AXTERIA

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Capitalising On Change

23rd ANNUAL GENERAL MEETING

Date : Monday, 27 June 2022

Time : 10.00 a.m.

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Third (23rd) Annual General Meeting ("AGM") of the Company will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities which are provided by Tricor Investor & Issuing House Services Sdn Bhd (or "Tricor") via TIIH Online website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC: D1A282781) on Monday, 27 June 2022 at 10.00 a.m. for the transaction of the following businesses: -

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and the Auditors thereon.

2. To approve the following payments:

   a) To approve the payment of Directors' Fees amounting to RM600,000.00 in respect of the financial year ending 31 December 2022 and up to the next AGM, to be paid monthly in arrears. **(Ordinary Resolution 1)**

   b) To approve payment of Directors' benefits of up to RM420,000.00 for the period from 1 July 2022 to 30 June 2023, to be paid monthly in arrears. **(Ordinary Resolution 2)**

3. To re-elect the following Directors who retire in accordance with Clause 105(1) of the Company's Constitution: -

   (1) Encik Ahmad Rahizal Bin AMB Dato' Ahmad Rasidi **(Ordinary Resolution 3)**
   (2) Mr. Yee Wei Meng **(Ordinary Resolution 4)**

4. To re-elect the following Directors who retire in accordance with Clause 114 of the Company's Constitution: -

   (1) Mr. Tan Joo Khong **(Ordinary Resolution 5)**
   (2) Mr. Mok Juan Chek **(Ordinary Resolution 6)**

5. To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to determine their remuneration. **(Ordinary Resolution 7)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions with or without any modification: -

6. **Authority to Issue Shares pursuant to the Companies Act 2016 ("the Act")**

   "**THAT** pursuant to Sections 75 and 76 of the Act, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 20% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed 20% General Mandate").

   THAT such approval on the Proposed 20% General Mandate shall continue to be in force until 31 December 2022.

   THAT with effect from 1 January 2023, the general mandate shall be reinstated from a 20% limit to a 10% limit pursuant to Paragraph 6.03 of the Listing Requirements provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer by the Company from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed 10% General Mandate").

   (The "Proposed 20% General Mandate" and "Proposed 10% General Mandate" shall hereinafter collectively referred to as the "Proposed General Mandate".)

NOTICE OF ANNUAL GENERAL MEETING

THAT such approval on the Proposed General Mandate shall continue to be in force until:

a. the conclusion of the next AGM of the Company held after the approval was given;
b. the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is the earlier.

AND THAT the Directors of the Company be hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

AND FURTHER THAT authority be hereby given to the Directors of the Company, to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation thereto as to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities."

(Ordinary Resolution 8)

7. To transact any other business of the Company of which due notice shall have been given.

BY ORDER OF THE BOARD

Pang Kah Man
SSM PC No.: 202008000183
MIA No.: 18831
Company Secretary

Muar, Johor Darul Takzim
29 April 2022

Notes:-

1. *The 23rd AGM will be conducted on a fully virtual basis via TIIH Online website at https://tiih.online. The conduct of a fully AGM is in line with the revised Guidance Note and FAQs on the conduct of General Meetings for Listed Issuers issued by Securities Commission of Malaysia. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 ("the Act") provided that the online meeting platform is located in Malaysia and all meeting participants including Chairman of the meeting, board members, senior management and shareholders are to participate in the meeting online.*

   Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 23rd AGM via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its TIIH Online website at https://tiih.online. Please refer to the Administrative Guide for the 23rd AGM for the procedures to register and participate via RPV facilities.

2. *A member shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to participate in his/her stead pursuant to Section 334 of the Act. There shall be no restriction as to the qualification of the proxy.*

3. *A member who has appointed a proxy/attorney/authorised representative to participate at this 23rd AGM via RPV facilities must request his/her proxy/attorney/authorised representative to register himself/herself for RPV facilities at https://tiih.online. Please refer to the Procedures for RPV facilities as set out in the Administrative Guide for the 23rd AGM.*

4. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarial certified copy of that power of attorney, must be deposited at the office of the Share Registrar, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 24 hours before the time appointed for holding this meeting or any adjournment thereof as Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of 23rd AGM to vote by way of poll. Alternatively, the form of proxy can be lodged electronically via TIIH Online website at https://tiih.online not later than Sunday, 26 June 2022 at 10.00 a.m.*

5. *In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his/their proxy, provided always that the rest of the form of proxy, other than the particulars of the proxy, have been duly completed by the member(s).*

6. *Where a member appoints more than 1 proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.*

7. *If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised.*

NOTICE OF ANNUAL GENERAL MEETING

8. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempted Authorised Nominee may appoint in respect of each Omnibus Account it holds.*

9. *Only depositors whose names appear in the Register of Depositors as at 20 June 2022 shall be entitled to attend in person or appoint proxies to participate remotely on their behalf at the 23rd AGM.*

Explanatory Notes to the Agenda

1. ***Item No. 1 of the Agenda***

   Audited Financial Statements
   This item of the Agenda is meant for discussion only. The provisions of Section 340(1) of the Companies Act 2016 require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at the 23rd AGM. As such, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

2. ***Items No. 2(a) of the Agenda***

   Approval of payment for Directors' fees
   The Directors' fees proposed for the financial year ending 31 December 2022 and up to the next AGM are calculated based on the current board size and assuming that all Non-Executive Directors will hold office up to the next AGM. This resolution is to facilitate payment of Directors' fees to be made monthly in arrears from January 2022 until the next AGM in 2023. In the event the proposed Directors' fees are insufficient (e.g. due to enlarged board size, etc.), approval will be sought at the next AGM for additional fees to meet the shortfall.

3. ***Item No. 2(b) of the Agenda***

   Approval for payment of Directors' benefits
   This resolution is to facilitate payment of Directors' benefits for the period from July 2022 until the next AGM in 2023. In the event the Directors' benefits proposed are insufficient (e.g. due to more meetings or enlarged Board size, etc.), approval will be sought at the next AGM for the additional amount to meet the shortfall.

   Directors' benefits include allowances and other emoluments payable to Directors. In determining the estimated total amount, the Board had considered various factors including the estimated number of meetings for the Board, Board Committees and Management Working Committee as well as the Board meetings of subsidiaries.

4. ***Items No. 3 & 4 of the Agenda***

   Re-election of retiring Directors
   Clause 105(1) of the Company's Constitution provides that 1/3 of the Directors of the Company for the time being shall retire by rotation at each AGM of the Company and all Directors shall retire from office at least once every 3 years but shall be eligible for re-election. Pursuant to this Clause, Encik Ahmad Rahizal Bin AMB Dato' Ahmad Rasidi and Mr. Yee Wei Meng are due for retirement by rotation and they have offered themselves for re-election at the 23rd AGM.

   Clause 114 of the Company's Constitution provides that any new Directors appointed by the Board during the year shall hold office only until the next AGM and shall be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting. Mr. Tan Joo Khong and Mr. Mok Juan Chek who were appointed on 10 February 2022, are to stand for re-election at the 23rd AGM pursuant to this Clause.

   The Nomination Committee ("NC") had in April 2022 assessed the performance and attributes of the Board and Board Committees as well as individual Directors in respect of their effectiveness and contribution to the Company for year 2021, based on a set of prescribed criteria which were approved by the Board.

   Based on this annual assessment conducted, the NC was of the view that Encik Ahmad Rahizal Bin AMB Dato' Ahmad Rasidi and Mr. Yee Wei Meng have the requisite competence and capability to contribute to the needs of the Company and they had sufficiently demonstrated their commitment to the Group in terms of time and participation at meetings during the year under review. Each of these retiring Directors has confirmed to the Board that they do not have any conflict of interest with any of the companies in the Group which may affect his ability to act in the best interest of the Company.

   Accordingly, the NC recommended to the Board the re-election of the retiring Directors, namely, Encik Ahmad Rahizal Bin AMB Dato' Ahmad Rasidi, Mr. Yee Wei Meng, Mr. Tan Joo Khong and Mr. Mok Juan Chek at the 23rd AGM. Based on the recommendation of the NC, the Board (with the exception of the Directors who abstained in respect of their individual retirement) supports the re-election of the retiring Directors at the 23rd AGM.

5. ***Item No. 6 of the Agenda***

   Authority to Issue Shares pursuant to the Companies Act 2016
   The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to issue and allot

ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed 20% General Mandate") up to 31 December 2022.

With effect from 1 January 2023, the Proposed 20% General Mandate will be reinstated to a 10% limit ("Proposed 10% General Mandate") according to Paragraph 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (The "Proposed 20% General Mandate" and "Proposed 10% General Mandate" are collectively referred to as the "Proposed General Mandate").

This proposed Resolution is a renewal of the general mandate obtained at the last AGM in 2021 for authority to issue and allot shares of the Company up to 10% of the total number of issued shares of the Company ("Previous Mandate").

The Board of Directors of the Company is of the view that the Proposed General Mandate is in the best interest of the Company and its shareholders as it is beneficial for the Company to meet its future financial needs due to the unprecedented uncertainty surrounding the recovery of the COVID-19 pandemic and will enable the Board to take swift action during the challenging time to ensure long term sustainability and interest of the Company and its shareholders.

As at the date of this notice, the Company had issued and allotted a total of 43,051,003 ordinary shares via private placements on 7 February 2022 and 8 April 2022 respectively under the Previous Mandate. The proceeds raised from the Previous Mandate was RM8.52 million and the details and status of the utilisation are set out below:-

Purpose	***Proposed utilisation (RM'000)***	***Actual utilisation (RM'000)***	***Balance to be utilised (RM'000)***
Financing of property development and construction projects	*6,000*	*6,000*	-
Working capital	*2,420*	*2,420*	-
Estimated expenses for the Private Placement	*100*	*100*	-

6. ***Personal data privacy***

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate at the Company's 23rd AGM and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 23rd AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 23rd AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"),

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.28(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. **Details of Individuals Standing for Election as Directors**
   No individual is seeking election as a Director at the 23rd AGM of the Company.

2. **Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.**
   Please refer to item 12 – Explanatory Notes to the Agenda for Ordinary Resolution 8 on Authority to issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 under the Notes to the Notice of 23rd AGM.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mok Juan Chek
Independent Non-Executive Chairman
(Appointed on 10 February 2022)

Yee Wei Meng
Group Managing Director
(Appointed on 2 April 2021)

Ong Li Tak
Executive Director
(Redesignated on 2 April 2021)

Tee Kuan Hong
Executive Director
(Appointed on 15 May 2021)

Ahmad Rahizal Bin Amb Dato' Ahmad Rasidi
Non-Independent
Non-Executive Director
(Redesignated on 15 May 2021)

Tan Joo Khong
Non-Independent
Non-Executive Director
(Appointed on 10 February 2022)

Ng Lee Thin
Independent Non-Executive Director
(Appointed on 15 May 2021)

Patrick Chin Hau Yui
Independent Non-Executive Chairman
(Appointed on 15 May 2021; resigned on 10 February 2022)

Teo En Chie
Independent Non-Executive Director
(Appointed on 15 May 2021; resigned on 1 April 2022)

Leong Ngai Seng
Non-Independent
Non-Executive Chairman
(Resigned on 10 May 2021)

Koh Boon Huat
Independent Non-Executive Director
(Resigned on 13 April 2021)

Soon Kwai Choy
Independent Non-Executive Director
(Resigned on 10 May 2021)

AUDIT AND RISK MANAGEMENT COMMITTEE

Ng Lee Thin
Chairperson
(Appointed on 15 May 2021)

Teo En Chie
Member
(Appointed on 15 May 2021; resigned on 1 April 2022)

Mok Juan Chek
Member
(Appointed on 10 February 2022)

Patrick Chin Hau Yui
Member
(Appointed on 15 May 2021; resigned on 10 February 2022)

Soon Kwai Choy
Chairman
(Resigned on 10 May 2021)

Leong Ngai Seng
Member
(Resigned on 10 May 2021)

Koh Boon Huat
Member
(Resigned on 13 April 2021)

NOMINATION COMMITTEE

Ng Lee Thin
Member
(Appointed on 15 May 2021; redesignated as acting chairperson on 29 April 2022)

Teo En Chie
Chairman
(Appointed on 15 May 2021; resigned on 1 April 2022)

Mok Juan Chek
Member
(Appointed on 10 February 2022)

Patrick Chin Hau Yui
Member
(Appointed on 15 May 2021; resigned on 10 February 2022)

Leong Ngai Seng
Chairman
(Resigned on 10 May 2021)

Soon Kwai Choy
Member
(Resigned on 10 May 2021)

Koh Boon Huat
Member
(Resigned on 13 April 2021)

CORPORATE INFORMATION

REMUNERATION COMMITTEE

Ng Lee Thin
Member
(Appointed on 15 May 2021 and redesignated as acting chairperson on 29 April 2022)

Teo En Chie
Chairman
(Appointed on 15 May 2021; resigned on 1 April 2022)

Mok Juan Chek
Member
(Appointed on 10 February 2022)

Patrick Chin Hau Yui
Member
(Appointed on 15 May 2021; resigned on 10 February 2022)

Soon Kwai Choy
Member
(Resigned on 10 May 2021)

Leong Ngai Seng
Member
(Resigned on 10 May 2021)

Koh Boon Huat
Chairman
(Resigned on 13 April 2021)

COMPANY SECRETARIES

Pang Kah Man
MIA No.: 18831
SSM PC No. 202008000183
(Appointed on 31 May 2021)

Lim Hooi Mooi
MAICSA 0799764
SSM PC No. 201908000134
(Resigned on 31 May 2021)

Wong Wai Foong
MAICSA 7001358
SSM PC No. 202008001472
(Resigned on 31 May 2021)

Lau Yen Hoon
MAICSA 7061368
SSM PC No. 202008002143
(Resigned on 31 May 2021)

AUDITORS

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA)
& AF 1018
E-2-3 Pusat Komersial Bayu Tasek,
Persiaran Southkey 1, Kota Southkey,
80150 Johor Bahru, Johor.
Tel: +607-288 6627
Fax: +607-388 4627

REGISTERED OFFICE

2 (1st Floor), Jalan Marin, Taman Marin,
Jalan Haji Abdullah, Sungai Abong,
84000 Muar, Johor
Tel: +606-951 0223
Fax: +606-950 1490

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32
Tower A, Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Tel: +603-2783 9299
Fax: +603-2783 9222

PRINCIPAL PLACE OF BUSINESS & CORPORATE OFFICE

L2-01, No. 56, Jalan Setia Tropika 1/14,
Taman Setia Tropika,
81200 Johor Bahru, Johor.
Tel: +607-233 0911/0922/0933
Fax: +607-223 0910

PRINCIPAL BANKERS

CIMB Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

WEBSITE

https://axteria-group.com.my

GROUP STRUCTURE

100% **Axteria Eco Sdn Bhd**
(f.k.a. Teras Eco Sdn Bhd)
(Company No. 201101034651 (962784-H))

100% **Axteria Properties Sdn Bhd**
(f.k.a. Teras Eco Resources Sdn Bhd)
(Company No. 201601012758 (1183689-K))

100% **Axteria Construction Sdn Bhd**
(f.k.a. T Three Builder Sdn Bhd)
(Company No. 201801037897 (1299927-K))

100% **Axteria Lenders Sdn Bhd**
Incorporated on 20 January 2022
(Company No. 202201002639 (1448336-K))

100% **Axteria Assets Sdn Bhd**
(f.k.a. TE Hotel Sdn Bhd)
(Company No. 201901025663 (1334992-M))

- 45% **Harum Eco Dormitory Sdn Bhd**
(Company No. 201601030937 (1201878-X))

100% **Axteria Cemerlang Sdn Bhd**
(f.k.a. JM Cemerlang Sdn Bhd)
(Company No. 201301025086 (1054915-X))

100% **Axteria Development Sdn Bhd**
(f.k.a. TE Dynamic Sdn Bhd)
Incorporated on 23 March 2021
(Company No. 202101010547 (1410846-W))

100% **Axteria Capital Sdn Bhd**
Incorporated on 16 December 2021
(Company No. 202101043112 (1443412-W))

100% **Axteria Building Materials Sdn Bhd**
Incorporated on 17 February 2022
(Company No. 202201005740 (1451437-P))

100% **General Trust Holdings Limited**
Incorporated on 19 January 2022 under the Labuan Companies Act 1990
(Company No. LL17757)

MANAGEMENT DISCUSSION AND ANALYSIS

DEAR VALUED SHAREHOLDERS

Financial year 2021 continues to be a challenging year to the Group despite the world economy beginning to emerge from the economic collapse of 2020. Unprecedented policy response by many countries which provided large-scale macroeconomic support to alleviate the economic blow triggered by the COVID-19 pandemic are somewhat slow and uneven in its recovery due to the different rates of vaccine rollouts among countries across the globe and also in view that certain countries are still occupied with containment measures to counter new waves of infection.

The concerns over further spread and mutation of the virus back in June 2021 led to a reimposed movement restrictions and border closures by the Government which impacted heavily on our prospects. Such restrictions have brought a significant impact to the property sector and the economy as construction works, businesses and services are disrupted. The Group continues to take proactive measures to ensure we remain resilient as we move forward. This includes adjusting to the new normal of doing business with marketing activities shifting from traditional platform to digital and social media platform in order to continuously reach out to customers whilst practising and adhering to the standard operating guidelines. The Group will continue to contribute towards the Group's earning in the near term, through projects currently under development and remain cautious in the assessment of potential projects and expansion of its landbanks we have in hand. Towards the end of 2021, the Government have inoculated approximately 98% of its adult population which would help to kickstart Malaysia's economic recovery in full force in 2022. More economic, social and recreational activities resumed their operations as all states have transitioned to Phase 4 of the National Recovery Plan (NRP). The easing of inter-state travel restriction has given significant repercussions, especially on the domestic tourism-related industries. This positive development enabled entrepreneurs to restore business momentum, driving economic rebound in Malaysia.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

The country recorded a growth of the annual gross domestic product at the rate of 3.1% for 2021 as opposed to a contraction of 5.6% for 2020, while staying below its pre-pandemic levels in 2019. The rebound in economic activity was aided by recovery in the labour market as well as continued policy support. In addition, strong external demand amid the continued upcycle in global technology provided a further lift to growth. According to National Property Information Centre (NAPIC), on a year-on-year basis, volume of transactions has recovered close to pre-pandemic levels with more than 300,000 transactions worth nearly RM145 billion were recorded, indicating an increase of 1.5% in volume and 21.7% in value compared to last year. Volume of transactions across the sub-sectors also showed upward movements. Residential, commercial and industrial all recorded year-on-year growths of 3.9%, 10.7% and 17.6% respectively. Value of transactions moved in tandem recording growths of 16.7%, 43.1% and 32.9% respectively. In terms of category, residential properties made up 66.2% of the transactions worth RM76.90 billion recorded for 2021, an increase by 3.9% in volume and 16.7% in value year-on-year. Performance across the states improved with all states recording higher market volume except for WP Putrajaya. The improvement was supported by the uptrend recorded in WP Kuala Lumpur (4.9%), Selangor (10.7%), Pulau Pinang (16.3%) and Perak (3.2%). Conversely, Johor recorded a decline in market activity by 2.4%. In the primary market, there were 44,000 units launched, down by 6.7% against 47,178 units in 2020. The decline was expected as developers held back on the new launches due to the softening property market and increasing numbers of unsold inventories. Sales performance was moderate at 38.3% in 2021 attributed to various measures by the government such as incentives of the Home Ownership Campaign (reintroduced form 1 June 2020 – 31 Dec 2021) and low overnight interest rate. Meanwhile, against 2020, the commercial sub-sector recorded 22,428 transactions worth RM27.94 billion, up by 10.7% in volume and 43.1% in value compared to the same period last year. The improved market was contributed by the increased activity recorded in most states and the major transactions involving shopping complex and purpose-built office. Selangor contributed the highest volume and value to the national market share, with 26.8% in volume (6,021 transactions) and 25.3% in value (RM7.06 billion); followed by WP Kuala Lumpur with 14.5% in volume (3,251 transactions) and 32.0% in value (RM8.95 billion) and Johor with 13.5% in volume (3,046 transactions) and 13.4% in value (RM3.75 billion). As for industrial sub-sector, 5,595 transactions valued at RM16.96 billion was recorded for 2021, representing an increase in volume and value by 17.5% and 13.8% respectively. Selangor continued to dominate the market, with 34.9% of the nation's volume, followed by Johor and Perak, each with 14.5% and 9.0% market share.

It is evident that with the acceleration of the National COVID-19 Immunisation Programme and the National Recovery Plan threshold across the states will see the reopening of more economic and social sectors from the fourth quarter of 2021 onwards. Supported by the implementation of various government initiatives and assistance, the property market has shown signs of recovery in line with the gradual economic recovery. Such government support include the Short-term Economic Recovery Plan namely Pelan Jana Semula Ekonomi Negara (PENJANA) and Prihatin Rakyat Economic Stimulus Package (PRIHATIN). This stimulus helped to sustain the

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

confidence of the industry and households at large in coping with the impacted pandemic. In addition, initiatives introduced under Budget 2021 remained supportive to the property market. Among the initiatives included: (i) an allocation of RM1.2 billion for providing comfortable and quality housing, especially for the low-income group, (ii) full stamp duty exemption on instruments of transfer and loan agreement for first-time home buyers will be extended until 31 December 2025, (iii) Stamp duty exemption on loan agreement and instruments of transfer given to rescuing contractors and the original house purchasers for abandoned housing projects certified by Ministry of Housing and Local Government (KPKT) and (iv) collaboration with selected financial institution to provide a Rent-to-Own Scheme. The program will be implemented until 2022 involving 5,000 units PR1MA houses with a total value of more than RM1 billion. For PENJANA, the financial initiatives introduced by the government which have helped soften the impact on property market includes: (i) re-introduction of Home Ownership Campaign, (ii) Real Property Gain Tax exemption for disposal of residential homes, (iii) lifting of the current 70 percent margin of financing limit applicable for the third housing loan onwards for property valued at RM600,000 and above. Nonetheless, the Group will closely monitor on-going projects to ensure timely delivery to purchaser and to remain cautious and prudent in the assessment of potential projects and expansion of landbanks. The Group's timeline for new launches and expansion of new landbanks were also derailed due to the re-implementation of Movement Control Order (MCO) on 10 May 2021 and subsequent Full Movement Control Order (FMCO) on 1 June 2021 to the whole Malaysia. Throughout this duration, all economic sectors were not allowed to operate with the exception of essential economic and service sectors. Despite the setbacks, the movement controls were generally relaxed towards the end of September 2021 with construction activities partially resuming from October 2021 onwards. The Group remained focused on its ongoing project namely the Desa Phase 1 terrace factories in Plentong, Johor which is pending the delivery of vacant possession. Other than the Bumiputera reserved units, all other units at Phase 1 have been sold out. Despite the delays caused by the movement controls, Phase 2 terrace factories have progressed well, achieving sales of 82% and a 71.99% completion stage as at end of 2021. Phase 2 comprise of a total of 36 units of terrace factories with larger built-up area. In Pasir Gudang, earthwork and pilling at the 5.94 acres site earmarked for development of Project Sentrio was completed by December 2021, which comprise 66 units of double and three storey shop offices. Project Sentrio is located near Lebuhraya Johor Bahru-Pasir Gudang, within a developed area with mature industrial, residential and commercial properties. Meanwhile, the construction of the 16-storey 241 rooms hotel and 44-storey 306 service suites in Kota Syahbandar, Melaka, are well in progress with a 66.85% and 31.5% completion stage respectively as at end of 2021. Enclaved within a mixed development on a site measuring 4.38 acres, the projected completion of the hotel is set to accelerate the overall progress of turning the site into a hustle bustle within the vicinity of Kota Syahbandar, which is a stone-throw away from the heart of the historical city.

Financial Performance Review

Despite various lockdown periods, the Group has managed to return to the growth trajectory in FY2021 as revenue increased by 388.8% to RM25.35 million from RM5.19 million recorded in FY2020. The increase in revenue was mainly contributed by good work progress achieved on site and hence higher percentage of revenue was recognised upon sale. In addition to the revenue from ongoing projects, we have also sold 3 parcel of lands which contributed a total revenue of approximately RM13.03 million.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

Gross profit stood at RM4.52 million representing a year-on-year increase of 246.47% from FY2020. However, the gross profit margin decreased from 25.17% in FY2020 to 17.84% in FY2021 due to lower gross profit margin from the sales of lands.

The other income increased from RM0.79 million to RM4.94 million in FY2021 due to recognition of an income from non-fulfilment of profit guarantee of about RM4.17 million pursuant to the Share Sale Agreement dated 29 May 2015 entered into by the Company and the former shareholders of its subsidiary, Axteria Eco Sdn Bhd (formerly known as Teras Eco Sdn Bhd).

Excluding the impact of multiple impairments last year and the impairment of property development costs this year, the loss after tax at the Group level improved from RM9.47 million in FY2020 to RM1.86 million in FY2021. This is reflective of substantially higher sales and recognition of additional one-off compensation for shortfall in guaranteed profit during the financial year.

As at 31 December 2021, the Group has a total asset of RM151.56 million as compared to RM121.09 million in the preceding year. Shareholders' fund rose to RM117.31 million from RM74.08 in FY2020 as a result of accretion in share capital. The Group's net assets value ("NAV") per share after the private placement and conversion of redeemable convertible preference shares ("RCPS") as mentioned hereafter was diluted to RM0.27. The NAV per share for FY2020 was RM0.33.

Financial Position

Assets and Liabilities

As of 31 December 2021, the Group's total assets increased by 25.17% to RM151.56 million as compared to RM121.09 million in FY2020. The increase in total assets was mainly due to the following:

1) The Company acquired additional 15% equity interests in the associate, Harum Eco Dormitory Sdn Bhd ("HED") for a total cash consideration of RM2.78 million on 15 November 2021.
2) Investment properties increased by RM7.55 million due to recognition of 3 retail units located in Kota Laksamana, Melaka, received by the Company as settlement for profit guarantee shortfall and partial consideration paid by a wholly owned subsidiary of the Company, Axteria Properties Sdn Bhd, for acquisition of 16 retail units located at the same location.
3) Increase in other receivables about RM1.62 million relates to advances and payment made on behalf of HED, which is interest bearing.
4) Increase in other financial assets of RM1.87 million relates to a keyman insurance policy taken up to insure an executive director of the Group as part of terms set out in bank loan offer letter;
5) Increase in inventory of approximately RM1.3 million was due to the property development cost incurred for the ongoing projects;
6) Cash and bank balance stood at RM4.63 million as at the end of FY 2021 as compared to RM1.15 million at as the end of FY2020; and
7) Current tax assets increased by about RM1.3 million due to tax instalment paid in advance based on estimation submitted to the tax authority.

Meanwhile, the total liabilities reduced by RM12.75 million or 27.13% from RM47.01 million in FY2020 to RM34.26 million in FY2021. This was contributed by the decrease of trade and other payables as the Group has settled the contractors and consultants more promptly in order to gain their commitment to push the construction progress at full speed.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

Equity

The share capital of the Company increased from RM105.5 mil to RM150.46 million. With the issuance of 209,138,581 new ordinary shares during the financial year, the total number of issued ordinary shares has increased from 221,483,291 to 430,621,872. The new shares were issued via:

1) Issuance of 44,274,200 new ordinary shares through private placement exercise, of which the exercise was approved by Bursa Securities on 15 December 2020.
2) Conversion of 365,000,000 redeemable convertible preference shares to 164,864,381 new ordinary shares.

Future Prospects and Risks

The Group believes that although we are progressing into the Endemic phase of COVID-19, with a firmer recovery in Malaysia's GDP supported by continued expansion in external demand, the reopening of international borders coupled with high vaccination rates and improvement in employment and income prospects, the Group will remain cautious in the assessment of potential projects and expansion of its land bank.

For 2022, the Group will focus on the development of 66 units of shop offices on a land measuring 5.94 acres in Pasir Gudang, a Development project with Sun Rock Development Sdn Bhd, with Gross Development Value ("GDV") of RM44.1 million, where earthwork and pilling are completed at the end 2021 and structural work commenced in January 2022. Excluding the 17 entitlement units allocated to land owner, the Group has a total of 49 units to sell. For year 2022, the Group expects to register sales of 24 units. 6 units were sold in 2021, with balance reserve as Bumiputra units.

Desa 88 Phase 2 project is showing encouraging prospects with the 36 units of terrace factories is expected to be completed by third quarter of 2022, ahead of schedule. Desa 88 Phase 2 has a GDV of RM50.7 million. Notwithstanding the Bumiputra reserve units, the Group have achieved 86% sales and expects to fully sell the units within 2022. As for the remaining phases at Desa 88: Phase 3 with 4 units of detached factories, Phase 5 dormitory and Phase 6 which is multi-purpose retail spaces are targeted to be launched in 2022 and beyond. These remaining phases have a combined GDV of RM74.8 million.

With careful consideration of the COVID-19 situation, the development of the 306-units block of apartments in Kota Syahbandar, Melaka, Project Asteria has commenced in 2022. Project Asteria is the first high rise residential project of the Group and has a GDV of RM126.6 million. The project is expected to be launched by third quarter of 2022.

12 Month Milestone

The ongoing projects are at full speed, in particular, Desa 88 Phase 1 terrace factories in Plentong, Johor, is already in final stages of development and preparation for vacant possession while the larger Phase 2 terrace factories are making great progress with completion stage at 84.53% in first quarter of 2022 and also expected to vacant possession by end 2022. The Group is hopeful sales will pick up to enable monetisation of inventory and recognition of profits especially for the remaining Bumiputera units at Desa 88 Phase 1 and 2.

In the meantime, development of the 16-storey 241-room hotel in Kota Syahbandar, Melaka, is proceeding at full speed with completion stage at 72.5% at first quarter 2022 with hotel operation to commence by first quarter of 2023. In addition, the development of the 44-storey 306 serviced suites also in Kota Syahbandar, Melaka is also proceeding progressively with completion stage at 35.4% at first quarter of 2022. With the expected launching of the service suites in third quarter of 2022, the Group is hopeful sales will be encouraging in view that tourism industry would begin to recover by then on the basis that vaccination nationwide has been substantially completed and with the reopening of the international borders on 1 April 2022. Furthermore, the Group have also recently in February 2022 tied up with Far East Hospitality Management (S) Pte Ltd (FEH) to manage both the 241-room hotel and the 306 serviced suites. FEH is an international premier hospitality owner and operator established in Singapore with a diverse portfolio of ten (10) unique and complementary brands of hotels, serviced residences and apartment hotels. FEH operates a combined portfolio of over 16,500 rooms across 105 hotels and services residences in nine (9) countries – Australia, Austria, Denmark, Germany, Hungary, Japan, Malaysia, New Zealand and Singapore, with more in its development pipeline.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

As the Group look toward rebooting of the economy, preparations for cost effective funding were given priority. The fundraising exercises undertaken by the Group during the year 2020, namely the Redeemable Convertible Preference Share ("RCPS") and Private Placement exercises, went well with necessary approvals obtained from the regulators and mandate from the shareholders within the targeted timeframe. Both fund raising exercises collectively raised RM44.95 million wherein RM36.5 million in RCPS were issued and converted to new ordinary shares by end of 2021 and the Private Placement amounting to RM8.456 million was completed in first quarter of 2021. The initiatives were a highlight of the Group's strategy to have sufficient funding for the ongoing projects, projects slated for the next 5 years as well as future projects that have yet to be identified.

In addition to the said corporate exercises, during the year, the Group also announced that its wholly owned subsidiary, Axteria Cemerlang Sdn Bhd (f.k.a. JM Cemerlang Sdn Bhd) had entered into a Sale and Purchase Agreement with Melatone Coating Sdn Bhd for the disposal of 2 contiguous parcels of land, each measuring approximately 1.014 acres, in the Mukim of Plentong, District of Johor Bahru, State of Johor for a cash consideration of RM6.6 million.

Expectations For 2022

Bank Negara Malaysia ("BNM") is expecting economic growth recovery to strengthen in 2022, on similar track with global economic recovery. Despite the external risks arising from the military conflict in Ukraine on international trading, commodity prices and financial markets, BNM anticipated that Malaysia economic recovery will be driven by expansion in global demand and higher private sector expenditure amid improvements in the labour market and continued targeted policy support. The property market is expected to regain its momentum in 2022 though the environment remained challenging. The health of the residential sector is paramount to the overall performance of the property market. To ensure the vitality of this sector as well as improving the livelihood of the nation, various initiatives are outlined under Budget 2022. Under 'Initiative 2: Home Ownership', the initiatives include:

- RM1.5 billion allocation for low-income groups housing projects i.e. rumah mesra rakyat and maintenance assistance programmes.
- Lifting the imposition of Real Property Gains Tax on the disposal of properties in the 6th year onwards by Malaysia citizens, permanent residents and other than companies.
- Guarantees of up to RM2 billion to banks via Skim Jaminan Kredit Perumahan in assisting gig works, small entrepreneurs and farmers in obtaining home financing.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

In addition, the Ministry of Housing and Local Government alongside the Ministry of Finance is planning to organise a Home Ownership Programme (HOPE) with special focus for B40 and M40 groups in providing home financing facilities to these groups. The 'Transition to Endemic' phase of Covid-19 starting 1st April 2022 will see the lifting of restrictions of business operating hours and reopening of country borders, which is expected to further improve domestic economic activities and entails better prospects for the leisure sector. The transition phase is a much-needed boost for this sector as more tourist arrivals are expected, both domestic and international. This will translate into better occupancy of hotels apart from creating employment opportunities to the locals. Nevertheless, the environment will remain challenging for the retail and office sector as more new supply enter the market in the near future. As industry normalizes and adapts to the new norms of working from home and market digitalization, the office and retail sector may continue to face downward pressure. As economy is set to be on the right trajectory, the property market performance is expected to be on similar track. The accommodative policies, continuous government support, well execution of all planned measured outlined in Budget 2022 and the proper implementation of strategies and initiatives under RMK-12 are expected to support growth in the property sector.

Despite the expected economy recovery, the Board will still continue to be prudent and observant of market trends and movements in deciding on the timing of project launches. Priority will be given towards sales of existing inventory at Desa 88 Phase 1 as well as the unsold units of Phase 2. Project Sentrio in Pasir Gudang is proceeding as planned with a step up on sales and marketing initiatives. In Kota Syahbandar, construction of the hotel and serviced suites is expected to progress in accordance to target timeline with the hotel to commence operation by end of 2022. Meanwhile, the Asteria serviced suites will be in queue for launch by third quarter of 2022 and commencing of operation by end of 2023.

Significant Matters

As part of the Group's ongoing restructuring to ensure optimal management structure and under the leadership Mr. Yee Wei Meng as Group Managing Director, the Board has re-designated Mr. Ong Li Tak as Executive Director with effect from 2 April 2021. Furthermore, the Board has appointed Ms Ng Lee Thin as Independent Non-Executive Director, Mr. Tee Kuan Hong as Executive Director with effect from 15 May 2021, and Mr. Mok Juan Chek as Independent Non-Executive Chairman and Mr. Tan Joo Khong as Non-Independent and Non-Executive Director, both with effect from 10 February 2022.

We wish to record our appreciation towards shareholders, customers, bankers and suppliers for your continued support during the past financial year and more importantly through this uncertain period. We look forward better year as the economy gradually reignites and moves away from the damage resulted by the COVID-19 pandemic.

PROFILE OF DIRECTORS

Yee Wei Meng

Group Managing Manager

Nationality	Gender	Age
Malaysian	Male	44

Mr. Yee was appointed as the Group Managing Director of Axteria Group Berhad ("Axteria" or the "Company") on 2 April 2021. Mr. Yee holds a Bachelor of Laws from the University of Leicester, United Kingdom and a Certificate in Legal Practice (CLP) issued by Legal Profession Qualifying Board, Malaysia. He also holds a Master of Business Administration (MBA) from Charles Sturt University, Australia.

Prior to 2004, Mr. Yee worked as a legal assistant in various advocates and solicitors' firms where he was responsible for conveyancing, corporate finance and litigation matters.

Mr. Yee serves as the Managing Director on the Board of Fontern International Group of companies and Transgrow Group of companies involving in multiple industries including steel and hardware trading, oil palm and rubber plantations, hospitality, property investment and development.

He was previously the director of various public listed company including Superlon Holdings Berhad, Malaysia Pacific Corporation Berhad, GIIB Holdings Berhad and Scope Industries Berhad. He is currently a shareholder of Scope Industries Berhad.

Mr. Yee has direct interest with 44,366,840 ordinary shares or 9.236% in Axteria. He has no family relationship with any of the Directors and/or major shareholder of the Company. He has not been convicted of any major offences within the past five (5) years and has not been imposed any penalty by any regulatory bodies during the financial year 2021.

Ong Li Tak

Executive Director

Nationality	Gender	Age
Malaysian	Male	45

Mr. Ong was appointed as Executive Director of the Company on 19 February 2016. He was appointed as Managing Director on 17 April 2019 subsequently redesignated as Executive Director on 2 April 2021. He graduated from Taylor's College in 1999 with Higher Diploma in Architectural.

Mr. Ong has extensive experience in property development. He was attached with the property development segment of a reputable listed company prior to assuming his role in Axteria. His illustrious career portfolio dates back to 1996 as a Clerk-of-Works for a first ever mixed development housing project in Kluang, Johor. Richard has a wide spectrum of industrial know-how and business acumen, from sales administration to sales and marketing planning, project development, property management, product conceptualization and strategy, business development and liaison with local government bodies and relevant authorities.

Richard has established himself as a prominent captain of the property development industry in the Southern region of Malaysia. He distinguishes himself with brilliant, innovative ideas and takes pride in making life happy for aspiring buyers.

Richard has direct interest with 5,300,400 ordinary shares or 1.103% interest in the Company. He has no family relationship with any of the Directors and/or major shareholder of the Company. Other than Axteria, he does not hold any other directorship in public companies or listed issuers in Malaysia. He has not been convicted of any major offences within the past five (5) years and has not been imposed any penalty by any regulatory bodies during the financial year 2021.

PROFILE OF DIRECTORS
(Cont'd)

Tee Kuan Hong

Executive Director

Nationality	Gender	Age
Malaysian	Male	38

Mr. Tee was appointed as Executive Director of Axteria on 15 May 2021. Mr. Tee is a graduate from Monash University, Australia with a Bachelor of Commerce and Bachelor of Law.

Prior to his appointment as Executive Director, he was the Group General Manager responsible for overseeing the finance, administration and operations divisions. Mr. Tee joined Axteria Eco Sdn Bhd (formerly known as Teras Eco Sdn Bhd) ("Axteria Eco"), being the wholly owned subsidiary of Axteria, in year 2013, and was involved in the setting up of various departments such as finance, sales and marketing, project, corporate development etc. Mr. Tee was the key person to drive the development projects during the early stage of Axteria Eco, completing its maiden project, Senibong 88 with Gross Development Value of approximately RM100m and structuring other development proposals.

Prior to joining Axteria Group, Mr. Tee was heavily involved in the finance industry, joining a reputable international bank for well over 6.5 years. During his tenure, he handled numerous commercial and corporate loan deals including Small and Medium Enterprise accounts, structuring loan deals, managing cash flow and understanding various business environment needs of clients. In his last 2.5 years with the bank, he spearheaded the Real Estate Departments initiative to handle the property boom in Iskandar Malaysia, structuring several mega loan deals and complex bridging loans. With vast experience in the finance sector, coupled with strong understanding of legal banking and construction aspects, Mr. Tee also has a strong network with lawyers, valuers and high net worth clients and government authorities.

Mr. Tee has direct interest with 1,811,000 ordinary shares or 0.377% interest in the Company. Mr. Tee has no family relationship with any of the Directors and/or major shareholder of the Company. Other than Axteria, he does not hold any other directorship in public companies or listed issuers in Malaysia. He has not been convicted of any major offences within the past five (5) years and has not been imposed any penalty by any regulatory bodies during the financial year 2021.

Ahmad Rahizal Bin Amb Dato' Ahmad Rasidi

Non-Independent Non-Executive Director

Nationality	Gender	Age
Malaysian	Male	39

Mr. Ahmad Rahizal was redesignated as Non-Independent Non-Executive Director on 15 May 2021. He was previously appointed as Senior Independent Non-Executive Director on 24 April 2015 and re-designated as Executive Director on 31 October 2019.

He did his degree at Sunway College in 2006 with a Degree in Business Information Technology.

Mr. Ahmad Rahizal has over 13 years of experience in corporate and business ventures. He began his career as a Director in Noble Signet Sdn Bhd in 2008, an IT developer catering for the banking industry. From 2009 – 2012, he was appointed as Chairman of UQ Holiday Sdn Bhd which chartered flights for pilgrims to perform the Umrah. In 2012, he joined Auto MasterCop Sdn Bhd (now known as Uniqa (M) Sdn Bhd) as Chief Executive Officer. Uniqa (M) Sdn Bhd provides electronic payment systems as an alternative delivery channel for banks and other financial institutions.

He is also involved in coconut plantation, sand quarry, waste-management and edible oil business. He serves as Non-Independent Non-Executive Director of Minetech Bhd and sits on the board of Aliran Utara Sdn Bhd (subsidiary of Aliran Ihsan Resources Berhad which is part of MMC Group).

Mr. Ahmad Rahizal does not hold any shares in the Company. He has no family relationship with any of the Directors and/or major shareholder of the Company. He has not been convicted of any major offences within the past five (5) years and has not been imposed any penalty by any regulatory bodies during the financial year 2021.

PROFILE OF DIRECTORS
(Cont'd)

Ng Lee Thin

Independent Non-Executive Director

Nationality	Gender	Age
Malaysian	Female	55

Ms. Ng was appointed as the Independent Non-Executive Director on 15 May 2021. She graduated from Bachelor of Economics (Hons) from University Utara Malaysia (1992) and obtained her Association of Chartered Certified Accountants Qualification in 1996. She is a member of the Malaysian Institute of Accounts (MIA) and fellow member of the Association of Chartered Certified Accountants (FCCA).

She has more than 20 years of experience in the field of corporate finance, auditing, accounting and taxation. She was the financial controller of Binaik Equity Bhd for 9 years (2001 – 2009) before setting up her own firm, Yellow Tax Services Sdn Bhd and NLT & Co in year 2012 and 2015 respectively. Prior to that, she worked with Ernst & Young (1996 – 2001), Chiang & Chiang (1994 – 1995) and Artwright Marketing Sdn Bhd (1992 – 1994).

Ms. Ng is the Chairman of the Audit and Risk Management Committee and a member of the Nomination Committee and Remuneration Committee of the Company. Ms. Ng does not hold any shares in the Company. She has no family relationship with any of the Directors and/or major shareholder of the Company. She has not been convicted of any major offences within the past five (5) years and has not been imposed any penalty by any regulatory bodies during the financial year 2021.

Ms. Ng is also an Independent Non-Executive Director and the Chairman of Remuneration Committee and member of the Nomination Committee and Audit Committee of Able Global Berhad (formerly known as Johore Tin Berhad), a company listed on the Main Market of Bursa Malaysia Securities Berhad.

Mok Juan Chek

Independent Non-Executive Director

Nationality	Gender	Age
Malaysian	Male	65

Mr. Mok was appointed as Independent Non-Executive Chairman on 10 February 2022. He holds a Bachelor Degree of Science (Agribusiness) from the University of Agriculture, Malaysia. He had served in the Government upon graduation for 8 years as an Officer with the Rubber Industry Smallholders Development Authority (RISDA).

Mr. Mok is an experienced banker with over 35 years of extensive banking experience. He started his banking career in 1984 with Public Bank Bhd and subsequently to Chung Khiaw Bank in 1990 and Hong Leong Bank from 1995 to 2009. During his 13 years with Hong Leong Bank, he held various senior positions in Retail Banking, Credit Management and Marketing and he last served as the General Manager of Business Banking at Hong Leong Bank.

Prior to joining Axteria, he was with AmBank (M) Bhd for 12 years until his retirement on 30 May 2020. His last held position in AmBank was Executive Vice President and Head of Mid Corporates, Wholesale Banking. He was also responsible for setting up the Mid Corporates Segment in 2016 and instrumental in pioneering the Mid Corporates to be one of the most profitable Segments in AmBank. Currently, he is a Strategic Advisor with Affin Hwang Asset Management Bhd.

Mr. Mok is a member of Audit and Risk Management Committee, Nomination Committee and Remuneration Committee of the Company. He does not hold any shares in the Company and has no family relationship with any of the Directors and/or major shareholder of the Company. He has not been convicted of any major offences within the past five (5) years and has not been imposed any penalty by any regulatory bodies during the financial year 2021.

Other than Axteria, Mr. Mok is also an Independent Non-Executive Director of Synergy House Bhd.

PROFILE OF DIRECTORS
(Cont'd)

Tan Joo Khong

Non-Independent Non-Executive Director

Nationality	Gender	Age
Malaysian	Male	35

Mr. Tan was appointed as Non-Independent Non-Executive Director on 10 February 2022. He graduated from Monash University with Bachelor of Electrical & Computer System Engineering (HONS) in 2009. He becomes a Chartered Financial Analyst (CFA) charter holder in year 2016.

In 2010, Mr. Tan started his career in finance industry with a boutique private equity firm which primarily focusing on China companies. In 2012, he joined a licensed boutique corporate finance firm FCA Capital Sdn Bhd (formerly known as Amanie Corporate Advisors Sdn Bhd) as a corporate finance advisor and became a CMSRL license holder in 2013. In 2017, he joined a subsidiary of China property development company Sino Great Wall Co Ltd as a business development manager. He involved in sourcing and conducting due diligence on real estate investment opportunities in Malaysia, Australia and Cambodia. He re-joined corporate finance industry in 2019 with Mind Maps Advisors Sdn Bhd as business development role.

Mr. Tan has direct interest with 12,370,200 ordinary shares or 2.575% interest in the Company. Mr. Tan has no family relationship with any of the Directors and/or major shareholder of the Company. Other than Axteria, he does not hold any other directorship in public companies or listed issuers in Malaysia. He has not been convicted of any major offences within the past five (5) years and has not been imposed any penalty by any regulatory bodies during the financial year 2021.

PROFILE OF KEY SENIOR MANAGEMENT

Tia Chong Hao

Group General Manager

Nationality

Malaysian

Gender

Male

Age

37

Mr. Tia graduated from Universiti Utara Malaysia and holds a Bachelor of Business Administration with Honours.

Mr. Tia joined Axteria Eco in June 2015. He is currently the Group General Manager responsible for overseeing the operations of projects division and various initiatives of the Group. He started his career as a banker, holding a commercial banking executive position with United Overseas Bank (Malaysia) Bhd from June 2008 till May 2013 until his promotion to Assistance Vice President – Real Estate Team @ Commercial Banking. Mr. Tia then ventured into the property development sector by joining Tiong Nam Properties Sdn. Bhd. (a subsidiary company of Tiong Nam Logistic Berhad) as Assistant Sales & Marketing Manager where he led the sales and marketing team and was responsible for the strategic direction and coordination of various projects.

Mr. Tia has no family relationship with any of the Directors and/or major shareholder of the Company. He does not hold any directorship in other public listed companies and does not have any conflict of interest with the Company. He has not been convicted of any major offences within the past five (5) years.

Sea Hong Peng

Chief Financial Officer

Nationality

Malaysian

Gender

Female

Age

41

Ms Sea joined Axteria as Chief Financial Officer of the Group on 12 July 2021 and is responsible for the overall accounting and finance functions of the Group. She is professionally qualified from The Association of Chartered Certified Accountants (ACCA), United Kingdom and is a member of the Malaysian Institute of Accountants (MIA). She is also a member of the Institute of Singapore Chartered Accountants (ISCA) and ASEAN Chartered Professional Accountant.

Ms Sea has over 18 years of experience in the area of accounting, taxation and advisory in professional services environment before transiting into the commercial environment where she held senior position in a company involving healthcare services.

Ms Sea has no family relationship with any of the Directors and/or major shareholder of the Company. She does not hold any directorship in other public listed companies and does not have any conflict of interest with the Company. She has not been convicted of any major offences within the past five (5) years.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (the "Board") of Axteria Group Berhad (f.k.a. Acoustech Berhad) (the "Company") is pleased to present the report of the Audit and Risk Management Committee for the financial year ended 31 December 2021 and up to the date of the Annual Report.

Chairman

Ng Lee Thin
Independent Non-Executive Director
(Appointed on 15 May 2021)

Soon Kwai Choy
Independent Non-Executive Director
(Resigned on 10 May 2021)

Members

Teo En Chie
Independent Non-Executive Director
(Appointed on 15 May 2021; resigned on 1 April 2022)

Patrick Chin Hau Yui
Independent Non-Executive Chairman
(Appointed on 15 May 2021; resigned on 10 February 2022)

Mok Juan Chek
Independent Non-Executive Chairman
(Appointed on 10 February 2022)

Leong Ngai Seng
Non-Independent Non-Executive Chairman
(Resigned on 10 May 2021)

Koh Boon Huat
Independent Non-Executive Director
(Resigned on 13 April 2021)

TERMS OF REFERENCE

Constitution

The Audit and Risk Management Committee was constituted per resolution of the Board on 4 September 2001 and its terms of reference, updated in August 2016, are consistent with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (the "Exchange").

A copy of the terms of reference is available on the Company's website, https://axteria-group.com.my/

Authority

- The Audit and Risk Management Committee has the authority to investigate any matter within its terms of reference.
- It has the resources which are required to perform its duties.
- It has unlimited access to all information relevant to its activities.
- It is allowed to have direct communication channels with the external auditors and the persons carrying out the internal audit function.
- It is authorised by the Board to obtain legal or other professional advice if it deems necessary.
- The Audit and Risk Management Committee has the authority to convene meetings with the external auditors, the internal auditors or both excluding the attendance of the other directors and employees of the Company, whenever deemed necessary.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(Cont'd)

COMPOSITION

- The Audit and Risk Management Committee shall comprise at least three (3) directors all of which must be non-executive directors with all of them being independent directors.
- Alternate director shall not be appointed as members of the Audit and Risk Management Committee.
- At least one member of the Audit and Risk Management Committee shall be a member of the Malaysian Institute of Accountants or a person who fulfils the specific requirements as prescribed or approved by the Exchange.
- The Chairman of the Committee must be an independent director.

FUNCTIONS

The Audit and Risk Management Committee shall, amongst others, discharge the following functions: -

- Review the following and report the same to the Board;
  - with the external auditors, the audit plan and audit reports;
  - the adequacy of the scope, functions, competency and resources of the internal audit functions and the necessary authority of the internal auditor to carry out the work;
  - the internal audit program, processes, the results of the internal audit program, processes or investigations undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
  - the quarterly results and year-end financial statements, prior to the approval by the Board focusing particularly on:-
    (i) changes in or implementation of major accounting policy changes;
    (ii) significant and unusual events;
    (iii) the going-concern assumptions; and
    (iv) compliance with accounting standards and other legal requirement;
  - any related party transactions and the conflict of interest situation including any transaction, procedure or course of conduct that raises questions of management integrity;
  - nomination/re-appointment of external auditors and any letter of resignation from the external auditors; and
  - whether there is any reason and supported by grounds, to believe that the external auditors are not suitable for re-appointment.
- Report promptly to the Exchange on any matter the Audit and Risk Management Committee had reported to the Board of Directors, which was not satisfactorily resolved and/or resulted in a breach of the Exchange's Listing Requirements.

ACTIVITIES

The Committee met four (4) times for the year under review and carried out the following activities: -

1. FINANCIAL REPORTING

- Reviewed the unaudited quarterly financial statements before submission to the Board for approval; and
- Reviewed the audited financial statements before submission to the Board for approval.

2. EXTERNAL AUDIT

- External auditors presented the nature and scope of the audit to be carried out.
- Deliberated on the external auditors' report and identified significant areas and impact on financial matters based on observations made in the course of interim and final audit.
- Undertook an annual assessment on the suitability and the independence of the external auditors given that the external auditors have now been continuously engaged by the Company for a considerable period.
- Reviewed the performance of the external auditors and recommended its re-appointment and remuneration to the Board.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(Cont'd)

3. INTERNAL AUDIT AND RISK MANAGEMENT

- Reviewed the internal audit programs, reports and remedial action taken;
- Assessed the Group's overall system of internal control; and
- Reviewed the Risk Management Report.

MEETINGS

The Audit and Risk Management Committee met four (4) times during the financial year ended 31 December 2021. Details of attendance are set out on page 26 of this Annual Report.

INTERNAL AUDIT FUNCTION

During the year, the Company has outsourced its Internal Audit function to Matrix Corporate Consultancy Sdn Bhd to independently undertake continuous systematic reviews of the Group's internal control systems so as to provide the Board with reasonable assurance that such systems continue to operate satisfactorily and effectively. The Internal Audit Function reports directly to the Audit and Risk Management Committee of the Company.

The Group has adopted a risk-based approach to the implementation and monitoring of controls and had carried out an exercise to identify and evaluate the risks associated with the Group.

A summary of the work performed during the financial year under the internal audit functions is as follows:

1) Review of development agreements, related parties' transactions, intercompany transactions and development cost;
2) Review of IT management, privacy and data protection; and
3) Construction progress payment

The cost of internal audit was RM31,500 during the financial year ended 31 December 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the "Board") of Axteria Group Berhad (formerly known as Acoustech Berhad) (the "Company") recognises the importance of good corporate governance and continues to be committed to ensure that high standards and appropriate practices are in place throughout the Company and its subsidiaries ("Axteria Group" or the "Group") is committed to protect, enhance and support the sustainability of its business affairs and financial performance of the Group with ultimate objective of safeguarding shareholdings' investment and enhancing shareholders' value.

This statement is to provide shareholders and other stakeholders with an overview of the Group's application of the following three (3) principles set out in the Revised Malaysian Code on Corporate Governance took effect on 28 April 2021 ("MCCG") throughout the financial year ended 31 December ("FY") 2021 and up to date of this statement. This statement should be read together with the Corporate Governance Report 2021 of the Company which is accessible on the Company's website at https://axteria-group.com.my/ and via announcement on the website of Bursa Malaysia Securities Berhad ("Bursa Securities").

a) Principle A: Board Leadership and Effectiveness;
b) Principle B: Effective Audit and Risk Management; and
c) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Leadership

Board Roles and Responsibilities

The Board retains effective control of the Group and is responsible for the overall corporate affairs, strategic direction, formulation of policies and the overall performance of the Group. The Executive Directors take on primary responsibility for managing the Group's business and resources.

The Board has formalised and adopted a Board Charter which serves as a source of reference and primary induction literature, providing insights to existing and prospective Board members to assist the Board in the performance of their fiduciary duties as Directors of the Company. The Board Charter is available on the Company's website at https://axteria-group.com.my/.

The Board delegates certain responsibilities to Board Committees namely, the Audit and Risk Management Committee, Remuneration Committee and Nomination Committee as well as the management working committee namely, the Investment Committee in order to enhance business and operational efficiency and effectiveness. The decision on whether or not to act on such recommendation lies with the Board. The Terms of Reference for the Board Committees can be found on the Company's website at https://axteriagroup.com.my/.

Chairman and Managing Director

The role of the Managing Director differs from that of the Chairman of the Board. This complies to the best practice recommended under the MCCG. The Board, under the leadership of the Chairman, works effectively and performs responsibilities with all key and appropriate issues discussed in a timely manner. The Independent Non-Executive Directors provide independent judgment and check and balance on the Board.

Company Secretary

The Company Secretary plays an advisory role to the Board and is responsible to ensure all Board procedures and Board management matters are in line as well as in compliance with Main Market Listing Requirements ("Listing Requirements"), relevant laws and regulations. The Company Secretary ensures that discussions at Board and Board Committee meetings are well documented, and subsequently communicated to the relevant Management for appropriate action.

Board Delegation

Composition of the various Board Committees is in compliance with the independence criteria outlined in both the Listing Requirements and the MCCG. There is also an appropriate cross-memberships to further promote effectiveness.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

(A) Board Committees

Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") reviews and evaluate, amongst others, the audit plan and audit report of external and internal auditors, adequacy of system of internal controls and internal audit functions. The ARMC also reviews, comments and present the quarterly financial results and year end results for approval of the Board.

Remuneration Committee

The Remuneration Committee ("RC") is responsible to review and recommend remuneration packages and employment policies applicable to the Chairman, Managing Director, Directors and Senior Executives.

Nomination Committee

The duties and functions of the Nomination Committee ("NC") encompass the following: -

- Recommend to the Board, candidates nominated by shareholders or the Board, Management and/or from the independent sources for directorships to be filled;
- Recommend to the Board, Directors to fill seats on Board Committees;
- Review annually the required skills, experience and other qualities and core competencies that Non-Executive Directors should bring to the Board; and
- Assess annually the effectiveness of the Board as a whole, Board Committees and the contribution of each individual Director.

Duties and responsibilities of the Board Committees are set out in its terms of reference which are published on the Company's website at https://axteriagroup.com.my/.

(B) Management Working Committee

Investment Committee

The Investment Committee has the following roles:

- Evaluate and approve all investment opportunities;
- Request for report on existing investments and evaluate against current developments and future contingencies; and
- Assist the Board, in respect of investment proposals, provide oversight on new and/or major investments, and provide guidance and recommendations on investment matters for approval of the Board.

Board Composition and their attendances

The MCCG emphasizes the importance of right Board composition in enhancing the Board's decision-making process and the transparency of policies and procedures in selection and evaluation of Board members.

The present Board composition comprises Executive and Non-Executive Directors with a mix of suitably qualified and experienced professionals enabling the Board to carry out its responsibilities effectively. In accordance with Clause 103 of the Company's Constitution, unless otherwise determined by General Meeting, the number of Directors shall not be less than 2 and not more than 11. As at the date of this statement, the Board consists of 7 members, of whom 2 are Independent Non-Executive Directors, 2 are Non-Independent Non-Executive Directors and 3 are Executive Directors.

No individual or group of individuals dominates the Board's decision making. The presence of independent directors has further allowed the Board to apply heightened professional vigilance and challenge the Management in an unbiased manner and prevent dominance and complacency in the boardroom.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

The current size and composition of the Board are considered adequate to provide the optimum skills and experience required to manage affairs. Furthermore, the Board is of the view that the current Board size is balance in skills and composition. Brief description on the background of each Director is set out in Pages 16 to 19.

The Board meets at least 4 times a year and has a formal schedule of matters reserved for it. Additional meetings are held as and when necessary. During FY 2021, 4 meetings were held in which the Board deliberated upon and considered various issues including the Group's financial results, annual budgets, performance of the Group's business, major investment, business plans and policies and strategic issues affecting the Group's business.

Details of attendance of the Directors at Board and Board Committees' meetings held during FY 2021 are as follows:

Name of Board Members	Board	ARMC	RC	NC
Koh Boon Huat (Resigned on 13 April 2021)	1/1	1/1*	-	-
Leong Ngai Seng (Resigned on 10 May 2021)	1/1^	1/1*	-	-
Soon Kwai Choy (Resigned on 10 May 2021)	1/1	1/1^	-	-
Ahmad Rahizal Bin AMB Dato' Ahmad Rasidi	4/4	-	-	-
Ong Li Tak	4/4	-	-	-
Yee Wei Meng (Appointed on 2 April 2021)	3/3	-	-	-
Patrick Chin Hau Yui (Appointed on 15 May 2021 and resigned on 10 February 2022)	3/3^	3/3*	1/1*	1/1
Tee Kuan Hong (Appointed on 15 May 2021)	3/3	-	-	-
Ng Lee Thin (Appointed on 15 May 2021)	3/3	3/3^	1/1#	1/1#
Teo En Chie (Appointed on 15 May 2021 and resigned on 1 April 2022)	3/3	3/3*	1/1^	1/1^
Mok Juan Chek (Appointed on 10 February 2022)	N/A	N/A*	N/A*	N/A*
Tan Joo Khong (Appointed on 10 February 2022)	N/A	N/A	N/A	N/A

^ Chairman/Chairperson of the Board/Board Committees
* Member of the Board Committees
# Acting Chairperson of the Board Committees with effect from 29 April 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

Code of Conduct and Ethics

The Code of Ethics, serves as a road map to guide the Board in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity. The Group has also in place the Code of Conduct for its employees which comprised all aspects of its day-to-day business operations.

Directors and employees of the Group are expected to perceive high standards of integrity and fair dealings in relation to clients, staff, management and regulators which the Group operates and ensure compliance with all applicable laws, rules and regulations. The Code of Conduct and Code of Ethics are reviewed periodically by the Board and available on the Company's website at https://axteria-group.com.my/.

Board Independence

The Board recognises the importance of independence and objectivity in its decision-making process which is in line with the MCCG. The assessment of independence (based on the criteria set out in the Listing Requirements) for the Independent Non-Executive Directors for the Group is conducted annually and incorporated in the questionnaires tailored for Independent Non-Executive Directors.

The independence of the Independent Non-Executive Directors remains valid as the Directors are not involved in any business, transactions or other relationships with the Group that jeopardizes the exercise of independent judgement and opinion.

The Board is satisfied with the level of independence demonstrated by the Independent Directors throughout the financial year under review and up to the tenure of their office respectively and their ability to act in the best interest of the Company.

Tenure of Independent Directors

One of the recommendations of the MCCG states that the tenure of an independent director should not exceed a cumulative term of 9 years. MCCG also requires that retention of an independent director having served in excess of 12 years be justified by the Board and obtains shareholders' approval on an annual basis through a two-tier voting process.

The Board will via the NC, assess annually to ascertain if the Independent Directors display a strong element of impartiality. Based on the annual assessment for FY 2021, the Board is satisfied that all the Independent Directors are objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees. Currently, none of the Independent Directors of the Company has served more than 9 years.

Gender Diversity

The Board supports the gender boardroom diversity as recommended under the MCCG. The Board will review the appropriate proportion of female to male Directors on the Board at the time of considering appointment of new Directors to the Board. The Board has yet to adopt any formal boardroom diversity policy in the selection of new Board candidates and currently does not have specific policies on setting target for female candidates in the Group.

Having said that, the appointment of Ms. Ng Lee Thin to the Board on 15 May 2021 reflects that the Board has recognized the value of a female member of the Board and this was an initial step taken towards achieving a more gender diversified Board.

In line with the national target of having 30% women on the boards of listed issuers, the Board will seek to ensure that its repository of potential directors include a strong representation of female candidates. The Board and NC will also focus its efforts in developing a pipeline of high-calibre female potential candidates by identifying the potential female senior executives within the Group.

Apart from gender boardroom diversity, the Board also supports diversity in ethnicity and age. The Board will review the appropriate proportion of the age group and ethnicity of Board members at the time of considering appointment of new Directors to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

Appointments to the Board

Board appointments are made via a formal, rigorous and transparent process, premised on meritocracy and after taking into account the skills, experience and diversity needed on the Board in the context of the Company's strategic direction.

The decision on new appointment of Directors, however shall rest with the Board after considering the recommendation of the NC.

Supply and Access of Information

The Board has unrestricted access to timely and accurate information necessary in the furtherance of their duties. At each Board Meeting, the Managing Director and/or the Executive Directors will brief the Board on the Group's activities and operations.

The Board has direct access to the Senior Management and has complete and unimpeded access to information relating to the Group in the discharge of their duties. The Directors may require to be provided with further details or clarifications on matters tabled at Board meetings. If necessary, Senior Management are invited to attend the Board meetings to update the Board on their respective portfolios and to brief the Directors on proposals submitted for the Board's consideration.

Directors have access to the advice and services of the Company Secretary and have liberty where necessary, to obtain independent professional advise at the Group's expense.

Board Assessment

The Board annually undertakes an assessment of the effectiveness of both the Board and the Board Committees as well as the individual Directors in a formal process. Such findings would be utilized as the bases for the Board's development needs and in making governance changes.

Premised on the assessment results for FY 2021, the Board has concluded that the Board as a whole and its Board Committees have been functioned effectively. The Board is satisfied that each Director continues to contribute to the Board effectively, is well prepared and with knowledge of matters considered by the Board, has good insight of the Group's operations and financial matters. They remain committed to their responsibilities as Board members.

The Directors are satisfied that Board meetings had been convened with open and constructive communication, questioning, free expression of ideas and opinions to propagate meaningful discussions and decision making.

Re-election of Directors

In accordance with the Company's Constitution, 1/3 of the Directors are required to submit themselves for retirement by rotation at each annual general meeting ("AGM") provided always that Directors shall retire from office at least once every 3 years. Retiring Directors may offer themselves for re-election.

Directors who are appointed during the financial year are, in accordance with the Company's Constitution, required to retire at the AGM following their appointment and are eligible for re-election by the shareholders.

Succession Planning

The Board has put in place succession planning by seeking younger directors within the Board and senior management to assume greater responsibilities and different roles within the organisation. At the Senior Management level, young and designated aspiring executives were selected and exposed to current management practices where they were guided and mentored by senior staff through continuous on the job training and exposure.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

Directors' Training

The Group acknowledges that continuous education is vital for the Board members to gain insight into the state of economy, technological advances and regulatory updates. The Directors are encouraged to attend continuous education programme to further enhance their skills and knowledge, where relevant. All Directors have completed the Mandatory Accreditation Programme pursuant to Paragraph 15.08 the Listing Requirements of Bursa Securities and have been briefed by the Senior Management on the operations and policies of the Company to familiarise themselves with the Company's business.

During the FY 2021 and up to the date of this statement, the Directors attended the following training programmes:

Directors	Training attended	Date of training
Yee Wei Meng	UOB: Wholesale Banking Webinar – Navigating through the volatile market	27 April 2022
Ong Li Tak	Good distribution practice for medical devices (GDPMD) awareness & internal auditor training	12 October 2021
Tee Kuan Hong	UOBM: uSolar Webinar – Maximizing the Potential of Solar Energy with Convenient, Affordable and Accessible Solutions	2 November 2021
	UOB: Wholesale Banking Webinar – Navigating through the volatile market	27 April 2022
Ng Lee Thin	MIA Webinar Series: Guidance on Remote Auditing – ISO 9001	9 June 2021 to 10 June 2021
Ahmad Rahizal Bin AMB Dato' Ahmad Rasidi	Effective Fund – Raising and Valuations for The New Normal and Post – Covid 19	25 January 2021
	Corporate Directors Summit 2021 Governance 4.0	17 August 2021
Mok Juan Chek	2Q 2022 Market Outlook webinar by Hong Leong Investment Bank	2 April 2022
	What's Next for Ukraine webinar by Affin Hwang Asset Management	23 April 2022
	Market Outlook: To endemicity and beyond webinar by RHB Investment Bank	23 April 2022
Tan Joo Khong	Investment Opportunities in a post covid-19 pandemic world	30 December 2021
	Developing good stock trading strategies - a systematic approach	30 December 2021

Mr. Patrick Chin Hau Yui, Mr. Teo En Chie and Mr. Mok Juan Chek, did not attend any training during FY 2021 due to personal and/or other business matters.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

Directors' Remuneration

The Board ensures that a fair level of remuneration is imperative to attract, retain and motivate Directors and Senior Management to manage the Company successfully. The component remuneration packages for Executive Directors and Senior Management have been structured to link rewards to corporate and individual performance whilst Non-Executive Directors' remuneration reflects the experience and level of responsibilities undertaken by individual Non-Executive Directors. The remuneration policy and procedures for Directors and Senior Management are available on the Company's website at https://axteria-group.com.my/.

The RC may obtain independent advice on the appropriateness of remuneration packages. Individual Directors are required to abstain from discussion and voting on their own remuneration at Board Meetings. The determination of the remuneration of Non-Executive Directors is a matter for the Board as a whole.

The aggregate remuneration of Directors received from the Company and on Group basis for the FY 2021 amounted to RM643,067 and RM1,934,910 respectively. Details of the individual Director's Remuneration and Key Senior Management from the Company and the Group are set out under Practices 7.1 and 7.3 of the Corporate Governance Report, which is uploaded on the Company's website at https://axteria-group.com.my/.

Sustainability

Sustainability is encouraged within the Group's corporate culture. The Sustainability Statement of the Group as set out in pages 41 to 45 of this Annual Report, explains in brief the Group's practices, ideas and activities carried for the reporting period January 2021 to December 2021.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The ARMC is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions, conflict of interest situations as well as risk management framework. The ARMC seeks to benefit from the possession of financial literacy amongst its members complemented with a sound understanding of the business for it to discharge its responsibilities effectively.

The composition of the ARMC, including its roles and responsibilities as well as a summary of its activities carried out in FY 2021, are set out in the ARMC Report on pages 21 to 23 of this Annual Report.

Relationship with the External Auditors

It is the policy of the ARMC to meet with the external auditors at least twice a year to discuss their audit plan, audit findings and the Group's financial statements. Besides, the ARMC is accessible to the external auditors without the presence of the Management, Managing Director and Executive Director to discuss key audit concerns and obtain feedback relating to the Company's affairs. The ARMC also meets with the external auditors whenever it deems necessary.

The services provided by the external auditors include statutory audits, and non-audit services. Terms of engagement for these services are reviewed by the ARMC and approved by the Board. The ARMC approves all other non-audit services on a case-by-case basis. In approving such cases, the ARMC reviews the independence and objectivity of the external auditors to ensure that these will not be compromised.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

Internal Audit Function

During the financial year under review, the Company has outsourced its Internal Audit function to an independent outsourced service provider, Matrix Corporate Consultancy Sdn Bhd ("Outsourced Internal Auditor") that reports directly to the ARMC. The internal audit function is described in the ARMC Report set out on pages 21 to 23 of this Annual Report.

Internal Control and Risk Management

The Directors are responsible for the Group's system of internal controls and its effectiveness. The principal objective of the system of internal controls is the management of financial and business risks that are significant to the fulfilment of the Group's business objectives, which is to enhance the value of shareholders' investment and safeguarding the Group's assets.

The ARMC summarises and communicates the key business risks to the Board for consideration and resolution. Internal audit activities are conducted by the Outsourced Internal Auditor based on an annual internal audit plan tabled and approved by the ARMC. The internal audit functions are carried out impartially, proficiently and with due professional care. Reports issued by the Outsourced Internal Auditor for the financial year under review were tabled at ARMC meetings. Management was present at such meetings to provide pertinent clarification or additional information to address questions raised by ARMC members.

The Group operates a comprehensive budgeting and financial reporting system, which compares actual performance to budget on a quarterly basis which allows Management to monitor financial and operational performance on a continuing basis.

Details of the Group's Risk Management framework, activities carried out for the financial year under review and reporting processes are set out in the Statement of Risk Management and Internal Control of the Group on pages 36 to 40 of this Annual Report.

Anti-Bribery and Anti-Corruption Policy

The Company has undertaken a group-wide integrity program with the view to instill the value and culture of good corporate behavior among its employees. As part of the said program, the Board had approved the Anti-Bribery and Anti-Corruption Policy in November 2020 with which various adequate procedures were introduced pursuant to section 17A of the MACC Amendment Act.

The Policy sets out the Group's policies to prevent acts of bribery and corruption whereby a zero-tolerance approach against all forms of bribery and corruptions has adopted with a strong stance against such acts.

The Anti-Bribery and Anti-Corruption Policy is published on the Company's website as https://axteria-group.com.my/.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

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

Financial Reporting

The Board aims to provide and present a balanced and clear assessment of the Group's financial performance and prospect primarily through the annual financial statements and quarterly report as well as announcements to the Bursa Malaysia. The ARMC assists the Board in scrutinizing information for disclosure to ensure compliance with accounting standard, accuracy, adequacy and completeness.

The Statement of Responsibility by Directors in respect of the preparation of the annual audited financial statements of the Group is set out on page 53 of this Annual Report.

Corporate Disclosure Policies and Procedures

The Board of Directors recognizes the importance of communication and timely dissemination of information to shareholders and institutional investors.

The Company ensure all information such as corporate announcements, circulars to shareholders and financial results are disseminated to the general public with an overview of the Group's performance and its business activities in a timely and accurate manner.

The Company's quarterly interim financial results are released within 2 months from the end of each quarter. The Annual Report, which is the key communication channel between the Company and its shareholders, is published within 4 months after the financial year end. The Annual Report provides an insightful analysis of the Group's performance, operations and prospect affecting shareholders' interest.

Relationship between the Company and shareholders

General Meetings serve as the principal forum for communicating with the shareholders of the Company. The Board encourages participation of shareholders at the General Meetings to ensure a high level of accountability and identification with the Group's strategy and goals.

In accordance with the Listing Requirements, all resolutions are voted by poll at General Meetings. The Board has not adopted electronic voting as the number of shareholders turning up for the General Meetings was relatively small and the voting for resolutions was expediently carried out by traditional balloting, supervised by an independent scrutineer.

In addition, the Directors also ensure that engagement with shareholders occurs at least once a year during the General Meetings to better understand their needs and obtain their feedback to enhance operations.
.
Shareholders and/or stakeholders are welcomed to raise queries by contacting the Executive Directors. It is the intention of the Board to resume actively engaging the investing public with briefings and press releases, as and when appropriate and in line with the regulations of Bursa Securities, so as to ensure that the public is aware of significant developments.

Leverage on Information Technology for Effective Dissemination of Information

The Group maintains a corporate website at which serves as a forum for the general public to access information on the corporate information, annual reports, corporate announcements and subsidiary developments on the Group's website.

This statement is issued in accordance with a resolution of the Board of Directors at its meeting held on 22 April 2022.

OTHER INFORMATION

Conflict of Interests

None of the Directors have any conflict of interests with Axteria Group Berhad (the "Company") and its subsidiaries (collectively referred to as the "Group").

Utilisation of Proceeds

During the year, the Company issued 365,000,000 Redeemable Convertible Preference Share ("RCPS") at RM0.10 per RCPS for a total of RM36,500,000. The total RCPS issued to date is RM42,500,000. In addition, the Company has also made a private placement of 44,274,200 new ordinary shares at RM0.191 for a total of RM8,456,372. The status of utilisation of proceeds raised from RCPS and Private Placement as at 31 December 2021 is as follows:

(a) RCPS

Purpose	Intended timeframe for utilisation	Proposed utilisation amount (RM'000)	Amount raised (RM'000)	Actual utilisation (RM'000)	Balance to be raised (RM'000)
Financing for existing property development projects	Within 3 years	48,000	39,425	39,425	8,575
Financing for future property development projects	Within 3 years	24,000	-	-	24,000
Working capital	Within 3 years	3,000	-	-	3,000
Expenses relating to RCPS	Within 5 years	5,000	3,075	3,075	1,925
Total		80,000	42,500	42,500	37,500

(b) Private Placement

Purpose	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Balance to be utilised (RM'000)
Financing of Property development and construction projects	8,000	8,000	-
Working capital	256	256	-
Estimated expenses for the Private Placement 2021	200	200	-
Total	8,456	8,456	-

Save for the above, there were no issuance of new shares, rights issue or issuance of bonds during the financial year.

Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company or its subsidiaries, Directors or Management by relevant regulatory bodies during the financial year.

Share Buybacks

The Company did not acquire any of its own shares via share buy backs during the financial year.

OTHER INFORMATION
(Cont'd)

Option, Warrants or Convertible Securities

During the financial year, the Company issued 365,000,000 RCPS at RM0.10 per RCPS for a total of RM36,500,000. The 365,000,000 RCPS were converted to 164,864,381 new ordinary shares before the year ended.

Save for the above, there were no other exercise of option, warrants or convertible securities during the financial year.

American Depository Receipts (ADR) and Global Depository Receipts (GDR)

The Company has not sponsored any ADR or GDR programme for the financial year.

Audit and Non-Audit Fees

The amount of audit and non-audit fees paid to external auditors and its affiliated company during the financial year ended 31 December 2021 are as follow:

	Group RM	Company RM
Audit fees	126,300	36,300
Non-audit fees	36,000	8,400
Other services	3,200	3,200

Profit Estimates, Forecast or Projections

The Company did not make any release on profit estimates, forecast or projections during the financial year.

Profit Guarantee

There was no profit guarantee given by the Company during the financial year.

Material Contracts

Save as disclosed below, there are no material contracts which have been entered into by the Company or its subsidiaries during financial year ended 31 December 2021 and up to the date of this Annual Report:-

a) On 15 October 2021, the Company has signed a non-binding Letter of Intent ("LOI") with Far East Hospitality Management (S) Pte. Ltd. ("FEH") expressing its intent in managing the hotel and serviced suites located in Kota Laksamana, Melaka, Malaysia (the "Properties").

   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.

   On 17 February 2022, the wholly-owned subsidiaries of the Company had entered into five (5) agreements with FEH in relation to the management of the Properties. Axteria Capital Sdn. Bhd which was incorporated on 16 December 2021, will be the master lessee of the guest rooms within the serviced suites via project currently undertaken and to be sold by Axteria Eco Sdn. Bhd. Upon the execution of the Definitive Agreements, the LOI shall cease with immediate effect.

OTHER INFORMATION
(Cont'd)

b) On 15 November 2021, the Company entered into a share sale agreement ("SSA") with Jaya Dormitory Sdn Bhd ("JDSB") to acquire the 1,500,000 ordinary shares ("Sale Shares") representing 15% of the total issued share capital of Harum Eco Dormitory Sdn Bhd ("HED") for a cash consideration of RM2,778,137.84. All conditions precedent pursuant to the SSA with JDSB for the acquisition has been fulfilled on 25 November 2021, marking the completion of the SSA and transfer of legal and beneficial ownership of Sale Shares to the Company. As at 31 December 2021, the Company's equity interest in HED has increased from 30% to 45%.

c) On 15 November 2021, Axteria Properties Sdn Bhd, a wholly-owned subsidiary of the Company, 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 for a total cash consideration of RM11,008,000. The purpose of this acquisition is to garner better control over the tenant mix so as to facilitate better integration of quality tenants for the Group's hotel and serviced suites projects.

Related Party Transactions of a Revenue or Trading Nature

Details of transactions with related parties undertaken by the Group during the financial year under review are disclosed in Note 35 to the financial statements.

Contracts Relating to Loans

There was no contract relating to loans by the Company.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors is pleased to present the following Statement on Risk Management and Internal Control for the financial year ended 31 December 2021 (“Statement”), which has been prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. The Statement outlines the scope and nature of risk management and internal controls of the Company and the subsidiaries (“Group”) for the financial year ended 31 December 2021.

BOARD’S RESPONSIBILITY

The Board of Directors acknowledges its responsibility for maintaining a sound risk management framework and internal control system within the Group to safeguard the shareholder’s investments and the Group’s assets, and to continuously review the adequacy and effectiveness of the Group’s risk management framework and system of internal control.

The Board through its Audit and Risk Management Committee (“ARMC”) supported by the Internal Auditors that is independent of the activities it audits, conducted periodic assessments during the financial year to ensure proper risk governance and determine the nature and extent of the significant risks that may hinder the Group from achieving its objectives are being adequately evaluated, managed and controlled. Audit issues as well as actions agreed by the Management to address them were tabled and deliberated by Internal Auditor during the ARMC Meetings, the minutes of which are then presented to the Board.

The system of risk management and internal control covers not only the financial aspect but also operational and compliance aspect of the Group. Due to inherent limitation in any system of risk management and internal control, the Board recognises that such systems are designed to manage rather than to eliminate the risks that may impede the achievement of the Group’s business objectives and goals, and hence, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

MANAGEMENT’S RESPONSIBILITY

Management/Head of Division is responsible for implementing the Group’s policies and procedures on risk and internal control to identify, evaluate, measure, monitor and report risks as well as deficiencies and non-compliance with internal controls, and for taking appropriate and timely remedial actions as required.

RISK POLICY

Risk is a factor of every-day life and can never be eliminated completely. All employees must understand the nature of risk and accept responsibility for risks associated with their area of authority. The necessary support, assistance and commitment of senior management will be provided.

The policy forms part of the Group’s internal control and governance arrangements.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL
(Cont'd)

Our risk management objectives are to:

i. Integrate risk management into the culture of the organization.
ii. Manage risk in accordance with best practice and provide reasonable assurance regarding the achievement of the Group objective and maximize stakeholder's value.
iii. Consider legal compliance as an absolute minimum.
iv. Anticipate and respond quickly to social, environmental and legislative change.
v. Prevent injury and damage and reduce the cost of risk.
vi. Raise awareness of the need for risk management.

These objectives will be achieved by:

i. Adopting processes, which demonstrate that risk management principles are being applied across the whole organization.
ii. Maintaining an appropriate system for recording incidents and carrying out post event checks to ascertain causes and identify preventive measures against re-occurrence.
iii. Devising and maintaining contingency plans in key risk areas to secure business continuity where there is a potential for an event having a major impact upon the management ability to function.
iv. Maintaining effective communication and involvement of all staff and stakeholders.
v. Monitoring arrangements on an ongoing basis.

The Group adopts the following Risk Management Framework which essentially links the Group's objectives and goals to principal risks. The principal risks are transformed into controls and opportunities that are translated to actions and programs.

RISK MANAGEMENT

Its key elements:

Risk Governance

- Board of Directors ("BOD")

  BOD is responsible for compliance with the Listing Requirements of Bursa Malaysia Securities Berhad by ensuring that a sound system of internal controls is maintained to safeguard shareholders' investment and the Group's assets. The BOD through an independent Board Audit and Risk Management Committee would ensure adherence to the Listing Requirements.

- Audit and Risk Management Committee ("ARMC")

  The responsibility of ARMC is to ensure that through risk assessment the significant risks are being identified and appropriate systems are implemented to manage the risks and the adequacy and the integrity of the internal controls are reviewed.

- Managing Director ("MD")

  The MD is responsible for control and oversight over the implementation of the risk management process for the Group. The responsibility of implementing the risk management process lies with designated senior officers at the Group level and the subsidiaries level.

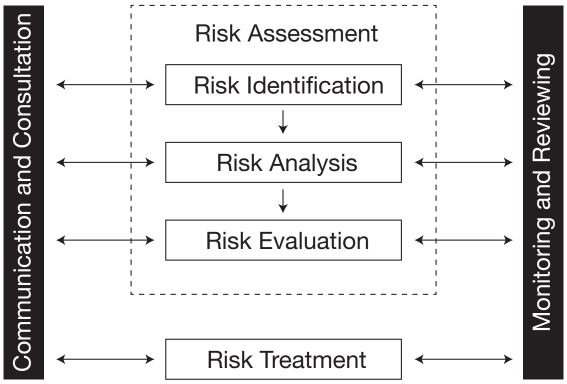
STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL
(Cont'd)

Risk Assessment Process

The approach used to establish a framework for the group-wide risk management is the methodology referred to as the Control Self-Assessment ("CSA"), which refers to the process whereby each division identify and evaluate controls within key functions and activities of their respective business processes.

The CSA adopts both bottoms up and top-down approach for operation and strategic risks respectively.

The Risk Assessment Process is as follows:



The process is an ongoing process for evaluating and managing the significant risks faced by the Group. This process includes updating the system of internal controls when there are changes to the business environment or regulatory guidelines.

Risk Guidelines

Risks have been defined, described and rated in the framework into 3 categories i.e. Major, Medium and Low. The guidelines were duly approved and endorsed by the ARMC and BOD.

Reporting

MD and Executive Director ("ED") issue a Letter of Assurance addressed to ARMC and BOD on an annual basis covering the CSA carried out by the divisions respectively.

Monitoring and Review

Risk management is a dynamic and on-going process. Responsibility for monitoring compliance with policies, procedures, guidelines and legislation rests principally with the Outsourced Internal Auditors ("OIA"), which directly reported to the ARMC.

Heads of Divisions are actively involved in continually improving the control processes within their respective divisions.

The re-assessments are performed annually to ensure proper management of business and operational risks and effectiveness of the control environment.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL
(Cont'd)

INTERNAL CONTROL FUNCTION

The Group has outsourced its internal audit function to a professional services firm that reports directly and independently to the ARMC. The OIA's responsibilities are to provide objective assessment and assurance and therefore improve and add value to the organisation risk management and internal control framework.

The Internal Audit is to perform independent reviews of the adequacy and integrity of the risk management and internal control processes within the Group in order to assure the ARMC and the Board that the control measures being implemented by the senior management are sound and effective.

Some key aspects of the internal control processes under review of the Internal Auditor includes development agreements, development costs, related parties and intercompany transactions, Information Technology management, privacy and data protection and construction progress payment.

The OIA submits a report on audit findings such as internal control weaknesses identified as well as recommendation or corrective measures to ARMC for review and approval, and for further deliberation with the Board.

Key Processes

Salient features of the key processes of the system of internal control of the Group are as follows:

i. The management structure is well defined, with clear lines of authority and responsibility.
ii. The Board continually assesses business performance and evaluates operation controls at all levels, and where necessary takes appropriate remedial action.
iii. The Senior Management updates the Board on industry trends, key customers and performance of various units within the Group, and the Board endorses responses taken.
iv. Financial results are reviewed quarterly by the ARMC and the Board and compared to budgets and forecasts.
v. Executive Directors and Heads of Divisions meet to discuss operational, management issues, financial performance and indicators focusing on the evaluation of applicable risks.
vi. Accounting procedures are communicated to staff at all levels.
vii. The OIA which reports to the ARMC performs reviews to assess the effectiveness of internal controls and to identify significant risks. The internal audit control assessment excludes the associate.
viii. The ARMC reviews actions taken on internal control issues raised by the OIA and external auditors including the audit plans and ensures sufficient cooperation is rendered by employees in carrying out the plans.
ix. Formal recruitment, training and development, and performance appraisals are in place to ensure and maintain the professionalism and competency of staff. The resources of the internal audit function and the necessary authority required by OIA officers to carry out their work are also kept in check to ensure smooth running.
x. The Group had established a set of corporate values, ethical behaviour, and a guidance for quality products and services and these are set out in the Group's Employee Handbook.

CONCLUSION

Based on the evaluation and review performed by the OIA and Head of Divisions, the Board is of the view that the overall risk management and internal control systems are adequate and effective in safeguarding the shareholders' investment and the assets of the Group, and the Board is not aware of any significant weaknesses which would have resulted in material losses, contingencies or uncertainties requiring separate disclosure in the Annual Report for the financial year ended 31 December 2021.

Nevertheless, the Board together with the management will continue to take the necessary measures to ensure that all processes and procedures are being constantly reviewed, reinforced and strengthen in line with the changes and challenges in the business environment in which the Group operates in.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL
(Cont'd)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors, Crowe Malaysia PLT, have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3 (previously Recommended Practice Guide 5 (Revised 2015)), Guidance for Auditors on Engagements to Report on the Statement on Risk and Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the financial year ended 31 December 2021, and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the processes that the Board has adopted in the review of adequacy and effectiveness of the Group's risk management and internal control systems.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and senior management thereon.

SUSTAINABILITY STATEMENT

The future success of the Group will depend on the sustainability of its business and the ability of the Group to anticipate and overcome the various foreseeable risks and challenges.

(I) Governance Structure in Place

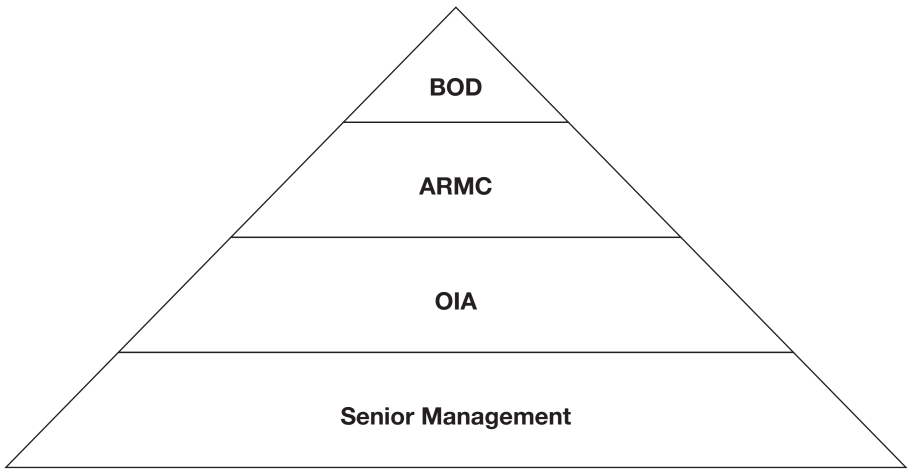
Reporting Structure

In addressing the key areas where the medium to long term sustainability of the Group's business is vital, the Group has in place the following functions and areas that addresses the issues.

Delegation of function

The Group recognises and is committed to uphold good corporate governance as it is an essential factor that has significant impact on sustainability of the Group's operations in the long run. In implementing the study on EE, the Group has delegated the relevant duties to senior management who are expected to provide necessary information and to work closely with the Group's Outsourced Internal Auditors ("OIA") as the OIA is more independent and has been critical of the Group's internal controls and standards of operations. The findings and analysis of the key areas by OIA is furnished to Audit and Risk Management Committee ("ARMC") for deliberation before being forwarded to the Board of Directors ("BOD") in the form of enhanced advisory. The analysis and reporting are performed on a quarterly basis and may include or duplicate the typical scope of internal audit and risk management that are already part and parcel of the functions under OIA and ARMC.

The delegation of sustainability analysis and reporting chain is simplified into the following diagram.



The BOD peruse the findings and the advice of ARMC as additional input to remain informed of the Group's direction into the future and makes decisions taking into consideration the information. Decisions by the BOD in turn translate into instructions and actions to be executed by management and employees with the aim of achieving desired outcome.

SUSTAINABILITY STATEMENT
(Cont'd)

Stakeholder Engagement

The Group comes into contact with various parties in carrying out its operations. Eight categories of stakeholders have been identified by the Group and the key engagements during 2021 in respect of each of those categories of stakeholders are summarised as follows:

Stakeholder	Key engagements in 2020	Frequency
Customers	After sales service.	Ongoing
	Defect liability period.	Ongoing
Employees	Periodic discussions.	Ongoing
Shareholders	Annual General Meeting.	Annually
	Interim results.	Quarterly
Investors and lenders	Meetings with investors/ funders	Occasional
	Meetings with bankers.	Periodic
Government / regulators	Meetings.	Regular
	Written communication.	Periodic
Local communities	Hosting of charity events.	Occasional
Consultants / Contractors	Meetings with consultants and contractors.	Regular
Media	Newspaper advertising	Occasional

(a) Charity

Whenever possible, the Group makes effort in hosting charities to aid those in need and those who are less fortunate. The Group believes in giving back to the society and empowering them however small to help them make another step forward in the society.

During the year, the Group had made a contribution to Persatuan Persara Polis Negeri Johor.

(b) Publicity and branding for the Group

The Group ventured into property development in 2015 via the acquisition of Axteria Eco Sdn Bhd (f.k.a. Teras Eco Sdn Bhd) and Axteria Cemerlang Sdn Bhd (f.k.a. JM Cemerlang Sdn Bhd).

Over the years, the Group has since completed its maiden projects, Senibong 88 which comprised 45 units of factories and Jaya 88 which consisted of 5 blocks of dormitory with a total of 240 units, both located in Bandar Baru Permas Jaya, Mukim of Plentong.

During the year, the Group is preparing for handover of Desa 88 Phase 1 in Plentong, Johor Bahru, which consists 40 units of terrace factories and continues to focus on the construction of Desa 88 Phase 2 which consists of 36 units of terrace factory. Having achieved about 85% completion, the Group is confident that Phase 2 will be completed by quarter 3 of 2022.

The construction works for 16-storey hotel known as Block A Hotel located at the site of the mixed development in the district of Melaka Tengah, Melaka. Having achieved approximately 72.5% completion at first quarter of 2022, the Group anticipates that the Hotel will be completed and put to operation by end of 2022.

During the year, the construction of 44-storey serviced apartments (Block C) at the same site in the district of Melaka Tengah, Melaka, acquired in 2018 vide a Development Rights Agreement entered with Jaya Mapan Sdn. Bhd. ("JMSB"), has commenced in 2021. This development represents the Group's first high rise residential project.

In Pasir Gudang, Johor, the Group had initiated development of the proposed 66 units of double and three storey shop offices nestled within a matured and vibrant commercial centre. The project code-named Sentrio is expected to be completed by first quarter of 2023.

Sustainability Efforts Within Project

Amenities within project

The Group recognises the importance of security in any development. This factor alone is a significant consideration in the decision making of purchasers in selecting a property. At Senibong 88, the issue of security has been addressed from the onset with the project being designed as a gated and guarded commercial cum industrial development ("comdustrial"). Purchasers and visitors alike, would benefit from the security feature.

For employees of the companies operating at Senibong 88, the need for leisure is also important as their general welfare and happiness would contribute positively to their performance at work, to the advantage of the employers. To accomplish this, Senibong 88 was designed with generous sections of the land within the development earmarked for leisure purpose. Complete with benches and greeneries, the areas designated for leisure are for common use within Senibong 88 development.

Desa 88 factories are also designed with gated and guarded concept for added security to purchasers. For comfort, leisure and relaxation of the community, the project also offers greenfield among the pockets of land in between the factory units. For effective industrial operations, the factories are also equipped with high speed fibre optic internet connections.

The completed dormitories in Bandar Baru Permas Jaya, Mukim of Plentong are also based on gated and guarded concept. Amenities provided to the occupants of the dormitories includes a grocery mini mart, a barber shop, a convenient shop, telecommunication kiosks, a canteen and water dispenser machines.

The ongoing mixed development project in Kota Syahbandar Melaka, which includes high-rise apartments, hotel, shops and retail units presents the Group with realistic opportunity for the Group to yield results without gestation period as the authorities' approvals have already been obtained. Although the Group is only involved in development of a block of apartments and a hotel, the Group enjoys the benefits arising from synergy of the two proposed components with the shared facilities such as the surface and elevated parking spaces, access to the courtyard and the retails spaces which are expected to attract visitors to the area. The amenities provided includes a dedicated swimming pool for the hotel, open area for alfresco dining, functions or events, and a courtyard that is designed to bring vibrant activities and life to the development. On premise of a good mix of business activities, the development will create an environment that enables a self-sustained living.

The project Sentrio in Pasir Gudang, Johor is nestled in a mature commercial environment. This could spur neighbour vibrancy as the new 66 units of double storey and three storey shop offices adds to the business activities in the vicinity and complements existing businesses and lifestyle.

Ensuring Development Projects are Not Overpriced

The cost of living and the costs of doing business in the country remains an on-going concern among purchasers in the purchase of Group's property. The challenge of obtaining end financing still prevails. So as to enable the Group to meet its sales targets, the Group attempts its level best to price it projects on a demand basis and within the lower-mid range price band.

(II) Scope and Basis

The Group's Sustainability Statement covers its operations at its Head Office in Petaling Jaya and its development and construction activities in Johor and Melaka. The elaboration of our projects is aimed at providing added information in relation to our sustainability performance. The Group's sustainability Statement is guided by Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad and premised upon the evaluation of the economic and environmental risks and opportunities coexistent with the Company's corporate governance framework. The Group believes sustainable corporate success relies on high standard of corporate behaviour and taking into consideration public expectations on economic and environmental responsibilities.

SUSTAINABILITY STATEMENT
(Cont'd)

(III) Material Sustainability Matters

In order to implement meaningful sustainability strategies, the Group depended on good understanding of our economic and environmental priority areas. By performing material assessments over the recent years, the key priority areas that are relevant to our business and stakeholders were outlined.

The following have been identified by the management as being key areas:-

Core areas

The Group's statement of sustainability emphasises on the following core areas:

(a) Economic
(b) Environmental

Collectively, the three core areas are referred to as the abbreviated EE, which affects the performance of the Group's operations, activities and initiatives.

(A) Economic:

Key Areas	Risks	Action Plans
Targeted completion date and obtaining Certificate of Completion and Compliance on schedule	Poor monitoring of project to ensure timely delivery and contractor not able to complete on time.	Management attempts to mitigates such risk by working closely with contractors and subcontractors to identify areas that require resolution. The Group has in place a periodic tracking system to monitor progress report at the development site. Only qualified and competent contractors are selected or replaced if necessary.
Market Demand and Costs Uncertainty	Inability to forecast market demand and pricing sensitivity which may lead to loss of business opportunity, disruptions to operations, financial and non–financial losses, poor property sale and subsequent cash flow difficulty.	The Group undertakes market studies and thorough evaluations with external property agents to understand market sentiments. The Group typically undertakes a joint venture with third parties to mitigate carrying-cost financial risk. Construction costs are negotiated well and on fixed price basis in advance to mitigate future fluctuations.
Change in administrative policies	Changes due to regulatory requirements and quota policy which will affect the sale price and inability to secure timely approvals.	The Group will constantly engage with the local regulatory authorities to address issues as and when it arises and devise contingency plans.
Insufficient land bank	Due to completion of existing projects and inability to secure new land bank due to high price of development land and strong competition.	The Group mitigates such risk by seeking to joint venture instead of undertaking outright purchases. This will reduce holding costs.

SUSTAINABILITY STATEMENT
(Cont'd)

(B) Environmental:

Key Areas	Risks	Action Plans
Rapid urbanisation and growing emphasis for consideration on environmental impact of new developments	Reduction of forested areas or urbanisation of areas brings about negative environmental repercussions.	The Group constantly seeks innovative designs and construction approach that are functional, contemporary and aesthetic but yet environmental friendly. Initiatives such as incorporation of systematic garbage disposal system, rain harvesting systems and preservation of fauna and flora within a development are considered at the planning and design stage of each development. Such features are incorporated into the developments if they are within the feasibility of projects concerned. <u>Incorporation of energy efficient innovations</u> As consumer lifestyles changes along with trends and unrestricted flow of information on technology, the Group takes into consideration during its product planning and design stage enhancements such as motion sensing switches, one of the latest energy saving electrical devices and setups that could help lower the power consumption for the completed property. Such energy efficient features offer long term savings for the purchasers. <u>Emphasis on green concept</u> Apart from our projects, the Group also occasionally organises environmental-themed and eco-friendly events such as tree-planting to increase the number of trees in public locations in its effort to improve carbon dioxide absorption, for shade and cooling reasons and for landscape aesthetics purposes.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

CHANGE OF NAME

On 19 July 2021, the Company changed its name from Acoustech Berhad to Axteria Group Berhad.

RESULTS

	The Group RM	The Company RM
Loss after tax for the financial year	(1,730,206)	(11,918,668)
Attributable to:-		
Owners of the Company	(1,730,206)	(11,918,668)

DIVIDENDS

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the Company increased its total number of issued ordinary shares from 221,483,291 to 430,621,872 by way of:-

  (i) Issuance of 44,274,200 new ordinary shares at RM0.191 each for a cash consideration of RM8,456,372 through private placement; and

  (ii) Conversion of 365,000,000 redeemable convertible preference shares to 164,864,381 new ordinary shares.

  The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

(b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company did not repurchase any of its issued ordinary shares from the open market. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

As at 31 December 2021, the Company held as treasury shares a total of 111,840 of its 430,621,872 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM92,187. The details of the treasury shares are disclosed in Note 20 to the financial statements.

WARRANTS

On 12 August 2020, the Company issued 97,211,694 free warrants pursuant to the Bonus Issue of Warrants at RM0.29 per Warrant on the basis of one warrant for every two existing ordinary shares. The warrants were constituted under the Deed Poll dated 23 July 2020. No warrants were exercised during the financial year and the total number of warrants that remain unexercised is 97,211,694. The salient terms of the Warrants 2020/2025 are disclosed in Note 22 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT
(Cont'd)

CONTINGENT AND OTHER LIABILITIES

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

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

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, 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.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Ong Li Tak
Yee Wei Meng (Appointed on 2.4.2021)
Ahmad Rahizal Bin Amb Dato' Ahmad Rasidi
Patrick Chin Hau Yui (Appointed on 15.5.2021; Resigned on 10.2.2022)
Tee Kuan Hong (Appointed on 15.5.2021)
Teo En Chie (Appointed on 15.5.2021; Resigned on 1.4.2022)
Ng Lee Thin (Appointed on 15.5.2021)
Mok Juan Chek (Appointed on 10.2.2022)
Tan Joo Khong (Appointed on 10.2.2022)
Koh Boon Huat (Resigned on 13.4.2021)
Leong Ngai Seng (Resigned on 10.5.2021)
Soon Kwai Choy (Resigned on 10.5.2021)

The names of directors of the Company's subsidiaries who served during the financial year until the date of this report are similar to those disclosed above.

DIRECTORS' REPORT
(Cont'd)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares			
	At 1.1.2021/ Date of appointment	**Bought**	**Sold**	**At 31.12.2021**
The Company				
Direct Interests				
Ong Li Tak	700,400	-	-	700,400
Yee Wei Meng	30,991,940	13,374,900	-	44,366,840
Tee Kuan Hong	11,000	1,800,000	-	1,811,000
Teo En Chie	4,830,336	-	-	4,830,336

	Number of Warrant 2020/2025			
	At 1.1.2021	**Bought**	**Sold**	**At 31.12.2021**
The Company				
Direct Interests				
Ong Li Tak	350,200	-	-	350,200
Tee Kuan Hong	500	-	-	500

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 35 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 34 to the financial statements.

DIRECTORS' REPORT
(Cont'd)

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 39 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 40 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office. The details of the auditors' remuneration are disclosed in Note 30 to the financial statements.

Signed in accordance with a resolution of the directors dated 22 April 2022.

Tee Kuan Hong

Yee Wei Meng

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tee Kuan Hong and Yee Wei Meng, being two of the directors of Axteria Group Berhad (formerly known as Acoustech Berhad), state that, in the opinion of the directors, the financial statements set out on pages 59 to 135 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements 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 of 31 December 2021 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 22 April 2022.

Tee Kuan Hong **Yee Wei Meng**

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Sea Hong Peng, MIA Membership Number: 47568, being the officer primarily responsible for the financial management of Axteria Group Berhad (formerly known as Acoustech Berhad), do solemnly and sincerely declare that the financial statements set out on pages 59 to 135 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Sea Hong Peng
at Johor Bahru
in the State of Johor
on this 22 April 2022

Before me **Sea Hong Peng**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AXTERIA GROUP BERHAD

(Formerly known as Acoustech Berhad) (Incorporated in Malaysia) Registration No: 199901021765 (496665-W)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Axteria Group Berhad (formerly known as Acoustech Berhad), which comprise the statements of financial position as at 31 December 2021 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 59 to 135.

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 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards 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. 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' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Other Matter

The financial statements of the Group and of the Company for the preceding financial year were audited by another firm of auditors, whose report dated 27 May 2021 expressed an unmodified opinion on those statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF AXTERIA GROUP BERHAD (Cont'd)
(Formerly known as Acoustech Berhad) (Incorporated in Malaysia) Registration No: 199901021765 (496665-W)

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 financial 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.

Impairment Assessment of Goodwill on Consolidation ("Goodwill")
Refer to Notes 5.1(c) and 11 to the financial statements

Key Audit Matter	How our audit addressed the key audit matter
We focused on this area due to:- • The carrying value of RM19,464,424 relating to Goodwill which arose from the acquisition of subsidiaries by the Group in previous financial years; • The Group performs annual impairment review of Goodwill by estimating the recoverable amount of its cash-generating units ("CGU") relating to the Goodwill based on value in use ("VIU"). Estimating the VIU of the CGU includes estimating the future cash flows of the relevant CGU and discounting them at an appropriate rate; and • Due to the significance of the Goodwill and the subjectivity involved in estimating the VIU, we considered this impairment review to be a Key Audit Matter.	Our procedures include obtaining the future cash flow projections and the assumptions used by the management for the purpose of these projections together with the calculations for deriving the VIU of the relevant CGU and:- • Evaluating the key assumptions applied such as sales of property units, gross profit margins, operating overheads and terminal value; • Assessing whether the discount rate used to determine the present value of the future cash flows reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile comparable to those that the entity expects to derive; and • Performing sensitivity analysis to stress test the key assumptions in the impairment model.

Reasonableness of revenue recognition arising from contracts with customers
Refer to Notes 5.1(h), 5.24(a) and 28 to the financial statements

Key Audit Matter	How our audit addressed the key audit matter
Most of the Group's revenue is derived from property development activities. Pursuant to MFRS 15, revenue may be recognised at a point in time or progressively over time. Judgement is required to assess the performance obligations and revenue recognition. Judgements impacting the revenue recognition are as follows:- • interpreting of contract terms and conditions; • assessing and identifying the performance obligations; and • assessing the computation of revenue recognition.	To address this risk, our audit procedures involved the following: • reviewing the contract terms and identifiying performance obligations stipulated in the contracts, on sample basis; • evaluating whether the performance obligations are satisfied at point in time or over time; • evaluating the reasonableness of percentage of completion using the input method; • assessing the revenue recognised are in accordance with MFRS 15 "Revenue with Contract Customers"; and • Performing site visits to assess the status of the property development.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AXTERIA GROUP BERHAD (Cont'd)

(Formerly known as Acoustech Berhad) (Incorporated in Malaysia) Registration No: 199901021765 (496665-W)

Key audit matters (Cont'd)

Reasonableness of attributable profits arising from property development projects
Refer to Notes 5.1(h), 15 and 28 to the financial statements

Key Audit Matter	How our audit addressed the key audit matter
The Group's property development division recognises revenue and cost by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This requires the use of estimates, namely on project development revenue and cost. Significant judgement is required in determining the completeness and accuracy of the estimates. Substantial changes to project development revenue and cost estimates in the future can have a significant effect on the Group's results.	To address this risk, our audit procedures involved the following: • Making inquiries and obtaining an understanding from management on the procedures and controls in relation to the estimation of and revision to the project development revenue and cost; • Reviewing the reasonableness of the estimated project development revenue by comparing the selling prices of units sold, on sample basis; and • Reviewing the reasonableness of the estimated project development cost by reviewing the contract works awarded, assessing the basis of the estimation for contract works not awarded and comparing to the actual costs incurred up to the end of the reporting period, on sample basis.

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 Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 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 Group's and the Company's ability 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 AXTERIA GROUP BERHAD (Cont'd)

(Formerly known as Acoustech Berhad) (Incorporated in Malaysia) Registration No: 199901021765 (496665-W)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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 financial 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AXTERIA GROUP BERHAD (Cont'd)

(Formerly known as Acoustech Berhad) (Incorporated in Malaysia) Registration No: 199901021765 (496665-W)

OTHER MATTERS

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.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Tan Lin Chun
02839/10/2023 J
Chartered Accountant

Johor Bahru

22 April 2022

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	The Group 2021 RM	The Group 2020 RM (Restated)	The Company 2021 RM	The Company 2020 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	69,910,727	71,242,758
Investments in associates	7	4,055,354	1,093,807	5,178,138	2,400,000
Property, plant and equipment	8	16,843,676	6,327,757	-	2,876
Investment properties	9	11,644,865	4,091,322	-	-
Right-of-use assets	10	1,014,085	1,692,402	-	202,387
Goodwill	11	19,469,424	19,469,424	-	-
Deferred tax assets	12	95,300	-	-	-
Other receivables	13	1,619,184	-	46,911,609	7,053,330
Other financial asset	14	1,865,526	-	-	-
		56,607,414	32,674,712	122,000,474	80,901,351
CURRENT ASSETS					
Inventories	15	81,196,531	79,861,726	-	-
Trade receivables	16	2,388,594	1,768,493	-	-
Other receivables, deposits and prepayments	13	4,294,540	5,248,077	3,008,250	25,508
Contract assets	17	217,435	65,075	-	-
Current tax assets		1,623,091	323,409	412,230	242
Fixed deposits with a licensed bank	18	603,500	-	-	-
Cash and bank balances		4,633,352	1,150,177	150,845	121,555
		94,957,043	88,416,957	3,571,325	147,305
TOTAL ASSETS		151,564,457	121,091,669	125,571,799	81,048,656

The annexed notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021 (Cont'd)

	Note	The Group 2021 RM	The Group 2020 RM (Restated)	The Company 2021 RM	The Company 2020 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	150,459,230	105,502,858	150,459,230	105,502,858
Treasury shares	20	(92,187)	(92,187)	(92,187)	(92,187)
Accumulated losses		(33,060,447)	(31,330,241)	(37,567,994)	(25,649,326)
TOTAL EQUITY		117,306,596	74,080,430	112,799,049	79,761,345
NON-CURRENT LIABILITIES					
Lease liabilities	23	720,517	1,474,307	-	273,294
Term loans	24	5,933,171	8,298,206	-	-
Deferred tax liabilities	12	312,980	9,250	312,980	306,223
		6,966,668	9,781,763	312,980	579,517
CURRENT LIABILITIES					
Trade payables	25	10,669,027	17,655,631	-	-
Contract liabilities	17	1,714,749	655,661	-	-
Other payables and accruals	26	5,076,733	9,334,048	12,459,770	624,838
Lease liabilities	23	227,369	348,544	-	82,956
Term loans	24	9,223,470	9,076,791	-	-
Current tax liabilities		-	158,801	-	-
Provision	27	379,845	-	-	-
		27,291,193	37,229,476	12,459,770	707,794
TOTAL LIABILITIES		34,257,861	47,011,239	12,772,750	1,287,311
TOTAL EQUITY AND LIABILITIES		151,564,457	121,091,669	125,571,799	81,048,656

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		The Group		The Company	
	Note	2021 RM	2020 RM (Restated)	2021 RM	2020 RM
REVENUE	28	25,349,198	5,186,036	-	-
COST OF SALES		(20,827,074)	(3,880,825)	-	-
GROSS PROFIT		4,522,124	1,305,211	-	-
OTHER INCOME		4,943,844	788,628	5,708,399	327,175
		9,465,968	2,093,839	5,708,399	327,175
SELLING AND MARKETING EXPENSES		(405,000)	(334,011)	-	-
ADMINISTRATIVE EXPENSES		(9,204,419)	(7,843,675)	(3,898,987)	(3,884,111)
OTHER OPERATING EXPENSES		(447,959)	(17,882,892)	(1,336,491)	(16,085,840)
FINANCE COSTS		(1,130,179)	(1,080,186)	(180,955)	(121,246)
NET REVERSAL OF IMPAIRMENT/ (IMPAIRMENT LOSSES) ON FINANCIAL ASSETS	29	226,154	(3,135,450)	(12,203,877)	(5,549,977)
SHARE OF PROFITS/(LOSS) OF EQUITY ACCOUNTED ASSOCIATES		183,409	(1,354,532)	-	-
LOSS BEFORE TAX	30	(1,312,026)	(29,536,907)	(11,911,911)	(25,313,999)
TAX (EXPENSE)/INCOME	31	(418,180)	507,800	(6,757)	433,348
LOSS AFTER TAX/TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL YEAR		(1,730,206)	(29,029,107)	(11,918,668)	(24,880,651)
LOSS AFTER TAX ATTRIBUTABLE TO:-					
Owners of the Company:		(1,730,206)	(29,029,107)	(11,918,668)	(24,880,651)
LOSS PER SHARE (SEN)	32				
Basic		(0.48)	(14.48)		
Diluted		(0.48)	(14.48)		

The annexed notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Share Capital RM	Treasury Shares RM	Redeemable Convertible Preference Shares RM	Distributable Accumulated Losses RM	Total Equity RM
The Group						
Balance at 1.1.2020						
- As previously reported		99,502,858	(92,187)	-	1,577,086	100,987,757
- Prior year adjustments	41	-	-	-	(3,878,220)	(3,878,220)
- As restated		99,502,858	(92,187)	-	(2,301,134)	97,109,537
Loss after tax/Total comprehensive expenses for the financial year						
- As previously reported		-	-	-	(28,034,634)	(28,034,634)
- Prior year adjustments	41	-	-	-	(994,473)	(994,473)
- As restated		-	-	-	(29,029,107)	(29,029,107)
Issuance of redeemable convertible preference shares	21	-	-	6,000,000	-	6,000,000
Contributions by and distributions to owners of the Company:						
- Conversion of redeemable convertible preference shares	19	6,000,000	-	(6,000,000)	-	-
Balance at 31.12.2020		105,502,858	(92,187)	-	(31,330,241)	74,080,430
Balance at 1.1.2021						
- As previously reported		105,502,858	(92,187)	-	(26,457,548)	78,953,123
- Prior year adjustments	41	-	-	-	(4,872,693)	(4,872,693)
- As restated		105,502,858	(92,187)	-	(31,330,241)	74,080,430
Loss after tax/Total comprehensive expenses for the financial year		-	-	-	(1,730,206)	(1,730,206)
Issuance of redeemable convertible preference shares	21	-	-	36,500,000	-	36,500,000
Contributions by and distributions to owners of the Company:						
- Issuance of shares	19	8,456,372	-	-	-	8,456,372
- Conversion of redeemable convertible preference shares	19	36,500,000	-	(36,500,000)	-	-
Total transactions with owners		44,956,372	-	(36,500,000)	-	8,456,372
Balance at 31.12.2021		150,459,230	(92,187)	-	(33,060,447)	117,306,596

The annexed notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

					Distributable	
	Note	Share Capital RM	Treasury Shares RM	Redeemable Convertible Preference Shares RM	Accumulated Losses RM	Total Equity RM
The Company						
Balance at 1.1.2020		99,502,858	(92,187)	-	(768,675)	98,641,996
Loss after tax/Total comprehensive expenses for the financial year		-	-	-	(24,880,651)	(24,880,651)
Issuance of redeemable convertible preference shares	21	-	-	6,000,000	-	6,000,000
Contributions by and distributions to owners of the Company:						
- Conversion of redeemable convertible preference shares	19	6,000,000	-	(6,000,000)	-	-
Balance at 31.12.2020		105,502,858	(92,187)	-	(25,649,326)	79,761,345
Balance at 1.1.2021		105,502,858	(92,187)	-	(25,649,326)	79,761,345
Loss after tax/Total comprehensive expenses for the financial year		-	-	-	(11,918,668)	(11,918,668)
Issuance of redeemable convertible preference shares	21	-	-	36,500,000	-	36,500,000
Contributions by and distributions to owners of the Company:						
- Issuance of shares	19	8,456,372	-	-	-	8,456,372
- Conversion of redeemable convertible preference shares	19	36,500,000	-	(36,500,000)	-	-
Total transactions with owners		44,956,372	-	(36,500,000)	-	8,456,372
Balance at 31.12.2021		150,459,230	(92,187)	-	(37,567,994)	112,799,049

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	The Group 2021 RM	The Group 2020 RM (Restated)	The Company 2021 RM	The Company 2020 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Loss before tax		(1,312,026)	(29,536,907)	(11,911,911)	(25,313,999)
Adjustments for:-					
Bad debts written off		4,456	-	4,456	-
Depreciation of:					
- property, plant and equipment		102,021	125,856	2,876	32,335
- right-of-use assets		407,355	391,467	126,422	188,229
Fair value loss on:					
- other financial asset		344,061	-	-	-
- investment properties		-	1,308,678	-	-
Impairment loss:					
- amount owing by an associates		-	2,605,535	-	2,605,535
- amount owing by subsidiaries		-	-	12,203,877	2,945,807
- goodwill		-	2,000,000	-	-
- investment in subsidiaries		-	-	1,332,035	15,940,000
- other receivables		-	529,915	-	-
- property development costs		99,442	2,084,525	-	-
- property, plant and equipment		-	12,343,113	-	-
Interest expense		975,845	1,052,328	179,791	120,929
Property, plant and equipment written off		-	146,576	-	145,840
Provision for liquidated ascertained damages		379,845	-	-	-
Share of (profit)/loss of an associate, net of tax		(183,409)	1,354,532	-	-
Gain on disposal of right-of-use assets		(225,970)	-	(279,035)	-
Gain on lease termination		(3,752)	-	-	-
Income from non-fulfilment of profit guarantee by vendor		(4,168,243)	-	(4,168,243)	-
Interest income		(122,100)	-	(1,235,852)	(325,135)
Reversal of impairment loss on:					
- amount owing by a subsidiary		-	-	-	(1,365)
- other receivables		(226,154)	-	-	-
Operating loss before working capital changes		(3,928,629)	(5,594,382)	(3,745,584)	(3,661,824)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

		The Group		The Company	
	Note	2021 RM	2020 RM (Restated)	2021 RM	2020 RM
Operating loss before working capital changes		(3,928,629)	(5,594,382)	(3,745,584)	(3,661,824)
Increase in inventories		(1,434,247)	(8,055,608)	-	-
Decrease/(Increase) in trade and other receivables		555,134	7,935,955	(2,987,198)	2,419,308
(Increase)/Decrease in contract assets		(152,360)	719,629	-	-
(Decrease)/Increase in trade and other payables		(8,731,652)	12,488,799	(487,517)	(10,191)
Increase/(Decrease) in contract liabilities		1,059,088	(699,480)	-	-
CASH (FOR)/FROM OPERATIONS		(12,632,666)	6,794,913	(7,220,299)	(1,252,707)
Income tax refunded		-	268,679	-	-
Income tax paid		(1,668,233)	(722,593)	(411,988)	(42)
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(14,300,899)	6,340,999	(7,632,287)	(1,252,749)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Additional investments in:					
- an existing associate		(2,778,138)	(2,400,000)	(2,778,138)	(2,400,000)
- an existing subsidiary		-	-	-	(999,998)
- other financial asset		(2,209,587)	-	-	-
- subsidiaries		-	-	(4)	-
Addition to right-of-use assets	33(a)	(75,900)	(34,290)	-	-
Advances to an associates		(1,501,173)	-	(1,501,173)	-
Advances to subsidiaries		-	-	(49,325,629)	(1,316,618)
Interest income received		4,089	-	498	325,135
Proceeds from disposal of right-of-use assets		776,600	-	355,000	-
Purchase of:					
- investment property	33(a)	(3,385,300)	(2,900,000)	-	-
- property, plant and equipment	33(a)	(13,130,207)	(7,757,014)	-	-
Placement of fixed deposits with tenure more than 3 months		(603,500)	-	-	-
NET CASH FLOW FOR INVESTING ACTIVITIES		(22,903,116)	(13,091,304)	(53,249,446)	(4,391,481)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

	Note	The Group 2021 RM	The Group 2020 RM (Restated)	The Company 2021 RM	The Company 2020 RM
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Advances from subsidiaries	33(b)	-	-	16,318,253	-
Drawdown of term loans	33(b)	2,871,962	6,145,148	-	-
Interest paid	33(b)	(975,845)	(1,052,328)	(7,352)	(120,929)
Proceeds from issuance of:					
- ordinary shares		8,456,372	-	8,456,372	-
- redeemable convertible preference shares		36,500,000	6,000,000	36,500,000	6,000,000
Repayment of lease liabilities	33(b)	(1,074,981)	(275,463)	(356,250)	(114,928)
Repayment to term loans	33(b)	(5,090,318)	(5,186,291)	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		40,687,190	5,631,066	60,911,023	5,764,143
NET CASH INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		3,483,175	(1,119,239)	29,290	119,913
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		1,150,177	2,269,416	121,555	1,642
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		4,633,352	1,150,177	150,845	121,555

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	No. 2 (1st floor), Jalan Marin, Taman Marin, Jalan Haji Abdullah, Sungai Abong, 84000 Muar, Johor.
Principal place of business	:	L2-01, No 56, Jalan Setia Tropika 1/14, Taman Setia Tropika, 81200 Johor Bahru, Johor.

The Company is listed on the Main Market of Bursa Malaysia Securities Berhad.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 22 April 2022.

2. CHANGE OF NAME

On 19 July 2021, the Company changed its name from Acoustech Berhad to Axteria Group Berhad.

3. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

4. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

4.1 During the current financial year, the Group has adopted the following applicable new accounting standards and/or interpretation (including consequential amendments, if any):-

MFRSs (Including The Consequential Amendments)
Amendment to MFRS 16: Covid-19-Related Rent Concessions
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2
IFRIC Agenda Decision on MFRS 123 "Borrowing Costs"

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

4. BASIS OF PREPARATION (CONT'D)

4.1 During the current financial year, the Group has adopted the following applicable new accounting standards and/or interpretation (including consequential amendments, if any) (Cont'd):-

The adoption of the above accounting standards and/or interpretation (including the consequential amendments, if any) did not have any material impact on the Group's financial statements expect as follows:-

IFRIC Agenda Decision on MFRS 123 "Borrowing Costs"

In March 2019, the IFRS Interpretations Committee (IFRIC) published an agenda decision confirming, receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets. On 20 March 2019, the MASB decided that an entity shall apply the change in accounting policy as a result of the IFRIC Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group has complied with the requirement of the IFRIC Agenda Decision on borrowing costs and has reflected the financial impact retrospectively. The financial impacts are disclosed in Note 41 to the financial statements.

4.2 The Group has not applied in advance the following applicable accounting standards (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs (Including The Consequential Amendments)	Effective Date
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 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	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 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 adoption of the above applicable accounting standards (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Company upon their initial application.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 8 to the financial statements.

(b) Valuation of Investment Properties

Investment properties of the Group are reported at fair value which is based on valuations performed by independent professional valuers except for investment properties under construction in which their fair values are not reliably determinable. Investment properties under construction are measured at cost until either the fair value becomes reliably determinable or when construction is completed, whichever is earlier.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal value and market rental, used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting fair value. The carrying amount of investment properties as at the reporting date is disclosed in Note 9 to the financial statements.

(c) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows which are subject to higher degree of estimation uncertainties due to uncertainty on how the COVID-19 pandemic may progress and evolve and volatility in markets in which the Group operates. The carrying amount of goodwill as at the reporting date is disclosed in Note 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Impairment of Property, Plant and Equipment and Right-of-use Assets

The Group determines whether an item of its property, plant and equipment and right-of- use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than their carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal value and market rental, used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting fair value.

The carrying amount of property, plant and equipment and right-of-use assets as at the reporting date is disclosed in Notes 8 and 10 to the financial statements.

(e) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 15 to the financial statements.

(f) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 16 and 17 to the financial statements respectively.

(g) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Notes 13 to the financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(h) Revenue and Cost Recognition of Property Development Activities

The Group recognises property development revenue as and when the control of the asset is transferred to a customer and it is probable that the Group will collect the consideration to which it will be entitled. The control of the asset may transfer over time or at a point in time depending on the terms of the contract with the customer and the applicable laws governing the contract.

When the control of the asset is transferred over time, the Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's results. In making the judgement, the Group evaluates and relies on past experience and works of specialists.

(i) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists.

(j) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

(k) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

In determining the incremental borrowing rate of the respective leases. The Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

(b) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, management is of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

5.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

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

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

5.4 FUNCTIONAL AND FOREIGN CURRENCIES

Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

5.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 – Revenue from Contracts with Customers at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

(i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Redeemable Convertible Preference Shares

The redeemable convertible preference shares are regarded as compound financial instruments, consisting of a liability component and an equity component.

The proceeds from the issuance of the redeemable convertible preference shares are first allocated to the liability component, determined based on the fair value of a similar liability that does not have a conversion feature or similar associated equity component. The residual amount is allocated as the equity component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component is measured at amortised cost using the effective interest method. The equity component is not remeasured subsequent to the initial recognition.

Interest and losses and gains relating to the financial liability are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

When the preference shares are not redeemed from proceeds of an issuance of new shares, a sum equal to the amount redeemed shall be transferred from retained profits to share capital.

(e) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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

(f) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

5.7 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Company has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 31 December 2021. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.8 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation on property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Computer and software	10% - 33%
Furniture and fittings	10% - 20%
Motor vehicles	10% - 20%
Office Equipment	10% - 20%
Renovation and installation	10%
Signboard	10%

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.9 INVESTMENT PROPERTIES

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

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at fair value with fair value changes recognised in profit or loss.

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete, the Group shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Once the Group is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Group shall measure that property at its fair value.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property or inventories, the fair value at the date of change becomes the cost for subsequent accounting purposes. If the owner-occupied property becomes an investment property, such property shall be accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

5.10 LEASE

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.10 LEASE (CONT'D)

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

5.11 INVENTORIES

(a) Completed Properties Held for Sale

Inventories are stated at the lower of cost and net realisable value.

The cost of completed properties held for sale comprises cost associated with the purchase of land, construction costs and other related development costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary in selling the completed property.

(b) Property Development Costs

Property development costs are stated at the lower of cost and net realisable value.

The cost comprises cost associated with the purchase of land, conversion fees, aggregate cost of development, materials and supplies, wages and other direct expenses, and an appropriate proportion of common infrastructure costs.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.12 DEFERRED EXPENDITURE

Incremental Costs of Obtaining Contracts

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

The deferred expenditure are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the deferred expenditure exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the deferred expenditure does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

5.13 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

5.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short- term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

5.15 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.15 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash- generating unit and then to reduce the carrying amounts of the other assets in the cash- generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

5.16 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.17 EMPLOYEE BENEFITS (CONT'D)

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses and are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

5.18 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodies in the property over time, rather than through sale.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.19 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

5.20 OPERATING SEGMENTS

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

5.21 EARNINGS PER ORDINARY SHARE

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

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

5.22 BORROWING COSTS

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

5.23 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.23 FAIR VALUE MEASUREMENTS (CONT'D)

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

5.24 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.24 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(a) Property Development

Revenue from property development is recognised progressively when property development services are rendered and such services do not create an asset with an alternative's use to the Group, and the Group has a present right to payment for services rendered to date. The progress towards complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's performance in satisfying the performance obligation of the contract. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time upon delivery of property and customer's acceptance, and the Group has a present right to payment for the property sold.

A receivable is recognised when the development activities are carried out as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. When the services rendered exceed the billings to customers, a contract asset is recognised. If the billings exceed the services rendered, a contract liability is recognised.

(b) Construction Services

Revenue from construction services is recognised over time in the period in which the services are rendered using the input method, determined based the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

5.25 OTHER OPERATING INCOME

(a) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(b) Rental income

Rental income is accounted for on a straight-line method over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

6. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2021 RM	2020 RM
Unquoted shares, at cost	88,042,762	88,042,758
Accumulated impairment losses	(18,132,035)	(16,800,000)
	69,910,727	71,242,758

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021 %	2020 %	Principal Activities
Subsidiaries of the Company				
Axteria Eco Sdn. Bhd. (F.K.A. Teras Eco Sdn. Bhd.)	Malaysia	100	100	Property development and investment holding
Axteria Cemerlang Sdn. Bhd. (F.K.A. JM Cemerlang Sdn. Bhd.)	Malaysia	100	100	Property development and investment holding
Axteria Assets Sdn. Bhd. (F.K.A. TE Hotel Sdn. Bhd.)	Malaysia	100	100	Hotelier and investment holding
Axteria Construction Sdn. Bhd. (F.K.A. T Three Builders Sdn. Bhd.)	Malaysia	100	100	Project management and construction related works
Axteria Properties Sdn. Bhd. (F.K.A. Teras Eco Resources Sdn. Bhd.)	Malaysia	100	100	Property development and investment holding
Axteria Development Sdn. Bhd. (F.K.A. TE Dynamic Sdn. Bhd.)	Malaysia	100	-	Dormant
Axteria Capital Sdn. Bhd.	Malaysia	100	-	Dormant

(a) On 23 March 2021, the Company incorporated a wholly owned subsidiary, Axteria Development Sdn. Bhd., with an issued and paid-up share capital of RM2.

(b) On 16 December 2021, the Company incorporated a wholly owned subsidiary, Axteria Capital Sdn. Bhd., with an issued and paid-up share capital of RM2. The subsidiary has been consolidated based on management account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

7. INVESTMENTS IN AN ASSOCIATE

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Unquoted shares, at cost	5,778,138	3,000,000	5,778,138	3,000,000
Share of post acquisition losses	(858,755)	(1,042,164)	-	-
Elimination of unrealised profits	(864,029)	(864,029)	-	-
	4,055,354	1,093,807	5,778,138	3,000,000
Accumulated impairment losses	-	-	(600,000)	(600,000)
	4,055,354	1,093,807	5,178,138	2,400,000

The details of the associate is as follows:-

Name of Associate	Principal Place of Business	Percentage of Ownership 2021 %	Percentage of Ownership 2020 %	Principal Activities
Harum Eco Dormitory Sdn. Bhd. ("HED")	Malaysia	45	30	Investment holding and letting of dormitory

(a) On 15 November 2021, the Company acquired additional 15% equity interests in HED. The acquisition of 1,500,000 ordinary shares at issue price of RM1.00 per share in HED for a cash consideration of RM2,778,138. The acquisition has no significant effect on the financial results of the Group for the current financial year and the financial position of the Group as at the end of the current reporting period

(b) In the previous financial year, the Company subscribed for an additional 2,400,000 ordinary shares at RM1.00 each in HED for a cash consideration of RM2,400,000. There was no change in the effective equity interest in HED after the subscription of shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

8. PROPERTY, PLANT AND EQUIPMENT

	At 1.1.2021 RM (Restated)	Additions (Note 33(a)) RM	Depreciation Charges (Note 30) RM	At 31.12.2021 RM
The Group				
2021				
Carrying Amount				
Computer and software	89,143	32,961	(17,612)	104,492
Furniture and fittings	287,083	63,260	(41,944)	308,399
Motor vehicles	14,850	2,800	(2,340)	15,310
Office equipment	90,672	2,350	(12,838)	80,184
Renovation and installation	206,203	11,700	(25,787)	192,116
Signboard	12,250	-	(1,500)	10,750
Asset under construction	5,627,556	10,504,869	-	16,132,425
	6,327,757	10,617,940	(102,021)	16,843,676

	At 1.1.2020 RM (Restated)	Additions (Note 33(a)) RM (Restated)	Written Off (Note 30) RM	Depreciation Charges (Note 30) RM	Impairment Loss (Note 30) RM (Restated)	At 31.12.2020 RM (Restated)
2020						
Carrying Amount						
Computer and software	96,036	9,849	-	(16,742)	-	89,143
Furniture and fittings	344,412	8,300	(14,386)	(51,243)	-	287,083
Motor vehicles	17,050	-	-	(2,200)	-	14,850
Office equipment	97,984	8,099	(1,558)	(13,853)	-	90,672
Renovation and installation	377,153	-	(130,632)	(40,318)	-	206,203
Signboard	13,750	-	-	(1,500)	-	12,250
Asset under construction	6,042,821	11,927,848	-	-	(12,343,113)	5,627,556
	6,989,206	11,954,096	(146,576)	(125,856)	(12,343,113)	6,327,757

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Loss RM	Carrying Amount RM
The Group				
2021				
Computer and software	186,370	(81,878)	-	104,492
Furniture and fittings	452,350	(143,951)	-	308,399
Motor vehicles	24,800	(9,490)	-	15,310
Office equipment	118,110	(37,926)	-	80,184
Renovation and installation	265,683	(73,567)	-	192,116
Signboard	15,000	(4,250)	-	10,750
Asset under construction	28,475,538	-	(12,343,113)	16,132,425
	29,537,851	(351,062)	(12,343,113)	16,843,676
2020 (Restated)				
Computer and software	182,931	(93,788)	-	89,143
Furniture and fittings	396,814	(109,731)	-	287,083
Motor vehicles	22,000	(7,150)	-	14,850
Office equipment	125,983	(35,311)	-	90,672
Renovation and installation	253,983	(47,780)	-	206,203
Signboard	15,000	(2,750)	-	12,250
Asset under construction	17,970,669	-	(12,343,113)	5,627,556
	18,967,380	(296,510)	(12,343,113)	6,327,757

	At 1.1.2021 RM	Depreciation Charges (Note 30) RM	At 31.12.2021 RM
The Company			
2021			
Carrying Amount			
Computer and software	953	(953)	-
Furniture and fittings	772	(772)	-
Office equipment	1,151	(1,151)	-
	2,876	(2,876)	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At 1.1.2020 RM	Written Off (Note 30) RM	Depreciation Charges (Note 30) RM	At 31.12.2020 RM
The Company				
2020				
Carrying Amount				
Computer and software	2,645	-	(1,692)	953
Furniture and fittings	28,211	(14,386)	(13,053)	772
Office equipment	4,642	(822)	(2,669)	1,151
Renovation	145,553	(130,632)	(14,921)	-
	181,051	(145,840)	(32,335)	2,876

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Company			
2020			
Computer and software	29,522	(28,569)	953
Furniture and fittings	7,724	(6,952)	772
Office equipment	10,223	(9,072)	1,151
	47,469	(44,593)	2,876

The asset under construction of the Group has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 24(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

9. INVESTMENT PROPERTIES

	The Group 2021 RM	2020 RM
Carrying Amount		
At 1 January	4,091,322	2,500,000
Loss on changes in fair value (Note 30)	-	(1,308,678)
Additions (Note 33(a))	7,553,543	2,900,000
At 31 December	11,644,865	4,091,322
Included in the above are: -		
Commercial unit under construction, at fair value	9,144,865	1,591,322
Freehold industrial buildings, at fair value	2,500,000	2,500,000
At 31 December	11,644,865	4,091,322

(a) Included in the investment properties of the Group at the end of the reporting period was an amount of RM2,500,000 (2020 – RM2,500,000) which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 24(a) to the financial statements.

(b) The fair value of the investment properties have been determined based on valuations performed by independent professional valuers at the end of the reporting date using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size, location and market trends. The most significant input into this valuation approach is the price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

The fair values of the investment properties are within level 3 of the fair value hierarchy.

The fair value measurements of the investment properties are based on the highest and best use which does not differ from their actual use.

10. RIGHT-OF-USE ASSETS

	At 1.1.2021 RM	Additions (Note 33(a)) RM	Disposal RM	Derecognition Due to Lease Modification RM	Depreciation Charges (Note 30) RM	At 31.12.2021 RM
The Group						
2021						
Carrying Amount						
Motor vehicles	891,393	298,900	(547,030)	-	(222,588)	420,675
Office buildings	801,009	-	-	(22,832)	(184,767)	593,410
	1,692,402	298,900	(547,030)	(22,832)	(407,355)	1,014,085

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

10. RIGHT-OF-USE ASSETS (CONT'D)

	At 1.1.2020 RM	Additions (Note 33(a)) RM	Depreciation Charges (Note 30) RM	At 31.12.2020 RM
The Group				
2020				
Carrying Amount				
Motor vehicles	510,080	570,890	(189,577)	891,393
Office buildings	519,116	483,783	(201,890)	801,009
	1,029,196	1,054,673	(391,467)	1,692,402

	At 1.1.2021 RM	Disposal RM	Depreciation Charges (Note 30) RM	At 31.12.2021 RM
The Company				
2021				
Carrying Amount				
Motor vehicles	202,387	(75,965)	(126,422)	-

	At 1.1.2020 RM	Depreciation Charges (Note 30) RM	At 31.12.2020 RM
2020			
Carrying Amount			
Motor vehicles	354,130	(151,743)	202,387
Office buildings	36,486	(36,486)	-
	390,616	(188,229)	202,387

The Group leases office buildings and motor vehicles of which the leasing activities are summarised below:-

(i) Motor vehicles — The Group has leased its motor vehicles under hire purchase arrangements. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.

(ii) Office buildings — The Group has leased office buildings for term of 3 (2020: 1 and 3) years, with an option to renew the tenancy for a further term of 3 (2020: 1 and 3) years which subject to a rental rate at the prevailing market rate or to be mutually agreed rate by both parties prior to the execution of the fresh tenancy agreement or there shall not be an increase of more than 20% from the last rent. The Group has terminated one of the leases of office building during the financial year.

11. GOODWILL

	The Group	
	2021	**2020**
	RM	**RM**
Cost:-		
At 1 January/31 December	23,469,424	23,469,424
Accumulated impairment losses:-		
At 1 January	(4,000,000)	(2,000,000)
Impairment during the financial year (Note 30)	-	(2,000,000)
At 31 December	(4,000,000)	(4,000,000)
	19,469,424	19,469,424

(a) The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	The Group	
	2021	**2020**
	RM	**RM**
Axteria Eco Sdn. Bhd.	9,840,976	9,840,976
Axteria Cemerlang Sdn. Bhd.	9,628,448	9,628,448
	19,469,424	19,469,424

(b) 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) Pre-tax cash flow projections based on the management's most recent three to four (2020: five) years business plans.

(ii) Pre-tax discount rates of 16% (2020: 8.6% and 10.9%).

(c) Management believes that there is no reasonably possible change in the above key assumptions applied that is likely to materially cause the respective cash-generating unit ("CGU") carrying amount to exceed its recoverable amount.

(d) In the previous financial year, impairment loss on goodwill of the Group of RM2,000,000 was recognised due to decline in forecasted property development and construction operations of the two CGUs as a result of the COVID-19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

12. DEFERRED TAX ASSETS/(LIABILITIES)

	At 1.1.2021 RM	Recognised in Profit or Loss (Note 31) RM	At 31.12.2021 RM
The Group			
2021			
Deferred Tax Assets			
Property, plant and equipment	-	4,100	4,100
Provisions	-	91,200	91,200
	-	95,300	95,300
Deferred Tax Liabilities			
Property, plant and equipment	(9,250)	9,250	-
Other temporary differences	-	(312,980)	(312,980)
	(9,250)	(303,730)	(312,980)
	(9,250)	(208,430)	(217,680)

	At 1.1.2020 RM	Recognised in Profit or Loss (Note 31) RM	At 31.12.2020 RM
2020			
Deferred Tax Liabilities			
Property, plant and equipment	-	(9,250)	(9,250)
Other temporary differences	(739,571)	739,571	-
	(739,571)	730,321	(9,250)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

	At 1.1.2021 RM	Recognised in Profit or Loss (Note 31) RM	At 31.12.2021 RM
The Company			
2021			
Deferred Tax Liabilities			
Other temporary differences	(306,223)	(6,757)	(312,980)

	At 1.1.2020 RM	Recognised in Profit or Loss (Note 31) RM	At 31.12.2020 RM
2020			
Deferred Tax Liabilities			
Other temporary differences	(739,571)	433,348	(306,223)

The deferred tax assets on property, plant and equipment and provision have been recognised by a subsidiary on the basis of its previous history of recording profits and to the extent that it is probable that future profits will be available against which the temporary differences can be utilised.

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group 2021 RM	The Group 2020 RM
Unused tax losses:		
- expires year of assessment 2025	-	4,224,000
- expires year of assessment 2026	-	858,000
- expires year of assessment 2027	-	435,000
- expires year of assessment 2028	3,336,000	-
- expires year of assessment 2029	1,231,000	-
- expires year of assessment 2030	1,571,000	-
	6,138,000	5,517,000

The unused tax losses are allowed to be utilised for 10 (2020: 7) consecutive years of assessment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-current				
Other receivables:-				
Amount owing by subsidiaries	-	-	62,950,215	12,507,243
Amount owing by an associate	5,574,541	3,955,357	5,574,541	3,955,357
	5,574,541	3,955,357	68,524,756	16,462,600
Allowance for impairment losses:-				
Amount owing by subsidiaries	-	-	(17,657,790)	(5,453,913)
Amount owing by an associate	(3,955,357)	(3,955,357)	(3,955,357)	(3,955,357)
	(3,955,357)	(3,955,357)	(21,613,147)	(9,409,270)
	1,619,184	-	46,911,609	7,053,330
Current				
Other receivables:-				
Third parties	341,955	580,857	-	4,456
Deposits	3,099,043	4,846,315	3,007,075	14,800
	3,440,998	5,427,172	3,007,075	19,256
Allowance for impairment losses:-				
Third parties	(303,761)	(529,915)	-	-
	3,137,237	4,897,257	3,007,075	19,256
Prepayments	625,618	350,820	1,175	6,252
Deferred expenditure	531,685	-	-	-
	4,294,540	5,248,077	3,008,250	25,508

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Allowance for impairment losses:-				
At 1 January	4,485,272	1,949,822	9,409,270	3,859,293
Addition during the financial year (Note 29)	-	3,135,450	12,203,877	5,551,342
Reversal during the financial year (Note 29)	(226,154)	-	-	(1,365)
Written off during the financial year	-	(600,000)	-	-
At 31 December	4,259,118	4,485,272	21,613,147	9,409,270

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT (CONT'D)

(a) Amounts owing by subsidiaries (non-current) represent advances and payments made on behalf, which are unsecured and bear interest rate of 3% (2020: 3%) per annum. The amounts owing are not expected to be repayable within the next 12 months and are to be settled in cash.

(b) Amounts owing by an associate (non-current) represent advances and payments made on behalf, which are unsecured and bear interest rate of 3% (2020: 3%) per annum. The amounts owing are not expected to be repayable within the next 12 months and are to be settled in cash.

(c) Deferred expenditure relating to sales agent commission and legal cost incurred to secure sales of property units are recognised in profit and loss in proportion to the income recognised for the respective financial years.

(d) Included in the deposit (current) of the Group and the Company as at 31 December 2021 was a amount of RM3,000,000 which represents refundable deposit paid to a third party for proposed acquisition of share in a construction company, of which the proposed transaction is still under negotiation and subject to the outcome of due diligence and compliance with the relevant laws and regulations.

(e) In the previous financial year, included in the deposits (current) of the Group was an amount paid in financial year 2019 representing full purchase consideration paid to a vendor to enter into a Sale and Purchase Agreement ("SPA") to acquire one plot of leasehold land located in Pengerang amounting to RM4,735,407. Before the completion of the SPA in the previous financial year, the Group has found an interested third party to acquire the said leasehold land. The transaction was completed during the financial year.

14. OTHER FINANCIAL ASSET

	The Group	
	2021 RM	2020 RM
At 1 January	-	-
Additions	2,209,587	-
Loss on fair value (Note 30)	(344,061)	-
At 31 December	1,865,526	-

Other financial asset represent a keyman insurance policy (the "Policy") taken up to insure an executive director of the Group (the "Insured Person"). Under the policy, the beneficiary is a bank (the "Bank") and the total insured sum is RM2,209,587. For any insured events happened to the Insured Person, the insured sum will first be used to settle the outstanding bank loan of the Group from Bank and thereafter any excess amount will be payable to the Group. The Policy can be withdrawn at any time with surrender charges if such withdrawal occurs before the maturity date of the Policy and a cash refund will be based on the cash surrender value of the Policy at the date of withdrawal.

At 31 December 2021, the directors of the Group expect that the Policy will be terminated at the maturity date and there will be no specific surrender charge in accordance with the terms of the Policy. The directors of the Group consider that the expected life of the Policy will remain unchanged from initial recognition.

In the event of death of the Insured Person, the deposit will be derecognised and any resulting gains or losses will be recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

15. INVENTORIES

	The Group	
	2021 RM	2020 RM (Restated)
Completed property held for sale	1,872,045	1,872,045
Property development costs	79,324,486	77,989,681
	81,196,531	79,861,726

(a) Property development cost

	The Group	
	2021 RM	2020 RM (Restated)
Freehold land		
At 1 January	33,646,574	34,262,401
Costs recognised as an expense in profit or loss	(5,843,866)	(615,827)
At 31 December	27,802,708	33,646,574
Development costs		
At 1 January	44,343,107	37,756,197
Additional costs incurred during the year	17,525,913	11,731,789
Costs recognised as an expense in profit or loss	(10,247,800)	(3,060,354)
Impairment loss during the financial year	(99,442)	(2,084,525)
At 31 December	51,521,778	44,343,107
	79,324,486	77,989,681

(b) Included in the property development cost of the Group at the end of the reporting period was an amount of RM51,697,546 (2020: RM58,372,658) which has been pledged to a licensed bank as securities for banking facilities granted to the Group as disclosed in Note 24(a) to the financial statements.

(c) During the financial year, the Group has recognised an impairment loss on property development costs amounting to RM99,442 (2020: RM2,084,525).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

16. TRADE RECEIVABLES

	The Group	
	2021	**2020**
	RM	**RM**
Third parties	2,500,086	1,092,130
Associate	-	787,855
	2,500,086	1,879,985
Allowance for impairment losses - third parties	(111,492)	(111,492)
	2,388,594	1,768,493
Allowance for impairment losses:-		
At 1 January/31 December	111,492	111,492

The Group's normal trade credit terms range from 14 to 90 (2020: 14 to 90) days.

17. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2021	**2020**
	RM	**RM**
Contract Assets		
Construction contracts	65,075	65,075
Property development contracts	152,360	-
	217,435	65,075
Contract Liabilities		
Property development contracts	(1,714,749)	(655,661)

(a) The contract assets for property development contracts represent the Group's rights to consideration for property development activities carried out but not billed at the end of the reporting period. This balance will be billed progressively in the future upon the fulfilment of contractual milestones notwithstanding the control of the properties under development has not been transferred to buyers.

The contract assets for construction contract represents the retention sum receivables.

(b) Contract liabilities represent the excess of progress billings to buyers over revenue recognised in profit or loss at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

17. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(c) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

	The Group	
	2021 RM	**2020 RM**
Construction contracts		
At 1 January	65,075	784,704
Revenue recognised in profit or loss during the financial year	-	219,916
Billings to customers during the financial year (transferred to trade receivables)	-	(939,545)
At 31 December	65,075	65,075
Represented by:-		
Contract assets	65,075	65,075
Property development contracts		
At 1 January	(655,661)	(1,355,141)
Revenue recognised in profit or loss during the financial year*	18,949,198	4,966,120
Billings to customers during the financial year (transferred to trade receivables)	(19,855,926)	(4,266,640)
At 31 December	(1,562,389)	(655,661)
Represented by:-		
Contract assets	152,360	-
Contract liabilities	(1,714,749)	(655,661)
	(1,562,389)	(655,661)

* Included an amount of RM655,661 that was included in contract liabilities at the beginning of the financial year.

(d) As at the end of the reporting period, the transaction price allocated to the unsatisfied performance obligation of a long-term contracts is RM12,344,604 (2020: RM5,285,171). The remaining performance obligation is expected to be recognised as below:-

	The Group	
	2021 RM	**2020 RM**
Within 1 year	11,057,804	4,155,671
Between 1 and 4 years	1,286,800	1,129,500
	12,344,604	5,285,171

The amounts disclosed include variable consideration which is constrained.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

18. FIXED DEPOSITS WITH A LICENSED BANK

The fixed deposits with a licensed bank of the Group at the end of the reporting period bore effective interest rates of 1.75% (2020: Nil) per annum. The fixed deposits have maturity periods of 365 (2020: Nil) days for the Group.

19. SHARE CAPITAL

	The Group/The Company			
	2021 Number of Shares	2020 Number of Shares	2021 RM	2020 RM
Issued and Fully Paid-up				
Ordinary Shares				
At 1 January	221,483,291	194,535,240	105,502,858	99,502,858
Issuance of new shares for cash	44,274,200	-	8,456,372	-
Conversion from RCPS (Note 21)	164,864,381	26,948,051	36,500,000	6,000,000
At 31 December	430,621,872	221,483,291	150,459,230	105,502,858

(a) The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

(b) During the financial year, the Company increased its total number of issued ordinary shares from 221,483,291 to 430,621,872 by way of:-

(i) Issuance of 44,274,200 new ordinary shares at RM0.191 each for a cash consideration of RM8,456,372 through private placement; and

(ii) Conversion of 365,000,000 redeemable convertible preference shares to 164,864,381 new ordinary shares.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

(c) In the previous financial year, the Company increased its total number of issued ordinary shares from 194,535,240 to 221,483,291 by way of conversion of 60,000,000 redeemable convertible preference shares to 26,948,051 new ordinary shares. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

20. TREASURY SHARES

	The Group/The Company			
	2021 Number of Shares	2020 Number of Shares	2021 RM	2020 RM
At 1 January/31 December	111,840	111,840	(92,187)	(92,187)

There were no shares repurchased during the financial year ended 31 December 2021.

Of the total 430,621,872 (2020: 221,483,291) issued and fully paid-up ordinary shares at the end of the reporting period, 111,840 (2020: 111,840) ordinary shares are held as treasury shares by the Company. None of the treasury shares have been sold as at 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

21. CUMULATIVE REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

	The Group/The Company	
	2021 RM	2020 RM
At 1 January	-	-
Issued during the financial year	36,500,000	6,000,000
Conversion to ordinary shares (Note 19)	(36,500,000)	(6,000,000)
At 31 December	-	-

On 10 July 2020, the proposed issuance of up to 800,000,000 new RCPS in the Company at an issue price of RM0.10 each had been approved by shareholders via a general meeting. The RCPS will be issued in 32 equal sub- tranches of RM500,000 each over five (5) tranches.

During the financial year, the Company issued 365,000,000 (2020: 6,000,000) units of RCPS at an issue price of RM0.10 per RCPS.

During the financial year, 164,864,381 (2020: 26,948,051) new ordinary shares amounting to RM36,500,000 (2020: RM6,000,000) were issued resulting from the conversion of 365,000,000 (2020: 60,000,000) units of RCPS.

The salient features of RCPSs are as follows:-

(a) Tenure

60 months from and inclusive of the First Issuance Date up to the Maturity Date.

(b) Maturity Date

The business day immediately before the fifth anniversary of the First Issuance Date.

(c) Dividend

Each RCPS shall carry the right to receive out of profits of the Company a cumulative preferential dividend at 2% per annum.

(d) Conversion Right

Any RCPS may be converted into duly authorised, validly issued, fully-paid and unencumbered shares, at the option of the RCPS holder thereof, at any time, during the conversion period.

The number of conversion shares arising from the conversion of the RCPS to which a RCPS holder is entitled on conversion of the RCPS shall be determined by the product of the number of RCPS and issue price divided by the applicable conversion price, determined as hereinafter provided, in effect on the relevant conversion date, subject to adjustments from time to time in the event of rights issue, capitalisation issue, consolidation or subdivision of shares or reduction of capital howsoever being effected.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

21. CUMULATIVE REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") (CONT'D)

(e) Conversion Upon Maturity

Any remaining outstanding RCPS must be converted into ordinary shares in the Company on the RCPS Maturity Date, unless the Company exercises its rights in respect of RCPS Non- Default Redemption prior to the Maturity Date, together with payment by the Company of all accumulated and unpaid dividend accrued on the converted RCPS.

Any remaining RCPS which are not converted due to a breach of the RCPS Conversion Cap shall be redeemed by the Company at the RCPS Non-Default Redemption amount.

(f) Conversion Cap

The extent of conversion of the RCPS by the RCPS subscriber shall be capped such that its resultant ordinary shareholding in the Company shall not exceed 10% of the enlarged total number of ordinary shares of the Company.

22. WARRANTS

On 12 August 2020, the Company issued 97,211,694 free warrants on the basis of one (1) warrant for every two (2) existing ordinary shares held in the Company. The warrants were listed on the Main Market of Bursa Malaysia Securities on 17 August 2020.

The warrant issued are constituted by a Deed Poll dated 23 July 2020.

The salient feature of the warrants are as follows:

(a) Each warrants entitles the registered holder at any time during the exercise period to subscribe for one new ordinary shares in the Company at an exercise price of RM0.29.

(b) The warrants shall be exercisable at any time within the period commencing from and inclusive the date of issue of the warrants and ending on the date immediately preceding the fifth (5th) anniversary of the date of issue, or if such day is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day.

(c) All new ordinary shares to be issued pursuant to the exercise of the warrants shall, upon issue and allotment, be of the same class and rank pari passu in all respects with the existing ordinary shares, save and except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and/or other distributions, at the entitlement date of which is prior to the date of the allotment of these new ordinary shares.

(d) Any warrants not exercised during the exercise period will lapse and cease to be valid.

(e) Movements in the warrants since the listing and quotation thereof are as follows:

	The Group/The Company	
	2021	2020
	Number of Shares	
At 1 January	97,611,694	-
Issued during the financial year	-	97,611,694
At 31 December	97,611,694	97,611,694

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

23. LEASE LIABILITIES

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At 1 January	1,822,851	1,077,931	356,250	471,178
Additions (Note 33(b))	223,000	1,020,383	-	-
Interest expense recognised in profit or loss (Note 30)	84,745	100,782	7,352	18,639
Derecognition due to lease termination (Note 33(b))	(22,984)	-	-	-
Repayment of principal	(1,074,981)	(275,463)	(356,250)	(114,928)
Repayment of interest expense	(84,745)	(100,782)	(7,352)	(18,639)
At 31 December	947,886	1,822,851	-	356,250
Analysed by:-				
Current liabilities	227,369	348,544	-	82,956
Non-current liabilities	720,517	1,474,307	-	273,294
	947,886	1,822,851	-	356,250

24. TERM LOANS (SECURED)

	The Group	
	2021 RM	2020 RM
Current liabilities	9,223,470	9,076,791
Non-current liabilities	5,933,171	8,298,206
	15,156,641	17,374,997

(a) The term loans at the end of the reporting period are secured by:-

(i) Legal charge over the investment properties and freehold land of the Group as disclosed in Notes 9 and 15 to the financial statements;

(ii) Legal charge over asset under construction of the Group as disclosed in Note 8 to the financial statements;

(iii) Joint and several guarantee by the directors and a third party;

(iv) Corporate guarantee by the Company and a third party; and

(v) Specific debenture on the project as disclosed in Note 15 to the financial statements.

24. TERM LOANS (SECURED) (CONT'D)

(b) The interest rate profile of the term loans is summarised below:-

	Effective Interest Rate %	The Group 2021 RM	2020 RM
Floating rate term loans	3.60 - 5.70	15,156,641	17,374,997

(c) Certain term loan totalling RM2,011,094 (2020: Nil) is secured by a negative pledge that imposes certain covenants on a subsidiary that has received those loans. The significant covenants of the term loans are as follows:-

(i) A subsidiary's gearing ratio shall not exceed 1.50 times.

(ii) Dividend payment made by a subsidiary shall not exceed 30% of its respective year's profit after tax.

25. TRADE PAYABLES

(a) The normal trade credit term granted to the Group ranging from 30 to 60 (2020: 30 to 60) days.

(b) Included in the trade payables are retention sum payables totalling RM1,237,730 (2020: RM2,237,799).

26. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2021 RM	2020 RM (Restated)	2021 RM	2020 RM
Other payables:				
Third parties	2,860,368	1,223,289	55,921	-
Amount owing to subsidiaries	-	-	12,322,449	-
Amount owing to a director	41,616	1,000	-	-
	2,901,984	1,224,289	12,378,370	-
Deposit	1,647,050	7,239,219	-	-
Accruals	527,699	870,540	81,400	624,838
	5,076,733	9,334,048	12,459,770	624,838

(a) Amount owing to subsidiaries represent advances and payments made on behalf, which is unsecured and bear interest rate of 3% (2020: Nil) per annum. The amounts owing is repayable on demand and is to be settled in cash.

(b) Amount owing to a director represent payments made on behalf, which is unsecured interest-free and repayable on demand. The amount owing is to be settled in cash.

(c) Included in the other payables are retention sum payables totalling RM1,434,273 (2020: Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

27. PROVISION

	The Group	
	2021 RM	2020 RM
Liquidated Ascertained Damages		
At 1 January	-	-
Provision made during the financial year	379,845	-
At 31 December	379,845	-

28. REVENUE

	The Group	
	2021 RM	2020 RM
Revenue from Contracts with Customers		
Recognised over time		
Construction contracts	-	219,916
Property development	18,949,198	4,966,120
Recognised at a point in time		
Sales of land	6,400,000	-
	25,349,198	5,186,036

(a) The information on the disaggregation of revenue by geographical market is disclosed in Note 36.2 to the financial statements.

(b) The information on the unsatisfied performance obligations is disclosed in Note 17(d) to the financial statements.

29. NET (REVERSAL OF IMPAIRMENT)/IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Impairment losses:				
- other receivables (Note 13)	-	529,915	-	-
- amount owing by subsidiaries (Note 13)	-	-	12,203,877	2,945,807
- amount owing by an associate (Note 13)	-	2,605,535	-	2,605,535
Reversal of impairment losses:				
- other receivables (Note 13)	(226,154)	-	-	-
- amount owing by subsidiaries (Note 13)	-	-	-	(1,365)
	(226,154)	3,135,450	12,203,877	5,549,977

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

30. LOSS BEFORE TAX

	The Group		The Company	
	2021 RM	2020 RM (Restated)	2021 RM	2020 RM
Loss before tax is arrived at after charging:-				
Auditors' remuneration:				
- audit fees:				
- current financial year	112,500	81,300	40,000	36,300
- underprovision in the previous financial year	(4,500)	(3,700)	(2,000)	(1,700)
- non-audit fees	50,000	7,400	50,000	7,400
Bad debt written off	4,456	-	4,456	-
Depreciation:				
- property, plant and equipment (Note 8)	102,021	125,856	2,876	32,335
- right-of-use assets (Note 10)	407,355	391,467	126,422	188,229
Directors' remuneration (Note 34)	1,934,910	1,251,421	643,067	1,027,090
Fair value loss on:				
- other financial asset (Note 14)	344,061	-	-	-
- investment properties (Note 9)	-	1,308,678	-	-
Impairment loss:				
- goodwill (Note 11)	-	2,000,000	-	-
- investment in subsidiaries	-	-	1,332,035	15,940,000
- property development costs	99,442	2,084,525	-	-
- property, plant and equipment (Note 8)	-	12,343,113	-	-
Interest expense on lease liabilities (Note 23)	84,745	100,782	7,352	18,639
Lease expenses:				
- short term leases	15	40,433	15	19,483
- low value assets	4,080	3,872	-	-
Property, plant and equipment written off (Note 8)	-	146,576	-	145,840
Staff costs (including other key management personnel as disclosed in Note 34)				
- short term employee benefits	1,379,538	1,145,876	459,530	812,360
- defined contribution benefits	170,039	146,746	58,292	104,735
Total interest expenses on financial liabilities that are not at fair value through profit or loss	891,100	951,546	172,439	102,290
and (crediting):-				
Gain on disposal of right-of-use assets	(225,970)	-	(279,035)	-
Gain on lease termination	(3,752)	-	-	-
Income from non-fulfilment of profit guarantee by vendor	(4,168,243)	-	(4,168,243)	-
Rental income	(75,000)	(242,029)	-	-
Total interest income on financial assets measured at amortised cost	(122,100)	(27)	(1,235,852)	(325,135)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

31. TAX EXPENSE/(INCOME)

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Income tax:				
- current year	171,698	297,075	-	-
- under/(over)provision in the previous financial year	38,052	(74,554)	-	-
	209,750	222,521	-	-
Deferred tax (Note 12):				
- origination and reversal of temporary differences	217,180	(741,715)	6,757	(444,742)
- (over)/underprovision in the previous financial year	(8,750)	11,394	-	11,394
	208,430	(730,321)	6,757	(433,348)
	418,180	(507,800)	6,757	(433,348)

A reconciliation of income tax expense applicable to the loss before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2021 RM	2020 RM (Restated)	2021 RM	2020 RM
Loss before tax	(1,312,026)	(29,536,907)	(11,911,911)	(25,313,999)
Tax at the statutory tax rate of 24% (2020: 24%)	(314,886)	(7,088,858)	(2,858,859)	(6,075,360)
Tax effects of:-				
Non-taxable income	(635,388)	-	(1,000,378)	(529,312)
Non-deductible expenses	1,438,652	6,170,938	3,865,994	6,159,930
Deferred tax assets not recognised for the financial year	-	473,280	-	-
Utilisation of deferred tax assets previous not recogised	(99,500)	-	-	-
Under/(Over)provision of current tax in the previous financial year	38,052	(74,554)	-	-
(Over)/Underprovision of deferred tax in the previous financial year	(8,750)	11,394	-	11,394
	418,180	(507,800)	6,757	(433,348)

Income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

32. LOSS PER SHARE

The reconciliation of earnings used in calculating loss per share is as below:-

	The Group	
	2021	**2020 (Restated)**
Loss attributable to owners of the Company (RM)	(1,730,206)	(29,029,107)
Weighted average number of ordinary share in issue	361,125,030	200,520,000
Basic earings per share (Sen)	(0.48)	(14.48)

The warrants are anti-dilutive as their exercise prices are higher than the average market price of the Company's ordinary shares. Accordingly, the exercise of warrants has been ignored in the calculation of dilutive earnings per share.

33. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment, investment properties and the addition of right-of-use assets is as follows:-

	The Group	
	2021 RM	**2020 RM**
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 8)	10,617,940	11,954,096
Add: Payments in respect of previous financial year's purchases	3,411,615	-
Less: Other payables - amounts not yet due for payment	(899,348)	(4,197,082)
	13,130,207	7,757,014
Investment properties		
Cost of investment properties purchased (Note 9)	7,553,543	2,900,000
Less: Contra from non-fulfilment of profit guarantee	(4,168,243)	-
	3,385,300	2,900,000
Right-of-use assets		
Cost of right-of-use assets acquired (Note 10)	298,900	1,054,673
Less: Additions of new lease liabilities (Note 33(b))	(223,000)	(1,020,383)
	75,900	34,290

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

33. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Lease Liabilities RM	Term loans RM	Total RM
The Group			
2021			
At 1 January	1,822,851	17,374,997	19,197,848
Changes in Financing Cash Flows			
Proceeds from drawdown	-	2,871,962	2,871,962
Repayment of principal	(1,074,981)	(5,090,318)	(6,165,299)
Repayment of interests	(84,745)	(891,100)	(975,845)
	(1,159,726)	(3,109,456)	(4,269,182)
Non-cash Changes			
Acquisition of new leases (Notes 23 and 33(a))	223,000	-	223,000
Interest expense recognised in profit or loss (Note 30)	84,745	891,100	975,845
Termination of leases (Note 23)	(22,984)	-	(22,984)
	284,761	891,100	1,175,861
At 31 December	947,886	15,156,641	16,104,527
2020			
At 1 January	1,077,931	16,416,140	17,494,071
Changes in Financing Cash Flows			
Proceeds from drawdown	-	6,145,148	6,145,148
Repayment of principal	(275,463)	(5,186,291)	(5,461,754)
Repayment of interests	(100,782)	(951,546)	(1,052,328)
	(376,245)	7,311	(368,934)
Non-cash Changes			
Acquisition of new leases (Notes 23 and 33(a))	1,020,383	-	1,020,383
Interest expense recognised in profit or loss (Note 30)	100,782	951,546	1,052,328
	1,121,165	951,546	2,072,711
At 31 December	1,822,851	17,374,997	19,197,848

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

33. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Lease Liabilities RM	Other Payables RM	Total RM
The Company			
2021			
At 1 January	365,250	-	365,250
Changes in Financing Cash Flows			
Advances from subsidiaries	-	16,318,253	16,318,253
Repayment of principal	(365,250)	-	(365,250)
Repayment of interests	(7,352)	-	(7,352)
	(372,602)	16,318,253	15,945,651
Non-cash Changes			
Income from non-fulfilment of profit guarantee	-	(4,168,243)	(4,168,243)
Interest expense recognised in profit or loss (Note 30)	7,352	172,439	179,791
At 31 December	-	12,322,449	12,322,449
2020			
At 1 January	471,178	-	471,178
Changes in Financing Cash Flows			
Repayment of principal	(114,928)	-	(114,928)
Repayment of interests	(18,639)	(102,290)	(120,929)
	(133,567)	(102,290)	(235,857)
Non-cash Changes			
Interest expense recognised in profit or loss (Note 30)	18,639	102,290	120,929
At 31 December	356,250	-	356,250

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

33. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Payment of short-term leases	15	40,433	15	19,483
Payment of low-value assets	4,080	3,872	-	-
Interest paid on lease liabilities	84,745	100,782	7,352	18,639
Payment of lease liabilities	1,074,981	275,463	356,250	114,928
	1,163,821	420,550	363,617	153,050

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Fixed deposits with a licensed bank	603,500	-	-	-
Cash and bank balances	4,633,352	1,150,177	150,845	121,555
	5,236,852	1,150,177	150,845	121,555
Less: Fixed deposits with tenure of more than 3 months	(603,500)	-	-	-
	4,633,352	1,150,177	150,845	121,555

34. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
(a) Directors				
Directors of the Company				
Short-term employee benefits:				
- fees	286,115	222,000	286,115	242,000
- salaries, bonuses and other benefits	1,424,716	706,746	315,269	706,746
	1,710,831	928,746	601,384	948,746
Defined contribution benefits	224,079	78,344	41,683	78,344
	1,934,910	1,007,090	643,067	1,027,090
Directors of the Subsidiaries				
Short-term employee benefits:				
- salaries, bonuses and other benefits	-	215,400	-	-
Defined contribution benefits	-	28,931	-	-
	-	244,331	-	-
Total directors' remuneration (Note 30)	1,934,910	1,251,421	643,067	1,027,090
(b) Other Key Management Personnel				
Short-term employee benefits	240,101	345,000	54,408	345,000
Defined contribution benefits	31,039	46,703	7,035	46,703
Total compensation for other key management personnel (Note 30)	271,140	391,703	61,443	391,703

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM47,900 and RM47,900 (2020 – RM47,900 and RM47,900) respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

35. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, associates, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Subsidiaries				
Interest expenses	-	-	172,439	102,290
Interest income	-	-	(1,117,343)	(325,135)
Associate				
Interest income	(118,011)	-	(118,011)	-
Revenue from construction contract	-	(219,916)	-	-
Related Party				
Lease payment	-	46,240	-	46,240

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

36. OPERATING SEGMENTS

Axteria Group Berhad and its subsidiaries are principally engaged in developing properties and construction.

Axteria Group Berhad has arrived at two (2020: two) reportable segments that are organised and managed separately according to the business segments, which requires different business and marketing strategies. The reportable segments are summarised as follows:-

- Property development and construction division – developing of properties, securing and carrying out construction contracts and a hotel under construction which will be occupied by the Group.

- Investment holding division – investing activities where investments contribute dividend income and interest income as well as sharing of results of the investee companies.

Segment performance is evaluated based on operating profit, excluding non-recurring losses, and in certain aspect, it is measured differently from operating profit in consolidated financial statements.

36. OPERATING SEGMENTS (CONT'D)

Inter-segment revenue is carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties and is eliminated on the consolidated financial statements. These policies have been applied constantly throughout the current and previous financial years.

Segment assets exclude tax assets, investments and assets used primarily for corporate purposes.

Segment liabilities exclude tax liabilities. Details are provided in the reconciliations from segment assets and liabilities to the financial position of the Group.

36.1 BUSINESS SEGMENTS

	Property Development and Construction Segment RM	Investment Holding Segment RM	Consolidation Adjustments RM	The Group RM
2021				
Revenue				
External revenue	25,349,198	-	-	25,349,198
Results				
Segment (loss)/profit before tax	(3,119,436)	1,807,410	-	(1,312,026)
Other Information				
Bad debt written off	-	4,456	-	4,456
Depreciation of property, plant and equipment	99,145	2,876	-	102,021
Depreciation of right-of-use assets	280,933	126,422	-	407,355
Fair value loss on other financial asset	344,061	-	-	344,061
Impairment loss on property development costs	99,442	-	-	99,442
Interest expenses	2,085,836	179,791	(1,289,782)	975,845
Gain on lease termination	(3,751)	-	-	(3,751)
Loss/(Gain) on disposal of righ-of-use assets	53,065	(279,035)	-	(225,970)
Income from non-fulfilment of profit guarantee	-	(4,168,243)	-	(4,168,243)
Interest income	(176,030)	(1,235,852)	1,289,782	(122,100)
Reversal of impairment loss on other receivables	(226,154)	-	-	(226,154)
Share of profit of equity accounted associate	-	183,409	-	183,409

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

36. OPERATING SEGMENTS (CONT'D)

36.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction Segment RM	Investment Holding Segment RM	Consolidation Adjustments RM	The Group RM
2021				
Assets				
Segment assets	127,958,554	93,104,822	(75,272,664)	145,790,712
Investments in associates				4,055,354
Unallocated assets:-				-
- deferred tax assets				95,300
- current tax assets				1,623,091
Consolidated total assets				151,564,457
Additions to non-current assets other than financial instruments				
Property, plant and equipment	10,617,940	-	-	10,617,940
Investment properties	7,553,543	-	-	7,553,543
Right-of-use assets	298,900	-	-	298,900
Liabilities				
Segment liabilities	96,757,775	12,459,770	(75,272,664)	33,944,881
Unallocated liabilities:-				
- deferred tax liabilities				312,980
Consolidated total liabilities				34,257,861

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

36. OPERATING SEGMENTS (CONT'D)

36.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction Segment RM	Investment Holding Segment RM	Consolidation Adjustments RM	The Group RM
2020				
Revenue				
External revenue	5,186,036	-	-	5,186,036
Results				
Segment (loss)/profit before tax	(21,529,973)	(8,006,934)	-	(29,536,907)
<u>Other Information</u>				
Depreciation of property, plant and equipment	93,521	32,335	-	125,856
Depreciation of right-of-use assets	203,238	188,229	-	391,467
Fair value loss on investment properties	1,308,678	-	-	1,308,678
Impairment loss on:-				
- amount owing by associates	-	2,605,535	-	2,605,535
- goodwill	2,000,000	-	-	2,000,000
- other receivables	529,915	-	-	529,915
- property development costs	2,084,525	-	-	2,084,525
- property, plant and equipment	12,343,113	-	-	12,343,113
Interest expenses	462,974	120,929	(427,425)	156,478
Property, plant and equipment written off	736	145,840	-	146,576
Interest income	(102,290)	(325,135)	427,425	-
Assets				
Segment assets	119,322,127	12,859,569	(12,507,243)	119,674,453
Investments in associates				1,093,807
Unallocated assets:-				
- current tax assets				323,409
Consolidated total assets				121,091,669
<u>Additions to non-current assets other than financial instruments</u>				
Property, plant and equipment	11,954,096	-	-	11,954,096
Investment properties	2,900,000	-	-	2,900,000
Right-of-use assets	1,054,673	-	-	1,054,673
Liabilities				
Segment liabilities	58,369,343	981,088	(12,507,243)	46,843,188
Unallocated liabilities:-				
- deferred tax liabilities				9,250
- current tax liabilities				158,801
Consolidated total liabilities				47,011,239

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

36. OPERATING SEGMENTS (CONT'D)

36.2 GEOGRAPHICAL INFORMATION

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business and geographical segments is not presented.

36.3 MAJOR CUSTOMERS

There is no single customer that contributed 10% or more to the Group's revenue.

37. CAPITAL COMMITMENTS

	The Group	
	2021 RM	2020 RM
Purchase of investment properties	7,622,000	-

38. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

38.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables, borrowings and fixed deposits with a licensed bank are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 24 to the financial statements.

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2021 **RM**	**2020** **RM**
Effects on Loss After Tax		
Increase of 25 (2020: 50) basis points	(32,153)	(66,025)
Decrease of 25 (2020: 50) basis points	32,153	66,025

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables including related parties and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group also considers any trade receivables having financial difficulty or in default with significant balances outstanding are deemed credit impaired and assesses for their risk of loss individually.

Purchasers are generally financed by loan facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties sold will revert to the Group in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk from its property development activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:-

	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
The Group			
2021			
Current (not past due)	2,151,060	-	2,151,060
1 to 90 days past due	200,452	-	200,452
More than 91 days past due	37,082	-	37,082
Credit impaired	111,492	(111,492)	-
Trade receivables	2,500,086	(111,492)	2,388,594
Contract assets	217,435	-	217,435
	2,717,521	(111,492)	2,606,029
2020			
Current (not past due)	974,241	-	974,241
1 to 90 days past due	616,189	-	616,189
More than 91 days past due	178,063	-	178,063
Credit impaired	111,492	(111,492)	-
Trade receivables	1,879,985	(111,492)	1,768,493
Contract assets	65,075	-	65,075
	1,945,060	(111,492)	1,833,568

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Notes 16 and 17 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables and Related Parties

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables. Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition based on available reasonable and supportable forward-looking information.

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing By Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Subsidiaries (Non-trade Balances) (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated for the amount owing by subsidiaries are summarised below:-

	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
The Company			
2021			
Low credit risk	45,292,425	-	45,292,425
Significant increase in credit risk	17,657,790	(17,657,790)	-
	62,950,215	(17,657,790)	45,292,425
2020			
Low credit risk	7,053,330	-	7,053,330
Significant increase in credit risk	5,453,913	(5,453,913)	-
	12,507,243	(5,453,913)	7,053,330

The movements in the loss allowances are disclosed in Note 13 to the financial statements.

Amount Owing By Associates (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all associates balances. Generally, the Company considers loans and advances to associates have low credit risks. The Company assumes that there is a significant increase in credit risk when a associate's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the associates' loans and advances when they are payable, the Company considers the loans and advances to be in default when the associates are not able to pay when demanded. The Company considers a associate's loan or advance to be credit impaired when the associate is unlikely to repay its loan or advance in full or the associate is continuously loss making or the associate is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Associates (Non-trade Balances) (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated for the amount owing by associates are summarised below:-

	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
The Company			
2021			
Significant increase in credit risk	5,574,541	(3,955,357)	1,619,184
2020			
Significant increase in credit risk	3,955,357	(3,955,357)	-

The movements in the loss allowances are disclosed in Note 13 to the financial statements.

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
The Group						
2021						
Non-derivative Financial Liabilities						
Trade payables	-	10,669,027	10,669,027	10,669,027	-	-
Other payables and accruals	-	3,429,683	3,429,683	3,429,683	-	-
Term loans	3.60 - 5.70	15,156,641	18,775,283	10,012,951	6,379,656	2,382,676
		29,255,351	32,873,993	24,111,661	6,379,656	2,382,676
2020						
Non-derivative Financial Liabilities						
Trade payables	-	17,655,631	17,655,631	17,655,631	-	-
Other payables and accruals	-	2,094,829	2,094,829	2,094,829	-	-
Term loans	5.77	17,374,997	19,055,276	9,600,758	7,516,753	1,937,765
		37,125,457	38,805,736	29,351,218	7,516,753	1,937,765

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
The Company				
2021				
Non-derivative Financial Liabilities				
Other payables	3.00	12,322,449	12,322,449	12,322,449
Other payables and accruals	-	137,321	137,321	137,321
Financial guarantee contracts in relation to corporate guarantee given to:				
- certain subsidiaries	-	-	15,156,641	15,156,641
- an associate	-	-	13,836,857	13,836,857
		12,459,770	41,453,268	41,453,268
2020				
Non-derivative Financial Liabilities				
Other payables and accruals	-	624,838	624,838	624,838
Financial guarantee contracts in relation to corporate guarantee given to:				
- certain subsidiaries	-	-	17,374,997	17,374,997
- an associate	-	-	9,243,240	9,243,240
		624,838	27,243,075	27,243,075

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

38. FINANCIAL INSTRUMENTS (CONT'D)

38.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2021 RM	**2020 RM**
Lease liabilities (Note 23)	947,886	1,822,851
Term loans (Note 24)	15,156,641	17,374,997
	16,104,527	19,197,848
Less: Fixed deposits with a licensed banks (Note 18)	(603,500)	-
Less: Cash and bank balances	(4,633,352)	(1,150,177)
Net debt	10,867,675	18,047,671
Total equity	117,306,596	74,080,430
Debt-to-equity ratio	9%	24%

There was no change in the Group's approach to capital management during the financial year.

The Group is also required to comply with certain loan covenants as disclosed in Note 24(c) to the financial statements, failing which, the banks may call an event of default. The Group has complied with this requirement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial Assets				
Fair Value Through Profit or Loss				
Other financial asset (Note 14)	1,865,526	-	-	-
Amortised Cost				
Trade receivables (Note 16)	2,388,594	1,768,493	-	-
Other receivables (Note 13)	1,657,378	50,942	46,911,609	7,057,786
Fixed deposits pledged with a licensed bank (Note 18)	603,500	-	-	-
Cash and bank balances	4,633,352	1,150,177	150,845	121,555
	11,148,350	2,969,612	47,062,454	7,179,341
Financial Liabilities				
Amortised Cost				
Trade payables (Note 25)	10,669,027	17,655,631	-	-
Other payables and accruals (Note 26)	3,429,683	2,094,829	12,459,770	624,838
Term loans (Note 24)	15,156,641	17,374,997	-	-
	29,255,351	37,125,457	12,459,770	624,838

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial Assets				
Fair Value Through Profit or Loss				
Net losses recognised in profit or loss	(344,061)	-	-	-
Amortised Cost				
Net losses recognised in profit or loss	(263)	(3,135,423)	(10,972,481)	(5,224,842)
Financial Liabilities				
Amortised Cost				
Net losses recognised in profit or loss	(891,100)	(951,546)	(172,439)	(102,290)

38.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

38. FINANCIAL INSTRUMENTS (CONT'D)

38.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instrument Carried at Fair Value			Fair Value of Financial Instrument not Carried at Fair Value				
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
The Group								
2021								
Financial Asset								
Other financial asset	-	1,865,526	-	-	-	-	1,865,526	1,865,526
Financial Liability								
Term loans	-	-	-	-	15,156,641	-	15,156,641	15,156,641
2020								
Financial Liability								
Term loans	-	-	-	-	17,374,997	-	17,374,997	17,374,997

38. FINANCIAL INSTRUMENTS (CONT'D)

38.5 FAIR VALUE INFORMATION (CONT'D)

The fair value of the other financial asset is determined based on the surrender value at the end of the financial year.

The fair value of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 15 November 2021, Axteria Properties Sdn. Bhd, a wholly-owned subsidiary of the Group, had on 15 November 2021 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. During the financial year, deposit amounting to RM3,385,300 has been paid and the amount has been recognised as part of the cost of investment properties as disclosed in Note 9 to the financial statements. At the end of the financial year, the acquisition of 16 retail units has not been completed.

(b) On 15 November 2021, the Group entered into a share sale agreement with Jaya Dormitory Sdn. Bhd. ("JDSB") to acquire the 1,500,000 ordinary shares in Harum Eco Dormitory Sdn. Bhd. ("HEDSB"), a associate of the Group, representing 15% of the total issued share capital of HEDSB for a cash consideration of RM2,778,138. The Group has increased its shareholding in HEDSB from 30% to 45% upon the completion of acquisition on 25 November 2021.

40. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) Subsequent to the financial year, the Company increased its total number of issued ordinary shares from 430,621,872 to 480,491,057 by way of:

(i) Issuance of 22,761,600 new ordinary shares at RM0.2021 each for a cash consideration of RM4,600,119 through private placement;

(ii) Conversion of 15,000,000 redeemable convertible preference shares to 6,818,182 new ordinary shares; and

(iii) Issuance of 20,289,403 new ordinary shares at RM0.1932 each for a cash consideration of RM3,919,913 through private placement.

(b) Subsequent to the financial year, the Company has incorporated the following subsidiaries:-

(i) Axteria Lenders Sdn Bhd with issued and paid up share capital of RM2;

(ii) Axteria Building Materials Sdn Bhd with issued and paid up share capital of RM2; and

(iii) General Trust Holdings Limited with issued and paid up capital of USD100.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

41. PRIOR YEAR ADJUSTMENTS

The prior year adjustments are in relation to adoption of IFRIC Agenda Decision on MFRS 123 "Borrowing Costs" as disclosed in Note 4.1 to the financial statements. The Group expensed off the capitalised borrowing costs in property development costs to profit and loss. In addition, the comparative financial statements have been restated in current financial year to correct prior year errors due to the asset under construction, which for self-occupied, were erroneously classified as inventory.

	As Previously Reported RM	Prior Year Adjustments RM	As Restated RM
The Group			
Statement of Financial Position (Extract):-			
1.1.2020			
Property, plant and equipment	946,385	6,042,821	6,989,206
Inventories	81,939,639	(9,921,041)	72,018,598
(Retained profit)/Accumulated losses	(1,577,086)	3,878,220	2,301,134
31.12.2020/1.1.2021			
Property, plant and equipment	700,201	5,627,556	6,327,757
Inventories	90,361,975	(10,500,249)	79,861,726
Accumulated losses	26,457,548	4,872,693	31,330,241
Statement of Profit or Loss and Other Comprehensive Income (Extract):-			
Cost of sales	3,782,201	98,624	3,880,825
Finance costs	184,337	895,849	1,080,186
Statement of Cash Flows (Extract):-			
Loss before tax	(28,542,434)	(994,473)	(29,536,907)
Interest expense	156,479	895,849	1,052,328
Increase in inventories	(20,082,080)	12,026,472	(8,055,608)
Increase in trade and other payables	16,685,881	(4,197,082)	12,488,799
Purchase of property, plant and equipment	(26,248)	(7,730,766)	(7,757,014)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

42. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Previously Reported RM	As Restated RM
The Group		
Statement of Financial Position (Extract):-		
Trade payables	14,040,288	17,655,631
Other payables and accruals	12,949,391	9,334,048
Statement of Comprehensive Income (Extract):-		
Administrative expenses	26,171,722	20,186,788
Other operating expenses	-	5,539,779
Net impairment losses on financial assets	-	3,135,450
Other expenses	2,690,295	-
The Company		
Statement of Comprehensive Income (Extract):-		
Other income	328,540	327,175
Administrative expenses	23,450,856	3,884,111
Other operating expenses	-	16,085,840
Net impairment losses on financial assets	-	5,549,977
Other expenses	2,070,437	-

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2022

Issued Capital : 460,201,654 shares (including 111,840 treasury shares held)
Class of Shares : Ordinary Shares
Voting Rights : One vote per ordinary share

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	Number of Holders	%	Number of Shares	%
1-99	58	1.178	2,375	0.000
100 – 1,000	314	6.378	227,531	0.049
1,001 - 10,000	2,284	46.394	12,795,308	2.781
10,001 – 100,000	1,788	36.319	66,873,955	14.534
100,001 - 23,004,489 (*)	479	9.729	380,190,645	82.634
23,004,490 and above (**)	-	0.000	-	0.000
Total :	4,923	100.000	460,089,814	100.000

Remarks: * Less than 5% of issued shares
** 5% and above of issued shares

SUBSTANTIAL HOLDERS

	Direct Number of Shares	%	Indirect Number of Shares	%
Yee Wei Meng	44,366,840	9.641	-	-

DIRECTORS INTEREST

	Direct Number of Shares	%	Indirect Number of Shares	%
Ahmad Rahizal Bin Amb Dato' Ahmad Rasidi	-	-	-	-
Mok Juan Chek	-	-	-	-
Ng Lee Thin	-	-	-	-
Ong Li Tak	700,400	0.152	-	-
Tan Joo Khong	12,370,200	2.688	-	-
Tee Kuan Hong	1,811,000	0.393	-	-
Teo En Chie (Resigned on 1 April 2022)	4,830,336	1.049	-	-
Yee Wei Meng	44,366,840	9.641	-	-

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2022 (Cont'd)

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS

No.	Name	Number of Shares Held	Percentage
1	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEE WEI MENG	13,300,000	2.890
2	TAN JOO KHONG	12,370,200	2.688
3	ACTE PROPERTIES SDN BHD	12,221,096	2.656
4	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR YEE WEI MENG (SMART)	12,200,000	2.651
5	AMSEC NOMINEES (ASING) SDN BHD SYCAMORE CAPITAL SPC FOR SYCAMORE EQUITY FUND SP	9,804,545	2.131
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEE WEI MENG (7002982)	8,624,900	1.874
7	NSK TRADING SDN. BHD.	7,500,000	1.630
8	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEE WEI MENG	7,241,940	1.574
9	YEOH PHEK LENG	6,827,000	1.483
10	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	6,739,216	1.464
11	CHEW SENG GUAN	6,668,900	1.449
12	GOH TIONG HUI	6,208,513	1.349
13	GCP & SONS HOLDINGS SDN BHD	5,782,671	1.256
14	CHONG TONG SIEW	5,770,000	1.254
15	CHUA ENG GUAN	5,393,500	1.172
16	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO CHAI HOCK	4,978,900	1.082
17	WOO WAI ONN @ FOO WAI ONN	4,898,900	1.064
18	CHEN PO HSIUNG	4,750,000	1.032
19	GOH CHING WEI	4,336,513	0.942
20	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIU HAN MING	4,200,000	0.912
21	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SOLOMON TAN YIIN YUH	4,120,800	0.895
22	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEONG NGAI SENG (7000335)	3,505,956	0.762
23	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH CHENG POH	3,400,000	0.738
24	NG TENG YAU	3,372,700	0.733
25	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW SENG GUAN	3,300,000	0.717
26	LOW BOON FIN	3,252,400	0.706
27	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEE WEI MENG (MY4078)	3,000,000	0.652
28	LEE HONG PENG	2,993,700	0.650
29	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO EN CHIE	2,830,336	0.615
30	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM AH PENG	2,810,000	0.610

ANALYSIS OF WARRANTS A HOLDINGS
AS AT 31 MARCH 2022

Type of Securities : Warrants A
Total Outstanding Warrants A : 97,211,694
Maturity Date : 11 August 2025

DISTRIBUTION OF WARRANTS A HOLDINGS

Size of Holdings	Number of Holders	%	Number of Warrants	%
1-99	176	6.374	7,597	0.007
100 – 1,000	737	26.693	598,394	0.615
1,001 - 10,000	1,262	45.708	5,600,978	5.761
10,001 – 100,000	459	16.624	16,310,734	16.778
100,001 - 4,860,583 (*)	125	4.527	56,108,443	57.717
4,860,584 and above (**)	2	0.072	18,585,548	19.118
Total :	2,761	100.000	97,211,694	100.000

Remarks: * Less than 5% of issued warrants
** 5% and above of issued warrants

SUBSTANTIAL HOLDERS WARRANT A HOLDINGS

	Number of Warrants	%
Liew Kok Chiang	11,950,000	12.292
ACTE Properties Sdn Bhd	6,635,548	6.825

DIRECTORS INTEREST

	Number of Warrants	%
Ahmad Rahizal Bin Amb Dato' Ahmad Rasidi	-	-
Mok Juan Chek	-	-
Ng Lee Thin	-	-
Ong Li Tak	350,200	0.360
Tan Joo Khong	-	-
Tee Kuan Hong	500	0.000
Teo En Chie (Resigned on 1 April 2022)	-	-
Yee Wei Meng	-	-

ANALYSIS OF WARRANTS A HOLDINGS
AS AT 31 MARCH 2022 (Cont'd)

THIRTY (30) LARGEST WARRANTS A SECURITIES HOLDERS AS PER RECORD OF DEPOSITORS

No.	Name	Number of Warrants Held	Percentage
1	LIEW KOK CHIANG	11,950,000	12.292
2	ACTE PROPERTIES SDN BHD	6,635,548	6.825
3	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	3,309,608	3.404
4	YEO SWEE WEE	3,195,700	3.287
5	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SOLOMON TAN YIIN YUH	2,800,000	2.880
6	CHUA ENG GUAN	2,696,750	2.774
7	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEONG NGAI SENG (7000335)	1,752,978	1.803
8	LEE HONG PENG	1,496,850	1.539
9	KENANGA NOMINEES (ASING) SDN BHD RAKUTEN TRADE SDN BHD FOR ANDREA WESTRICH GEB. WAGNER	1,405,400	1.445
10	ADSCORE SDN.BHD.	1,348,545	1.387
11	CHIANG SIEW ENG @ LE YU AK EE	1,190,000	1.224
12	TAN KA LIAN	1,142,400	1.175
13	TAN HUI POH	1,065,000	1.095
14	YEOH PHEK LENG	990,000	1.018
15	WANG, CHUN CHENG	950,000	0.977
16	SOLOMON TAN YIIN YUH	900,000	0.925
17	TAY SIE CHOO	875,000	0.900
18	CHUA ENG GUAN	819,231	0.842
19	C.L.P.INDUSTRIES SDN BHD	739,000	0.760
20	TAN BEE LENG	701,200	0.721
21	CHEN, SHAN-CHING	700,000	0.720
22	JOHAN ENTERPRISE SDN. BHD.	700,000	0.720
23	TEO HOCK LEONG	610,000	0.627
24	LING AH KENG	600,000	0.617
25	LOH JUN HUI	600,000	0.617
26	TAN BOON HUA	600,000	0.617
27	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH MON CHIUAN	597,500	0.614
28	CHENG SOON HUAT	572,400	0.588
29	LAI THIAM POH	544,000	0.559
30	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA ENG GUAN (6000381)	519,300	0.534

LIST OF PROPERTIES

Company	Location	Description	Tenure	Valuation/ Acquisition/ Completion Date	Approximate Site Area (Acres)	Existing Use	NBV RM
Axteria Cemerlang Sdn Bhd	Lot 2668 Geran 101544, Mukin Plentong, Johor Bahru	Development Land	Freehold	20 July 2015 (Valuation)	13.169	Property Development	51.7m
	Lot 2667 Geran 101543, Mukin Plentong, Johor Bahru	Development Land	Freehold	20 July 2015 (Valuation)	14.494	Property Development	
	Lot 409 Geran 1171, Mukin Plentong, Johor Bahru	Development Land	Freehold	20 July 2015 (Valuation)	4.656	Property Development	
	Lot 408 Geran 1170, Mukin Plentong, Johor Bahru	Development Land	Freehold	20 July 2015 (Valuation)	5.625	Property Development	
	Total				**37.944**		
Axteria Cemerlang Sdn Bhd	HS(M) 5472 PTD 222390 Mukim Plentong , Johor Bahru (Address: No. 6, Jalan Teras 3, Kawasan Perindustrian Kota Puteri, 81750 Masai Johor Darul Takzim)	Medium Industry Cluster Factory	Freehold	1 February 2021 (valuation)	Land area: 0.203 acres (Factory Gross: Floor Area: 7,458 sq.ft.)	Unoccupied	2.5m
Axteria Properties Sdn Bhd	Unit no. A-S10 under master title, HSD 70516 PT 1816 Kawasan Bandar VI, District of Melaka Tengah State of Melaka	Commercial Units	Leasehold (92 years leasehold expiry on 28/12/2103)	15 January 2020	Area of the commercial unit: 0.1418 acres (6,179 sq.ft.) Area of the accessory lot: (601 sq.ft.)	Unoccupied	1.6m
	Unit no. A-S9 under master title, HSD 70516 PT 1816 Kawasan Bandar VI, District of Melaka Tengah State of Melaka	Commercial Units	Leasehold (92 years leasehold expiry on 28/12/2103)	18 July 2021 (valuation)	Area of the commercial unit: 0.1221 acres (5,321 sq.ft.) Area of the accessory lot: (228 sq.ft.)	Unoccupied	1.4m

LIST OF PROPERTIES

Company	Location	Description	Tenure	Valuation/ Acquisition/ Completion Date	Approximate Site Area (Acres)	Existing Use	NBV RM
Axteria Eco Sdn Bhd	Unit no. C-S3-G under master title, HSD 70516 PT 1816 Kawasan Bandar VI, District of Melaka Tengah State of Melaka	Commercial Units	Leasehold (92 years leasehold expiry on 28/12/2103)	18 July 2021 (valuation)	Area of the commercial unit: 0.0835 acres (3,638 sq.ft.)	Unoccupied	1.3m
Axteria Assets Sdn Bhd	Unit no. A-S8 under master title, HSD 70516 PT 1816 Kawasan Bandar VI, District of Melaka Tengah State of Melaka	Commercial Units	Leasehold (92 years leasehold expiry on 28/12/2103)	18 July 2021 (valuation)	Area of the commercial unit: 0.1343 acres (5,854 sq.ft.) Area of the accessory lot: (244 sq.ft.)	Unoccupied	1.4m

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AXTERIA

(Formerly known as ACOUSTECH BERHAD)
Company No. : 199901021765 (496665-W)

FORM OF PROXY

CDS Account No.	
Number of Shares held	

I/We, ____ (full name in block letters)

NRIC No./Passport No./Company No. ____

of ____
(full address)

being member of **AXTERIA GROUP BERHAD (Formerly known as ACOUSTECH BERHAD) ("Company")**, hereby appoint the following person(s) as my/our proxy:

Name of proxy & NRIC No. / Passport No.	Contact No.	Email address	No. of ordinary shares represented by proxy	Percentage of shareholding
1.				
2.				
			TOTAL	**100%**

as my/our proxy to vote on my/our behalf at the 23rd Annual General Meeting ("AGM") of the Company to be held on conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities which are provided by Tricor Investor & Issuing House Services Sdn Bhd (or "Tricor") via TIIH Online website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC:D1A282781) on Monday, 27 June 2022 at 10.00 a.m. and at every adjournment thereof, and to vote as indicated below: -

No.	Ordinary Resolutions	For	Against
1	Approval of Directors' fees for the financial year ending 31 December 2022		
2	Approval of benefits payable to Non-Executive Directors		
3	Re-election of Mr. Tan Joo Khong as Director		
4	Re-election of Mr. Mok Juan Chek as Director		
5	Re-election of Encik Ahmad Rahizal Bin AMB Dato' Ahmad Rasidi as Director		
6	Re-election of Mr. Yee Wei Meng as Director		
7	Re-appointment of Crowe Malaysia PLT as Auditors		
8	Authority to Issue Shares pursuant to the Companies Act 2016		

Please indicate with [√] on how you wish your votes to be cast. (Unless otherwise instructed, the proxy may vote as he/she thinks fit). If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this ……….…….. day of ……………………..…………. 2022

…………………………………………………
Signature of Shareholder(s) or Common Seal

fold this flap for sealing

Stamp

The Share Registrar of
AXTERIA GROUP BERHAD
(Formerly known as ACOUSTECH BERHAD)
Company No. : 199901021765 (496665-W)

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

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Notes:

1. The 23rd AGM will be conducted on a fully virtual basis via TIIH Online website at https://tiih.online. The conduct of a fully AGM is in line with the revised Guidance Note and FAQs on the conduct of General Meetings for Listed Issuers issued by Securities Commission of Malaysia. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online meeting platform is located in Malaysia and all meeting participants including Chairman of the meeting, board members, senior management and shareholders are to participate in the meeting online.

   Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 23rd AGM via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIIH Online website at https://tiih.online. Please refer to the Administrative Guide for the 23rd AGM for the procedures to register and participate via RPV facilities.
2. A member shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to participate in his/her stead pursuant to Section 334 of the Companies Act 2016 ("the Act"). There shall be no restriction as to the qualification of the proxy.
3. A member who has appointed a proxy/attorney/authorised representative to participate at this 23rd AGM via RPV facilities must request his/her proxy/attorney/authorised representative to register himself/herself for RPV at https://tiih.online. Kindly refer to the Procedures for RPV as set out in the Administrative Guide for the 23rd AGM.
4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at the Office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than twenty-four (24) hours before the time appointed for holding this meeting or any adjournment thereof as Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of 23rd AGM to vote by way of poll. Alternatively, the form of proxy can be lodged electronically via TIIH Online website at https://tiih.online not later than Sunday, 26 June 2022 at 10.00 a.m.
5. In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his/their proxy, provided always that the rest of the form of proxy, other than the particulars of the proxy, have been duly completed by the member(s).
6. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
7. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised.
8. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempted Authorised Nominee may appoint in respect of each Omnibus Account it holds.
9. Only depositors whose names appear in the Register of Depositors as at 20 June 2022 shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the 23rd AGM.
10. By submitting the duly executed proxy form, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 23rd AGM and any adjournment thereof.

AXTERIA
帝 星 集 团

AXTERIA GROUP BERHAD
(Formerly known as Acoustech Berhad)
(Company No. 199901021765 (496665-W))

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