



# **AXTERIA GROUP BERHAD**

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

## **Interim Financial Report For the Period Ended 30 September 2023 (Quarter 3, 2023)**

**AXTERIA GROUP BERHAD**  
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(Incorporated in Malaysia)

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(Quarter 3, 2023)**

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**AXTERIA GROUP BERHAD**

Company No. 199901021765 (496665-W)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM'000 (Unaudited)	RM'000 (Audited)	RM'000 (Unaudited)	RM'000 (Audited)
Revenue	21,785	2,823	49,204	12,867
Operating expenses	(21,304)	(4,840)	(46,445)	(16,601)
Other operating income	69	567	234	679
<b>Profit/(loss) from operations</b>	<b>550</b>	<b>(1,450)</b>	<b>2,993</b>	<b>(3,055)</b>
Finance costs	(285)	(269)	(844)	(668)
Share of results in associate	88	92	243	270
<b>Profit/(loss) before tax</b>	<b>353</b>	<b>(1,627)</b>	<b>2,392</b>	<b>(3,453)</b>
Taxation	(71)	(25)	(929)	(422)
<b>Profit/(loss) for the period / Total comprehensive profit/(loss)</b>	<b>282</b>	<b>(1,652)</b>	<b>1,463</b>	<b>(3,875)</b>
<b>Profit/(loss) for the period / Total comprehensive profit/(loss) attributable to :</b>				
- Equity holders of the parent	282	(1,652)	1,463	(3,875)
- Non-controlling interests	-	-	-	-
	<b>282</b>	<b>(1,652)</b>	<b>1,463</b>	<b>(3,875)</b>
<b>Profit/(loss) per share attributable to equity holders of the parent :</b>				
- Basic profit/(loss) per share (sen)	0.05	(0.40)	0.24	(0.94)
- Diluted profit/(loss) per share (sen)	0.05	(0.40)	0.24	(0.94)

*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 SEPTEMBER 2023***(The figures have not been audited)*

	<b>(Unaudited)</b> As at 30/09/2023	<b>(Audited)</b> As at 31/12/2022
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	<b>36,470</b>	26,472
Right-of-use assets	<b>297</b>	444
Investment property	<b>19,212</b>	19,417
Goodwill	<b>14,467</b>	14,467
Investment in associate	<b>4,312</b>	4,069
Other receivables	<b>1,694</b>	1,774
Deferred tax assets	<b>95</b>	95
Other financial asset	<b>1,556</b>	1,886
<b>Total non-current assets</b>	<b>78,103</b>	68,624
Inventories	<b>94,743</b>	101,465
Trade receivables	<b>10,860</b>	2,709
Other receivables, deposits and prepayments	<b>1,472</b>	4,435
Contract assets	<b>-</b>	65
Current tax assets	<b>313</b>	1,509
Fixed deposits with a licensed bank	<b>1,009</b>	885
Cash and bank balances	<b>4,102</b>	7,205
<b>Total current assets</b>	<b>112,499</b>	118,273
<b>TOTAL ASSETS</b>	<b>190,602</b>	186,897

**AXTERIA GROUP BERHAD**

Company No. 199901021765 (496665-W)

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

	(Unaudited) As at 30/09/2023	(Audited) As at 31/12/2022
	RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>		
Share capital	192,187	164,479
Redeemable convertible preference shares	-	1,000
Treasury shares	(92)	(92)
Accumulated losses	(41,623)	(43,086)
Equity holders of the parent	150,472	122,301
Non-controlling interest	-	-
<b>Total equity</b>	<b>150,472</b>	<b>122,301</b>
Deferred tax liabilities	169	-
Hire purchase creditors	143	196
Lease liabilities	145	283
Term loans	18,277	14,973
<b>Total non-current liabilities</b>	<b>18,734</b>	<b>15,452</b>
Trade payables	3,583	15,769
Contract liabilities	6,500	5,244
Other payables and accruals	7,237	18,343
Current tax liabilities	(41)	12
Hire purchase creditors	71	69
Lease liabilities	182	189
Term loans	3,864	9,233
Provisions	-	285
<b>Total current liabilities</b>	<b>21,396</b>	<b>49,144</b>
<b>TOTAL LIABILITIES</b>	<b>40,130</b>	<b>64,596</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>190,602</b>	<b>186,897</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS</b>	<b>0.21</b>	<b>0.25</b>

*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 SEPTEMBER 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
<b>Balance as at 1 January 2022</b>	150,459	-	(92)	(33,060)	117,307
Loss for the financial period	-	-	-	(3,875)	(3,875)
Issuance of RCPS	-	6,500	-	-	6,500
<b>Contributions by and distributions to owners of the Company:</b>					
- Conversion of RCPS	5,500	(5,500)	-	-	-
- Issuance of new shares	8,520	-	-	-	8,520
<b>Balance as at 30 September 2022</b>	<b>164,479</b>	<b>1,000</b>	<b>(92)</b>	<b>(36,935)</b>	<b>128,452</b>
<b>Balance as at 1 January 2023</b>	<b>164,479</b>	<b>1,000</b>	<b>(92)</b>	<b>(43,086)</b>	<b>122,301</b>
Profit for the financial period	-	-	-	1,463	1,463
Issuance of RCPS	-	-	-	-	-
<b>Contributions by and distributions to owners of the Company:</b>					
- Conversion of RCPS	-	-	-	-	-
- Issuance of new shares	27,708	(1,000)	-	-	26,708
<b>Balance as at 30 September 2023</b>	<b>192,187</b>	<b>-</b>	<b>(92)</b>	<b>(41,623)</b>	<b>150,472</b>

*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 SEPTEMBER 2023***(The figures have not been audited)*

	(Unaudited) Period ended 30/09/2023	(Audited) Year ended 31/12/2022
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	2,392	(9,604)
Net adjustments for non-cash items	962	5,204
Operating profit/(loss) before working capital changes	3,354	(4,400)
Changes in working capital		
Net change in inventories	6,557	(20,413)
Net change in trade and other receivables	(4,730)	(194)
Net change in contract assets	65	152
Net change in trade and other payables	(14,842)	9,957
Net change in contract liabilities	1,257	3,529
Cash used in operations	(8,339)	(11,369)
Income tax refunded	818	-
Income tax paid	(435)	(609)
<b>Net cash flow for operating activities</b>	<b>(7,956)</b>	<b>(11,978)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to right-of-use assets	-	(7)
Repayment of advance to associate	194	-
Interest income received	39	11
Proceeds from disposal of property plant and equipment	-	12
Purchase of:		
- investment properties	(253)	(7,282)
- property, plant and equipment	(10,155)	(9,223)
Placement of fixed deposits with tenure more than 3 months	(124)	(281)
<b>Net cash flow for investing activities</b>	<b>(10,299)</b>	<b>(16,770)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment to a director	-	(40)
Advances from a key management personnel	-	8,450
Drawdown of term loan	5,311	11,566
Interest paid	(844)	(916)
Proceeds from issuance of:		
- ordinary shares	18,257	8,520
- RCPS	-	6,500
Repayment of lease liabilities	(145)	(177)
Repayment of term loans	(7,376)	(2,517)
Repayment to hire purchase creditors	(51)	(66)
<b>Net cash flow from financing activities</b>	<b>15,152</b>	<b>31,320</b>
Net (decrease)/increase in cash and cash equivalents	(3,103)	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	4,102	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 SEPTEMBER 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: -

	<b><u>Effective Date</u></b>
• 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 Covenants	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**

There were no 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: -

	<b>Property development &amp; construction</b>	<b>Trading</b>	<b>Investment holding</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>9-month ended 30 September 2023</b>				
<b>Revenue</b>				
External revenue	49,201	3	-	49,204
<b>Results</b>				
Operating profit/(loss)	3,634	(12)	(863)	2,759
Finance costs	(844)	-	-	(844)
Interest income	33	-	121	154
Other income	80	-	-	80
Share of results in an associate	-	-	243	243
Profit/(loss) before tax	2,903	(12)	(499)	2,392
Tax expense	(760)	-	(169)	(929)
Profit/(loss) for the period	2,143	(12)	(668)	1,463

	<b>Property development &amp; construction</b>	<b>Trading</b>	<b>Investment holding</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>9-month ended 30 September 2022</b>				
<b>Revenue</b>				
External revenue	12,308	559	-	12,867
<b>Results</b>				
Operating (loss)/profit	(1,654)	25	(2,104)	(3,733)
Finance costs	(666)	-	(2)	(668)
Interest income	5	-	116	121
Other income	67	-	490	557
Share of results in an associate	-	-	270	270
(Loss)/profit before tax	(2,248)	25	(1,230)	(3,453)
Tax expense	(264)	-	(158)	(422)
(Loss)/profit for the period	(2,512)	25	(1,388)	(3,875)

**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**

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.

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

No material events have taken place after the end the current financial quarter that are not reflected in this report.

**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

	<b>Company</b>	
	<b>As at 30/09/2023 (Unaudited) RM'000</b>	<b>As at 31/12/2022 (Audited) RM'000</b>
<b>Limit:</b>		
Corporate guarantees given to financial institutions for credit facilities granted to a subsidiary – unsecured	74,914	74,914
Corporate guarantees given to financial institutions for credit facilities granted to an associate – unsecured	13,573	13,573
<b>Utilised:</b>		
Corporate guarantees given to financial institutions for credit facilities granted to a subsidiary – unsecured	22,141	24,206
Corporate guarantees given to financial institutions for credit facilities granted to an associate – unsecured	12,673	13,225

(b) Contingent assets

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

**A15. Capital Commitments**

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

	<b>RM'000</b>
Purchase of property, plant and equipment	17,082

**A16. Related Party Transactions**

For the purpose of this interim financial statement, 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.

The following transactions have been entered into with related parties that were necessary for the day-to-day operations in the ordinary course of business and are transacted on negotiated and arm's length basis.

	<b>RM'000</b>
<b>Associate</b>	
- Interest income	114
<b>Joint venture company</b>	
- Reimbursement of quit rent and assessment for development land	35
- Reimbursement of revolving credit interest for loan obtained to finance the development land	225

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 9 months ended	Preceding Year 9 months ended
	30/09/2023 (Unaudited) RM'000	30/09/2022 (Audited) RM'000	30/09/2023 (Unaudited) RM'000	30/09/2022 (Audited) RM'000
Revenue	21,785	2,823	49,204	12,867
Profit/(loss) before tax	353	(1,627)	2,392	(3,453)

The Group exhibited a remarkable performance in the current quarter. Revenue surged to RM21.79 million, marking an impressive 671.70% growth compared to the same quarter last year, which reported revenue of RM2.82 million. The exceptional revenue surge can be attributed to various contributing factors.

The recognition of sale revenue from Bumiputra units in Project Desa 88 played a pivotal role in propelling the significant revenue increase. Additionally, the growth was further boosted by the recognition of progressive billing for units previously sold under both Project Desa 88 and Project Sentrico.

This surge in revenue coincided with a notable change in the bottom-line. The Group achieved a profit before tax ("PBT") of RM0.35 million in the current quarter, a positive shift from the loss before tax ("LBT") of RM1.63 million incurred in the third quarter of 2022.

The cumulative performance over nine months also mirrored this positive trend. The Group achieved a cumulative revenue of RM49.20 million in the 9-month period up to September 2023, a substantial increase from the RM12.87 million recorded during the same period in the previous year. Similarly, the PBT for the current 9-month period amounted to RM2.39 million, in contrast to the preceding year's LBT of RM3.45 million.

In summary, these financial figures paint a commendable picture of the Group's performance, driven by substantial revenue growth and a transition from losses to profitability.

**B2. Comparison with Preceding Quarter's Results**

The result for the current period ended 30 September 2023 compared to the preceding quarter ended 30 June 2023 are as follows:-

	<b>Current Quarter ended</b>	<b>Preceding Quarter ended</b>
	<b>30/09/2023 (Unaudited) RM'000</b>	<b>30/06/2023 (Unaudited) RM'000</b>
Revenue	21,785	10,070
Profit before tax	353	219

The revenue for the current quarter ending on 30 September 2023 surged to RM21.79 million, a substantial increase compared to RM10.07 million in the preceding quarter ending on 30 June 2023. This reflects a noteworthy growth trajectory of 116.24%.

The PBT for the current quarter amounted to RM0.35 million, showcasing an improvement from RM0.22 million recorded in the preceding quarter. This marks a positive growth trend, indicating an increase in profitability between the two quarters.

This upward trajectory in both revenue and profitability between the two consecutive quarters signifies promising growth and improved financial performance.

**B3. Prospects for the Current Financial Year**

The Group is deeply entrenched in property development and construction. Despite encountering challenges in the fiscal year ended 31 December 2022, where a revenue of RM17 million was accompanied by a loss after tax of RM10 million due to the provisions for project delays, notably in Phase 1 of Project Desa 88, the Group has shown resilience and adaptability.

The broader industry downturn, compounded by the disruptive effects of the COVID-19 pandemic, including labour shortages, escalating construction costs, and potential interest rate hikes, posed hurdles for the Group's project execution.

However, the tide turned significantly by the 6-month period ending 30 June 2023. The Group saw a remarkable rebound, reporting a revenue of RM27.42 million and a PBT of approximately RM2.04 million. This resurgence was fuelled by various successes: recognition of sales of new and previously sold units in Projects Desa 88 and Sentrico, a lucrative RM6.5 million sale of a vacant freehold land parcel, and the final unit sale in Project Senibong 88.

Looking forward, despite these challenges, the Group remains committed to offering market-aligned products across different price segments. As of 30 September 2023, the Group's performance continued its positive trajectory, with revenue reaching an encouraging level of RM49.20 million in the 9-month period, marking an impressive improvement from the preceding year. The Group achieved a profit before tax of RM2.39 million, showcasing a commendable shift from the previous year's loss.

Acknowledging the positive momentum observed in the property sector, particularly in 2023 and the ongoing year of 2024, the management holds an optimistic view regarding the sector's recovery. The Group's confidence in meticulous project planning aligns seamlessly with the anticipation of continued positive contributions to its financial performance.

The Group anticipates that the following projects in its portfolio will make significant positive contributions to its financial performance:-

(i) Project Sentrío

Project Sentrío, situated in Pasir Gudang, Johor, comprises 66 units of shop offices sprawled across a land area of 5.94 acres. The estimated Gross Development Value ("GDV") for this project stands at RM43.7 million, with corresponding Gross Development Cost ("GDC") pegged at RM33.8 million.

As of the current quarter's end, an impressive 73% of the units (excluding 17 units reserved for the landowner as their entitlement) have been successfully sold and reserved. Anticipated for completion by the fourth quarter of 2023, the project has achieved an overall completion rate of 92% as of the current quarter.

Regulatory inspections geared toward obtaining the Certificate of Completion and Compliance (CCC) are slated to commence by the end of November 2023, aiming to ensure compliance and facilitate the final stages of project finalization.

(ii) Project Desa 88

Project Desa 88 is a comprehensive venture spanning six phases, collectively estimated to boast a GDV of RM127.5 million and GDC of RM94.5 million.

A notable achievement within this development was the successful attainment of the Certificate of Completion and Compliance ("CCC") for Phase 1 in August 2022. This pivotal milestone facilitated the proper handover of vacant possession to purchasers, marking the successful culmination of Phase 1.

As of the current report date, Phase 2 of Project Desa 88 has also secured its CCC, and the process of handing over vacant possession is currently underway.

Both Bumiputra and international units in Phase 1 and Phase 2 have been entirely sold, indicating their successful uptake by buyers.

Presently, the remaining phases of Project Desa 88, featuring detached factories and multi-purpose retail spaces, are available for sale. The launch of these phases is anticipated to create additional sales opportunities and contribute significantly to the overall success of this development.

(iii) The Asteria Melaka

The Asteria Melaka, situated in Kota Syahbandar, Melaka, comprises two main blocks – Block A, a 16-storey hotel encompassing a total of 241 rooms, and Block C, a 44-storey building housing 306 serviced suites.

Block A, boasting a revised estimated Gross Development Cost (“GDC”) of RM56.47 million, has achieved full completion for its structural work, marking a significant milestone in its progress.

In line with the Group’s strategic business focus, the management has opted to discontinue the hotel management agreement with Far East Hospitality Management (S) Pte. Ltd., intending to divest the hotel. As part of this strategy, the Group plans to complete only essential interior design elements for Block A, allowing prospective buyers the flexibility to customise the remaining aspects according to their preferences.

Block C, projecting an estimated GDV of RM119.5 million and a GDC of RM96.7 million. Presently, the construction progress for Block C stands at 65%. Continuous efforts are being directed towards intensifying the construction pace, with the aim of expediting the project’s completion while ensuring it aligns with predefined timelines.

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

A-SOHO Johor Jaya represents a diverse mixed development featuring a total of 474 units of Small Office Home Office (“SOHO”) and 35 units of shop lots. Anticipated to yield a GDV of RM188.7 million, this project has an estimated GDC of approximately RM160.1 million.

Scheduled to commence in the fourth quarter of 2023, the development of A-SOHO Johor Jaya aims for completion by the fourth quarter of 2027. As part of the project’s progression, a soft launch for the sale of shop lots is slated to take place in the fourth quarter, marking an initial step in the sales and marketing initiatives for this upcoming development.

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

A-Community @ BDO represents a comprehensive mixed development endeavour that comprises a diverse array of components. This ambitious project includes two blocks of SOHO suites, totalling 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 car park, and a clubhouse.

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

The planned launch for this ambitious project is scheduled for the fourth quarter of 2024. Development activities are projected to span until the fourth quarter of 2028, encompassing construction and completion phases, marking an extensive timeline geared towards creating a comprehensive and thriving community space.

Looking ahead, the Group remains poised to explore further opportunities aligned with its strategic vision within the property and construction realms. With an optimistic outlook buoyed by the success and ongoing progress of existing projects, the Group eagerly anticipates unveiling upcoming ventures in its pipeline. The management’s dedication to



meticulous planning and market adaptability positions the Group favorably to capitalize on new prospects, fostering sustained growth and value creation in the dynamic landscape of property development and construction.

**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 A11 of this report.

**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 9 months ended	Preceding Year 9 months ended
	30/09/2023 (Unaudited) RM'000	30/09/2022 (Audited) RM'000	30/09/2023 (Unaudited) RM'000	30/09/2022 (Audited) RM'000
Interest income	(47)	(44)	(154)	(121)
Other income including investment income	(22)	(522)	(80)	(557)
Interest expenses	285	269	844	668
Depreciation and amortisation	104	91	302	255
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**

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**B7. Taxation**

Taxation comprises the following: -

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 9 months ended	Preceding Year 9 months ended
	30/09/2023 (Unaudited) RM'000	30/09/2022 (Audited) RM'000	30/09/2023 (Unaudited) RM'000	30/09/2022 (Audited) RM'000
Current tax expense	11	-	760	264
Deferred taxation	60	25	169	158
	71	25	929	422

Effective tax rate	20.11%	(1.54%)	38.84%	(12.22%)
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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 September 2023 are as follows: -

	As at 30 September 2023		
	Long Term Borrowings	Short Term Borrowings	Total Borrowings
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
<b>Secured</b>			
Term loans and bridging finance	18,277	3,864	22,141
Hire purchase creditors	143	71	214
	18,420	3,935	22,355

	As at 30 September 2022		
	Long Term Borrowings	Short Term Borrowings	Total Borrowings
	(Audited) RM'000	(Audited) RM'000	(Audited) RM'000
<b>Secured</b>			
Term loans and bridging finance	17,571	2,222	19,793
Hire purchase creditors	434	369	803
	18,005	2,591	20,596

**B9. Financial Instruments**

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

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

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

As at 30 September 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 9 months ended	Preceding Year 9 months ended
	30/09/2023 (Unaudited)	30/09/2022 (Audited)	30/09/2023 (Unaudited)	30/09/2022 (Audited)
Earnings/(loss) attributable to equity holders of the parent (RM'000)	282	(1,652)	1,463	(3,875)
Weighted average number of shares in issue ('000)	612,698	410,803	612,698	410,803
Basic EPS/(LPS) (sen)	0.05	(0.40)	0.24	(0.94)

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**(ii) Diluted EPS/(LPS)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 9 months ended	Preceding Year 9 months ended
	30/09/2023 (Unaudited)	30/09/2022 (Audited)	30/09/2023 (Unaudited)	30/09/2022 (Audited)
Earnings/(loss) attributable to equity holders of the parent (RM'000)	282	(1,652)	1,463	(3,875)
Weighted average number of shares in issue ('000)	612,698	410,803	612,698	410,803
Cumulative Redeemable Convertible Preference Shares	-	-	-	-
Shares deemed issued for no consideration ('000) – Warrants	-	-	-	-
Weighted average number of shares for diluted EPS ('000)	612,698	410,803	612,698	410,803
Diluted EPS/LPS (sen)	0.05	(0.40)	0.24	(0.94)

BY ORDER OF THE BOARD OF  
AXTERIA GROUP BERHAD

Date: 24 November 2023