



AXTERIA GROUP BERHAD

Company No. 199901021765 (496665-W)
(Incorporated in Malaysia)

Interim Financial Report For the Period Ended 30 June 2023 (Quarter 2, 2023)

AXTERIA GROUP BERHAD
Company No. 199901021765 (496665-W)
(Incorporated in Malaysia)

**Interim Financial Report for the Period Ended 30 June 2023
(Quarter 2, 2023)**

	<u>Page No.</u>
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	2 - 3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flow	5
Explanatory Notes to The Unaudited Interim Financial Statements	6 – 10
Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad	11 – 18

AXTERIA GROUP BERHAD

Company No. 199901021765 (496665-W)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**FOR THE PERIOD ENDED 30 JUNE 2023***(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000 (Unaudited)	RM'000 (Audited)	RM'000 (Unaudited)	RM'000 (Audited)
Revenue	10,070	2,752	27,419	10,044
Operating expenses	(9,772)	(4,999)	(25,141)	(11,761)
Other operating income	91	56	165	112
Profit/(loss) from operations	389	(2,191)	2,443	(1,605)
Finance costs	(245)	(179)	(560)	(399)
Share of results in associate	75	83	155	178
Profit/(loss) before tax	219	(2,287)	2,038	(1,826)
Tax income/(expense)	3	(7)	(858)	(397)
Profit/(loss) for the period / Total comprehensive profit/(loss)	222	(2,294)	1,180	(2,223)
Profit/(loss) for the period / Total comprehensive profit/(loss) attributable to :				
- Equity holders of the parent	222	(2,294)	1,180	(2,223)
- Non-controlling interests	-	-	-	-
	222	(2,294)	1,180	(2,223)
Profit/(loss) per share attributable to equity holders of the parent :				
- Basic profit/(loss) per share (sen)	0.04	(0.58)	0.20	(0.56)
- Diluted profit/(loss) per share (sen)	0.04	(0.58)	0.20	(0.56)

The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited consolidated financial statements of Axteria Group Berhad ("AGB" or the "Company") for the financial year ended 31 December 2022 and the accompanying explanatory notes to the interim financial statements.

AXTERIA GROUP BERHAD

Company No. 199901021765 (496665-W)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023***(The figures have not been audited)*

	(Unaudited) As at 30/06/2023	(Audited) As at 31/12/2022
	RM'000	RM'000
ASSETS		
Property, plant and equipment	33,984	26,472
Right-of-use assets	339	444
Investment property	19,758	19,417
Goodwill	14,467	14,467
Investment in associate	4,225	4,069
Other receivables	1,656	1,774
Deferred tax assets	95	95
Other financial asset	1,911	1,886
Total non-current assets	76,435	68,624
Inventories	97,448	101,465
Trade receivables	14,043	2,709
Other receivables, deposits and prepayments	3,254	4,435
Contract assets	-	65
Current tax assets	1,031	1,509
Fixed deposits with a licensed bank	1,000	885
Cash and bank balances	3,946	7,205
Total current assets	120,722	118,273
TOTAL ASSETS	197,157	186,897

AXTERIA GROUP BERHAD

Company No. 199901021765 (496665-W)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023 (CONT'D)***(The figures have not been audited)*

	(Unaudited) As at 30/06/2023	(Audited) As at 31/12/2022
	RM'000	RM'000
EQUITY AND LIABILITIES		
Share capital	192,187	164,479
Redeemable convertible preference shares	-	1,000
Treasury shares	(92)	(92)
Accumulated losses	(41,906)	(43,086)
Equity holders of the parent	150,189	122,301
Non-controlling interest	-	-
Total equity	150,189	122,301
Deferred tax liabilities	109	-
Hire purchase creditors	161	196
Lease liabilities	192	283
Term loans	15,465	14,973
Total non-current liabilities	15,927	15,452
Trade payables	14,834	15,769
Contract liabilities	4,952	5,244
Other payables and accruals	4,756	18,343
Current tax liabilities	(17)	12
Hire purchase creditors	70	69
Lease liabilities	179	189
Term loans	6,267	9,233
Provisions	-	285
Total current liabilities	31,041	49,144
TOTAL LIABILITIES	46,968	64,596
TOTAL EQUITY AND LIABILITIES	197,157	186,897
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS	0.21	0.25

The above Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements of AGB for the financial year ended 31 December 2022 and the accompanying explanatory notes to the interim financial statements.

AXTERIA GROUP BERHAD

Company No. 199901021765 (496665-W)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2023***(The figures have not been audited)*

	----- Attributable to equity holders of the parent -----				
	----- Non-distributable -----		----- Distributable -----		
	Share Capital	Redeemable Convertible Preference Shares ("RCPS")	Treasury Shares	Retained Earnings/ (Accumulated Losses)	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2022	150,459	-	(92)	(33,060)	117,307
Loss for the financial period	-	-	-	(2,223)	(2,223)
Issuance of RCPS	-	5,500	-	-	5,500
Contributions by and distributions to owners of the Company:					
- Conversion of RCPS	5,500	(5,500)	-	-	-
- Issuance of new shares	8,520	-	-	-	8,520
Balance as at 30 June 2022	164,479	-	(92)	(35,283)	129,104
Balance as at 1 January 2023	164,479	1,000	(92)	(43,086)	122,301
Profit for the financial period	-	-	-	1,180	1,180
Contributions by and distributions to owners of the Company:					
- Conversion of RCPS	1,000	(1,000)	-	-	-
- Issuance of new shares	26,708	-	-	-	26,708
Balance as at 30 June 2023	192,187	-	(92)	(41,906)	150,189

The above Consolidated Statement of Changes in Equity should be read in conjunction with the audited consolidated financial statements of AGB for the financial year ended 31 December 2022 and the accompanying explanatory notes to the interim financial statements.

AXTERIA GROUP BERHAD

Company No. 199901021765 (496665-W)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2023***(The figures have not been audited)*

	(Unaudited) Period ended 30/06/2023	(Audited) Year ended 31/12/2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	2,038	(9,604)
Net adjustments for non-cash items	353	5,204
Operating profit/(loss) before working capital changes	2,391	(4,400)
Changes in working capital		
Net change in inventories	3,852	(20,413)
Net change in trade and other receivables	(10,241)	(194)
Net change in contract assets	65	152
Net change in trade and other payables	(6,071)	9,957
Net change in contract liabilities	(292)	3,529
Cash used in operations	(10,296)	(11,369)
Income tax paid	(299)	(609)
Net cash flow for operating activities	(10,595)	(11,978)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to right-of-use assets	-	(7)
Repayment of advance to associate	194	-
Interest income received	30	11
Proceeds from disposal of property plant and equipment	-	12
Purchase of:		
- investment properties	(253)	(7,282)
- property, plant and equipment	(7,608)	(9,223)
Placement of fixed deposits with tenure more than 3 months	(115)	(281)
Net cash flow for investing activities	(7,752)	(16,770)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to a director	-	(40)
Advances from a key management personnel	-	8,450
Drawdown of term loan	1,399	11,566
Interest paid	(560)	(916)
Proceeds from issuance of:		
- ordinary shares	18,257	8,520
- RCPS	-	6,500
Repayment of lease liabilities	(101)	(177)
Repayment of term loans	(3,873)	(2,517)
Repayment to hire purchase creditors	(34)	(66)
Net cash flow from financing activities	15,088	31,320
Net (decrease)/increase in cash and cash equivalents	(3,259)	2,572
Cash and cash equivalents at beginning of financial period/year	7,205	4,633
Cash and cash equivalents at end of financial period/year	3,946	7,205

The above Condensed Consolidated Cash Flow Statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the financial year ended 31 December 2022.

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023**A1. Basis of Preparation**

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

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022. The explanatory notes attached to these condensed interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

A2. Summary of Significant Accounting Policies

The significant accounting policies and method of computation adopted in these condensed interim financial statements are consistent with those adopted and disclosed in the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022 , except for the adoption of the following:-

Amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17: Insurance Contracts
- Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Adoption of the above amendments to MFRS did not have any material financial impact to the Group.

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

The Group and the Company have yet to apply the following amendments to the MFRSs as they will only be effective for annual periods beginning on or after 1 January 2024: -

- | | <u>Effective Date</u> |
|--|------------------------------|
| • 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: Lease Liability in a Sale and Leaseback | 1 January 2024 |
| • Amendments to MFRS 101: Classification of Liabilities as Current or Non-current | 1 January 2024 |

-
- Amendment to MFRS 101: Non-current Liabilities with Covenents 1 January 2024

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

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

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

A4. Seasonal or Cyclical Factors

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

A5. Extraordinary and Exceptional Items

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

A6. Changes in Estimates

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

A7. Debt and Equity Securities

In the third quarter of 2022, the Company issued 10 million RCPS at a price of RM0.10 per share. These RCPS were subsequently converted into 4,545,455 ordinary shares during the current quarter. Consequently, no RCPS remained outstanding by the end of the current quarter.

Apart from the abovementioned activity, no other significant events occurred pertaining to the issuance, cancellation, repurchase or repayment of debt and equity securities throughout the current quarter.

The number of outstanding warrants remains unchanged, with a total of 97,211,694 units.

A8. Dividend Paid

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

AXTERIA GROUP BERHAD

Company No. 199901021765 (496665-W)

A9. Segmental Information

The Group's segmental information are as follows: -

	Property development & construction	Trading	Investment holding	Total
	RM'000	RM'000	RM'000	RM'000
6-month ended 30 June 2023				
Revenue				
External revenue	27,419	-	-	27,419
Results				
Operating profit/(loss)	2,800	(6)	(516)	2,278
Finance costs	(560)	-	-	(560)
Interest income	23	-	84	107
Other income	58	-	-	58
Share of results in an associate	(1)	-	156	155
Profit/(loss) before tax	2,320	(6)	(276)	2,038
Tax expense	(749)	-	(109)	(858)
Profit/(loss) for the period	1,571	(6)	(385)	1,180

	Property development & construction	Trading	Investment holding	Total
	RM'000	RM'000	RM'000	RM'000
6-month ended 30 June 2022				
Revenue				
External revenue	9,584	460	-	10,044
Results				
Operating (loss)/profit	(351)	15	(1,381)	(1,717)
Finance costs	(398)	-	(1)	(399)
Interest income	-	-	77	77
Other income	35	-	-	35
Share of results in an associate	-	-	178	178
(Loss)/profit before tax	(714)	15	(1,127)	(1,826)
Tax expense	(264)	-	(133)	(397)
(Loss)/profit for the period	(978)	15	(1,260)	(2,223)

A10. Valuation of Property, Plant and Equipment

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

A11. Significant Events During the Reporting Period

There were no significant events that occurred during the current financial quarter which have not been reflected in this report.

A12. Material Events After the End of the Interim Financial Period

On 10 August 2023, the Company announced its proposal to undertake a private placement of up to 71,676,649 new ordinary shares in AGB (“Proposed Private Placement”), representing 10% of the total number of issued shares of the Company (excluding treasury shares) to third party investors.

The listing application in respect of the Proposed Private Placement was submitted to Bursa Securities on 11 August 2023.

Following the application submission, Bursa Securities issued a letter dated 16 August 2023, granting approval for the listing and quotation of new ordinary shares to be issued pursuant to the Proposed Private Placement, subject to conditions set out by Bursa Securities.

A13. Changes in the Composition of the Group

There was no change in the composition of the Group during the current quarter.

A14. Contingent Liabilities and Contingent Assets**(a) Contingent liabilities****Limit:**

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

Utilised:

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

Company	
As at 30/06/2023 (Unaudited) RM'000	As at 31/12/2022 (Audited) RM'000
74,914	74,914
13,573	13,573
21,718	24,206
12,861	13,225

(b) Contingent assets

There was no contingent asset as at the end of current financial quarter.

AXTERIA GROUP BERHADCompany No. 199901021765 (496665-W)

A15. Capital Commitments

The material commitments for the Group as at the 30 June 2023 are as follows:

	RM'000
Purchase of property, plant and equipment	17,646

A16. Related Party Transactions

The Group had the following transactions with the related parties for the 6-month period ended 30 June 2023:-

	RM'000
Transactions with an associate	
- Interest received and receivables	77

[The remainder of this page is intentionally left blank]

B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENT BURSA MALAYSIA SECURITIES BERHAD**B1. Review of Performance**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 6 months ended	Preceding Year 6 months ended
	30/06/2023 (Unaudited) RM'000	30/06/2022 (Audited) RM'000	30/06/2023 (Unaudited) RM'000	30/06/2022 (Audited) RM'000
Revenue	10,070	2,752	27,419	10,044
Profit/(loss) before tax	219	(2,287)	2,038	(1,826)

During the current quarter, the Group demonstrated a noteworthy performance. The revenue for this quarter stood at RM10.07 million, showcasing a remarkable growth of 265.92% in comparison to the corresponding quarter of the previous year, which had a revenue of RM2.75 million. This impressive growth in revenue can be attributed to several factors.

The recognition of sales of Bumiputra units under Phase 1 of Project Desa 88 and the last completed unit under the Group's inaugural project, Senibong 88, played a pivotal role in driving this significant increase in revenue. Furthermore, the growth was bolstered by the recognition of progressive billing for units previously sold under both Project Desa 88 and Project Sentrico.

This upsurge in revenue was accompanied by a shift in the bottom line. The Group recorded a profit before tax ("PBT") of RM0.22 million in the current quarter, a positive contrast to the loss before tax ("LBT") of RM2.29 million incurred during the second quarter of 2022.

The cumulative performance over the span of six months also reflected this positive trajectory. The Group achieved a cumulative revenue of RM27.42 million in the first half of 2023, in contrast to the RM10.04 million recorded during the same period in the previous year. Likewise, the PBT for the current six-month period amounted to RM1.83 million, whereas the preceding year recorded a LBT of RM1.83 million.

Overall, these financial figures depict a commendable performance by the Group, driven by substantial revenue growth and a shift from losses to profitability.

B2. Comparison with Preceding Quarter's Results

	Current Quarter ended	Preceding Quarter ended
	30/06/2023 (Unaudited) RM'000	31/03/2023 (Unaudited) RM'000
Revenue	10,070	17,349
Profit before tax	219	1,819

In the last preceding quarter, the revenue was significantly higher compared to the current quarter. This was primarily due to the Group's recognition of revenue from the sale of a vacant freehold land, amounting to RM6.53 million. As a result of this substantial transaction, the preceding quarter's revenue was elevated.

However, despite the lower revenue in the current quarter, the Group managed to maintain a positive trend in profitability, with a PBT of RM0.22 million, compared to RM1.82 million in the immediate preceding quarter.

B3. Prospects for the Current Financial Year

The Group's primary engagement revolves around the property development and construction sector. In the fiscal year ended 31 December 2022, the Group reported a revenue of RM17.0 million, accompanied by a loss after tax of RM10.0 million. This loss was primarily attributed to the provisions for liquidated ascertained damages due to delays in development progress and the obtaining of the Certificate of Completion and Compliance ("CCC") for Phase 1 of Project Desa 88.

Like many other property development and construction companies in Malaysia, both large and small, the Group faced during the prolonged industry downturn in recent years. The COVID-19 pandemic exacerbated issues such as labour shortages, rising construction materials costs, and potential interest rate hikes. These factors collectively impeded the Group's ability to effectively carry out its property development and construction projects.

As the economy gradually recuperates from the aftermath of the COVID-19 pandemic, these obstacles and disruptions are expected to gradually lessen. The management of Axteria recognises the positive momentum observed in the property sector, particularly in 2023, which instills a sense of optimism that the previously challenging property sector outlook is improving, though a full recovery might still be some distance away.

In the 6-month period ending June 30, 2023, the Group experienced a resurgence in financial performance, reporting a revenue of RM27.42 million and a profit after tax of approximately RM2.04 million. This resurgence was primarily attributed to the sale of new units and the progressive billing of previously sold units in both Project Desa 88 and Project Sentrio. Additionally, the Group's revenue was further boosted by the sale of a vacant freehold land parcel valued at RM6.5 million, as well as the sale of the final unit in Project Senibong 88.

Looking ahead, the Group remains dedicated to consistently providing appealing products that are aligned with market preferences across different price segments. The management

is confident that with meticulous planning, the following projects of the Group's portfolio will contribute positively to its financial performance:-

(i) Project Sentrío

Project Sentrío is a development located in Pasir Gudang, Johor, encompassing 66 units of shop offices on a land area spanning 5.94 acres. The estimated Gross Development Value ("GDV") of the project is RM43.7 million, with a corresponding Gross Development Cost ("GDC") of RM33.8 million.

As at the end of current quarter, approximately 70% of the units (excluding 17 units allocated to the land owner as their entitlement) have been successfully sold and reserved. The development is expected to reach completion by the fourth quarter of 2023. By the end of the current quarter, the project had attained an overall completion rate of 89%.

(ii) Project Desa 88

Project Desa 88 is an extensive development encompassing a total of 6 phases, collectively estimated to have a GDV of RM127.5 million and GDC of RM94.5 million.

Phase 1 of Project Desa 88 has achieved a significant milestone by successfully obtaining the Certificate of Completion and Compliance ("CCC") in August 2022. This achievement led to the proper handover of vacant possession to the purchasers, signifying the successful completion of this phase.

At the date of this report, Phase 2 of Project Desa 88 is in an advanced stage of development, with an approximate completion rate of 93%. Various regulatory inspections are underway to fulfill the requisites for obtaining the CCC by the third quarter of 2023.

Both Phase 1 and Phase 2 of Project Desa 88 continue to demonstrate promising potential. The international units in both phases have achieved a 100% take-up rate, while 97% of Bumiputra units have been sold or reserved, indicating strong demand and interest from purchasers.

The remaining phases of Project Desa 88, featuring detached factories and multi-purpose retail spaces, are scheduled to be launched within the current year. The introduction of these phases is anticipated to provide additional sales opportunities and contribute significantly to the overall success of the development.

(iii) The Asteria Melaka

The Asteria Melaka is a development located in Kota Syahbandar, Melaka. It consists of two main blocks – Block A, a 16-storey hotel with a total 241 rooms, and Block C, a 44-storey building with 306 serviced suites.

Block A, with an estimated GDC of RM70.7 million, has reached the completion stage of about 96% for the structural work. Simultaneously, the interior design activities are underway and progressing swiftly.

As for Block C, it holds an estimated GDV of RM119.5 million and a GDC of RM96.7 million. The construction progress for Block C is currently at 59%. Presently, the construction progress for Block C stands at 59%. Ongoing efforts are dedicated to further enhancing the pace of construction work, with the ultimate aim of bringing the project closer to its successful completion.

(iv) A-SOHO Johor Jaya (formerly known as “M-SOHO@JJ”)

A-SOHO Johor Jaya is a mixed development undertaking, encompassing a total of 474 units of Small Office Home Office (“SOHO”) and 35 units of shop lots. The estimated GDV for this project is RM188.7 million, with a GDC of approximately RM160.1 million.

The development of A-SOHO Johor Jaya is set to commence in the fourth quarter of 2023, with completion anticipated by the fourth quarter of 2027.

(v) A-Community @ BDO (formerly known as “M-SOHO@BDO”)

A-Community @ BDO is a comprehensive mixed development project encompasses a diverse range of components. It includes two blocks of SOHO suites, comprising a total of 792 units, a 4-storey corporate office, a 4-storey spa, a boutique hotel, office and co-working spaces, a 3-storey retail showroom space, a 7-storey multi-level carpark, and a clubhouse.

Initial assessments indicate that the development of A-Community @ BDO is projected to yield a GDV of RM413.2 million, accompanied by an estimated GDC of RM353.5 million.

The launch of this project is slated for the fourth quarter of 2024, with development activities targeted for completion by the fourth quarter of 2028.

B4. Profit Forecast or Profit Guarantee

The Group did not announce or provide any profit forecasts or profit guarantees during the current financial quarter under review and the financial year-to-date.

B5. Corporate Proposals

As of the date of this report, there have been no pending corporate proposals that were announced but not yet completed, except for those disclosed in Note A12 of this report.

AXTERIA GROUP BERHAD

Company No. 199901021765 (496665-W)

B6. Profit before Taxation

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 6 months ended	Preceding Year 6 months ended
	30/06/2023 (Unaudited) RM'000	30/06/2022 (Audited) RM'000	30/06/2023 (Unaudited) RM'000	30/06/2022 (Audited) RM'000
Interest income	(66)	(39)	(107)	(77)
Other income including investment income	(25)	(17)	(58)	(35)
Interest expenses	245	179	560	399
Depreciation and amortisation	103	82	198	164
Provision for write off of receivables	-	-	-	-
Provision for write off of inventories	-	-	-	-
Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange loss/(gain)	-	-	-	-
Gain or loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

AXTERIA GROUP BERHAD

Company No. 199901021765 (496665-W)

B7. Taxation

Taxation comprises the following: -

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 6 months ended	Preceding Year 6 months ended
	30/06/2023 (Unaudited) RM'000	30/06/2022 (Audited) RM'000	30/06/2023 (Unaudited) RM'000	30/06/2022 (Audited) RM'000
Current tax (income)/ expense	(63)	(11)	749	264
Deferred taxation	60	18	109	133
	(3)	7	858	397
Effective tax rate	(1.37%)	(0.31%)	42.10%	(21.74%)

The taxation arose mainly from certain profitable entities within the Group. The Group's effective tax rate exceeded the statutory rate primarily because the profits generated from the profitable entities were balanced out by losses incurred by other entities within the Group at the consolidated level.

B8. Group Loans and Borrowings

The Group's loans and borrowings as at 30 June 2023 are as follows: -

	As at 30 June 2023		
	Long Term Borrowings	Short Term Borrowings	Total Borrowings
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
Secured			
Term loans and bridging finance	15,465	6,267	21,732
Hire purchase creditors	161	70	231
	15,626	6,337	21,963
	As at 30 June 2022		
	Long Term Borrowings	Short Term Borrowings	Total Borrowings
	(Audited) RM'000	(Audited) RM'000	(Audited) RM'000
Secured			
Term loans and bridging finance	12,428	5,581	18,009
Hire purchase creditors	461	375	836
	12,889	5,956	18,845

B9. Financial Instruments

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

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

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

As at 30 June 2023, the Group does not have any financial instrument.

B10. Material Litigation

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

B11. Proposed Dividend

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

B12. Earnings/(loss) per Ordinary Share ("EPS" or "LPS")**(i) Basic EPS/(LPS)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 6 months ended	Preceding Year 6 months ended
	30/06/2023 (Unaudited)	30/06/2022 (Audited)	30/06/2023 (Unaudited)	30/06/2022 (Audited)
Earnings/(loss) attributable to equity holders of the parent (RM'000)	222	(2,294)	1,180	(2,223)
Weighted average number of shares in issue ('000)	594,390	396,016	594,390	396,016
Basic EPS/(LPS) (sen)	0.04	(0.58)	0.20	(0.56)

AXTERIA GROUP BERHAD

Company No. 199901021765 (496665-W)

(ii) Diluted EPS/(LPS)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 3 months ended	Preceding Year 3 months ended
	30/06/2023 (Unaudited)	30/06/2022 (Audited)	30/06/2023 (Unaudited)	30/06/2022 (Audited)
Earnings/(loss) attributable to equity holders of the parent (RM'000)	222	(2,294)	1,180	(2,223)
Weighted average number of shares in issue ('000)	594,390	396,016	594,390	396,016
Cumulative Redeemable Convertible Preference Shares	-	-	-	-
Shares deemed issued for no consideration (‘000) – Warrants	-	-	-	-
Weighted average number of shares for diluted EPS ('000)	594,390	396,016	594,390	396,016
Diluted EPS/LPS (sen)	0.04	(0.58)	0.20	(0.56)

BY ORDER OF THE BOARD OF
AXTERIA GROUP BERHAD

Date: 25 August 2023