



AXTERIA GROUP BERHAD

(FORMERLY KNOWN AS ACOUSTECH BERHAD)

Company No. 199901021765 (496665-W)

(Incorporated in Malaysia)

Interim Financial Report For the Period Ended 30 September 2021 (Quarter 3, 2021)

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**Interim Financial Report for the Period Ended 30 September 2021
(Quarter 3, 2021)**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 30 SEPTEMBER 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
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000 (Unaudited)	RM'000 (Restated)	RM'000 (Unaudited)	RM'000 (Restated)
Revenue	10,960	458	19,584	1,827
Operating expenses	(9,760)	(2,690)	(22,959)	(6,920)
Other operating income	197	131	328	326
Profit/(loss) from operations	1,397	(2,101)	(3,047)	(4,767)
Finance costs	(178)	(4,026)	(908)	(4,599)
Share of results in associate	130	-	292	-
Profit/(loss) before tax	1,349	(6,127)	(3,663)	(9,366)
Taxation	(78)	(26)	(330)	(75)
Profit/(loss) for the period / Total comprehensive profit/(loss)	1,271	(6,153)	(3,993)	(9,441)
Profit/(loss) for the period / Total comprehensive profit / (loss) attributable to :				
- Equity holders of the parent	1,271	(6,153)	(3,993)	(9,441)
- Non-controlling interests	-	-	-	-
	1,271	(6,153)	(3,993)	(9,441)
Earnings/(loss) per share attributable to equity holders of the parent :				
- Basic earnings/(loss) per share (sen)	0.37	(3.16)	(1.18)	(4.85)
- Diluted earnings/(loss) per share (sen)	0.37	(2.11)	(1.18)	(3.24)

The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited consolidated financial statements of Ateria 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 SEPTEMBER 2021**

(The figures have not been audited)

	(Unaudited) As at 30/09/2021	(Restated) As at 31/12/2020	(Restated) As at 01/01/2020
	RM'000	RM'000	RM'000
ASSETS			
Property, plant and equipment	1,543	700	946
Right-of-use assets	690	1,693	1,029
Investment property	3,656	4,091	2,500
Goodwill	19,469	19,469	21,469
Investment in associate	1,386	1,094	48
Other receivables	-	-	2,606
Total non-current assets	26,744	27,047	28,598
Inventories	95,419	85,490	79,934
Trade and other receivables	6,225	7,017	15,482
Contract assets	65	65	785
Current tax assets	1,248	323	232
Cash and bank balances	12,496	1,150	2,269
Amount owing by an associate	322	-	-
Non-current assets classified as held for sale	-	-	-
Total current assets	115,775	94,045	98,702
TOTAL ASSETS	142,519	121,092	127,300
EQUITY AND LIABILITIES			
Share capital	146,459	105,503	99,503
Treasury shares	(92)	(92)	(92)
Accumulated losses	(35,323)	(31,330)	(2,301)
Equity holders of the parent	111,044	74,081	97,110
Non-controlling interest	-	-	-
Total equity	111,044	74,081	97,110
Borrowings	10,753	8,298	15,876
Lease liabilities	768	1,474	761
Deferred tax liabilities	232	9	740
Total non-current liabilities	11,753	9,781	17,377
Trade and other payables	14,307	26,990	10,303
Contract liabilities	2,974	656	1,355
Lease liabilities	257	348	316
Current tax liabilities	32	159	299
Borrowings	2,152	9,077	540
Total current liabilities	19,722	37,230	12,813
TOTAL LIABILITIES	31,475	47,011	30,190
TOTAL EQUITY AND LIABILITIES	142,519	121,092	127,300
Net assets per share attributable to ordinary equity holders	0.27	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 SEPTEMBER 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	-	-	-	(9,441)	(9,441)
Balance as at 30 September 2020	99,503	-	(92)	(11,742)	87,669
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
Profit for the financial period	-	-	-	(3,993)	(3,993)
Transaction with the owners					
Issuance of new shares	40,956	-	-	-	40,956
Balance as at 30 September 2021	146,459	-	(92)	(35,323)	111,044

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 SEPTEMBER 2021**

(The figures have not been audited)

	(Unaudited) Period ended 30/09/2021	(Restated) Period ended 30/09/2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(3,663)	(9,366)
Net adjustments for non-cash items	1,320	5,066
Operating loss before changes in working capital	(2,343)	(4,300)
Changes in working capital		
Net change in trade and other receivables	792	2,024
Net change in inventories	(9,929)	(9,914)
Net change in contract liabilities, trade and other payables	(10,365)	12,875
Cash (used in) / generated from operations	(21,845)	685
Interest paid	(160)	-
Tax (paid) / refunded	(1,158)	148
Net cash (used in) / generated from operating activities	(23,163)	833
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	-	138
Purchase of property, plant and equipment	(144)	(9)
Advances to an associate	(322)	(136)
Proceed from disposal of property, plant & equipment and right-of-use asset	258	-
Purchase of investment property under construction	-	(2,465)
Net cash used in investing activities	(208)	(2,472)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issuance of new ordinary shares and RCPS	40,956	3,800
Payment of lease liabilities	(1,020)	(284)
Drawdown/(repayment) of loan	(4,471)	1,555
Interest paid	(748)	(1,277)
Net cash from/(used in) financing activities	34,717	3,794
Net increase/(decrease) in cash and cash equivalents	11,346	2,155
Cash and cash equivalents at beginning of financial year	1,150	2,269
Cash and cash equivalents at end of financial period	12,496	4,424

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 NINE MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 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

	For 3 months ended 30/09/2020			For 9 months ended 30/09/2020		
	As previously reported	Effects of the adoption of Agenda Decision	As Restated	As previously reported	Effects of the adoption of Agenda Decision	As Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	458	-	458	1,827	-	1,827
Operating expenses	(2,690)	-	(2,690)	(6,920)	-	(6,920)
Other operating income	131	-	131	326	-	326
Loss from operations	(2,101)	-	(2,101)	(4,767)	-	(4,767)
Finance costs	(3,791)	(235)	(4,026)	(3,878)	(721)	(4,599)
Share of results in associate	-	-	-	-	-	-
Loss before tax	(5,892)	(235)	(6,127)	(8,645)	(721)	(9,366)
Taxation	(26)	-	(26)	(75)	-	(75)
Loss for the period / Total comprehensive loss	(5,918)	(235)	(6,153)	(8,720)	(721)	(9,441)
Loss for the period / Total comprehensive loss attributable to:						
- Equity holders of the parent	(5,918)	(235)	(6,153)	(8,720)	(721)	(9,441)
- Non-controlling interests	-	-	-	-	-	-
	(5,918)	(235)	(6,153)	(8,720)	(721)	(9,441)
Loss per share attributable to equity holders of the parent :						
- Basic loss per share (sen)	(3.04)		(3.16)	(4.48)		(4.85)
- Diluted loss per share (sen)	(2.03)		(2.11)	(2.99)		(3.24)

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 9 months period ended 30 September 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 9,090,909 ordinary shares.

In addition to the above, the Company has issued an additional 100,000,000 RCPS at RM0.10 per share for a total of RM10,000,000. These RCPS were converted into 45,454,545 ordinary shares during the current quarter and hence, there was no outstanding RCPS at the end of the current quarter.

As at 30 September 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
9-months ended 30 September 2021			
Revenue			
External revenue	19,584	-	19,584
Result			
Operating loss	(50)	(3,325)	(3,375)
Finance costs	(900)	(8)	(908)
Interest income	-	85	85
Other income	70	173	243
Share of results in an associate	-	292	292
Loss before tax	(880)	(2,783)	(3,663)
Tax expense	(107)	(223)	(330)
Loss for the period	(987)	(3,006)	(3,993)

A9. Segmental Information (Cont'd)

	Property development & construction	Investment holding	Total
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
9-months ended 30 September 2020			
Revenue			
External revenue	1,827	-	1,827
Result			
Operating loss	(2,461)	(2,632)	(5,093)
Finance costs	(4,583)	(16)	(4,599)
Interest income	2	136	138
Other income	186	2	188
Loss before tax	(6,856)	(2,510)	(9,366)
Tax expense	-	(75)	(75)
Loss for the period	(6,856)	(2,585)	(9,441)

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

As laid out in the previous quarterly report, the Company's name has been changed to Axteria Group Berhad effective from 19 July 2021. As such, the Company's securities are to be traded and quoted under the new stock short name as set out below:-

Type of securities	Old stock short name	New stock short name
Ordinary shares	ACOSTEC	AXTERIA
Warrants	ACOSTEC-WA	AXTERIA-WA

A12. Event After the End of the Interim Financial Period

There were no significant event after the end of the quarter up to the date of this announcement, save for the following:-

- (i) On 15 October 2021, the Board of Directors of the Company announced that the Company had signed a non-binding Letter of Intent ("LOI") with Far East Hospitality Management (S) Pte. Ltd. ("FEH") on 15 October 2021, expressing its intent in managing the hotel and serviced suites located in Kota Laksamana, Melaka, Malaysia (the "Properties") vide the projects currently undertaken by the wholly-owned subsidiaries, Axteria Assets Sdn. Bhd. (encompassing a 16-storey development building with 241 hotel rooms) and Axteria Eco Sdn. Bhd. (encompassing a 44-storey development building with 306 service suites), both proposed to be managed under the FEH brands.

AXTERIA GROUP BERHAD (formerly known as Acoustech Berhad)

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- (ii) On 15 November 2021, Axteria Properties Sdn. Bhd. ("APSB"), a wholly-owned subsidiary of AGB, had entered into a master sale and purchase agreement ("Master SPA") with Jaya Mapan Sdn Bhd to acquire 16 retail units located in Kota Laksamana, Melaka Darul Ehsan for a total cash consideration of RM11,008,000, subject to the terms and conditions as stipulated in the Master SPA.
- (iii) On 15 November 2021, the Company had entered into a share sale agreement ("SSA") with Jaya Dormitory Sdn Bhd to acquire the 1,500,000 Sale Shares representing 15% of the total issued share capital of Harum Eco Dormitory Sdn Bhd for a cash consideration of RM2,778,137.84 only, subject to the terms and conditions of the SSA.

A13. Changes in the Composition of the Group

There was no change in the composition of the Group during the current 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 30/09/2021 (Unaudited) RM'000	As at 31/12/2020 (Audited) RM'000
Corporate guarantees given to financial institutions for credit facilities granted to a subsidiary – unsecured	39,700	38,605
Corporate guarantees given to financial institutions for credit facilities granted to an associate – unsecured	9,709	9,709
Corporate guarantees given to financial institutions for credit facilities granted to a subsidiary – unsecured	12,830	17,375
Corporate guarantees given to financial institutions for credit facilities granted to an associate – unsecured	9,048	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 had the following transactions with the related parties for the 9 months period ended 30 September 2021:-

	RM'000
(i) Transactions with an associates	
- Interest received and receivables	85
- Advances given	322

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 9 months ended	Preceding Year 9 months ended
	30/09/2021 (Unaudited) RM'000	30/09/2020 (Restated) RM'000	30/09/2021 (Unaudited) RM'000	30/09/2020 (Restated) RM'000
Revenue	10,960	458	19,584	1,827
Profit/(loss) before tax	1,349	(6,127)	(3,663)	(9,366)

The Group's revenue increased significantly from RM0.45 million in Q3 2020 to RM10.96 million in the current quarter, representing growth of 2293%. Cumulatively, the revenue for 9-months period ended 30 September 2021 of RM19.58 million was RM17.76 million higher than the corresponding 9-months period last year. The significant increase in revenue was mainly driven by recognition of higher revenue from Project Desa 88.

Arising from the above, the Group has recorded a profit before tax of RM1.35 million for Q3 2021 as compared to a loss before tax of RM6.13 million in Q3 2020. For the 9-months period ended 30 September 2021, a loss before tax of RM1.24 million was reported, which was 86.77% lower than the loss of RM9.37 millions for the corresponding 9-months period last year.

The improvement in overall financial performance was inline with strong demand of industrial product in Johor.

B2. Comparison with Preceding Quarter's Results

	Current Quarter ended	Preceding Quarter ended
	30/09/2021 (Unaudited) RM'000	30/06/2021 (Unaudited) RM'000
Revenue	10,960	7,172
Profit/(loss) before tax	1,349	(2,648)

The Group's revenue increased from RM7.17 million in the immediate preceding quarter to RM10.96 million in the current quarter, representing an increase of 52.82%. The increase in both revenue and profit before tax was primarily due to revenue contribution from Project Desa 88 as stated in B1 above.

B3. Prospects for the Current Financial Year

The COVID-19 pandemic presents a significant challenges to both the domestic and global economic. Like many other businesses, the Group was impacted by the disruptions and restrictions brought about by different stages of Movement Control Orders ("MCO") implemented by the government since March 2020 as a mean of curbing the spread of virus.

Despite the MCO has intermittently disrupted our operation but there has been no significant impact on the operating results. With the gradual reopening of economic sections and resumption of business activities based on the government's National Recovery Plan ("NRP"), the Board is cautiously optimistic that the Group's prospects for the coming quarter would remain positive and satisfactory.

Our Group's property development segment is expected to be continue driven by our existing on-going projects, subject to the market and economics conditions as well as the approval from the relevant authorities.

Status of the Group's existing projects are set out as follows:

(a) Project Desa 88 – Phase 1

As of the date of this report, the international units are fully sold while the Bumiputra Units are showing strong take up rate.

The construction stage for Phase 1 has reached 90.16%. The Certificate of Completion and Compliance is targeted to be obtained in Q1 2022.

(b) Project Desa 88 – Phase 2

The Phase 2 of Project Desa 88 is also showing satisfactory prospects with promising purchasers' response. As of the date of this report, all international unit are sold and booked.

In term of the construction progress, it is envisaged that the project will be completed by Q2 2022, which is ahead of the deadline scheduled in Q1 2023. With the resumption of construction activities, 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

The structural works for Project Sentrio has commenced in Q4 2021.

70% of the international unit has been sold and booked as of the date of this report. With the resumption of social and business activities, the Group is optimistic that the number of sales and bookings will increase further in the coming quarters.

(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") have also resumed as of the date of this report.

The construction stage for the Hotel and the Service Apartment have reached 55% and 16%, respectively. It is envisaged that the Hotel will be completed by Q4 2022 whilst the Service Apartments will be also be launched by Q1 2022 and completed by Q4 2023.

In anticipation of economic recovery, the Group continues to look out for more collaborations with strategic partners and seek new business opportunities to expand the Group's income stream and improve the sustainability and financial performance of the Group.

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

Other than as disclosed in Note A12, there was no corporate proposal announced but not completed as of 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 9 months ended	Preceding Year 9 months ended
	30/09/2021 (Unaudited) RM'000	30/09/2020 (Restated) RM'000	30/09/2021 (Unaudited) RM'000	30/09/2020 (Restated) RM'000
Interest income	(29)	(46)	(85)	(138)
Other income including investment income	(168)	-	(243)	-
Interest expenses	178	15	908	70
Depreciation and amortisation	135	128	408	419
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 9 months ended	Preceding Year 9 months ended
	30/09/2021 (Unaudited) RM'000	30/09/2020 (Restated) RM'000	30/09/2021 (Unaudited) RM'000	30/09/2020 (Restated) RM'000
Current tax expense	-	-	107	-
Deferred taxation	78	26	223	75
	78	26	330	75
Effective tax rate	5.78%	(0.42%)	9.01%	(0.80%)

The deferred taxation was primarily provided for interest charged on advances given to subsidiaries.

The Group's effective tax rate were lower than the statutory tax rate mainly 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 September 2021 are as follows: -

	As at period ended 30 September 2021		
	Long Term Borrowings	Short Term Borrowings	Total Borrowings
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
Secured			
Term loans and bridging finance	10,753	2,151	12,904
Lease liabilities	768	257	1,025
	11,521	2,408	13,929

	As at year ended 31 December 2020		
	Long Term Borrowings	Short Term Borrowings	Total Borrowings
	(Audited) RM'000	(Audited) RM'000	(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 September 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. Earnings/(loss) per ordinary share ("EPS" or "LPS")

Basic EPS/(LPS)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 9 months ended	Preceding Year 9 months ended
	30/09/2021 (Unaudited)	30/09/2020 (Restated)	30/09/2021 (Unaudited)	30/09/2020 (Restated)
Profit/(loss) attributable to equity holders of the parent (RM'000)	1,271	(6,153)	(3,993)	(9,441)
Weighted average number of shares in issue ('000)	339,474	194,535	339,474	194,535
Basic EPS/(LPS) (sen)	0.37	(3.16)	(1.18)	(4.85)

Diluted EPS/(LPS)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 9 months ended	Preceding Year 9 months ended
	30/09/2021 (Unaudited)	30/09/2020 (Restated)	30/09/2021 (Unaudited)	30/09/2020 (Restated)
Profit/(loss) attributable to equity holders of the parent (RM'000)	1,271	(6,153)	(3,993)	(9,441)
Weighted average number of shares in issue ('000)	339,474	291,747	339,474	291,747
Cumulative Redeemable Convertible Preference Shares	-	-	-	-
Shares deemed issued for no consideration ('000) – Warrants	-	-	-	-
Weighted average number of shares for diluted EPS ('000)	339,474	291,747	339,474	291,747
Diluted EPS/(LPS) (sen)	0.37	(2.11)	(1.18)	(3.24)

BY ORDER OF THE BOARD OF
 AXTERIA GROUP BERHAD

Date: 26 November 2021