



# **AXTERIA GROUP BERHAD**

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

## **Interim Financial Report For the Year Ended 31 December 2022 (Quarter 4, 2022)**

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

**Interim Financial Report for the Year Ended 31 December 2022  
(Quarter 4, 2022)**

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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 YEAR ENDED 31 DECEMBER 2022***(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
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000 (Unaudited)	RM'000 (Audited)	RM'000 (Unaudited)	RM'000 (Audited)
Revenue	4,173	5,765	17,039	25,349
Operating expenses	(10,035)	(7,925)	(26,635)	(30,884)
Other operating income	86	4,842	764	5,170
<b>(Loss)/profit from operations</b>	<b>(5,776)</b>	<b>2,682</b>	<b>(8,832)</b>	<b>(365)</b>
Finance costs	(118)	(222)	(786)	(1,130)
Share of results in associate	(256)	(109)	14	183
<b>(Loss)/profit before tax</b>	<b>(6,150)</b>	<b>2,351</b>	<b>(9,604)</b>	<b>(1,312)</b>
Taxation	-	(88)	(422)	(418)
<b>(Loss)/profit for the period / Total comprehensive (loss)/profit</b>	<b>(6,150)</b>	<b>2,263</b>	<b>(10,026)</b>	<b>(1,730)</b>
<b>(Loss)/profit for the period / Total comprehensive (loss)/profit attributable to :</b>				
- Equity holders of the parent	(6,150)	2,263	(10,026)	(1,730)
- Non-controlling interests	-	-	-	-
	<b>(6,150)</b>	<b>2,263</b>	<b>(10,026)</b>	<b>(1,730)</b>
<b>(Loss)/profit per share attributable to equity holders of the parent :</b>				
- Basic (loss)/profit per share (sen)	(1.50)	0.63	(2.44)	(0.48)
- Diluted (loss)/profit per share (sen)	(1.50)	0.63	(2.44)	(0.48)

*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 2021 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 31 DECEMBER 2022***(The figures have not been audited)*

	(Unaudited) As at 31/12/2022	(Audited) As at 31/12/2021
	RM'000	RM'000
<b>ASSETS</b>		
Property, plant and equipment	26,101	16,844
Right-of-use assets	815	1,014
Investment property	19,417	11,645
Goodwill	14,467	19,469
Investment in associate	4,069	4,055
Other receivables	1,774	1,619
Deferred tax assets	95	95
Other financial asset	1,886	1,866
<b>Total non-current assets</b>	<b>68,624</b>	<b>56,607</b>
Inventories	101,465	81,197
Trade and other receivables	7,144	6,684
Contract assets	65	217
Current tax assets	1,497	1,623
Fixed deposits with a licensed bank	885	604
Cash and bank balances	7,205	4,633
<b>Total current assets</b>	<b>118,261</b>	<b>94,958</b>
<b>TOTAL ASSETS</b>	<b>186,885</b>	<b>151,565</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	165,479	150,459
Treasury shares	(92)	(92)
Accumulated losses	(43,086)	(33,060)
Equity holders of the parent	122,301	117,307
Non-controlling interest	-	-
<b>Total equity</b>	<b>122,301</b>	<b>117,307</b>
Borrowings	14,973	5,933
Lease liabilities	479	721
Deferred tax liabilities	-	313
<b>Total non-current liabilities</b>	<b>15,452</b>	<b>6,967</b>
Trade and other payables	31,001	15,746
Provisions	285	380
Contract liabilities	8,355	1,715
Borrowings	9,233	9,223
Lease liabilities	258	227
<b>Total current liabilities</b>	<b>49,132</b>	<b>27,291</b>
<b>TOTAL LIABILITIES</b>	<b>64,584</b>	<b>34,258</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>186,885</b>	<b>151,565</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS</b>	<b>0.25</b>	<b>0.27</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 2021 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 YEAR ENDED 31 DECEMBER 2022***(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 2021 (restated)</b>	105,503	-	(92)	(31,330)	74,081
Loss for the financial year	-	-	-	(1,730)	(1,730)
Issuance of RCPS	-	36,500	-	-	36,500
<b>Transaction with the owners</b>					
Conversion of RCPS	36,500	(36,500)	-	-	-
Issuance of new shares	8,456	-	-	-	8,456
<b>Balance as at 31 December 2021</b>	<b>150,459</b>	<b>-</b>	<b>(92)</b>	<b>(33,060)</b>	<b>117,307</b>
<b>Balance as at 1 January 2022</b>	<b>150,459</b>	<b>-</b>	<b>(92)</b>	<b>(33,060)</b>	<b>117,307</b>
Loss for the financial year	-	-	-	(10,026)	(10,026)
Issuance of RCPS	-	6,500	-	-	6,500
<b>Transaction with the owners</b>					
Conversion of RCPS	5,500	(5,500)	-	-	-
Issuance of new shares	8,520	-	-	-	8,520
<b>Balance as at 31 December 2022</b>	<b>164,479</b>	<b>1,000</b>	<b>(92)</b>	<b>(43,086)</b>	<b>122,301</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 2021 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 YEAR ENDED 31 DECEMBER 2022***(The figures have not been audited)*

	(Unaudited) Period ended 31/12/2022	(Audited) Year ended 31/12/2021
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(9,604)	(1,312)
Net adjustments for non-cash items	5,562	(2,617)
Operating loss before working capital changes	(4,042)	(3,929)
Changes in working capital		
Net change in inventories	(20,413)	(1,434)
Net change in trade and other receivables	(461)	555
Net change in contract assets	152	(152)
Net change in trade and other payables	15,255	(8,732)
Net change in contract liabilities	6,640	1,059
Cash used in operations	(2,869)	(12,633)
Tax paid	(673)	(1,668)
<b>Net cash flow for operating activities</b>	<b>(3,542)</b>	<b>(14,301)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additional investment in associate	-	(2,778)
Advances to an associate	-	(1,501)
Purchase of keymen insurance	-	(2,210)
Purchase of right-of-use assets	(7)	(76)
Proceeds from disposal of right-of-use assets and property plant and equipment	12	777
Interest income received	11	4
Acquisition of investment properties	(7,282)	(3,385)
Purchase of property, plant and equipment	(9,223)	(13,130)
Placement of fixed deposit	(281)	(604)
<b>Net cash flow for investing activities</b>	<b>(16,770)</b>	<b>(22,903)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown/(repayment) of loan	8,889	(2,218)
Interest paid	(782)	(976)
Payment of lease liabilities	(243)	(1,075)
Proceeds from issuance of:		
- Ordinary shares	8,520	8,456
- RCPS	6,500	36,500
<b>Net cash flow from financing activities</b>	<b>22,884</b>	<b>40,687</b>
Net increase in cash and cash equivalents	2,572	3,483
Cash and cash equivalents at beginning of financial year	4,633	1,150
Cash and cash equivalents at end of financial year	7,205	4,633

*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 2021.*

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS FINANCIAL YEAR ENDED 31 DECEMBER 2022****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 2021. 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 2021.

**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 2021, except for the adoption of the following:-

***Amendments effective for annual periods beginning on or after 1 January 2022***

- Amendments to MFRS 3 Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018 – 2020

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 2023: -

	<b><u>Effective Date</u></b>
• MFRS 17 – Insurance Contracts	1 January 2023
• Amendments to MFRS 17 – Insurance Contracts	1 January 2023
• Amendments 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 10 and MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Deferred

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**

The Company issued 10,000,000 RCPS at RM0.10 per share for a total of RM1,000,000 in the immediate preceding quarter and these RCPS remain outstanding at the end of the current quarter.

Except for the above, there was no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

The total number of outstanding warrants remained as 97,211,694 units as of 31 December 2022.

**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>12-months ended 31 December 2022</b>				
<b>Revenue</b>				
External revenue	16,164	875	-	17,039
<b>Results</b>				
Operating (loss)/profit	(7,220)	46	(2,422)	(9,596)
Finance costs	(784)	-	(2)	(786)
Interest income	10	-	155	165
Other income	109	-	490	599
Share of results in an associate	-	-	14	14
(Loss)/profit before tax	(7,885)	46	(1,765)	(9,604)
Tax expense	(326)	-	(96)	(422)
(Loss)/profit for the year	(8,211)	46	(1,861)	(10,026)

	<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>12-months ended 31 December 2021</b>				
<b>Revenue</b>				
External revenue	25,349	-	-	25,349
<b>Results</b>				
Operating loss	(1,632)	-	(3,903)	(5,535)
Finance costs	(1,121)	-	(9)	(1,130)
Interest income	-	-	119	119
Other income	579	-	4,472	5,051
Share of results in an associate	-	-	183	183
Loss before tax	(2,174)	-	862	(1,312)
Tax expense	(105)	-	(313)	(418)
(Loss)/profit for the year	(2,279)	-	549	(1,730)

**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**

The significant events for the current quarter under review are summarised as follows:-

- (a) The Company announced that its wholly-owned subsidiary, Axteria Eco Sdn. Bhd. ("AESB"), had on 21 October 2022 received a letter from the Immigration Department Malaysia ("IDM") notifying that AESB had been appointed as an agent for Malaysia Premium Visa Programme ("PVIP").

The appointment would enable AESB to act as the agent on behalf of the IDM to process up one thousand (1,000) applications. The appointment is valid for a period of three (3) years from 21 October 2022.

- (b) On 22 November 2022, the Company also announced that its another wholly-owned subsidiary, Axteria Development Sdn Bhd, had on even date, entered into the following agreements:-

- a joint venture agreement with Alpha Astral Properties Sdn Bhd ("AAPSB") to undertake a mixed development project on a portion of a freehold land held under HSD 520150 PTD 171203 in the Mukim of Tebrau, District of Johor Bahru, State of Johor measuring approximately 83,037 square meters ("sqm"); and
- a joint venture agreement with Sumber Alpha Sdn Bhd ("SASB") to undertake a mixed development project on the freehold land held under Geran 504836 Lot 28073 in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 7,909 sqm.

- (c) On 13 December 2022, the Company proposed to undertake a shares issuance of up to 213,660,000 Subscription Shares, representing approximately 30.0% of the enlarged total number of issued Shares of the Company (excluding treasury shares) ("Proposed Share Issuance"). Bursa Securities has, vide its letter dated 28 December 2022, granted their approval for the listing and quotation of new ordinary shares to be issued pursuant to the Proposed Share Issuance, subject to the conditions set out by Bursa Securities.

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

On 30 January 2023, an Extraordinary General Meeting ("EGM") was duly held to approve the resolutions relating to the Proposed Shares Issuance as set out in the Notice of EGM circulated to all shareholders on 13 January 2023.

The Proposed Shares Issuance had been completed on 13 February 2023 following the listing of 213,660,000 Subscription Shares on the Main Market of Bursa Securities on even date.

Save for the above, there was no other significant event after the end of the quarter up to the date of this announcement.

**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 31/12/2022 (Unaudited) RM'000</b>	<b>As at 31/12/2021 (Audited) RM'000</b>
<b><u>Limit:</u></b>		
Corporate guarantees given to financial institutions for credit facilities granted to a subsidiary – unsecured	74,914	41,914
Corporate guarantees given to financial institutions for credit facilities granted to an associate – unsecured	13,573	9,709
<b><u>Utilised:</u></b>		
Corporate guarantees given to financial institutions for credit facilities granted to a subsidiary – unsecured	24,206	15,157
Corporate guarantees given to financial institutions for credit facilities granted to an associate – unsecured	13,225	9,225

(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 31 December 2022 are as follows:

	<b>RM'000</b>
Purchase of property, plant and equipment	21,673
Purchase of investment properties	253
	<u>21,926</u>

**A16. Related Party Transactions**

The Group had the following transactions with the related parties for the 12-month period ended 31 December 2022:-

	<b>RM'000</b>
(i) Transactions with an associate	
- Interest received and receivables	155
(ii) Transaction with key management personnel	
- Purchase of shophouse	99

**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 12 months ended	Preceding Year 12 months ended
	31/12/2022 (Unaudited) RM'000	31/12/2021 (Audited) RM'000	31/12/2022 (Unaudited) RM'000	31/12/2021 (Audited) RM'000
Revenue	4,173	5,765	17,039	25,349
(Loss)/profit before tax	(6,150)	2,351	(9,604)	(1,312)

As the sale of international units and development progress of the key revenue contributor of the Group, i.e. Phase 1 and 2 of Project Desa 88, have reached the advance stage, the cumulative revenue recognised for both 3-month and 12-month period ended 31 December 2022 are lower as compared to RM5.77 million and RM25.35 million, respectively, in the corresponding 3-months and 12-month periods last year.

During the current quarter, an impairment loss on goodwill of RM5 million was also recognised due to decline in the forecasted property development and construction operations of its subsidiary, Axteria Cemerlang Sdn Bhd.

The Group recorded a loss before tax (“LBT”) of RM6.15 million for 4Q 2022 in the current quarter as compared to a profit before tax of RM2.35 million in 4Q 2021. Cumulatively, the LBT has also increased from RM1.31 million for the year ended 31 December 2021 to RM9.60 million in the 12-month period ended 31 December 2022. Both are in tandem with slower revenue trend in year 2022 and the recognition of impairment loss on goodwill.

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

	Current Quarter ended	Preceding Quarter ended
	31/12/2022 (Unaudited) RM'000	30/09/2022 (Unaudited) RM'000
Revenue	4,173	2,823
LBT	(6,150)	(1,627)

For the quarter ended 31 December 2022, the Group recorded a total revenue of RM4.17 million, representing a growth of 47.82% as compared to RM2.82 million in the preceding quarter ended 30 September 2022.

Despite the growth in revenue for current quarter, the LBT of the Group has increased from RM1.63 million in the preceding quarter to RM6.15 million for the current quarter mainly due to recognition of impairment loss on goodwill as disclosed in B1 above.

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

The Malaysia property market performance recorded an increase in the first half of 2022 (H1 2022) compared to the same period last year (H1 2021). A total of 188,002 transactions worth RM84.4 billion were recorded, showing an increase of 34.5% in volume and 36.1% in value compared to the same period last year. Of the total transactions, 34.3% (64,476) and 62.6% (117,655) were transfers dated 2021 and 2022 respectively while the remaining percentage share was for prior years' transfer.

The Malaysia property market performance recorded a rebound in the first half of 2022 (H1 2022), a reflective of normalizing economic activity as the country moved towards endemicity. With the positive projection on economic growth by Bank Negara Malaysia, expected between 5.3% to 6.3% in 2022, supported by the implementation of various government initiatives and assistance, the property market performance is expected to be on track.

The Southern Region property market performance registered 40,500 transactions worth RM17.8 billion, increased by 32.7% and 36.1% in volume and value respectively as compared to H1 2021. Combined, the states in Southern Region, i.e. Johor, Malacca and Negeri Sembilan, formed about 21.5% and 21.1% of the national volume and value transactions.

The Group is principally involved in the property development and construction sector. The management of AGB is of the opinion that the loss making position of the Group for FYE 31 December 2022 was largely due to unforeseen circumstances such as shortage of foreign labour throughout the country which resulted in a slower development and construction progress and prolonged authorities' approval, all of which were beyond the Group's control. The Group believes that moving forward, with careful planning, the Group's following projects should contribute positively towards the Group's financial performance:-

(i) Project Sentrío

Project Sentrío consists of 66 units of shop offices to be developed on a land measuring 5.94 acres in Pasir Gudang, Johor, with an estimated GDV of RM43.7 million and GDC of RM30.1 million.

As at the end of current quarter, 67% (excluding 17 units allocated to the land owner as their entitlement) of the unit had been sold (26 units) and booked (7 units) and the development is expected to be completed by year 2023. The project was 46.8% completed at the end of current period.

(ii) Project Desa 88

Project Desa 88 has a total 6 phases with a combined estimated GDV of RM127.5 million and GDC of RM93.3 million.

As at the end of current period, Phase 1 of Project Desa 88 has successfully obtained Certificate of Completion and Compliance ("CCC") on 2 August 2022 and vacant possession has been handed over to the purchasers for international units. Phase 2 had achieved 85.3% completion and expects to obtain the CCC by 2Q 2023. Both phases continue to show encouraging prospects with 100% take-up rate for international units while 80% of Bumiputra units are booked.

The remaining phases of Project Desa 88 which consist of detached factories and multi-purpose retail spaces are targeted to be launched in year 2023.

(iii) The Asteria Melaka

The Asteria Melaka is a development of 16-storey with total 245 hotel rooms (Block A) and 44-storey with 306 serviced suites (Block C) in Kota Syahbandar, Melaka. The Asteria Melaka (Block A) has an estimated GDC of RM80.2 million whilst Block C has an estimated GDV of RM119.5 million and GDC of RM96.7 million.

Barring any unforeseen circumstances, the Group expects the hotel operation to commence in 3Q of 2023 and the serviced suites to be launched in 4Q of 2023. The Group is optimistic that the sales generated from the project will be promising in view of the recovery in the tourism industry due to the reopening of international borders, alongside with high vaccination rate nationwide.

(iv) Plentong Project

The Plentong Project is proposed to comprise a mixed development consisting of 474 units of SOHO and 35 units of shop lots. As at the end of the current quarter, development plans for the Plentong Project are still in its preliminary stage and all approvals necessary to undertake the Plentong Project yet to be issued or obtained.

The Plentong Project is proposed to have GDV of RM176.6 million and GDC of RM149.6 million. The necessary application to MBBJ had been submitted in September 2022 and had obtained the approval with conditions via a letter dated 13 November 2022. Barring any unforeseen circumstances, the development of Plentong Project is envisaged to commence in 4Q of 2023 and complete in 4Q of 2027.

(v) Tebrau Project

The Group plans to develop a portion of the Tebrau Development Land measuring 20,795.25 square meters with a mixed development consisting of 2 blocks of SOHO suites totalling 792 units, 4-storey corporate office, 4-storey spa, boutique hotel, office and co-working space, 3-storey retail showroom space, 7-storey multi-level carpark and clubhouse. The development plans for Plot 1 of the Tebrau Project has yet to be finalised for submission. All approvals necessary to develop the Tebrau Development Land as proposed by the Group has yet to be issued or obtained.

Based on the preliminary assessment, the development of Plot 1 of the Tebrau Project is anticipated to have a GDV of RM413.2 million and have a GDC of RM353.5 million. The necessary applications to MBBJ are expected to be submitted in the 2Q of 2023. Barring any unforeseen circumstances, development of Plot 1 of Tebrau Project should commence in 2Q of 2024 and target to complete by 2Q of 2028.

**AXTERIA GROUP BERHAD**

Company No. 199901021765 (496665-W)

**B4. Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review and the financial year-to-date.

**B5. Status of Corporate Proposals**

Other than as disclosed in Note A12, there was no corporate proposal announced but not completed as of the date of this report.

**B6. 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 12 months ended	Preceding Year 12 months ended
	31/12/2022 (Unaudited) RM'000	31/12/2021 (Audited) RM'000	31/12/2022 (Unaudited) RM'000	31/12/2021 (Audited) RM'000
Interest income	(44)	(34)	(165)	(119)
Other income including investment income	(41)	(4,808)	(599)	(5,051)
Interest expenses	118	222	786	1,130
Depreciation and amortisation	91	101	346	509
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	5,003	-	-	-
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 12 months ended	Preceding Year 12 months ended
	31/12/2022 (Unaudited) RM'000	31/12/2021 (Audited) RM'000	31/12/2022 (Unaudited) RM'000	31/12/2021 (Audited) RM'000
Current tax expense	471	-	735	210
Deferred taxation	(471)	78	(313)	208
	-	78	422	418
Effective tax rate	0.00%	3.32%	(4.39%)	(31.86%)

The Group's effective tax rates are lower than the statutory tax rate mainly due to the loss-making position of the Group. The tax expenses arose mainly from certain profitable entities within the Group but the profit has been offset with the losses from other entities in the Group at the consolidated level.

**B8. Group Loans and Borrowings**

The Group's loans and borrowings as at 31 December 2022 are as follows: -

	As at 31 December 2022		
	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	14,973	9,233	24,206
Lease liabilities	479	258	737
	15,452	9,491	24,943

	As at 31 December 2021		
	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	5,933	9,223	15,157
Lease liabilities	721	227	948
	6,654	9,450	16,105



**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 31 December 2022, 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. (Loss)/Earnings per Ordinary Share [“(LPS)” or “EPS”]****Basic (LPS)/EPS**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 12 months ended	Preceding Year 12 months ended
	31/12/2022 (Unaudited)	31/12/2021 (Restated)	31/12/2022 (Unaudited)	31/12/2021 (Restated)
(Loss)/earnings attributable to equity holders of the parent (RM'000)	(6,150)	2,263	(10,026)	(1,730)
Weighted average number of shares in issue ('000)	410,803	361,125	410,803	361,125
Basic (LPS)/EPS (sen)	(1.50)	0.63	(2.44)	(0.48)

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**Diluted (LPS) / EPS**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year 3 months ended	Current Year 12 months ended	Preceding Year 12 months ended
	31/12/2022 (Unaudited)	31/12/2021 (Restated)	31/12/2022 (Unaudited)	31/12/2021 (Restated)
(Loss)/earnings attributable to equity holders of the parent (RM'000)	(6,150)	2,263	(10,026)	(1,730)
Weighted average number of shares in issue ('000)	410,803	361,125	410,803	361,125
Cumulative Redeemable Convertible Preference Shares	-	-	-	-
Shares deemed issued for no consideration ('000) – Warrants	-	-	-	-
Weighted average number of shares for diluted (LPS)/EPS ('000)	410,803	361,125	410,803	361,125
Diluted (LPS)/EPS (sen)	(1.50)	0.63	(2.44)	(0.48)

BY ORDER OF THE BOARD OF  
AXTERIA GROUP BERHAD

Date: 28 February 2023