



AXTERIA GROUP BERHAD

(FORMERLY KNOWN AS ACOUSTECH BERHAD)

Company No. 199901021765 (496665-W)

(Incorporated in Malaysia)

Interim Financial Report For the Period Ended 30 June 2021 (Quarter 2, 2021)

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**Interim Financial Report for the Period Ended 30 June 2021
(Quarter 2, 2021)**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 30 JUNE 2021**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To Date	Corresponding Period
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000 (Unaudited)	RM'000 (Restated)	RM'000 (Unaudited)	RM'000 (Restated)
Revenue	7,172	1,207	8,624	1,370
Operating expenses	(9,691)	(2,319)	(13,199)	(4,231)
Other operating income	58	103	131	195
Loss from operations	(2,461)	(1,009)	(4,444)	(2,666)
Finance costs	(282)	(288)	(730)	(573)
Share of results in associate	95	-	162	-
Loss before tax	(2,648)	(1,297)	(5,012)	(3,239)
Taxation	(181)	(24)	(252)	(49)
Loss for the period / Total comprehensive loss	(2,829)	(1,321)	(5,264)	(3,288)
Loss for the period / Total comprehensive loss attributable to :				
- Equity holders of the parent	(2,829)	(1,321)	(5,264)	(3,288)
- Non-controlling interests	-	-	-	-
	(2,829)	(1,321)	(5,264)	(3,288)
Loss per share attributable to equity holders of the parent :				
- Basic loss per share (sen)	(0.89)	(0.68)	(1.66)	(1.69)
- Diluted loss per share (sen)	(0.87)	(0.68)	(1.61)	(1.69)

The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited consolidated financial statements of Axteria Group Berhad ("AGB" or the "Company") for the financial year ended 31 December 2020 and the accompanying explanatory notes to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

(The figures have not been audited)

	(Unaudited) As at 30/06/2021	(Restated) As at 31/12/2020	(Restated) As at 01/01/2020
	RM'000	RM'000	RM'000
ASSETS			
Property, plant and equipment	1,032	700	946
Right-of-use assets	1,417	1,693	1,029
Investment property	3,656	4,091	2,500
Goodwill	19,469	19,469	21,469
Investment in associate	1,256	1,094	48
Other receivables	-	-	2,606
Total non-current assets	26,830	27,047	28,598
Inventories	96,351	85,490	79,934
Trade and other receivables	6,278	7,017	15,482
Contract assets	65	65	785
Current tax assets	917	323	232
Cash and bank balances	4,381	1,150	2,269
Amount owing by an associate	230	-	-
Non-current assets classified as held for sale	4,735	-	-
Total current assets	112,957	94,045	98,702
TOTAL ASSETS	139,787	121,092	127,300
EQUITY AND LIABILITIES			
Share capital	136,459	105,503	99,503
Treasury shares	(92)	(92)	(92)
Accumulated losses	(36,594)	(31,330)	(2,301)
Equity holders of the parent	99,773	74,081	97,110
Non-controlling interest	-	-	-
Total equity	99,773	74,081	97,110
Borrowings	13,094	8,298	15,876
Lease liabilities	1,061	1,474	761
Deferred tax liabilities	154	9	740
Total non-current liabilities	14,309	9,781	17,377
Trade and other payables	21,550	26,990	10,303
Contract liabilities	1,129	656	1,355
Lease liabilities	806	348	316
Current tax liabilities	63	159	299
Borrowings	2,157	9,077	540
Total current liabilities	25,705	37,230	12,813
TOTAL LIABILITIES	40,014	47,011	30,190
TOTAL EQUITY AND LIABILITIES	139,787	121,092	127,300
Net assets per share attributable to ordinary equity holders	0.28	0.33	0.50

The above Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements of AGB for the financial year ended 31 December 2020 and the accompanying explanatory notes to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 30 JUNE 2021**

(The figures have not been audited)

	----- Attributable to equity holders of the parent -----				
	----- Non-distributable -----			----- Distributable -----	
	Share Capital	Redeemable Convertible Preference Shares ("RCPS")	Tresury Shares	Retained Earnings/ (Accumulated Losses)	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2020	99,503	-	(92)	1,577	100,988
Effects of adoption of the Agenda Decision	-	-	-	(3,878)	(3,878)
Balance as at 1 January 2020 (restated)	99,503	-	(92)	(2,301)	97,110
Loss for the financial period	-	-	-	(3,288)	(3,288)
Balance as at 30 June 2020	99,503	-	(92)	(5,589)	93,822
Balance as at 1 January 2021	105,503	-	(92)	(26,458)	78,953
Effects of adoption of the Agenda Decision	-	-	-	(4,872)	(4,872)
Balance as at 1 January 2021 (restated)	105,503	-	(92)	(31,330)	74,081
Loss for the financial period	-	-	-	(5,264)	(5,264)
Transaction with owners					
Issuance of RCPS	-	30,956	-	-	30,956
Conversion of RCPS	28,956	(28,956)	-	-	-
Balance as at 30 June 2021	134,459	2,000	(92)	(36,594)	99,773

The above Consolidated Statement of Changes in Equity should be read in conjunction with the audited consolidated financial statements of AGB for the financial year ended 31 December 2020 and the accompanying explanatory notes to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021**

(The figures have not been audited)

	(Unaudited) Period ended 30/6/2021	(Restated) Period ended 30/06/2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(5,012)	(3,239)
Net adjustments for non-cash items	1,276	801
Operating loss before working capital changes	(3,736)	(2,438)
Changes in working capital		
(Decrease) / increase in receivables, deposits and prepayment	(3,996)	2,792
(Decrease) in inventories	(10,861)	(867)
(Increase) / decrease in payables and accruals	(4,966)	3,732
Cash (used in) / generated from operations	(23,559)	3,219
Interest paid	(159)	-
Tax (paid) / refunded	(798)	148
Net cash (used in) / generated from operating activities	(24,516)	3,367
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	-	92
Purchase of property, plant and equipment	(162)	(6)
Advances to an associate	(230)	(90)
Purchase of investment property under construction	-	(2,465)
Net cash used in investing activities	(392)	(2,469)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issuance of new ordinary shares and RCPS	30,956	-
Payment of lease liabilities	(123)	(209)
Repayment of loan	(2,124)	(394)
Interest paid	(570)	(1,057)
Net cash from/(used in) financing activities	28,139	(1,660)
Net increase/(decrease) in cash and cash equivalents	3,231	(762)
Cash and cash equivalents at beginning of financial year	1,150	2,269
Cash and cash equivalents at end of financial period	4,381	1,507

The above Condensed Consolidated Cash Flow Statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the financial year ended 31 December 2020.

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

A1. Basis of Preparation

The condensed interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and issuers communication no. 1/2017 – Guidance on Disclosures in Notes to Quarterly Reported issued by Bursa Malaysia.

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020. The explanatory notes attached to these condensed interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

A2. Summary of Significant Accounting Policies

The significant accounting policies and method of computation adopted in these condensed interim financial statements are consistent with those adopted and disclosed in the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020, except for the adoption of the following new amendments/improvements to MFRSs and IFRS Interpretations Committee (“IFRIC”)’s Agenda Decision on IAS 23 Borrowing Costs (“Agenda Decision”) which are effective from the annual periods beginning on or after 1 January 2021.

- Amendments to MFRS 16, Leases – Covid-19 Related Rent Concession
- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3 Definition of a Business
- Amendments to MFRS 101 and MFRS 108 Definition of Material
- Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform
- Amendments to MFRS 4 Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9
- Amendments to MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2
- IFRIC’s Agenda Decision on IAS 23 Borrowing Costs

Adoption of the above amendments to MFRS did not have any material financial impact to the Group except for the adoption of Agenda Decision, as discussed below:-

Agenda Decision

In March 2019, IFRIC concluded that any inventory which are available for its intended sale and still subject to transfer of control over time are not qualifying assets. Accordingly, the borrowing costs on those units should not be capitalised according to the principles and requirement in IAS 23 (MFRS 123).

In the prior financial years, borrowing costs incurred were capitalised in inventory – project development cost until the completion of the units. Effective from 1 January 2021, the Group had retrospectively applied the Agenda Decision and comparative figures have been restated as a result of transition requirement under the Agenda Decision.

The effects of the adoption of the Agenda Decision on the consolidated statement of financial position are as follows:-

Consolidated Statement of Financial Position
As at 31 December 2020

	As previously reported	Effects of the adoption of Agenda Decision	As restated
	RM'000	RM'000	RM'000
ASSETS			
Property, plant and equipment	700	-	700
Right-of-use assets	1,693	-	1,693
Investment property	4,091	-	4,091
Goodwill	19,469	-	19,469
Investment in associate	1,094	-	1,094
Other receivables	-	-	-
Total non-current assets	27,047	-	27,047
Inventories	90,362	(4,872)	85,490
Trade and other receivables	7,017	-	7,017
Contract assets	65	-	65
Current tax assets	323	-	323
Cash and bank balances	1,150	-	1,150
Total current assets	98,917	(4,872)	94,045
TOTAL ASSETS	125,964	(4,872)	121,092
EQUITY AND LIABILITIES			
Share capital	105,503	-	105,503
Treasury shares	(92)	-	(92)
Accumulated loss	(26,458)	(4,872)	(31,330)
Total equity	78,953	(4,872)	74,081
Borrowings	8,298	-	8,298
Lease liabilities	1,474	-	1,474
Deferred tax liabilities	9	-	9
Total non-current liabilities	9,781	-	9,781
Trade and other payables	26,990	-	26,990
Contract liabilities	656	-	656
Lease liabilities	348	-	348
Current tax liabilities	159	-	159
Borrowings	9,077	-	9,077
Total current liabilities	37,230	-	37,230
TOTAL LIABILITIES	47,011	-	47,011
TOTAL EQUITY AND LIABILITIES	125,964	(4,872)	121,092

The effects of the adoption of the Agenda Decision on the consolidated statement of financial position are as follows:-

Consolidated Statement of Financial Position
As at 1 January 2020

	As previously reported	Effects of the adoption of Agenda Decision	As restated
	RM'000	RM'000	RM'000
ASSETS			
Property, plant and equipment	946	-	946
Right-of-use assets	1,029	-	1,029
Investment property	2,500	-	2,500
Goodwill	21,469	-	21,469
Investment in associate	48	-	48
Other receivables	2,606	-	2,606
Total non-current assets	28,598	-	28,598
Inventories	83,812	(3,878)	79,934
Trade and other receivables	15,482	-	15,482
Contract assets	785	-	785
Current tax assets	232	-	232
Cash and bank balances	2,269	-	2,269
Total current assets	102,580	(3,878)	98,702
TOTAL ASSETS	131,178	(3,878)	127,300
EQUITY AND LIABILITIES			
Share capital	99,503	-	99,503
Treasury shares	(92)	-	(92)
Accumulated loss	1,577	(3,878)	(2,301)
Total equity	100,988	(3,878)	97,110
Borrowings	15,876	-	15,876
Lease liabilities	761	-	761
Deferred tax liabilities	740	-	740
Total non-current liabilities	17,377	-	17,377
Trade and other payables	10,303	-	10,303
Contract liabilities	1,355	-	1,355
Lease liabilities	316	-	316
Current tax liabilities	299	-	299
Borrowings	540	-	540
Total current liabilities	12,813	-	12,813
TOTAL LIABILITIES	30,190	-	30,190
TOTAL EQUITY AND LIABILITIES	131,178	(3,878)	127,300

The effects of the adoption of the Agenda Decision on the consolidated statement of profit and loss and other comprehensive income are as follows:-

Consolidated statement of profit and loss and other comprehensive income

	<u>For 3 months ended 30/06/2020</u>			<u>For 6 months ended 30/06/2020</u>		
	Effects of the		As Restated	Effects of the		As Restated
	As previously reported	adoption of Agenda Decision		As previously reported	adoption of Agenda Decision	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,207	-	1,207	1,370	-	1,370
Operating expenses	(2,319)	-	(2,319)	(4,231)	-	(4,231)
Other operating income	103	-	103	195	-	195
Loss from operations	(1,009)	-	(1,009)	(2,666)	-	(2,666)
Finance costs	(45)	(243)	(288)	(87)	(486)	(573)
Share of results in associate	-	-	-	-	-	-
Loss before tax	(1,054)	(243)	(1,297)	(2,753)	(486)	(3,239)
Taxation	(24)	-	(24)	(49)	-	(49)
Loss for the period / Total comprehensive loss	(1,078)	(243)	(1,321)	(2,802)	(486)	(3,288)
Loss for the period / Total comprehensive loss attributable to:						
- Equity holders of the parent	(1,078)	(243)	(1,321)	(2,802)	(486)	(3,288)
- Non-controlling interests	-	-	-	-	-	-
	(1,078)	(243)	(1,321)	(2,802)	(486)	(3,288)
Loss per share attributable to equity holders of the parent :						
- Basic loss per share (sen)	(0.55)		(0.68)	(1.44)		(1.69)
- Diluted loss per share (sen)	(0.55)		(0.68)	(1.44)		(1.69)

Consolidated Statement of Cash Flow

The adoption of the Agenda Decision did not have any financial impact on the consolidated statement of cash flows for the 6 months period ended 30 June 2020.

A2.1 Amendment to MFRSs and IC Interpretations (including the Consequential Amendments) which were issued but not yet effective

The Group and the Company have yet to apply the following amendments to the MFRSs as they will only be effective for annual periods beginning on or after 1 January 2022: -

	<u>Effective Date</u>
• MFRS 17 Insurance Contracts	1 January 2023
• Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
• Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
• Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
• Amendments to MFRS 17 Insurance Contracts	1 January 2023
• Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
• Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
• Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
• Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
• Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
• Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The Group is currently assessing the impact of implementing these amendments and plans to adopt these standards on the respective effective dates.

A3. Audit Report of Preceding Year's Annual Financial Statements

The preceding year annual audited financial statements were not subjected to any qualification.

A4. Seasonal or Cyclical Factors

The Group's performance during the financial period under review was not materially affected by seasonal or cyclical factors.

A5. Extraordinary and exceptional items

There was no item which is extraordinary and exceptional because of its size or incidences that has affected the assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter under review.

A6. Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim periods or prior financial years that have a material effect in the current financial quarter and year-to-date.

A7. Debt and Equity Securities

During the current quarter, the 20,000,000 RCPS, which was outstanding at the end of immediate preceding period, has been converted into 8,673,026 ordinary shares.

In addition to the above, the Company further issued 50,000,000 RCPS at RM0.10 per share for a total of RM5,000,000. Out of which, 30,000,000 RCPS were converted into 13,009,540 ordinary shares whilst the balance of 20,000,000 RCPS remains outstanding at the end of the current quarter.

As at 30 June 2021, the total number of outstanding warrants was 97,211,694 units.

Except for the above, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

A8. Dividend Paid

No dividend has been declared or paid by the Group during the current quarter.

A9. Segmental Information

The Group's segmental information are as follows: -

	Property development & construction	Investment holding	Total
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
6-months ended 30 June 2021			
Revenue			
External revenue	8,624	-	8,624
Result			
Operating loss	(2,101)	(2,474)	(4,575)
Finance costs	(723)	(7)	(730)
Interest income	-	56	56
Other income	75	-	75
Share of results in an associate	-	162	162
Loss before tax	(2,749)	(2,263)	(5,012)
Tax expense	(107)	(145)	(252)
Loss for the period	(2,856)	(2,480)	(5,264)

A9. Segmental Information (Cont'd)

	Property development & construction	Investment holding	Total
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
6-months ended 30 June 2020			
Revenue			
External revenue	1,370	-	1,370
Result			
Operating loss	(1,671)	(1,190)	(2,861)
Finance costs	(560)	(13)	(573)
Interest income	2	90	92
Other income	101	2	103
Loss before tax	(2,128)	(1,111)	(3,239)
Tax expense	-	(49)	(49)
Loss for the period	(2,128)	(1,160)	(3,288)

A10. Valuation of Property, Plant and Equipment

The property, plant and equipment are stated at cost less depreciation and impairment loss, if any.

A11. Significant Events During the Reporting Period

The significant events for the current financial quarter under review are summarized as follows: -

- (a) On 28 May 2021, the Board of Directors of the Company had proposed the change of the Company's name from "Acoustech Berhad" to "Asteria Group Barhad".

The proposal had subsequently been approved by the shareholders at the Twenty-Second Annual Meeting of the Company on 27 June 2021 and the change of name effective from 19 July 2021 has been registered by the Companies Commission of Malaysia on 2 August 2021.

- (b) Following the change of the Company's name, the Company had also announced that its subsidiaries have been renamed to as follows with effect from 19 July 2021: -

Former Name	New Name
JM Cemerlang Sdn. Bhd.	Asteria Cemerlang Sdn. Bhd.
T Three Builder Sdn. Bhd.	Asteria Construction Sdn. Bhd.
TE Dynamic Sdn. Bhd.	Asteria Development Sdn. Bhd.
TE Hotel Sdn. Bhd.	Asteria Assets Sdn. Bhd.
Teras Eco Sdn. Bhd.	Asteria Eco Sdn. Bhd.
Teras Eco Resources Sdn. Bhd.	Asteria Properties Sdn. Bhd.

A12. Event After the End of the Interim Financial Period

As laid out in the previous quarterly report, Axteria Eco Sdn Bhd (formerly known as Teras Eco Sdn Bhd) ("Axteria Eco"), being the wholly owned of the Company, had entered into a Sale and Purchase Agreement ("SPA") with Pegasus Advance Engineering Sdn Bhd for sale of a parcel of land for a cash consideration amounting to RM6.4million. The sale has been concluded in August 2021.

A13. Changes in the Composition of the Group

On 23 March 2021, the Company incorporated a private company limited by shares under the Companies Act 2016 known as Axteria Development Sdn. Bhd. (formerly known as TE Dynamic Sdn. Bhd.) ("Axteria Development") to carry out the business of property development. The share capital of Axteria Development is RM2 comprising two (2) ordinary shares which have been issued and fully paid-up by the Company.

Apart from the above, there was no other changes in the composition of the Group during the current financial quarter.

A14. Contingent Liabilities and Contingent Assets

(a) Contingent liabilities

Limit:

Corporate guarantees given to financial institutions for credit facilities granted to a subsidiary – unsecured
 Corporate guarantees given to financial institutions for credit facilities granted to an associate – unsecured

Utilised:

Corporate guarantees given to financial institutions for credit facilities granted to a subsidiary – unsecured
 Corporate guarantees given to financial institutions for credit facilities granted to an associate – unsecured

Company	
As at 30/06/2021 (Unaudited) RM'000	As at 31/12/2020 (Audited) RM'000
39,700	38,605
9,709	9,709
14,700	17,375
9,200	9,243

(b) Contingent assets

There were no contingent assets as at the end of current financial quarter.

A15. Capital Commitments

There were no outstanding capital commitments for the Group as at the end of the current quarter.

A16. Related Party Transactions

The Group's recurrent related party transactions are as follows: -

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 6 months ended	Preceding Year 6 months ended
	30/6/2021 (Unaudited) RM'000	30/06/2020 (Unaudited) RM'000	30/06/2021 (Unaudited) RM'000	30/06/2020 (Unaudited) RM'000
Transactions with a company connected to a Director - Lease payment	-	37	-	37

Related Party Transactions have been entered into in the ordinary course of business based on normal commercial terms and at arm's length.

B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENT BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 6 months ended	Preceding Year 6 months ended
	30/6/2021 (Unaudited) RM'000	30/06/2020 (Restated) RM'000	30/06/2021 (Unaudited) RM'000	30/06/2020 (Restated) RM'000
Revenue	7,172	1,207	8,624	1,370
Loss before tax	(2,648)	(1,297)	(5,012)	(3,239)

The Group recorded a revenue of RM7.17 million for the current quarter as compared to RM1.21 million in the corresponding quarter last year, representing a growth of 494%. The significant increase was due to recognition of revenue generated from Phase 2 of Project Desa 88, of which the construction stage has reached 50.17%, and sale of land under Phase 4 of Project Desa 88.

Arising from the above, the Group recorded a cumulative revenue of RM8.62 million for 6-months period ended 30 June 2021, which is RM7.25 million higher than the corresponding 6-months period last year.

The Group reported a loss before tax of RM2.65 million in the current quarter as compared to a loss before tax of RM1.29 million in the corresponding quarter last year. Cumulatively, with the significant revenue growth in current quarter, the negative profit margin decreased from 236% in 6-months period ended 30 June 2020 to 58% in the 6-months period ended 30 June 2021.

B2. Comparison with Preceding Quarter's Results

	Current Quarter ended	Preceding Quarter ended
	30/06/2021 (Unaudited) RM'000	31/03/2021 (Unaudited) RM'000
Revenue	7,172	1,452
Loss before tax	(2,648)	(2,364)

The Group's revenue increased from RM1.45 million in the immediate preceding quarter to RM7.17 million in the current quarter, representing an increase of 393.94%. The increase in revenue was primarily due to revenue contribution from Project Desa 88 as stated in B1 above.

The Group's loss before tax for current quarter is RM2.65 million as compared to RM2.36 million for immediate preceding quarter. Notwithstanding that the Company has achieved a significant increase in revenue, the loss before tax for current year quarter was increased by 12% mainly attributable to the increase of development cost for Project Desa 88.

B3. Prospects for the Current Financial Year

With the new waves of infections caused by the Covid-19 variants, the business environment is still very hazy and challenging. However, with the international vaccination programme gaining pace, the Group is hopeful that the domestic and global economic outlook will improve.

The update of various projects of the Group are set out as follows:

(a) Project Desa 88 – Phase 1

The construction stage for Phase 1 has reached 90.16% and is moving towards CCC in Quarter 4 of 2021.

As of the date of this report, the international units are fully sold while the Bumiputra Units are showing favourable number of booking and sales.

(b) Project Desa 88 – Phase 2

Apart from Phase 1, the Phase 2 of Project Desa 88 is also showing satisfactory prospects with promising purchasers' response. To-date, 86% of the international unit are sold and booked. The remaining international units are expected to be fully sold by end of 2021.

In term of the construction progress, it is envisaged that the project will be completed by Quarter 2 of 2022, which is ahead of the deadline scheduled in Quarter 1 of 2023. Therefore, despite the imposition of more restrictive FMCO in June 2021, the Group is confident that the units will be handed over to the purchasers on time or before the agreed deadline.

(c) Project Sentrio, Pasir Gudang

Project Sentrio is one of the new projects that will be focused by the Group in year 2021.

Despite the imposition of FMCO, the earthworks has been 100% completed according to the planned schedule. The structural work is expected to commence in Quarter 3 or Quarter 4 of 2021 depending on when the contractors may resume their operation.

To-date, the number of sales and bookings have been encouraging even with FMCO in place. In view of that, the Group is optimistic that the number of sales and bookings will increase further with the upliftment of the FMCO and the commencement of structural works.

(d) Project Axteria, Melaka

The construction works for Project Axteria, which consists of the 241 room hotel building (the "Hotel") and the 44-storey 306 service apartment units (the "Service Apartments"), were slightly behind schedule since the implementation of FMCO on 1 June 2021.

As of the date of this report, the contractor of Project Axteria is in the midst of seeking approval from the relevant authorities following the recent announcement by the Government to allow the construction sector to resume operation under strict compliance of standard operating procedures.

Notwithstanding the delay in progress of the construction, the Group remains optimistic to complete the Hotel and launch the Service Apartments by year 2022.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review and the financial year-to-date.

B5. Status of Corporate Proposals

There was no corporate proposal announced but not completed as at the date of this report.

B6. Loss before Taxation

The loss before taxation is arrived at after charging the following items: -

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 6 months ended	Preceding Year 6 months ended
	30/6/2021 (Unaudited) RM'000	30/06/2020 (Restated) RM'000	30/06/2021 (Unaudited) RM'000	30/06/2020 (Restated) RM'000
Interest income	(28)	(45)	(56)	(92)
Other income including investment income	(30)	(47)	(75)	(103)
Interest expenses	282	288	730	573
Depreciation and amortisation	139	135	273	291
Provision for write off of receivables	-	-	-	-
Provision for write off of inventories	-	-	-	-
Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange loss/(gain)	-	-	-	-
Gain or loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

B7. Taxation

Taxation comprises the following: -

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 6 months ended	Preceding Year 6 months ended
	30/6/2021 (Unaudited) RM'000	30/06/2020 (Restated) RM'000	30/06/2021 (Unaudited) RM'000	30/06/2020 (Restated) RM'000
Current tax expense	107	-	107	-
Deferred taxation	74	24	145	49
	181	24	252	49
Effective tax rate	(6.84%)	(1.85%)	(5.03%)	(1.51%)

The Group's effective tax rate are negative due to the loss making position of the Group. The tax expenses arose mainly from certain profitable entities within the Group but the profit has been offset with the losses from other entities in the Group at the consolidated level.

B8. Group Loans and Borrowings

The Group's loans and borrowings as at 30 June 2021 are as follows: -

	As at period ended 30 June 2021		
	Long Term Borrowings (Unaudited) RM'000	Short Term Borrowings (Unaudited) RM'000	Total Borrowings (Unaudited) RM'000
Secured			
Term loans and bridging finance	13,094	2,157	15,251
Lease liabilities	1,061	806	1,867
	14,155	2,963	17,118

	As at year ended 31 December 2020		
	Long Term Borrowings (Audited) RM'000	Short Term Borrowings (Audited) RM'000	Total Borrowings (Audited) RM'000
Secured			
Term loans and bridging finance	8,298	9,077	17,375
Lease liabilities	1,474	348	1,822
	9,772	9,425	19,197

B9. Financial Instruments

Forward foreign exchange contracts are entered into by the Group in currencies other than the functional currency to manage exposure to fluctuations in foreign currency exchange rates on specific transactions.

Forward foreign exchange contracts are recognised on the contract dates and are measured at fair values at the end of the financial period under review with changes in fair values being recognised as profit or loss.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk.

As at 30 June 2021, the Group does not have any financial instrument.

B10. Material Litigation

There was no material litigation during the current financial period under review.

B11. Proposed Dividend

There was no dividend declared for the current financial period under review.

B12. Loss per ordinary share ("LPS")

Basic LPS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 6 months ended	Preceding Year 6 months ended
	30/6/2021 (Unaudited)	30/06/2020 (Restated)	30/06/2021 (Unaudited)	30/06/2020 (Restated)
Loss attributable to equity holders of the parent (RM'000)	(2,829)	(1,321)	(5,264)	(3,288)
Weighted average number of shares in issue ('000)	317,561	194,535	317,561	194,535
Basic LPS (sen)	(0.89)	(0.68)	(1.66)	(1.69)

Diluted LPS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 6 months ended	Preceding Year 6 months ended
	30/6/2021 (Unaudited)	30/06/2020 (Restated)	30/06/2021 (Unaudited)	30/06/2020 (Restated)
Loss attributable to equity holders of the parent (RM'000)	(2,829)	(1,321)	(5,264)	(3,288)
Weighted average number of shares in issue ('000)	317,561	194,535	317,561	194,535
Cumulative Redeemable Convertible Preference Shares	8,219	-	8,219	-
Shares deemed issued for no consideration ('000) – Warrants	996	-	996	-
Weighted average number of shares for diluted EPS ('000)	326,776	194,535	326,776	194,535
Diluted LPS (sen)	(0.87)	(0.68)	(1.61)	(1.69)