AXTERIA GROUP BERHAD

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

Interim Financial Report
For The Period Ended 30 June 2026
(Quarter 2, 2026)

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Contents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2026

(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
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	RM'000 (Unaudited)	RM'000 (Audited)	RM'000 (Unaudited)	RM'000 (Audited)
Revenue	28,114	19,524	50,972	33,697
Operating expenses	(29,924)	(18,862)	(49,661)	(32,845)
Other operating income	313	124	1,000	216
(Loss)/Profit from operations	(1,497)	786	2,311	1,068
Finance costs	(254)	(265)	(528)	(431)
Share of results in associate	-	60	-	130
(Loss)/Profit before taxation	(1,751)	581	1,783	767
Taxation	(700)	-	(1,780)	(40)
(Loss)/Profit after taxation /Total comprehensive (expense)/income for the financial period	(2,451)	581	3	727
(Loss)/Profit after taxation attributable to :				
- Equity holders of the parent	(2,451)	581	3	727
- Non-controlling interests	-	-	-	-
	(2,451)	581	3	727
(Loss)/Earnings per share attributable to equity holders of the parent :				
- Basic (sen)	(0.31)	0.07	0.00	0.09
- Diluted (sen)	(0.31)	0.07	0.00	0.09

The Condensed Consolidated Statement of Comprehensive Income above 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 2025 and the accompanying explanatory notes to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

(The figures have not been audited)

	(Unaudited) As at 30/06/2026	(Audited) As at 31/12/2025
	RM'000	RM'000
ASSETS		
Property, plant and equipment	49,134	47,100
Right-of-use assets	-	151
Investment properties	9,357	9,357
Deferred tax assets	2,044	2,044
Other financial asset	1,683	1,613
Total non-current assets	62,218	60,265
Inventories	99,105	104,939
Trade receivables	18,618	16,771
Other receivables, deposits and prepayments	7,617	7,826
Current tax assets	1,736	1,553
Fixed deposits with a licensed bank	800	-
Cash and bank balances	36,456	24,144
Total current assets	164,332	155,233
Asset held for sale	3,365	3,365
TOTAL ASSETS	229,915	218,863
EQUITY AND LIABILITIES		
Share capital	200,833	200,833
Treasury shares	(92)	(92)
Accumulated losses	(44,858)	(44,861)
Equity holders of the parent	155,883	155,880
Non-controlling interest	-	-
Total equity	155,883	155,880
Hire purchase creditors	30	36
Lease liabilities	-	8
Term loans	15,599	15,890
Total non-current liabilities	15,629	15,934
Trade payables	44,417	36,203
Contract liabilities	4,416	1,800
Other payables and accruals	7,072	6,205
Current tax liabilities	1,145	791
Hire purchase creditors	13	25
Lease liabilities	-	150
Term loans	1,340	1,875
Total current liabilities	58,403	47,049
TOTAL LIABILITIES	74,032	62,983
TOTAL EQUITY AND LIABILITIES	229,915	218,863
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS (RM)	0.20	0.20

The Consolidated Statement of Financial Position above should be read in conjunction with the accompanying explanatory notes to the interim financial statements and the audited financial statements for the financial year ended 31 December 2025.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2026

(The figures have not been audited)

	Share Capital	Treasury Shares	Accumulated Losses	Total Equity
	RM'000	**RM'000**	**RM'000**	**RM'000**
Balance as at 1 January 2025	200,833	(92)	(54,560)	146,181
Profit after taxation/Total comprehensive income for the financial period	-	-	146	146
Balance as at 30 June 2025	200,833	(92)	(54,414)	146,327
Balance as at 1 January 2026	**200,833**	**(92)**	**(44,861)**	**155,880**
Profit after taxation/Total comprehensive income for the financial year	**-**	**-**	**3**	**3**
Balance as at 30 June 2026	**200,833**	**(92)**	**(44,858)**	**155,883**

The Consolidated Statement of Changes in Equity above should be read in conjunction with the accompanying explanatory notes to the interim financial statements and the audited financial statements for the financial year ended 31 December 2025.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2026

(The figures have not been audited)

	(Unaudited) Period ended 30/06/2026	(Audited) Year ended 31/12/2025
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**1,783**	11,285
Net adjustments for non-cash items	**658**	(8,542)
Operating profit before working capital changes	**2,441**	2,743
Changes in working capital		
Net change in inventories	**5,834**	(10,824)
Net change in trade and other receivables	**(1,638)**	(3,552)
Net change in amount owing by related parties	**-**	(512)
Net change in contract assets	**-**	3,933
Net change in trade and other payables	**9,081**	20,516
Net change in contract liabilities	**2,616**	(3,612)
CASH FROM OPERATIONS	**18,334**	8,692
Income tax refunded	**112**	617
Income tax paid	**(1,722)**	(3,750)
Real property gain tax paid	**-**	(544)
NET CASH FROM OPERATING ACTIVITIES	**16,724**	5,015
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Interest received	**65**	61
Purchase of:		
- property, plant and equipment	**(2,195)**	(625)
- investment properties	**-**	(255)
Placement of fixed deposits with tenure more than 3 months	**(800)**	-
Repayment of advance from an associate	**-**	6,282
Proceeds from disposal of:		
- investment in an associate	**-**	4,630
- assets held for sale	**-**	6,874
NET CASH FLOW (FOR)/FROM INVESTING ACTIVITIES	**(2,930)**	16,967
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of term loans	**13,963**	19,123
Interest paid	**(532)**	(1,700)
Repayment of:		
- lease liabilities	**(110)**	(229)
- term loans	**(14,785)**	(22,196)
- hire purchase creditors	**(18)**	(63)
NET CASH FLOW FOR FINANCING ACTIVITIES	**(1,482)**	(5,065)
Net increase in cash and cash equivalents	**12,312**	16,917
Cash and cash equivalents at beginning of financial period/year	**24,144**	7,227
Cash and cash equivalents at end of financial period/year	**36,456**	24,144

The Condensed Consolidated Cash Flow Statements above should be read in conjunction with the accompanying explanatory notes to the interim financial statements and the audited financial statements for the financial year ended 31 December 2025.

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2026

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*, 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 Report* 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 2025. The accompanying explanatory notes provide additional context on significant events and transactions that have affected the Group's financial position and performance since the end of the preceding financial year.

A2. Summary of Significant Accounting Policies

The accounting policies and computation methods adopted in this interim financial report are consistent with those used in preparing the Group's audited financial statements for the financial year ended 31 December 2025, except for the adoption of the following amendments and/or interpretations (including any consequential amendments) during the current financial period:

- Amendments to MFRS 121: Lack of Exchangeability

The adoption of these amendments and/or interpretations does not have a material impact on the financial statements of the Group and the Company upon initial application.

A2.1 Amendment to MFRSs and IC Interpretations (including Consequential Amendments) Issued but Not Yet Effective

The Group and the Company have not early adopted the following amendments to accounting standards and/or interpretations (including any consequential amendments) issued by the Malaysian Accounting Standards Board, which are not yet effective for the current financial year:

	Effective Date
• Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
• Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
• Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
• Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
• MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
• MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
• Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
• Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
• Amendments to MFRS 128: Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	1 January 2027
• MFRS 20 Regulatory Assets and Regulatory Liabilities	1 January 2029

The Group is currently assessing the potential impact of adopting these amendments and intends to apply them on their respective effective dates.

A3. Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the financial year ended 31 December 2025 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's performance for the current financial year was not materially affected by seasonal or cyclical factors.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income, or Cash Flows

There were no unusual items arising from their nature, size, or incidence that materially affected the Group's assets, liabilities, equity, net income, or cash flows during the current financial quarter and financial year to date.

A6. Changes in Estimates

There were no changes in estimates that had a material effect on results for the current financial quarter and financial year to date.

A7. Debt and Equity Securities

There were no significant events involving the issuance, repurchase, or repayment of debt and equity securities during the current quarter.

A8. Dividend Paid

No dividends were declared or paid by the Group during the current financial quarter.

A9. Segmental Results

The Group's segmental information is as follows: -

	Property development & construction	Investment holding	Trading	Total
	RM'000	**RM'000**	**RM'000**	**RM'000**
6-month ended 30 June 2026				
Revenue				
External revenue	50,972	-	-	50,972
Results				
Operating profit/(loss)	2,257	(940)	(6)	1,311
Finance costs	(528)	-	-	(528)
Interest income	61	4	-	65
Other income	935	-	-	935
Profit/(loss) before taxation	2,725	(936)	(6)	1,783
Taxation	(1,780)	-	-	(1,780)
Profit/(loss) for the period	**945**	**(936)**	**(6)**	**3**

	Property development & construction	Investment holding	Trading	Total
	RM'000	**RM'000**	**RM'000**	**RM'000**
6-month ended 30 June 2025				
Revenue				
External revenue	33,697	-	-	33,697
Results				
Operating loss	1,475	(618)	(6)	851
Finance costs	(431)	-	-	(431)
Interest income	3	122	-	125
Other income	92	-	-	92
Share of results in an associate	-	130	-	130
Profit/(loss) before taxation	1,139	(366)	(6)	767
Taxation	(5)	(35)	-	(40)
Profit/(loss) for the period	**1,134**	**(401)**	**(6)**	**727**

For the financial period ended 30 June 2026, the property development and construction segment remained the Group's primary revenue driver, contributing positively to overall profitability. The investment holding segment was in a loss position as income was limited to minimal interest earnings during the period, while the trading segment remained dormant.

A10. Valuation of Property, Plant and Equipment

The Group's property, plant, and equipment are stated at cost, net of accumulated depreciation and impairment losses, if any.

A11. Significant Events During the Reporting Period

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

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

Save for the proposed acquisition disclosed under item B5 – Corporate Proposals, there were no other material events subsequent to the end of the interim financial period that have not been reflected in this report.

A13. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter.

A14. Contingent Liabilities and Contingent Assets

(a) Contingent liabilities

	Company	
	As at 30/06/2026 (Unaudited) RM'000	**As at 31/12/2025 (Audited) RM'000**
Limit:		
Corporate guarantees given to financial institutions for credit facilities granted to subsidiaries – unsecured	86,709	86,709
Utilised:		
Corporate guarantees given to financial institutions for credit facilities granted to subsidiaries – unsecured	16,939	17,765

(b) Contingent assets

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

A15. Capital Commitments

There were no material capital commitments of the Group as at 30 June 2026.

A16. Related Party Transactions

For the purpose of this quarterly report, related parties are defined as those entities or individuals that have the ability, directly or indirectly, to control, jointly control, or exercise significant influence over the Group or the Company in making financial and operating decisions, or vice versa, or where the Group, the Company and the parties are subject to common control.

The related party transactions set out below were entered into in the ordinary course of business, on normal commercial terms and on terms not more favourable than those generally available to the public, and were necessary for the Group's day-to-day operations:

	RM'000
Company in which certain Directors have substantial financial interest	
- Landowner's entitlement for A SOHO Johor Jaya Project	6,427
- Reimbursement of revolving credit interest for loan obtained to finance the development land	93
- Reimbursement of development-related expenses	55
- Provision of legal advisory services	211

Save as disclosed above, there were no other related party transactions during the current financial quarter.

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**
	30/06/2026 (Unaudited) RM'000	**30/06/2025 (Audited) RM'000**	**30/06/2026 (Unaudited) RM'000**	**30/06/2025 (Audited) RM'000**
Revenue	28,114	19,524	50,972	33,697
(Loss)/Profit before taxation	(1,751)	581	1,783	767

For the individual quarter ended 30 June 2026, the Group recorded revenue of RM28.11 million, representing a notable increase of 44.0% compared to RM19.52 million in the corresponding quarter of the preceding year. The increase was mainly attributable to stronger revenue recognition from the Group's ongoing property development projects.

The Group recorded a loss before taxation of RM1.75 million for the individual quarter, compared to a profit before taxation of RM0.58 million in the corresponding quarter of the preceding year. The loss was mainly attributable to development costs arising from the finalisation of the final accounts of one of the Group's development projects, as well as sales and marketing cost in support of ongoing sales and marketing activities of the Group.

On a cumulative basis, for the six months ended 30 June 2026, the Group recorded revenue of RM50.97 million and profit before taxation of RM1.78 million, representing increases of 51.3% and 132.5%, respectively, compared to revenue of RM33.70 million and profit before taxation of RM0.77 million in the corresponding period of the preceding year. The improved results were mainly attributable to stronger revenue recognition from the Group's ongoing property development projects and reflect an overall improvement in the Group's operational performance for the current financial period.

B2. Comparison with Preceding Quarter's Results

The Group's performance for the current quarter ended 31 March 2026, as compared to the preceding quarter ended 31 December 2025, is summarised below:

	Current Quarter ended	Preceding Quarter ended
	30/06/2026 (Unaudited) RM'000	**31/3/2026 (Unaudited) RM'000**
Revenue	28,114	22,858
(Loss)/Profit before taxation	(1,751)	3,534

For the current quarter ended 30 June 2026, the Group recorded revenue of RM28.11 million, compared to RM22.86 million in the preceding quarter ended 31 March 2026. The higher revenue was primarily driven by higher sales activities from Axteria Melaka and A-SOHO.

The Group recorded a loss before taxation of RM1.75 million for the current quarter, compared to a profit before taxation of RM3.53 million in the preceding quarter. The current quarter's results were mainly affected by development costs arising from the finalisation of the final accounts of one of the Group's development projects, as well as sales and marketing costs in support of ongoing sales and marketing activities of the Group. Excluding these non-recurring items, the underlying performance remained supported by the Group's core property development activities.

Overall, the Group continues to demonstrate resilience, with its performance supported by ongoing contributions from its property development activities.

B3. Prospects for the Group

The Group remains cautiously optimistic on its outlook, supported by resilient demand for affordable housing and steady progress from ongoing development projects. Earnings visibility is expected to be underpinned by progress billings from A SOHO Johor Jaya, which continues to attract new sales momentum.

In addition, the Group anticipates further cash flow support from the monetisation of completed projects, including The Asteria Melaka serviced apartments and the remaining limited unit of Sentrio.

Looking ahead, the Group expects the proposed acquisition of Niaga Sari Sdn. Bhd., announced on 9 April 2026, to strengthen its earnings base once completed. The acquisition is expected to provide new income streams and broaden the Group's portfolio, subject to fulfilment of conditions precedent.

To sustain long-term expansion, the Group is actively identifying and evaluating suitable landbank opportunities that align with its development strategy and market positioning. Management will continue to adopt a prudent approach to cost control, project execution, and capital allocation to safeguard profitability amidst challenges such as rising construction costs and tighter lending conditions.

Barring unforeseen circumstances, the Board remains confident that the Group's performance for the financial year will remain satisfactory, supported by resilient demand, disciplined execution, and strategic portfolio management.

B4. Profit Forecast or Profit Guarantee

The Group has not announced or provided any profit forecasts or profit guarantees for the current financial quarter under review or the financial year to date.

B5. Corporate Proposals

On 9 April 2026, the Board of Directors of Axteria Group Berhad announced that the Company had entered into a Conditional Share Sale Agreement ("SSA") with Dato' Chan Chee Hong, Mr. Gwi Chin Fatt, Dato' Wong Gian Kui, Mr. Periasamy A/L Ganapathy, Mr. Gwi Xian Yi, Mr. Gwi Huan Yi and Mr. Chan Khai Young (collectively, the "Vendors"). Pursuant to the SSA, the Company will acquire 800,004 ordinary shares in Niaga Sari Sdn. Bhd. ("NSSB"), representing 80.0% of the equity interest in NSSB, for a cash consideration of RM35.0 million. As at the date of this report, the proposed acquisition has not been completed and remains subject to fulfilment of conditions precedent.

B6. Profit before Taxation

The profit before taxation is arrived at after charging/(crediting) 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
	30/06/2026 (Unaudited) RM'000	30/06/2025 (Audited) RM'000	30/06/2026 (Unaudited) RM'000	30/06/2025 (Audited) RM'000
Interest income	(36)	(64)	(65)	(125)
Other income including investment income	(277)	(60)	(935)	(91)
Interest expenses	254	265	528	431
Depreciation and amortisation	126	143	261	270
Provision for write off of receivables	-	-	-	-
Provision for write off of inventories	-	-	-	-
Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange loss/(gain)	-	-	-	-
Gain or loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

B7. Taxation

Taxation comprises the following: -

	INDIVIDUAL QUARTER		**CUMULATIVE QUARTER**	
	Current Year 3 months ended	**Preceding Year 3 months ended**	**Current Year 6 months ended**	**Preceding Year 6 months ended**
	30/06/2026 (Unaudited) RM'000	**30/06/2025 (Audited) RM'000**	**30/06/2026 (Unaudited) RM'000**	**30/06/2025 (Audited) RM'000**
Current tax expense	700	-	1,780	91
Effective tax rate	39.98%	0.00%	99.83%	5.22%

For the individual quarter ended 30 June 2026, the Group recorded a current tax expense of RM0.70 million. On a cumulative basis for the six months ended 30 June 2026, the current tax expense likewise amounted to RM1.78 million, compared to RM0.09 million in the prior year's corresponding period.

The Group's effective tax rate for the reporting period was 39.98%, while the cumulative effective tax rate stood at 99.83%. Both figures are significantly higher than the statutory tax rate of 24% and the preceding year's effective tax rate. The variance is mainly attributable to losses incurred by certain subsidiaries that cannot be fully offset against taxable profits of other entities.

B8. Borrowings

The Group's borrowings as at 30 June 2026 are as follows: -

	As at 30 June 2026		
	Long Term Borrowings	Short Term Borrowings	Total Borrowings
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
Secured			
Term loans	15,599	1,340	**16,939**
Hire purchase creditors	30	13	**43**
	15,629	1,353	**16,982**

	As at 30 June 2025		
	Long Term Borrowings	Short Term Borrowings	Total Borrowings
	(Audited) RM'000	(Audited) RM'000	(Audited) RM'000
Secured			
Term loans	15,924	12,419	**28,343**
Hire purchase creditors	43	49	**92**
	15,967	12,468	**28,435**

B9. Financial Instruments

As at 30 June 2026, the fair value of financial asset measured at fair value through profit or loss is as follows:-

	RM'000
Other financial asset	1,682

The other financial asset is classified under Level 2 of the fair value hierarchy, with its fair value determined based on the surrender value at the end of current financial period.

Other than the above, the fair values of the Group's financial assets and liabilities measured at amortised cost approximate their carrying amounts, as these financial instruments either have relatively short-term maturities or repayable on demand.

B10. Material Litigation

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

B11. Proposed Dividend

No dividend was declared for the current financial period under review.

B12. Earnings per Share ("EPS")

The basic and diluted earnings per share are calculated based on the Group's profit attributable to owners of the Company divided by the weighted average number of ordinary shares as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	**Preceding Year 3 months ended**	**Current Year 6 months ended**	**Preceding Year 6 months ended**
	30/06/2026 (Unaudited)	**30/06/2025 (Audited)**	**30/06/2026 (Unaudited)**	**30/06/2025 (Audited)**
(Loss)/Earnings attributable to equity holders of the parent (RM'000)	(2,451)	581	3	727
Weighted average number of shares in issue ('000)	788,443	788,443	788,443	788,443
EPS (sen)				
- Basic	(0.31)	0.07	0.00	0.09
- Diluted[1]	(0.31)	0.07	0.00	0.09

Note:

[1] Diluted EPS is equivalent to the basic EPS as the Company does not have any dilutive instruments at the end of the reporting period.

By Order Of The Board
Axteria Group Berhad

27 August 2026