



**DFCITY GROUP BERHAD**  
(Company No. : 200801038692 (840040-H))  
(Incorporated in Malaysia)

**Condensed Consolidated  
Interim Financial Statements  
For the first quarter ended  
31 March 2022**

Company No. : 200801038692 (840040-H)

DFCITY Group Berhad  
(Incorporated in Malaysia)

**Condensed Consolidated Statements of Comprehensive Income**  
**For the first quarter ended 31 March 2022**  
**(The figures have not been audited)**

	Note	Individual quarter		Cumulative quarter	
		Current year quarter ended 31.03.2022 RM'000	Preceding year corresponding quarter ended 31.03.2021 RM'000	Current year- to-date 31.03.2022 RM'000	Preceding year corresponding period 31.03.2021 RM'000
<b>Continuing operations</b>					
Revenue		3,948	5,528	3,948	5,528
Cost of sales		(3,298)	(4,352)	(3,298)	(4,352)
<b>Gross profit</b>		650	1,176	650	1,176
Other income		2,422	582	2,422	582
Administrative, general and selling expenses		(1,814)	(1,360)	(1,814)	(1,360)
Operating profit		1,258	398	1,258	398
Finance costs		(300)	(232)	(300)	(232)
<b>Profit before tax</b>	23	958	166	958	166
Income tax expense	24	(393)	(43)	(393)	(43)
<b>Profit for the period</b>		565	123	565	123
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive profit for the period</b>		565	123	565	123
<b>Profit attributable to:</b>					
Owners of the parent		646	119	646	119
Non-controlling interests		(81)	4	(81)	4
		565	123	565	123
<b>Total comprehensive profit attributable to:</b>					
Owners of the parent		646	119	646	119
Non-controlling interests		(81)	4	(81)	4
		565	123	565	123
<b>Profit per share attributable to owners of the parent:</b>					
Basic, for the period (sen)	34	0.61	0.14	0.61	0.14
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 2021 and the accompanying explanatory notes attached to these interim financial statements.

Company No. : 200801038692 (840040-H)

DFCITY Group Berhad  
(Incorporated in Malaysia)

Condensed Consolidated Statements of Financial Position  
As at 31 March 2022

	Note	Unaudited As at 31.03.2022 RM'000	Audited As at 31.12.2021 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	16,380	16,615
Investment properties		4,014	4,041
Right-of-use assets		2,828	2,890
Inventories		3,880	3,880
Deferred tax assets		38	-
		<u>27,140</u>	<u>27,426</u>
<b>Current assets</b>			
Assets held for sale		-	1,743
Inventories	8	49,485	49,953
Trade receivables and other receivables	26	9,131	6,031
Other current assets		796	775
Contract assets		520	1,106
Current tax assets		47	346
Cash and bank balances		8,185	8,472
		<u>68,164</u>	<u>68,426</u>
<b>Total assets</b>		<u>95,304</u>	<u>95,852</u>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		51,676	51,676
Treasury shares		(15)	(15)
Retained earnings		6,553	5,907
		<u>58,214</u>	<u>57,568</u>
Non-controlling interests		<u>(3,558)</u>	<u>(3,477)</u>
<b>Total equity</b>		<u>54,656</u>	<u>54,091</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		-	57
Borrowings	27	16,857	17,395
Lease liabilities	27	278	293
		<u>17,135</u>	<u>17,745</u>
<b>Current liabilities</b>			
Trade payables and other payables		10,725	10,676
Contract liabilities		193	423
Lease liabilities	27	196	232
Borrowings	27	12,399	12,685
		<u>23,513</u>	<u>24,016</u>
<b>Total liabilities</b>		<u>40,648</u>	<u>41,761</u>
<b>Total equity and liabilities</b>		<u>95,304</u>	<u>95,852</u>
Net assets per share attributable to equity holders of the Company (sen)		<u>55.15</u>	<u>54.54</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 2021 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 2022  
(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 2021	44,398	(15)	6,828	51,211	(3,118)	48,093
Total comprehensive profit for the period	-	-	119	119	4	123
Closing balance at 31 March 2021	<u>44,398</u>	<u>(15)</u>	<u>6,947</u>	<u>51,330</u>	<u>(3,114)</u>	<u>48,216</u>
Opening balance at 1 January 2022	51,676	(15)	5,907	57,568	(3,477)	54,091
Total comprehensive profit for the period	-	-	646	646	(81)	565
Closing balance at 31 March 2022	<u>51,676</u>	<u>(15)</u>	<u>6,553</u>	<u>58,214</u>	<u>(3,558)</u>	<u>54,656</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 2021 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 2022**  
**(The figures have not been audited)**

	Current year- to-date 31.03.2022 RM'000	Preceding year corresponding period 31.03.2021 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	958	166
Adjustment for:		
Amortisation of right-of-use assets	62	89
Depreciation of property, plant and equipment	207	263
Depreciation of investment properties	27	26
Reversal of impairment loss on trade receivables	(38)	(342)
Unrealised gain on foreign exchange	-	(24)
Gain on disposal of property, plant and equipment	(2,220)	(74)
Interest expense	300	232
Interest income	(3)	(4)
<b>Operating (loss) / profit before changes in working capital</b>	<u>(707)</u>	<u>332</u>
Changes in working capital:		
Property development costs	-	(175)
Inventories	468	53
Receivables	(3,062)	(2)
Contract asset	586	(483)
Contract liability	(230)	-
Other current assets	(21)	(26)
Payables	49	(688)
<b>Cash used in operations</b>	<u>(2,917)</u>	<u>(989)</u>
Income tax paid	(215)	(46)
Income tax refunded	25	-
<b>Net cash used in operating activities</b>	<u>(3,107)</u>	<u>(1,035)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	7 (9)	-
Proceeds from disposal of property, plant and equipment	4,000	800
Interest received	3	4
<b>Net cash from investing activities</b>	<u>3,994</u>	<u>804</u>
<b>Cash flows from financing activities</b>		
Deposits (pledged to) / withdrew from licensed banks	(2)	84
Interest paid	(300)	(232)
(Repayment of) / drawdown of short term borrowings	(498)	204
Repayment of term loans	(542)	(426)
Repayment of lease liabilities	(51)	(84)
<b>Net cash used in financing activities</b>	<u>(1,393)</u>	<u>(454)</u>

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Condensed Consolidated Statements of Cash Flows (Continued)  
For the first quarter ended 31 March 2022  
(The figures have not been audited)

	<b>Current year- to-date 31.03.2022 RM'000</b>	<b>Preceding year corresponding period 31.03.2021 RM'000</b>
<b>Net decrease in cash and cash equivalents</b>	(506)	(685)
<b>Cash and cash equivalents at beginning of period</b>	4,988	(1,295)
<b>Cash and cash equivalents at end of period</b>	9 <u>4,482</u>	<u>(1,980)</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 2021 and the accompanying explanatory notes attached to these interim financial statements.

Company No. : 200801038692 (840040-H)

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Notes to the Interim Financial Statements for the first quarter ended 31 March 2022

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 2021. 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 2021.

## 2. Significant accounting policies and application of MFRS

2.1 The audited financial statements of the Group for the financial year ended 31 December 2021 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 2021.

### 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 2022*

- Amendments to MFRS 1, MFRS 9, MFRS 16 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*

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 January 2023

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 January 2023*

- Amendments to MFRS 17 *Insurance Contracts*
- Amendments to MFRS 108 *Definition of Accounting Estimates*
- Amendments to MFRS 112 *Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to MFRS 101 *Disclosure of Accounting Policies*
- Amendments to MFRS 101 *Classification of Liabilities as Current or Non-Current*
- Amendments to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 Comparative information*
- Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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

**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:

	31.03.2022 RM'000	31.03.2021 RM'000
Other assets *	9	-
	<u>9</u>	<u>-</u>

\* 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:

	31.03.2022 RM'000	31.03.2021 RM'000
Cash outflow	9	-
	<u>9</u>	<u>-</u>



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

Disposals/written off

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

	<b>Cost RM'000</b>	<b>Net carrying amount RM'000</b>	<b>Sales proceeds RM'000</b>	<b>Gain on disposal RM'000</b>
<u>Disposals</u>				
Freehold land and building	2,135	1,780	4,000	2,220

**8. Inventories**

During the current period ended 31 March 2022, there were no write-down of inventories.

**9. Cash and bank balances**

	<b>31.03.2022 RM'000</b>	<b>31.03.2021 RM'000</b>
Cash at banks and on hand	7,511	1,270
Short term deposits with licensed banks	674	662
Cash and bank balances	8,185	1,932
Less: Bank overdrafts	(3,029)	(3,250)
Less: Deposits pledged to licensed banks	(674)	(662)
<b>Total cash and cash equivalents</b>	<b>4,482</b>	<b>(1,980)</b>

**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 2022.

13. Capital commitments

There were no capital commitments as at current quarter ended 31 March 2022.

14. Contingent assets and liabilities

There were no contingent assets or liabilities since 31 March 2022.

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
<b>Period ended 31.03.2022</b>						
<b>Revenue:</b>						
External customers	3,153	795	-	-	-	3,948
Inter-segment	1,249	-	-	-	(1,249)	-
	<u>4,402</u>	<u>795</u>	<u>-</u>	<u>-</u>	<u>(1,249)</u>	<u>3,948</u>
<b>Results:</b>						
Depreciation and amortisation	281	15	-	-	-	296
Segment profit / (loss)	<u>1,448</u>	<u>(143)</u>	<u>(297)</u>	<u>(50)</u>	<u>-</u>	<u>958</u>
<b>Assets</b>						
Capital expenditure	(7)	(2)	-	-	-	(9)
Segment assets	<u>61,578</u>	<u>1,747</u>	<u>21,837</u>	<u>10,142</u>	<u>-</u>	<u>95,304</u>
<b>Segment liabilities</b>	<u>21,257</u>	<u>193</u>	<u>19,086</u>	<u>112</u>	<u>-</u>	<u>40,648</u>

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DFCITY Group Berhad  
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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
<b>Period ended 31.03.2021</b>						
<b>Revenue:</b>						
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>
<b>Results:</b>						
Depreciation and amortisation	360	17	1	-	-	378
Segment profit /(loss)	<u>146</u>	<u>17</u>	<u>55</u>	<u>(34)</u>	<u>(18)</u>	<u>166</u>
<b>Assets</b>						
Capital expenditure	-	-	-	-	-	-
Segment assets	<u>63,231</u>	<u>1,878</u>	<u>22,327</u>	<u>2,692</u>	<u>-</u>	<u>90,128</u>
<b>Segment liabilities</b>	<u>24,460</u>	<u>-</u>	<u>17,382</u>	<u>70</u>	<u>-</u>	<u>41,912</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:

	31.03.2022 RM'000	31.03.2021 RM'000
Interest income	3	4
Finance costs	(300)	(232)
	<u>(297)</u>	<u>(228)</u>

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

	31.03.2022 RM'000	31.03.2021 RM'000
Current tax assets	47	525
Deferred tax assets	38	-
	<u>85</u>	<u>525</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:

	<b>31.03.2022</b>	<b>31.03.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Deferred tax liabilities	-	90
	<u>-</u>	<u>90</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 decreased by 29.1% from RM4.45 million to RM3.15 million as compared to the corresponding quarter in the preceding year as the Covid-19 pandemic has had a more negative impact on global activity in year 2022. The increased in this segment's profit in current year quarter of RM1.45 million as compared to the of RM0.15 million in the corresponding quarter in the preceding year was due to the better cost control as well as gain on disposal of property made in current year quarter.

The decrease in revenue of Construction segment in current year quarter as compared to the corresponding quarter in the preceding year was mainly due to the Covid-19 pandemic.

**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.

Company No. : 200801038692 (840040-H)

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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 31.03.2022 RM'000	Preceding year corresponding quarter ended 31.03.2021 RM'000	Current year- to-date 31.03.2022 RM'000	Preceding year corresponding period 31.03.2021 RM'000
Sales of dimension stone products to EMP	21	92	21	92
			<b>Amount owed by related party</b>	
			<b>As at</b>	<b>As at</b>
			<b>31.03.2022</b>	<b>31.03.2021</b>
			<b>RM'000</b>	<b>RM'000</b>
EMP			21	164

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

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

19. Review performance of the Group

**3 months ended 31.03.2022**

	Individual quarter		Increase/(decrease)	
	Current year quarter ended 31.03.2022 RM'000	Preceding year corresponding quarter ended 31.03.2021 RM'000	RM'000	%
Revenue	3,948	5,528	(1,580)	(28.6)
- Sales of goods segment	3,153	4,450	(1,297)	(29.1)
- Construction segment	795	1,078	(283)	(26.3)
Operating profit	650	1,176	(526)	(44.7)
Profit before interest and tax	1,258	398	860	216.1
Profit before tax	958	166	792	477.1
Profit after tax	565	123	442	359.3
Profit attributable to ordinary equity holders of the parent	646	119	527	442.9

The Group's revenue for current quarter ("1Q2022") ended 31 March 2022 decreased by approximately RM1.58 million or 28.6% to RM3.95 million as compared to the corresponding quarter in the preceeding year. The decrease in revenue for 1Q2022 was due to the decrease in revenue from the Sales of Goods segment by RM1.30 million and the decrease in revenue from the Construction segment by RM0.28 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 its profit before tax as compared to the preceeding year corresponding quarter's profit before tax of RM0.17million. This was due to better cost control and gain on disposal of property made in current year quarter.

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

	Individual quarter		Increase/(decrease)	
	Current quarter ended 31.03.2022 RM'000	Preceding quarter ended 31.12.2021 RM'000	RM'000	%
Revenue	3,948	4,691	(743)	(15.8)
- Sales of goods segment	3,153	3,942	(789)	(20.0)
- Construction segment	795	749	46	6.1
Operating profit	650	1,378	(728)	(52.8)
Profit before interest and tax	1,258	36	1,222	3,394.4
Profit / (loss) before tax	958	(321)	1,279	398.4
Profit / (loss) after tax	565	(441)	1,006	228.1
Profit / (loss) attributable to ordinary equity holders of the parent	646	(259)	905	349.4

**DFCITY Group Berhad**  
(Incorporated in Malaysia)

**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 decreased by RM0.74 million in current quarter as compared to the immediate preceding quarter ended 31 December 2021. The Sales of Goods segment's revenue was decreased by RM0.79 million and the Construction segment's revenue was increased by RM0.05 million.

In current quarter, the Group generated an operating profit of RM0.65 million, and derived at profit before tax of RM0.96 million. This was due to the Group improved slowly in its performance after the long period of Movement Control Order (MCO) period as well as gain on disposal of property made.

**21. Commentary on prospects**

According to the Trading Economics's 2020-2022 Outlook, Malaysia's economic grew by 5.0 percent year-on-year in the first quarter of 2022, accelerating from a 3.6 percent gain in fourth quarter of 2021 and beating market consensus of a 4.0 percent rise, supported by improving domestic demand as economic activity continued to normalize with the easing of Covid-19 restrictions.

The Board anticipates that the prospects for the financial year ending 31 December 2022 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 before tax**

Included in the profit before tax are the following items:

	Individual quarter		Cumulative quarter	
	Current year quarter ended 31.03.2022 RM'000	Preceding year corresponding quarter ended 31.03.2021 RM'000	Current year- to-date 31.03.2022 RM'000	Preceding year corresponding period 31.03.2021 RM'000
Interest income	(3)	(4)	(3)	(4)
Interest expense	300	232	300	232
Depreciation of:				
- Property, plant and equipment	207	263	207	263
- Investment properties	27	26	27	26
Amortisation of right-of-use assets	62	89	62	89
Reversal of impairment loss on trade and other receivables	(38)	(342)	(38)	(342)
Gain on disposal of:				
- Property, plant and equipment	(2,220)	(74)	(2,220)	(74)
Gain on foreign exchange:				
- Realised	(15)	(14)	(15)	(14)
- Unrealised	-	(24)	-	(24)
Rental income	(109)	(102)	(109)	(102)

**DFCITY Group Berhad**  
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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 31.03.2022 RM'000	Preceding year corresponding quarter ended 31.03.2021 RM'000	Current year- to-date 31.03.2022 RM'000	Preceding year corresponding period 31.03.2021 RM'000
<b>Current tax:</b>				
Malaysian income tax	328	10	328	10
Real property gain tax	164	-	164	-
	<u>492</u>	<u>10</u>	<u>492</u>	<u>10</u>
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(147)	(19)	(147)	(19)
Underprovision in previous years	48	52	48	52
	<u>(99)</u>	<u>33</u>	<u>(99)</u>	<u>33</u>
Total income tax expense	<u>393</u>	<u>43</u>	<u>393</u>	<u>43</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**

	31.03.2022 RM'000	31.12.2021 RM'000
<b>Trade receivables</b>		
Third parties	2,245	2,906
Retention sums on construction contract	729	612
	<u>2,974</u>	<u>3,518</u>
Amount due from related parties	21	41
<b>Other receivables</b>	<u>6,136</u>	<u>2,472</u>
	<u>9,131</u>	<u>6,031</u>



**DFCITY Group Berhad**  
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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	
	31.03.2022	31.12.2021	31.03.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Not past due	1,767	2,318	21	22
Past due:				
- less than 3 months	542	530	-	19
- 3 months to 6 months	438	603	-	-
- more than 6 months	1,704	1,581	-	-
	2,684	2,714	-	19
	4,451	5,032	21	41
Individual impairment	(1,477)	(1,514)	-	-
	2,974	3,518	21	41

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**

	31.03.2022 RM'000	Weighted Average Interest Rate	31.12.2021 RM'000	Weighted Average Interest Rate
<b>Short term borrowings (secured)</b>				
Bank overdrafts (floating)	3,029	4.94%	2,813	4.59%
Banker acceptances (floating)	2,022	2.69%	2,417	3.21%
Lease liabilities (fixed)	196	3.89%	232	4.10%
Revolving credit (floating)	5,000	3.73%	5,103	3.81%
Term loans (floating)	2,348	5.46%	2,352	5.63%
	<u>12,595</u>		<u>12,917</u>	
<b>Long term borrowings (secured)</b>				
Lease liabilities (fixed)	278	3.89%	293	4.10%
Term loans (floating)	16,857	5.46%	17,395	5.63%
	<u>17,135</u>		<u>17,688</u>	
<b>Total borrowings</b>	<u>29,730</u>		<u>30,605</u>	

None of the borrowings are denominated in foreign currencies.

The decrease in borrowings by RM0.88 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 2022 or the previous financial year ended 31 December 2021.

**32. Risks and policies of derivatives**

The Group did not enter into any derivatives during the period ended 31 March 2022 or the previous financial year ended 31 December 2021.

**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 2022 or the previous financial year ended 31 December 2021.

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

34. Profit 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 31.03.2022	Preceding year corresponding quarter ended 31.03.2021	Current year- to-date 31.03.2022	Preceding year corresponding period 31.03.2021
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	646	119	646	119
Weighted average number of ordinary shares in issue ('000)	105,548	87,957	105,548	87,957
Basic profit per share (sen)	0.61	0.14	0.61	0.14

(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. Utilisation of proceeds

Private Placement

17,591,420 new shares were allotted by the Company at a price of RM0.42 per share to certain identified investors, pursuant to the Company's private placement exercise. The private placement of 17,591,420 placement shares were allotted on 23 December 2021 and granted listing and quotation on the Main Market of Bursa Malaysia Securities Berhad on 24 December 2021, making the completion of the private placement. The proceeds raised of RM7.38 million from the placement have been utilised as follows:

Purposes	Propose utilisation RM'000	Actual utilisation RM'000	Amount unutilise RM'000
Working capital for upcoming project	7,000	(459)	6,541
General working capital	238	(238)	-
Defraying placement expenses	150	(150)	-
	<u>7,388</u>	<u>(847)</u>	<u>6,541</u>

36. 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 2021 were not subject to any qualification.