0.15	232,551,116	61.73
TOTAL	2,034	100.00	376,699,125	100.00

THIRTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Teladan Kuasa Sdn. Bhd.	112,518,790	29.87
2.	Mulpha International Bhd	91,893,076	24.39
3.	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Low Keng Siong	28,139,250	7.47
4.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ghazie Yeoh Bin Abdullah	18,136,075	4.81
5.	Lim Chee Meng	17,070,000	4.53
6.	Luis Chi Leung Tong	13,783,900	3.66
7.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Low Keng Siong	9,940,000	2.64
8.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yau Kok Seng (001)	6,343,450	1.68
9.	Lim Chee Khang	5,691,000	1.51

ANALYSIS OF SHAREHOLDINGS AND WARRANTHOLDINGS (cont'd)

as at 22 March 2018

No.	Name of Shareholders	No. of Shares	%
10.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lau Lian Huat	4,425,000	1.17
11.	Maybank Nominees (Tempatan) Sdn. Bhd. - Nomura Singapore Limited For Lim Lian Hock	3,065,700	0.81
12.	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Phua Sin Ho	2,400,000	0.64
13.	Citigroup Nominees (Asing) Sdn. Bhd. - Pershing LLC for Asia Network Management Limited	2,220,370	0.59
14.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teh Siew Wah (021)	1,400,700	0.37
15.	Maybank Nominees (Tempatan) Sdn. Bhd. - Low Wui Li	1,193,000	0.32
16.	Tan Hye @ Tan Chuan Li	1,162,400	0.31
17.	Puncak Kuasa Sdn. Bhd.	1,009,300	0.27
18.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Chuan Dyi (6000364)	964,600	0.26
19.	Lee Kay Huat	930,000	0.25
20.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Cheong Chen Yue	929,000	0.25
21.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Rewi Hamid Bugo (E-PDG)	900,000	0.24
22.	Chin Kian Fong	825,450	0.22
23.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Cheong Chen Yue	819,500	0.22
24.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lee Chiah Cheang (TCS/HLG)	813,750	0.22
25.	Lee Eng Keong	766,375	0.20
26.	Maybank Nominees (Tempatan) Sdn. Bhd. - Ee Kok Yeng	713,900	0.19
27.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Salbiah Binti Shuib (MM0641)	700,000	0.19
28.	Lye Foong Thye	680,000	0.18
29.	Lee Kee Huat	679,900	0.18
30.	Lee Yean Aun Keefe	648,750	0.17

**ANALYSIS OF SHAREHOLDINGS
AND WARRANTHOLDINGS (cont'd)**

as at 22 March 2018

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct		Indirect	
	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 Bhd	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
RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Low Keng Siong	28,139,250	7.47	–	–

DIRECTORS' SHAREHOLDINGS IN THRIVEN GLOBAL BERHAD

Name of Directors	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Datuk Fakhri Yassin bin Mahiaddin	–	–	112,518,790 ^b	29.87
Ghazie Yeoh bin Abdullah	18,136,075	4.81	–	–
Dato' Low Keng Siong	38,079,250	10.11	–	–
Lim Kok Beng	–	–	–	–
Henry Choo Hon Fai	–	–	–	–
Rewi Hamid Bugo	1,022,500	0.27	370,000 ^h	0.10
Lee Eng Leong	–	–	–	–

ANALYSIS OF SHAREHOLDINGS AND WARRANTHOLDINGS (cont'd)

as at 22 March 2018

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 Santubong Properties Sdn. Bhd.

(B) ANALYSIS OF WARRANTHOLDINGS as at 22 March 2018

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	233	12.12	6,367	0.00
100 - 1,000	52	2.70	23,498	0.01
1,001 - 10,000	1,221	63.53	4,434,805	2.36
10,001 - 100,000	319	16.60	9,645,737	5.12
100,001 – 9,417,477 (less than 5% of issued warrants)	94	4.89	53,443,306	28.38
9,417,478 (5% of issued warrants) and above	3	0.16	120,795,849	64.13
TOTAL	1,922	100.00	188,349,562	100.00

**ANALYSIS OF SHAREHOLDINGS
AND WARRANTHOLDINGS (cont'd)**

as at 22 March 2018

THIRTY LARGEST WARRANTHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Teladan Kuasa Sdn. Bhd.	56,259,472	29.87
2.	Mulpha International Bhd	46,046,537	24.45
3.	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Low Keng Siong	18,489,840	9.82
4.	Lim Chee Meng	8,535,000	4.53
5.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ghazie Yeoh Bin Abdullah	5,638,965	2.99
6.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yau Kok Seng (001)	2,983,335	1.58
7.	Lim Chee Khang	2,946,810	1.56
8.	Lee Kee Huat	2,480,000	1.32
9.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lau Lian Huat	2,212,500	1.17
10.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lau Lian Huat (8055176)	1,425,187	0.76
11.	Citigroup Nominees (Asing) Sdn. Bhd. - Pershing LLC for Asia Network Management Limited	1,110,185	0.59
12.	Wong Weng Onn	1,100,000	0.56
13.	Chua Lee Guan	981,000	0.52
14.	Lai Thiam Poh	958,600	0.51
15.	Tam Shuk Yi	847,500	0.45
16.	Chin Kiam Hsung	708,225	0.38
17.	Soo Siew Poh	630,000	0.33
18.	Boon Kim Yu	550,000	0.29
19.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Edwin Khoo Sek Hon	550,000	0.29
20.	Clarence Gerard Boudville	500,000	0.27
21.	Lim Jia Kheng	500,000	0.27
22.	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Cheah Hdan Chau (051288)	484,000	0.26
23.	Lee Kay Huat	465,000	0.25

ANALYSIS OF SHAREHOLDINGS AND WARRANTHOLDINGS (cont'd)

as at 22 March 2018

No.	Name of Shareholders	No. of Shares	%
24.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chin Kiam Hsung	455,475	0.24
25.	Soo Siew Hua	449,500	0.24
26.	HLIB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Boon Kim Yu (CCTS)	427,300	0.23
27.	Maybank Nominees (Tempatan) Sdn. Bhd. - Low Leong Hock	422,500	0.22
28.	Lee Ming Hock	414,200	0.22
29.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Bee Hock (TAN1175C)	413,250	0.22
30.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Salbiah Binti Shuib (MM0641)	412,500	0.22

SUBSTANTIAL WARRANTHOLDERS

Name of Shareholders	Direct		Indirect	
	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
RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Low Keng Siong	18,489,840	9.82	-	-

ANALYSIS OF SHAREHOLDINGS AND WARRANTHOLDINGS (cont'd)

as at 22 March 2018

DIRECTORS' WARRANTHOLDINGS IN THRIVEN GLOBAL BERHAD

Name of Directors	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Datuk Fakhri Yassin bin Mahiaddin	–	–	56,259,472 ^b	29.87
Ghazie Yeoh bin Abdullah	5,638,965	2.99	–	–
Dato' Low Keng Siong	18,489,840	9.82	–	–
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.

NOTICE OF 29TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 29th Annual General Meeting (“AGM”) of Thriven Global Berhad will be held at the Level 23A, Menara LGB, No. 1 Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur on Tuesday, 5 June 2018 at 2.30 p.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the Financial Statements for the financial year end 31 December 2017 together with the Directors’ and Auditors’ Reports thereon. *(Please refer to Explanatory Note to the Agenda)*
2. To re-elect Encik Ghazie Yeoh Bin Abdullah who retires by rotation pursuant to Article 76 of the Constitution of the Company and being eligible, has offered himself for re-election. *(Ordinary Resolution 1)*
3. To re-elect Mr. Henry Choo Hon Fai who retires by rotation pursuant to Article 76 of the Constitution of the Company and being eligible, has offered himself for re-election. *(Ordinary Resolution 2)*
4. To approve the payment of Non-Executive Directors’ fees and benefits up to an amount of RM272,300.00 for the period from 1 January 2018 until the 30th Annual General Meeting of the Company to be held in 2019, to be paid monthly. *(Ordinary Resolution 3)*
5. To re-appoint Messrs. BDO (AF:0206) as the Company’s auditors and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 4)*

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions:-

6. **Authority for Directors to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016** *(Ordinary Resolution 5)*

“THAT subject always to the Companies Act, 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Constitution of the Company and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act, 2016 to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being.

AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

NOTICE OF
29TH ANNUAL GENERAL MEETING (cont'd)

7. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed Additional Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** *(Ordinary Resolution 6)*

"THAT approval be and is hereby given to the Company and its subsidiaries ("Thriven Group") to enter into recurrent related party transactions from time to time with Thriven Group's related parties, which are necessary for the day-to-day operations as set out in Section 2.3.1 and 2.3.2 of the Circular to Shareholders dated 30 April 2018 subject to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- (ii) the aggregate value of such transactions conducted pursuant to the Shareholders' Mandate during the financial year will be disclosed in the Annual Report for the said financial year;

AND THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the Meeting the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 340(2) of Companies Act, 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earliest.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

8. **Retention of Independent Non-Executive Director of the Company** *(Ordinary Resolution 7)*

"THAT approval be and is hereby given to Mr. Lim Kok Beng, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as an Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2017."

NOTICE OF 29TH ANNUAL GENERAL MEETING (cont'd)

9. Retention of Independent Non-Executive Director of the Company

(Ordinary Resolution 8)

“THAT subject to passing of Ordinary Resolution 2, approval be and is hereby given to Mr. Henry Choo Hon Fai, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as an Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2017.”

10. To transact any other business of which due notice shall have been given.

By Order of the Board

SEET WAN SING (BC/S/1491)

TAN LAI HONG (MAICSA 7057707)

Company Secretaries

Kuala Lumpur

30 April 2018

NOTES:

1. A member of the Company who is entitled to attend and vote at a general meeting of the Company, may appoint not more than two (2) proxies to attend and vote at the same meeting.
2. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the proxy shall have the same rights as the member to speak at the meeting.
3. Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 (“SICDA”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
5. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or under the hand of its officer duly authorised.
7. The instrument appointing a proxy must be deposited at the Company’s Registered Office, Thriven Global Berhad, at Level 23A, Menara LGB, No.1, Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
8. Only members whose names appear in the Record of Depositors as at 29 May 2018 shall be entitled to attend, speak and vote at this meeting.
9. Registration will commence at 12:30 p.m. and close at 3:00 p.m. on the day of the meeting. Members and proxies are advised to be punctual. For verification purposes, members and proxies are required to produce their original identification card at the registration counter.

NOTICE OF 29TH ANNUAL GENERAL MEETING (cont'd)

10. Drinks and light refreshments will be provided. No door gift will be provided by the Company.
11. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements, voting at the 29th AGM of the Company will be conducted by poll. Independent Scrutineers will be appointed to observe the polling and verify the poll results.

Explanatory Notes to the Agenda:

Item 1 of the Agenda

This item of the Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require formal approval of the shareholders. Hence, this item is not put forth for voting.

Item 2 and 3 of the Agenda

Article 76 of the Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an Annual General Meeting of the Company. With the current Board size of seven (7) Directors, two (2) Directors is to retire in accordance with Article 76 of the Constitution.

Item 4 of the Agenda

Payment of Directors' fees and benefits

Section 230(1) of the Companies Act, 2016 provides amongst others, that "the fees" of the Directors and "any benefits" payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Company is seeking shareholders' approval for the payment of Directors' fees and benefits up to an amount of RM272,300.00 for the period from 1 January 2018 until the 30th Annual General Meeting of the Company to be held in 2019, to be paid monthly.

The estimated amount payable (Directors' fees and benefits) is based on the assumption that the Company maintain its existing Board composition. In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for additional benefits to meet the shortfall.

The proposed payment of benefits comprises meeting allowances and training allowances payable to the Non-Executive Directors.

Item 6 of the Agenda

Authority for Directors to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016

The proposed Ordinary Resolution 5 is to empower the Directors to issue and allot shares in the Company up to an aggregate amount not exceeding 10% of the total issued share capital of the Company for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Item 7 of the Agenda

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed Additional Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Please refer to the Circular to Shareholders dated 30 April 2018.

NOTICE OF 29TH ANNUAL GENERAL MEETING (cont'd)

Item 8 of the Agenda

Retention of Independent Non-Executive Director of the Company

The Nomination Committee has assessed the independence of Mr Lim Kok Beng (“Mr Lim”) who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and arising therefrom, the Board agreed with the recommendation of the Nomination Committee that he would continue to act as Independent Non-Executive Director of the Company based on the following justifications:-

- (a) Mr Lim fulfilled the criteria under the definition of “Independent Director” as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and thus, he would be able to function as a check and balance, and bring an element of objectivity and independent judgment to the Board.
- (b) Mr Lim has performed his duties diligently and in the best interest of the Company without being subject to influence of the management.
- (c) Mr Lim has devoted sufficient time in attending Board meetings and has participated in Board discussions.
- (d) Mr Lim, who is Audit and Risk Management Committee, has vast experience in the accounting and audit industry, which enabled him to provide constructive advice, expertise and independent judgment.
- (e) Mr. Lim is a 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. Accordingly, the Company complies with paragraph 15.09(1)(c)(i) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad.

Pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance published in April 2017, the tenure of an Independent Director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board but will be redesignated as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine (9) years, the Board should justify and seek annual shareholders’ approval.

However, in order for an Independent Director to continue to serve on the Board as an Independent Director after twelve (12) years, shareholders’ approval must be sought through a two-tier voting process and the Board must provide justifications for the retention.

Mr. Lim was appointed to the Board as an Independent Director of the Company on 28 August 2001 and he has served as an Independent Director for a cumulative term of more than twelve (12) years. In connection thereto, the retention of Mr. Lim as an Independent Director of the Company is subject to the approval by the shareholders via a two-tier voting process.

Under the two-tier voting process, shareholders’ votes will be cast in the following manner at the same shareholders meeting:

- Tier 1: Only the **Large Shareholder(s)** of the Company votes; and
 - Tier 2: Shareholders **other than Large Shareholders** votes
- * Large Shareholder means a person who –
- is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the Company;
 - is the largest shareholder of voting shares in the Company;
 - has the power to appoint or cause to be appointed a majority of the Directors of the Company; or
 - has the power to make or cause to be made, decisions in respect of the business or administration of the Company, and to give effect to such decisions or cause them to be given effect to.

NOTICE OF 29TH ANNUAL GENERAL MEETING (cont'd)

The decision for the resolution is determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one Large Shareholder, a simple majority of votes determine the outcome of Tier 1 vote. The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution. However, the resolution is deemed to be defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.

Item 9 of the Agenda

Retention of Independent Non-Executive Director of the Company

The Nomination Committee has assessed the independence of Mr Henry Choo Hon Fai (“Mr Choo”) who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and arising therefrom, the Board agreed with the recommendation of the Nomination Committee that he would continue to act as Independent Non-Executive Director of the Company based on the following justifications:-

- (a) Mr Choo fulfilled the criteria under the definition of “Independent Director” as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and thus, he would be able to function as a check and balance, and bring an element of objectivity and independent judgment to the Board.
- (b) Mr Choo has performed his duties diligently and in the best interest of the Company without being subject to influence of the management.
- (c) Mr Choo has devoted sufficient time in attending Board meetings and has participated in Board discussions.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Authority for Directors to issue and allot shares in the Company pursuant to Section 75 and 76 of the Companies Act, 2016

This is a renewal of the mandate obtained from the shareholders of the Company at the Annual General Meeting of 20 June 2017 and if passed, will empower the Directors of the Company to issue and allot shares up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company.

This authority unless revoked or varied by the Company at a general meeting will expire at the next Annual General Meeting.

The renewal of this mandate would provide flexibility to the Company for any possible fund raising exercise, including but not limited for further placing of shares, for purpose of funding future investment projects, working capital and/or acquisitions. This authority is to avoid any delay and cost involved in convening a general meeting to approve such issuance of shares.

PROXY FORM

I/We _____
(NRIC/Passport/Company No. _____) of _____

being a member/members of the Company, hereby appoint _____
_____ NRIC/Passport No. _____

of _____

and/or _____ NRIC/Passport No. _____

of _____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Twenty Ninth Annual General Meeting of the Company to be held at the Company's Registered Office, Level 23A, Menara LGB, No. 1, Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur on **Tuesday, 5 June 2018 at 2.00 p.m.** and at any adjournment thereof.

Please indicate with 'X' in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion.

ORDINARY RESOLUTIONS		FOR	AGAINST
Resolution 1	Re-election of Encik Ghazie Yeoh Bin Abdullah as Director of the Company		
Resolution 2	Re-election of Mr. Henry Choo Hon Fai as Director of the Company		
Resolution 3	Approval of the payment of Non-Executive Directors' fees and benefits up to an amount of RM272,300 for the period from 1 January 2018 until the 30 th Annual General Meeting of the Company to be held in 2019, to be paid monthly		
Resolution 4	Re-appointment of Messrs. BDO as Auditors and to authorize the Directors to fix their remunerations		
Resolution 5	Authority to issue shares and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016		
Resolution 6	Proposed renewal and additional of shareholders' mandate for recurrent related party transactions of a revenue or trading nature		
Resolution 7	Retention of Mr. Lim Kok Beng as Independent Non-Executive Director of the Company		
Resolution 8	Retention of Mr. Henry Choo Hon Fai as Independent Non-Executive Director of the Company		

Dated this _____ day of _____ 2018

If shareholder is a corporation, this part should be executed under seal or under the hand of its officer or attorney duly authorised.

For appointment of 2 proxies, the percentage of shareholdings to be represented by the proxies:-

	No. of Shares	Percentage
1 st Proxy		%
2 nd Proxy		%
Total:		100 %

Signature of Member _____

NOTES:

- A member of the Company who is entitled to attend and vote at a general meeting of the Company, may appoint not more than two (2) proxies to attend and vote at the same meeting.
- A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the proxy shall have the same rights as the member to speak at the meeting.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
- Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or under the hand of its officer duly authorised.
- The instrument appointing a proxy must be deposited at the Company's Registered Office, Thriven Global Berhad, at Level 23A, Menara LGB, No.1, Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Securities Berhad to issue a Record of Depositors as at 29 May 2018 and only members whose names appear in the Record of Depositors shall be entitled to attend, speak and vote at this meeting.
- Registration will commence at 12:00 p.m. and close at 2:30 p.m. on the day of the meeting. Members and proxies are advised to be punctual. For verification purposes, members and proxies are required to produce their original identification card at the registration counter.
- Drinks and light refreshments will be provided. No door gift will be provided by the Company.
- Pursuant to Paragraph 8.29A of the Main Market Listing Requirements, voting at the 29th AGM of the Company will be conducted by poll. Independent Scrutineers will be appointed to observe the polling and verify the poll results.

FOLD THIS FLAP TO SEAL

2ND FOLD HERE

AFFIX
STAMP
HERE

THRIVEN GLOBAL BERHAD (182350-H)
Registered Office
Level 23A, Menara LGB
No.1, Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Malaysia

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60000 Kuala Lumpur

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thriven.com.my