



DFCITY GROUP BERHAD

(formerly known as Hock Heng Stone Industries Bhd.)

(Company No. : 200801038692 (840040-H))

(Incorporated in Malaysia)

**Condensed Consolidated
Interim Financial Statements
For the first quarter ended
31 March 2021**

DFCITY Group Berhad
(formerly known as Hock Heng Stone Industries Bhd.)
 (Incorporated in Malaysia)

Condensed Consolidated Statements of Comprehensive Income
For the first quarter ended 31 March 2021
 (The figures have not been audited)

	Note	Individual quarter		Cumulative quarter	
		Current year quarter ended 31.03.2021 RM'000	Preceding year corresponding quarter ended 31.03.2020 RM'000	Current year- to-date 31.03.2021 RM'000	Preceding year corresponding period 31.03.2020 RM'000
Continuing operations					
Revenue		5,528	3,175	5,528	3,175
Cost of sales		(4,352)	(2,325)	(4,352)	(2,325)
Gross profit/(loss)		1,176	850	1,176	850
Other income		582	206	582	206
Administrative, general and selling expenses		(1,360)	(1,455)	(1,360)	(1,455)
Operating profit/(loss)		398	(399)	398	(399)
Finance costs		(232)	(361)	(232)	(361)
Profit/(Loss) before tax	23	166	(760)	166	(760)
Income tax expense	24	(43)	59	(43)	59
Profit/(Loss) for the period		123	(701)	123	(701)
Other comprehensive income		-	-	-	-
Total comprehensive profit/(loss) for the period		123	(701)	123	(701)
Loss attributable to:					
Owners of the parent		119	(705)	119	(705)
Non-controlling interests		4	4	4	4
		123	(701)	123	(701)
Total comprehensive loss attributable to:					
Owners of the parent		119	(705)	119	(705)
Non-controlling interests		4	4	4	4
		123	(701)	123	(701)
Profit/(Loss) per share attributable to owners of the parent:					
Basic, for the period (sen)	34	0.14	(0.80)	0.14	(0.80)
Diluted, for the period (sen)	34	N/A	N/A	N/A	N/A

Notes:

N/A Not applicable

These Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

DFCITY Group Berhad
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Condensed Consolidated Statements of Financial Position
As at 31 March 2021

	Note	Unaudited As at 31.03.2021 RM'000	Audited As at 31.12.2020 RM'000
Assets			
Non-current assets			
Property, plant and equipment	7	19,200	19,084
Investment properties		5,525	5,551
Right-of-use assets		2,947	3,411
Inventories		4,076	4,076
		<u>31,748</u>	<u>32,122</u>
Current assets			
Assets held for sale		454	1,184
Inventories	8	55,374	55,339
Trade receivables and other receivables	26	5,072	4,728
Other current assets		461	435
Contract assets		320	-
Current tax assets		525	490
Cash and bank balances		1,932	2,907
		<u>64,138</u>	<u>65,083</u>
Total assets		<u>95,886</u>	<u>97,205</u>
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital		44,398	44,398
Treasury shares		(15)	(15)
Retained earnings		10,125	10,006
		<u>54,508</u>	<u>54,389</u>
Non-controlling interests		(534)	(538)
Total equity		<u>53,974</u>	<u>53,851</u>
Non-current liabilities			
Deferred tax liabilities		90	58
Borrowings	27	18,716	19,167
Lease liabilities	27	370	439
		<u>19,176</u>	<u>19,664</u>
Current liabilities			
Trade payables and other payables		9,439	10,151
Contract liabilities			163
Lease liabilities	27	306	321
Borrowings	27	12,991	13,055
		<u>22,736</u>	<u>23,690</u>
Total liabilities		<u>41,912</u>	<u>43,354</u>
Total equity and liabilities		<u>95,886</u>	<u>97,205</u>
Net assets per share attributable to equity holders of the Company (sen)		<u>61.94</u>	<u>61.81</u>

These Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

Company No. : 200801038692 (840040-H)

DFCITY Group Berhad
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Condensed Consolidated Statements of Changes in Equity
For the first quarter ended 31 March 2021
(The figures have not been audited)

	Attributable to equity holders of the parent			Total equity attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Distributable Retained earnings RM'000			
Opening balance at 1 January 2020	44,398	(15)	11,095	55,478	(296)	55,182
Total comprehensive loss for the period	-	-	(705)	(705)	4	(701)
Closing balance at 31 March 2020	<u>44,398</u>	<u>(15)</u>	<u>10,390</u>	<u>54,773</u>	<u>(292)</u>	<u>54,481</u>
Opening balance at 1 January 2021	44,398	(15)	10,006	54,389	(538)	53,851
Total comprehensive profit for the period	-	-	119	119	4	123
Closing balance at 31 March 2021	<u>44,398</u>	<u>(15)</u>	<u>10,125</u>	<u>54,508</u>	<u>(534)</u>	<u>53,974</u>

These Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

Company No. : 200801038692 (840040-H)

DFCITY Group Berhad
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Condensed Consolidated Statements of Cash Flows
For the first quarter ended 31 March 2021
(The figures have not been audited)

	Current year- to-date 31.03.2021 RM'000	Preceding year corresponding period 31.03.2020 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	166	(760)
Adjustment for:		
Amortisation of right-of-use assets	89	102
Depreciation of property, plant and equipment	263	283
Depreciation of investment properties	26	37
Reversal of impairment loss on trade receivables	(342)	(39)
Unrealised (gain)/loss on foreign exchange	(24)	25
Gain on disposal of property, plant and equipment	(74)	(16)
Interest expense	232	361
Interest income	(4)	(5)
Operating profit/(loss) before changes in working capital	332	(12)
Changes in working capital:		
Property development costs	(175)	(11)
Inventories	53	380
Receivables	(2)	527
Contract asset	(483)	-
Other current assets	(26)	(93)
Payables	(688)	115
Cash generated (used in)/from operations	(989)	906
Income tax paid	(46)	(126)
Net cash (used in)/from operating activities	(1,035)	780
Cash flows from investing activities		
Purchase of property, plant and equipment	7	(28)
Proceeds from disposal of property, plant and equipment	800	17
Interest received	4	5
Net cash from/(used in) investing activities	804	(6)
Cash flows from financing activities		
Deposit withdrew from licensed banks	84	-
Interest paid	(232)	(541)
Increase/(Decrease) of short term borrowings	204	(540)
Repayment of term loans	(426)	(476)
Repayment of obligation under finance leases	(84)	(102)
Net cash used in financing activities	(454)	(1,659)

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Condensed Consolidated Statements of Cash Flows (Continued)
For the first quarter ended 31 March 2021
(The figures have not been audited)

	Current year- to-date	Preceding year corresponding period
Note	31.03.2021	31.03.2020
	RM'000	RM'000
Net increase/(decrease) in cash and cash equivalents	(685)	(885)
Cash and cash equivalents at beginning of period	(1,295)	(1,978)
Cash and cash equivalents at end of period	9 <u>(1,980)</u>	<u>(2,863)</u>

These Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

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Notes to the Interim Financial Statements for the first quarter ended 31 March 2021

Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard 134

1. Basis of preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

These condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

2. Significant accounting policies and application of MFRS

2.1 The audited financial statements of the Group for the financial year ended 31 December 2020 were prepared in accordance with MFRS. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2020.

2.2 MFRS, Amendments to MFRSs and IC Interpretation Issued That Are Effective

The Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Effective for financial periods beginning on or after 1 January 2021

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 *Interest rate benchmark Reform - Phase 2*

There is no material impact upon adoption of these amendments to the interim financial statements during the current financial period.

2.3 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 April 2021

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Company:

Effective for financial periods beginning on or after 1 April 2021

- Amendments to MFRS 16 *Covid 19 - Related Rent Concessions beyond 30 June 2021*

Effective for financial periods beginning on or after 1 January 2022

- Amendments to MFRS 1, MFRS 9, and MFRS141 *Annual improvements to MFRS Standards 2018-2020*
- Amendments to MFRS 3 *Business Combinations Reference to Conceptual Framework*
- Amendments to MFRS 116 *Property, Plant and Equipment Proceeds before Intended Use*
- Amendments to MFRS 137 *Onerous Contracts Costs of Fulfilling a Contract*

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Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard 134 (continued)

2. Significant accounting policies and application of MFRS (continued)

2.3 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 April 2021 (continued)

Effective for financial periods beginning on or after 1 January 2022 (continued)

- Amendments to MFRS 17 *Insurance Contracts*
- Amendments to MFRS 101 *Classification of Liabilities as Current or Non-Current*
- Amendments to MFRS 108 *Definition of Accounting Estimates*
- Amendments to MFRS 4 *Extension of the Temporary Exemption from Applying MFRS 9*
- Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

3. Seasonal or cyclical factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

4. Unusual items

There were no unusual items because of their nature, size or incidence that has affected the assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

5. Changes in estimates

There were no other changes in estimates that have had a material effect in the current interim results.

6. Debt and equity securities

There have been no cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter under review.

7. Property, plant and equipment

Acquisitions

Below are the property, plant and equipment acquired by the Group during the period ended:

	31.03.2021 RM'000	31.03.2020 RM'000
Building-in-progress	-	-
Renovation	-	-
Plant, machinery and factory equipment	-	18
Motor vehicles	-	2
Other assets *	-	8
	<u>-</u>	<u>28</u>

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Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard 134 (continued)

7. Property, plant and equipment (continued)

Acquisitions (continued)

* Other assets comprise of office equipment, furniture and fittings, electrical installation, computers and cabin.

During the period under review, the Group acquired property, plant and equipment by mean of:

	31.03.2021 RM'000	31.03.2020 RM'000
Cash outflow	-	28
	<u>-</u>	<u>28</u>

Disposals/written off

Below is the property, plant and equipment disposed by the Group during the period under review:

	Cost RM'000	Net carrying amount RM'000	Sales proceeds RM'000	Gain on disposal RM'000
<u>Disposals</u>				
Freehold land	726	726	800	74
	<u>726</u>	<u>726</u>	<u>800</u>	<u>74</u>

8. Inventories

During the current period ended 31 December 2020, there were no write-down of inventories.

9. Cash and bank balances

	31.03.2021 RM'000	31.03.2020 RM'000
Cash at banks and on hand	1,270	1,394
Short term deposits with licensed banks	662	746
Cash and bank balances	<u>1,932</u>	<u>2,140</u>
Less: Bank overdrafts	(3,250)	(4,257)
Less: Deposits pledged to licensed banks	(662)	(746)
Total cash and cash equivalents	<u>(1,980)</u>	<u>(2,863)</u>

10. Fair value hierarchy

No transfers between any levels of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

The Group does not hold credit enhancements or collateral to mitigate credit risk. The carrying amount of financial assets therefore represents the potential credit risk.

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Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard 134 (continued)

11. Provisions for cost of restructuring

There were no provision for, or reversal of, costs of restructuring during the reporting period.

12. Dividends paid

There were no dividends paid in the current financial quarter ended 31 March 2021.

13. Capital commitments

There were no capital commitments as at current quarter ended 31 March 2021.

14. Contingent assets and liabilities

There were no contingent assets or liabilities since 31 March 2021.

15. Segment information

The segment information in respect of the Group's operating segments are as follows:

- (i) Sales of goods - manufacture and sales of dimension stones and related products and is completed within 3 months.
- (ii) Construction - supply and installation of dimension stones and related products for projects secured and is completed over a period of more than 3 months.
- (iii) Property development - property development.
- (iv) Others - investment holding.

	Sales of goods RM'000	Construction RM'000	Property development RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Period ended 31.03.2021						
Revenue:						
External customers	4,450	1,078	-	-	-	5,528
Inter-segment	1,314	-	-	-	(1,314)	-
	<u>5,764</u>	<u>1,078</u>	<u>-</u>	<u>-</u>	<u>(1,314)</u>	<u>5,528</u>
Results:						
Depreciation and amortisation	360	17	1	-	-	378
Segment profit	<u>146</u>	<u>17</u>	<u>55</u>	<u>(34)</u>	<u>(18)</u>	<u>166</u>
Assets						
Capital expenditure	-	-	-	-	-	-
Segment assets	<u>63,231</u>	<u>1,878</u>	<u>28,085</u>	<u>2,692</u>	<u>-</u>	<u>95,886</u>
Segment liabilities	<u>24,460</u>	<u>-</u>	<u>17,382</u>	<u>70</u>	<u>-</u>	<u>41,912</u>

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Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard 134 (continued)

15. Segment information (continued)

	Sales of goods RM'000	Construction RM'000	Property development RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Period ended 31.03.2020						
Revenue:						
External customers	3,175	-	-	-	-	3,175
Inter-segment	956	-	-	-	(956)	-
	<u>4,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(956)</u>	<u>3,175</u>
Results:						
Depreciation and amortisation	399	23	-	-	-	422
Segment (loss)/profit	<u>(710)</u>	<u>-</u>	<u>(26)</u>	<u>(31)</u>	<u>7</u>	<u>(760)</u>
Assets						
Capital expenditure	28	-	-	-	-	28
Segment assets	<u>65,163</u>	<u>1,376</u>	<u>28,379</u>	<u>3,047</u>	<u>-</u>	<u>97,965</u>
Segment liabilities	<u>24,337</u>	<u>-</u>	<u>19,092</u>	<u>55</u>	<u>-</u>	<u>43,484</u>

The following items are added to/(deducted from) segment profit to arrive at profit before tax presented in the consolidated statement of comprehensive income:

	31.03.2021 RM'000	31.03.2020 RM'000
Interest income	4	5
Finance costs	<u>(232)</u>	<u>(361)</u>
	<u>(228)</u>	<u>(356)</u>

The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	31.03.2021 RM'000	31.03.2020 RM'000
Current tax assets	525	665
Deferred tax assets	<u>-</u>	<u>26</u>
	<u>525</u>	<u>691</u>

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Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard 134 (continued)

15. Segment information (continued)

The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	31.03.2021	31.03.2020
	RM'000	RM'000
Deferred tax liabilities	90	-
	<u>90</u>	<u>-</u>

The Group's Sales of Goods segment continues to be the main contributor of the Group's revenue. The revenue from Sales of Goods segment increased by 40.2% from RM3.18 million to RM4.45 million as compared to the preceeding year as the Covid-19 pandemic has had a more negative impact on global activity in year 2020. The lower segment's profit in current year period of RM0.15 million as compared to the loss of RM0.71 million in the preceeding year was due to the better cost control after the movement control as well as higher impairment on trade debtors made in preceeding year.

The increase in revenue of Construction segment in current year period as compared to the corresponding quarter in the preceeding year was mainly due to the Movement Control Order (MCO) period in which the projects are being deferred.

16. Changes in composition of the Group

There were no changes in the composition of the Group in the current quarter under review.

17. Events after the reporting period

There were no material events subsequent to the end of the current quarter.

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Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard 134 (continued)

18. Related party transactions

The Group had the following transactions with related parties during the current quarter under review and current year-to-date as well as the balances with the related parties as disclosed below:

- (i) Company in which a director, Low Kim Hock, has deemed interested by virtue of their interests in LBS Realty Sdn. Bhd. which in turn holds 70% equity interest in EMP:

- EMP Design Sdn. Bhd. ("EMP")

	Individual quarter		Cumulative quarter	
	Current year quarter ended 31.03.2021 RM'000	Preceding year corresponding quarter ended 31.03.2020 RM'000	Current year- to-date 31.03.2021 RM'000	Preceding year corresponding period 31.03.2020 RM'000
Sales of dimension stone products to EMP	92	128	92	128
			Amount owed by related party	
			As at 31.03.2021 RM'000	As at 31.12.2020 RM'000
EMP			164	232

The transactions above were based on negotiated and mutually agreed terms and has been approved by the shareholders in the Annual General Meeting.

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Part B - Explanatory notes pursuant to Appendix 9B of the Listing Requirements

19. Review performance of the Group

3 months ended 31.03.2021

	Individual quarter		Increase/(decrease)	
	Current year quarter ended 31.03.2021 RM'000	Preceding year corresponding quarter ended 31.03.2020 RM'000		
Revenue	5,528	3,175	2,353	74.1
- Sales of goods segment	4,450	3,175	1,275	40.2
- Construction segment	1,078	-	1,078	-
Operating profit/(loss)	1,176	850	326	38.4
Profit/(Loss) before interest and tax	398	(399)	797	(199.7)
Profit/(Loss) before tax	166	(760)	926	121.8
Loss after tax	123	(701)	824	117.5
Loss attributable to ordinary equity holders of the parent	119	(705)	824	116.9

The Group's revenue for current quarter ("1Q2021") ended 31 March 2021 increased by approximately RM2.35 million or 74.1% to RM5.53 million as compared to the corresponding quarter in the preceeding year. The increase in revenue for 1Q2021 was due to the increase in revenue from the Sales of Goods segment by RM1.275 million and the increase in revenue from the Construction segment by RM1.08 million. The Group has yet to commence any new property development project in the current quarter.

In the current year quarter, the Group had improved the operating profit and derived at profit before tax as compared to the preceeding year corresponding quarter's loss before tax of RM0.76 million. This was due to higher revenue and better cost control after the Movement Control Order (MCO) period.

20. Material changes in the profit before tax as compared to the immediate preceding quarter

	Individual quarter		Increase/(decrease)	
	Current quarter ended 31.03.2021 RM'000	Preceding quarter ended 31.12.2020 RM'000		
Revenue	5,528	5,525	3	0.1
- Sales of goods segment	4,450	5,165	(715)	(13.8)
- Construction segment	1,078	360	718	199.4
Operating profit	1,176	1,588	(412)	25.9
Profit before interest and tax	398	462	(64)	13.9
Profit/(Loss) before tax	166	26	140	(538.5)
Loss after tax	123	(162)	285	175.9
Profit/(Loss) attributable to ordinary equity holders of the parent	119	(123)	242	196.7

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Part B - Explanatory notes pursuant to Appendix 9B of the Listing Requirements (continued)

20. Material changes in the profit before tax as compared to the immediate preceding quarter (continued)

The Group's revenue increased by RM0.003 million in current quarter as compared to the immediate preceding quarter ended 31 December 2020. The Sales of Goods segment's revenue was decreased by RM0.715 million and the Construction segment's revenue was increased by RM0.718 million.

In current quarter, the Group generated an operating profit of RM1.176 million, and derived at profit before tax of RM0.166 million. This was due to the Group improved slowly in its performance after the long period of MCO which shown from the increase in revenue.

21. Commentary on prospects

According to the Trading Economics's 2020-2022 Outlook, Malaysia's economic grew by 0.7 percent year-on-year in the third quarter of 2020, the weakest pace of expansion since the third quarter of 2019 and compared with market expectations of a 1.5 percent contraction, reflecting the negative impact of measures taken both globally and domestically to contain the spread of the COVID-19 pandemic.

Hence, the Board anticipates that the prospects for the financial year ending 31 December 2021 will continue to be challenging. The Group will continue to focus on maximising efficiency and timely delivery of quality products at competitive pricing to ensure the long-term strength of the businesses and operations as well as in the preparation of commencing the Property Development Segment.

22. Profit forecast or profit guarantee

The Group has not issued any profit forecast or profit guarantee for the current quarter under review and hence this information is not applicable.

23. Profit/(Loss) before tax

Included in the profit/(loss) before tax are the following items:

	Individual quarter		Cumulative quarter	
	Current year quarter ended 31.03.2021 RM'000	Preceding year corresponding quarter ended 31.03.2020 RM'000	Current year- to-date 31.03.2021 RM'000	Preceding year corresponding period 31.03.2020 RM'000
Interest income	(4)	(5)	(4)	(5)
Interest expense	232	361	232	361
Depreciation of:				
- Property, plant and equipment	263	283	263	283
- Investment properties	26	37	26	37
Amortisation of right-of-use assets	89	102	89	102
Reversal of impairment loss on trade/other receivables	(342)	(39)	(342)	(39)
Gain on disposal of:				
- Property, plant and equipment	(74)	(16)	(74)	(16)
(Gain)/loss on foreign exchange:				
- Realised	(14)	(20)	(14)	(20)
- Unrealised	(24)	25	(24)	25
Rental income	(102)	(112)	(102)	(112)

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Part B - Explanatory notes pursuant to Appendix 9B of the Listing Requirements (continued)

24. Income tax expense

Major components of income tax expense includes the following:

	Individual quarter		Cumulative quarter	
	Current year quarter ended 31.03.2021 RM'000	Preceding year corresponding quarter ended 31.03.2020 RM'000	Current year- to-date 31.03.2021 RM'000	Preceding year corresponding period 31.03.2020 RM'000
Current tax:				
Malaysian income tax	10	3	10	3
(Over)/Underprovision in previous years	-	-	-	-
Real property gain tax	-	-	-	-
	<u>10</u>	<u>3</u>	<u>10</u>	<u>3</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	(19)	(54)	(19)	(54)
Underprovision in previous years	52	(8)	52	(8)
	<u>33</u>	<u>(62)</u>	<u>33</u>	<u>(62)</u>
Total income tax expense	<u>43</u>	<u>(59)</u>	<u>43</u>	<u>(59)</u>

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. The effective tax rate of the Group for the current quarter were higher than the statutory tax rate due to certain expenses which are not deductible for tax purposes and property development segment incurred losses in current quarter while the effective tax rate of the Group for the previous corresponding quarter is lower due to the reversal of deferred tax.

25. Status of corporate proposals

There were no corporate proposals announced but not completed as at the date of this interim financial statements.

26. Trade and other receivables

	31.03.2021 RM'000	31.12.2020 RM'000
Trade receivables		
Third parties	3,625	3,532
Retention sums on construction contract	535	537
	<u>4,160</u>	<u>4,069</u>
Amount due from related parties	164	232
Other receivables	748	427
	<u>5,072</u>	<u>4,728</u>

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Part B - Explanatory notes pursuant to Appendix 9B of the Listing Requirements (continued)

26. Trade and other receivables (continued)

Ageing analysis of trade receivables

The ageing analysis of trade receivables is as follows:

	Third parties		Related parties	
	31.03.2021	31.12.2020	31.03.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Not past due	2,487	2,774	85	85
Past due:				
- less than 3 months	889	495	147	147
- 3 months to 6 months	142	261	-	-
- more than 6 months	2,465	2,573	-	-
	<u>3,496</u>	<u>3,329</u>	<u>147</u>	<u>147</u>
	5,983	6,103	232	232
Individual impairment	<u>(1,892)</u>	<u>(2,034)</u>	<u>-</u>	<u>-</u>
	<u>4,091</u>	<u>4,069</u>	<u>232</u>	<u>232</u>

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. These receivables are active accounts which the management considers to be recoverable.

Trade receivables that are past due and impaired

Information regarding financial assets that are past due and impaired is disclosed in the ageing analysis as above.

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Part B - Explanatory notes pursuant to Appendix 9B of the Listing Requirements (continued)

27. Borrowings and debts securities

	31.03.2021 RM'000	Weighted Average Interest Rate	31.12.2020 RM'000	Weighted Average Interest Rate
Short term borrowings (secured)				
Bank overdrafts (floating)	3,250	6.84%	3,543	7.52%
Banker acceptances (floating)	2,070	3.50%	1,760	4.21%
Trust receipts (floating)	-	-	-	8.35%
Lease liabilities (fixed)	306	4.25%	321	4.38%
Revolving credit (floating)	5,000	5.61%	5,106	5.61%
Term loans (floating)	2,671	5.73%	2,646	6.59%
	<u>13,297</u>		<u>13,376</u>	
Long term borrowings (secured)				
Lease liabilities (fixed)	370	4.25%	439	4.38%
Term loans (floating)	18,716	5.73%	19,167	6.59%
	<u>19,086</u>		<u>19,606</u>	
Total borrowings	<u>32,383</u>		<u>32,982</u>	

None of the borrowings are denominated in foreign currencies.

The decrease in borrowings by RM0.60 million mainly due to the borrowings repayment.

28. Material litigation

There were no pending material litigations at the date of this interim financial statements.

29. Dividend

No interim dividend has been recommended for the current quarter under review.

30. Disclosure of nature of outstanding derivatives

There were no outstanding derivatives as at the end of the reporting period.

31. Rationale for entering into derivatives

The Group did not enter into any derivatives during the period ended 31 March 2021 or the previous financial year ended 31 December 2020.

32. Risks and policies of derivatives

The Group did not enter into any derivatives during the period ended 31 March 2021 or the previous financial year ended 31 December 2020.

33. Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 March 2021 or the previous financial year ended 31 December 2020.

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Part B - Explanatory notes pursuant to Appendix 9B of the Listing Requirements (continued)

34. Profit/(Loss) per share

(a) Basic

Basic profit/(loss) per share amounts is calculated by dividing loss for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial period.

	Individual quarter		Cumulative quarter	
	Current year quarter ended 31.03.2021	Preceding year corresponding quarter ended 31.03.2020	Current year- to-date 31.03.2021	Preceding year corresponding period 31.03.2020
Loss for the period attributable to ordinary equity holders of the Company (RM'000)	119	(705)	119	(705)
Weighted average number of ordinary shares in issue ('000)	87,957	87,957	87,957	87,957
Basic profit/(loss) per share (sen)	<u>0.14</u>	<u>(0.80)</u>	<u>0.14</u>	<u>(0.80)</u>

(b) Diluted

There is no diluted earnings per share as the Company does not have any dilutive potential ordinary shares for the current quarter under review and current year-to-date.

35. Auditors' report on the preceding annual financial statements

The auditors' report on the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2020 were not subject to any qualification.