



DFCITY

— 东方城 —

DFCITY GROUP BERHAD

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

(Incorporated in Malaysia)

**Condensed Consolidated
Interim Financial Statements
For the fourth quarter ended
31 December 2024**

DFCITY Group Berhad
(Incorporated in Malaysia)

Condensed Consolidated Statements of Comprehensive Income
For the fourth quarter ended 31 December 2024
(The figures have not been audited)

	Note	Individual quarter		Cumulative period	
		Current year quarter ended 31.12.2024	Preceding year corresponding quarter ended 31.12.2023	Current year- to-date 31.12.2024	Preceding year corresponding period 31.12.2023
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue		4,180	3,624	18,041	13,085
Cost of sales		(4,855)	(2,545)	(13,784)	(9,614)
Gross profit/(loss)		(675)	1,079	4,257	3,471
Other income		3,054	310	3,596	1,131
Administrative, general and selling expenses		(1,867)	(2,265)	(5,829)	(5,866)
Operating (loss)/profit		512	(876)	2,024	(1,264)
Finance costs		(525)	(441)	(1,206)	(1,344)
(Loss)/profit before tax	24	(13)	(1,317)	818	(2,608)
Income tax expense	25	(503)	(242)	(602)	(307)
(Loss)/profit for the period		(516)	(1,559)	216	(2,915)
Other comprehensive income					
Total comprehensive (loss)/profit for the period		(516)	(1,559)	216	(2,915)
(Loss)/profit attributable to:					
Owners of the parent		(483)	(1,217)	353	(2,408)
Non-controlling interests		(33)	(342)	(137)	(507)
		(516)	(1,559)	216	(2,915)
Total comprehensive (loss)/profit attributable to:					
Owners of the parent		(483)	(1,217)	353	(2,408)
Non-controlling interests		(33)	(342)	(137)	(507)
		(516)	(1,559)	216	(2,915)
Profit/(Loss) per share attributable to owners of the parent:					
Basic, for the period (sen)	35	(0.46)	(1.15)	0.33	(2.28)
Diluted, for the period (sen)	35	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 2023 and the accompanying explanatory notes attached to these interim financial statements.

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DFCITY Group Berhad
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Condensed Consolidated Statements of Financial Position
As at 31 December 2024

	Note	Unaudited As at 31.12.2024 RM'000	Audited As at 31.12.2023 RM'000
Assets			
Non-current assets			
Property, plant and equipment	7	15,082	15,460
Investment properties	8	1,222	1,308
Right-of-use assets		1,976	2,120
Inventories		27,692	26,135
		<u>45,972</u>	<u>45,023</u>
Current assets			
Inventories	9	29,527	29,779
Trade receivables and other receivables	27	3,717	4,598
Other current assets		121	215
Contract assets		1,847	861
Current tax assets		720	725
Cash and bank balances		3,480	2,545
		<u>39,412</u>	<u>38,723</u>
Assets held for sale		-	3,370
		<u>39,412</u>	<u>42,093</u>
Total assets		<u>85,384</u>	<u>87,116</u>
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital		51,676	51,676
Treasury shares		(15)	(15)
Retained earnings		7,661	7,308
		<u>59,322</u>	<u>58,969</u>
Non-controlling interests		(4,453)	(4,316)
Total equity		<u>54,869</u>	<u>54,653</u>
Non-current liabilities			
Deferred tax liabilities		139	55
Borrowings	28	8,033	10,067
Lease liabilities	28	189	252
		<u>8,361</u>	<u>10,374</u>
Current liabilities			
Trade payables and other payables		12,612	11,867
Lease liabilities	28	65	99
Borrowings	28	9,477	10,106
Tax payables		-	17
		<u>22,154</u>	<u>22,089</u>
Total liabilities		<u>30,515</u>	<u>32,463</u>
Total equity and liabilities		<u>85,384</u>	<u>87,116</u>
Net assets per share attributable to equity holders of the Company (sen)		<u>56.18</u>	<u>55.85</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 2023 and the accompanying explanatory notes attached to these interim financial statements.

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DFCITY Group Berhad
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Condensed Consolidated Statements of Changes in Equity
For the fourth quarter ended 31 December 2024
(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 2023	51,676	(15)	9,716	61,377	(3,809)	57,568
Total comprehensive loss for the period	-	-	(2,408)	(2,408)	(507)	(2,915)
Closing balance at 31 December 2023	<u>51,676</u>	<u>(15)</u>	<u>7,308</u>	<u>58,969</u>	<u>(4,316)</u>	<u>54,653</u>
Opening balance at 1 January 2024	51,676	(15)	7,308	58,969	(4,316)	54,653
Total comprehensive profit/(loss) for the period	-	-	353	353	(137)	216
Closing balance at 31 December 2024	<u>51,676</u>	<u>(15)</u>	<u>7,661</u>	<u>59,322</u>	<u>(4,453)</u>	<u>54,869</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 2023 and the accompanying explanatory notes attached to these interim financial statements.

DFCITY Group Berhad
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Condensed Consolidated Statements of Cash Flows
For the fourth quarter ended 31 December 2024
(The figures have not been audited)

	Current year- to-date 31.12.2024 RM'000	Preceding year corresponding period 31.12.2023 RM'000
Cash flows for operating activities		
(Loss)/profit before tax	818	(2,608)
Adjustments for:		
Depreciation of right-of-use assets	180	128
Depreciation of property, plant and equipment	652	655
Depreciation of investment properties	199	89
Inventories written down	182	329
Inventories written off	554	-
Impairment loss on trade and other receivables	379	1,189
Reversal of impairment loss on trade and other receivables	(152)	(174)
Unrealised (gain)/loss on foreign exchange	-	16
Gain on disposal of property, plant and equipment	(31)	(53)
Gain on disposal of investment properties	(3,225)	(122)
Property, plant and equipment written off	-	1
Interest expenses	1,206	1,344
Interest income	(23)	(59)
Operating profit/(loss) before changes in working capital	<u>739</u>	<u>735</u>
Changes in working capital:		
Property development costs	(1,557)	(1,938)
Inventories	711	(675)
Receivables	(780)	(1,063)
Contract assets/(liabilities)	(986)	732
Other current assets	94	12
Payables	558	1,399
Cash from/(used in) operations	<u>(1,221)</u>	<u>(798)</u>
Income tax paid	(330)	(397)
Income tax refunded	23	35
Net cash used in operating activities	<u>(1,528)</u>	<u>(1,160)</u>
Cash flows for investing activities		
Purchase of property, plant and equipment	7 (231)	(115)
Proceeds from disposal of property, plant and equipment	7 35	53
Proceeds from disposal of investment properties	6,595	190
Interest received	23	59
Net cash from investing activities	<u>6,422</u>	<u>187</u>

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Condensed Consolidated Statements of Cash Flows (continued)
For the fourth quarter ended 31 December 2024
(The figures have not been audited)

	Current year- to-date	Preceding year corresponding period
Note	31.12.2024	31.12.2023
	RM'000	RM'000
Cash flows for financing activities		
Deposits (pledged to)/withdrew from licensed banks	(61)	(22)
Interest paid	(1,206)	(1,320)
Repayment of revolving credit	(1)	-
Repayment of bankers' acceptances	(6)	(413)
Repayment of term loans	(2,499)	(2,270)
Repayment of lease liabilities	(97)	(57)
Net cash (used in)/from financing activities	<u>(3,870)</u>	<u>(4,082)</u>
Net (decrease)/increase in cash and cash equivalents	1,024	(5,055)
Cash and cash equivalents at beginning of period	79	5,134
Cash and cash equivalents at end of period	10 <u>1,103</u>	<u>79</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 2023 and the accompanying explanatory notes attached to these interim financial statements.

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Notes to the Interim Financial Statements for the period ended 31 December 2024

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 2023. 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 2023.

2. Significant accounting policies and application of MFRS

2.1 The audited financial statements of the Group for the financial year ended 31 December 2023 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 2023.

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 2024

- Amendments to MFRS 16 *Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101 *Non-current Liabilities with Covenants*
- Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*

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 2025

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 2025

- Amendments to MFRS 121 *Lack of Exchangeability*
- Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*
- Amendments to MFRS 9 and MFRS 7 *Contracts Referencing Nature-dependent Electricity*
- Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*
- Amendments to MFRS 7 *Financial Instruments: Disclosures*
- Amendments to MFRS 9 *Financial Instruments*
- Amendments to MFRS 10 *Consolidated Financial Statements*
- Amendments to MFRS 107 *Statement of Cash Flows*
- MFRS 18 *Presentation and Disclosure in Financial Statements*
- MFRS 19 *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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:

	31.12.2024 RM'000	31.12.2023 RM'000
Plant, machinery and factory equipment	223	-
Motor vehicles	-	371
Other assets *	8	59
	<u>231</u>	<u>430</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:

	31.12.2024 RM'000	31.12.2023 RM'000
Aggregate costs	231	430
Less : Loan financing	-	(315)
Cash outflow	<u>231</u>	<u>115</u>

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

Disposals

Below are 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
Office equipments	2,606	4	35	31
	<u>2,606</u>	<u>4</u>	<u>35</u>	<u>31</u>

8. Investment Properties

Disposals/written off

Below are the investment properties 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>				
Leasehold land & buildings	4,249	3,370	6,595	3,225
	<u>4,249</u>	<u>3,370</u>	<u>6,595</u>	<u>3,225</u>

9. Inventories

During the current period ended 31 December 2024, there were write-down of inventories amounting to RM181,618 and inventories written-off RM553,937.

10 Cash and bank balances

	31.12.2024 RM'000	31.12.2023 RM'000
Cash at banks and in hand	2,708	1,834
Short term deposits with licensed banks	772	711
Cash and bank balances	<u>3,480</u>	<u>2,545</u>
Less: Bank overdrafts	(1,605)	(1,763)
Less: Deposits pledged to licensed banks	(772)	(703)
Total cash and cash equivalents	<u>1,103</u>	<u>79</u>

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

11. 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.

12. Provisions for cost of restructuring

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

13. Dividends paid

There were no dividends paid in the current financial quarter ended 31 December 2024.

14. Capital commitments

There were no capital commitments as at current quarter ended 31 December 2024.

15. Contingent assets and liabilities

There were no contingent assets or liabilities as at 31 December 2024.

16. 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.
- (ii) Construction - supply and installation of dimension stones and related products.
- (iii) Property development - property development.
- (iv) Others - investment holding.

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

	Sales of goods RM'000	Construction RM'000	Property development RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Period ended 31.12.2024						
Revenue:						
External customers	11,484	6,520	-	37	-	18,041
Inter-segment	2,946	-	-	1,476	(4,422)	-
	<u>14,430</u>	<u>6,520</u>	<u>-</u>	<u>1,513</u>	<u>(4,422)</u>	<u>18,041</u>
Results:						
Depreciation and amortisation	989	42	-	-	-	1,031
Segment (loss)/profit	<u>300</u>	<u>943</u>	<u>(638)</u>	<u>108</u>	<u>105</u>	<u>818</u>
Assets						
Capital expenditure	(221)	(10)	-	-	-	(231)
Segment assets	<u>84,142</u>	<u>1,847</u>	<u>30,001</u>	<u>51,633</u>	<u>(82,239)</u>	<u>85,384</u>
Segment liabilities	<u>30,000</u>	<u>-</u>	<u>36,770</u>	<u>456</u>	<u>(36,711)</u>	<u>30,515</u>

	Sales of goods RM'000	Construction RM'000	Property development RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Period ended 31.12.2023						
Revenue:						
External customers	11,243	1,842	-	93	(93)	13,085
Inter-segment	5,961	-	-	-	(5,961)	-
	<u>17,204</u>	<u>1,842</u>	<u>-</u>	<u>93</u>	<u>(6,054)</u>	<u>13,085</u>
Results:						
Depreciation and amortisation	1,994	45	-	15	(1,182)	872
Segment profit/(loss)	<u>(110)</u>	<u>(78)</u>	<u>(2,043)</u>	<u>(123)</u>	<u>(254)</u>	<u>(2,608)</u>
Assets						
Capital expenditure	50	9	-	371	-	430
Segment assets	<u>83,536</u>	<u>2,103</u>	<u>29,551</u>	<u>50,815</u>	<u>(78,889)</u>	<u>87,116</u>
Segment liabilities	<u>29,846</u>	<u>-</u>	<u>35,485</u>	<u>404</u>	<u>(33,272)</u>	<u>32,463</u>

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

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

	31.12.2024	31.12.2023
	RM'000	RM'000
Interest income	23	59
Finance costs	(1,206)	(1,344)
	<u>(1,183)</u>	<u>(1,285)</u>

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

	31.12.2024	31.12.2023
	RM'000	RM'000
Current tax assets	720	708
	<u>720</u>	<u>708</u>

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

	31.12.2024	31.12.2023
	RM'000	RM'000
Deferred tax liabilities	139	55
	<u>139</u>	<u>55</u>

17. Changes in composition of the Group

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

18. 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)

19. 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, Dato' Dr Li Wei, has deemed interested by virtue of his interest in Eastern Ecotourism City Sdn. Bhd.

- Eastern Ecotourism City Sdn. Bhd. ("EEC")

	Individual quarter		Cumulative period	
	Current year quarter ended 31.12.2024 RM'000	Preceding year corresponding quarter ended 31.12.2023 RM'000	Current year- to-date 31.12.2024 RM'000	Preceding year corresponding period 31.12.2023 RM'000
Sales of dimension stone products	-	61	8	323
			Amount owed by related party	
			As at 31.12.2024 RM'000	As at 31.12.2023 RM'000
EEC			-	322

- (ii) Company in which a director, Zhang DanDan, who is the Executive Director and Shareholder of the company is also a Director and major shareholder in Swooea

- Swooea Technology Sdn. Bhd. ("Swooea")

	Individual quarter		Cumulative period	
	Current year quarter ended 31.12.2024 RM'000	Preceding year corresponding quarter ended 31.12.2023 RM'000	Current year- to-date 31.12.2024 RM'000	Preceding year corresponding period 31.12.2023 RM'000
Rental of motor vehicle	18	-	71	-
			Amount owed by related party	
			As at 31.12.2024 RM'000	As at 31.12.2023 RM'000
Swooea			-	-

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

20. Review performance of the Group

3 months ended 31.12.2024

	Individual quarter		Increase/(decrease)	
	Current year	Preceding year		
	quarter ended	corresponding	RM'000	%
	31.12.2024	31.12.2023	RM'000	
Revenue	4,180	3,624	556	15.3
- Sales of goods segment	2,384	3,399	(1,015)	(29.9)
- Construction segment	1,796	320	1,476	461.2
- Consolidation adjustments	-	(95)	95	(100.0)
Gross profit	(675)	1,079	(1,754)	(162.5)
Operating (loss)/profit	512	(876)	1,388	158.4
Loss before tax	(13)	(1,317)	1,304	99.0
(Loss)/profit after tax	(516)	(1,559)	1,043	66.9
(Loss)/profit attributable to ordinary equity holders of the parent	(483)	(1,217)	734	60.3

The Group's revenue for current quarter ("4Q2024") ended 31 December 2024 increase by approximately RM0.56 million or 15.3% to RM4.18 million as compared to the corresponding quarter in the preceeding year. The revenue growth in 4Q2024 was driven by a RM1.47 million increase from the Construction segment, which offset a RM1.01 million decrease from the Sales of Goods segment.

In the current year quarter, the Group had an operating profit of RM0.51 million as compared to the preceeding year corresponding quarter's loss of RM0.88 million mainly due to higher revenue generated.

12 months ended 31.12.2024

	Cumulative period		Increase/(decrease)	
	Current year-	Preceding year		
	to-date	corresponding	RM'000	%
	31.12.2024	31.12.2023	RM'000	
Revenue	18,041	13,085	4,956	37.9
- Sales of goods segment	11,484	11,336	148	1.3
- Construction segment	6,557	1,842	4,715	256.0
- Consolidation adjustments	-	(93)	93	(100.0)
Gross profit	4,257	3,471	786	22.6
Operating (loss)/profit	2,024	(1,264)	3,288	260.1
(Loss)/profit before tax	818	(2,608)	3,426	131.4
(Loss)/profit after tax	216	(2,915)	3,131	107.4
(Loss)/profit attributable to ordinary equity holders of the parent	353	(2,408)	2,761	114.6

The Group's revenue for current year-to-date ("12M2024") ended 31 December 2024 has shown an increase of 37.9% to RM18.04 million as compared to RM13.08 million recorded in the preceeding year period mainly due to the increase in revenue generated from Sales of Goods segment by RM0.15 million and Construction segment by RM4.71 million.

The Group's profit before tax improved to profit before tax of RM0.82 million in 12M2024 as compared to loss before tax of RM2.61 million in 12M2023 which was mainly due to increase in revenue.

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

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

	Individual quarter		Increase/(decrease)	%
	Current quarter ended 31.12.2024 RM'000	Preceding quarter ended 30.09.2024 RM'000		
Revenue	4,180	5,469	(1,289)	(23.6)
- Sales of goods segment	2,384	3,238	(854)	(26.4)
- Construction segment	1,796	2,231	(435)	(19.5)
Gross profit	(675)	2,228	(2,903)	(130.3)
Operating (loss)/profit	512	1,347	(835)	(62.0)
(Loss)/profit before tax	(13)	1,113	(1,126)	(101.2)
(Loss)/profit after tax	(516)	1,025	(1,541)	(150.3)
Profi/(Loss) attributable to ordinary equity holders of the parent	(483)	1,057	(1,540)	(145.7)

The Group's revenue decreased by RM1.29 million in current quarter as compared to the immediate preceding quarter. The Sales of Goods segment's revenue decreased by RM0.85 million and the Construction segment's by RM0.44 million.

In current quarter, the Group generated a gross loss of RM0.68 million and lost after tax of RM0.52 million as a result of lower revenue.

22. Commentary on prospects

Malaysia's GDP growth is expected to sustain in Q4 2024, driven by strong investments and domestic catalysts like wage increases and government cash aid, according to UOB Global Economics & Markets Research. Economists, including ANZ Research and HSBC Global Research, remain cautious about 2025 due to potential US tariff risks and global trade uncertainties. The country's 3Q growth hit 5.3%, meeting Bloomberg's poll expectations, with notable contributions from investments in data centers and infrastructure. Capital Economics highlighted concerns about inflation from subsidy cuts and a potential decline in public investment, which may impact private consumption and export growth next year. Economists forecast GDP growth to range between 4.3% to 5% in 2025.

The Board anticipates that the prospects for the financial year ending 31 December 2025 will continue to be challenging. The Group will continue to focus on revenue growth, maximising efficiency and timely delivery of quality products, promoting the Group's products and services as to ensure the long-term strength of the businesses and operations as well as preparing for diversity of business by commencing the property development activities.

23. 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.

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

24. (Loss)/profit before tax

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

	Individual quarter		Cumulative period	
	Current year quarter ended 31.12.2024 RM'000	Preceding year corresponding quarter ended 31.12.2023 RM'000	Current year- to-date 31.12.2024 RM'000	Preceding year corresponding period 31.12.2023 RM'000
Interest income	(8)	(48)	(23)	(59)
Interest expenses	525	441	1,206	1,344
Depreciation of:				
- Property, plant and equipment	243	169	652	655
- Investment properties	50	5	199	89
- Right-of-use assets	180	54	180	128
Impairment loss on receivables	379	1,189	379	1,189
Reversal of impairment loss on trade and other receivables	(152)	(143)	(152)	(174)
Inventories written down	182	329	182	329
Inventories written off	554	-	554	-
Gain on disposal of:				
- Property, plant and equipment	90	88	(31)	(53)
- Investment properties	(3,225)	(122)	(3,225)	(122)
Written off of:				
- Property, plant and equipment	-	-	-	1
Loss/(gain) on foreign exchange:				
- Realised	128	(11)	89	(5)
- Unrealised	-	15	-	16
Rental income	(41)	(107)	(165)	(278)

25. Income tax expense

Major components of income tax expense includes the following:

	Individual quarter		Cumulative period	
	Current year quarter ended 31.12.2024 RM'000	Preceding year corresponding quarter ended 31.12.2023 RM'000	Current year- to-date 31.12.2024 RM'000	Preceding year corresponding period 31.12.2023 RM'000
Current tax:				
Malaysian income tax	63	208	209	230
(Over)/Underprovision in previous years	-	17	-	17
Real property gain tax	201	1	201	10
	<u>264</u>	<u>226</u>	<u>410</u>	<u>257</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	(451)	140	(457)	33
(Over)/underprovision in previous years	690	(124)	649	17
	<u>239</u>	<u>16</u>	<u>192</u>	<u>50</u>
Total income tax expense	<u>503</u>	<u>242</u>	<u>602</u>	<u>307</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.

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

26. Status of corporate proposals

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

27. Trade and other receivables

	31.12.2024	31.12.2023
	RM'000	RM'000
Trade receivables		
Third parties	2,586	2,220
Retention sums on construction contract	981	762
	<u>3,567</u>	<u>2,982</u>
Other receivables	150	1,616
	<u>3,717</u>	<u>4,598</u>

Ageing analysis of trade receivables

The ageing analysis of trade receivables is as follows:

	Third parties		Related parties	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Not past due	2,601	1,437	-	-
Past due:				
- less than 3 months	1,074	1,117	-	-
- 3 months to 6 months	280	762	-	-
- more than 6 months	1,159	1,198	-	-
	<u>2,513</u>	<u>3,077</u>	-	-
	5,114	4,514	-	-
Individual impairment	(1,547)	(1,532)	-	-
	<u>3,567</u>	<u>2,982</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)

28. Borrowings and debts securities

	31.12.2024 RM'000	Weighted Average Interest Rate	31.12.2023 RM'000	Weighted Average Interest Rate
Short term borrowings (secured)				
Bank overdrafts (floating)	1,605	8.41%	1,763	8.41%
Banker acceptances (floating)	837	5.17%	843	4.87%
Lease liabilities (fixed)	65	4.10%	99	4.10%
Revolving credit (floating)	5,142	6.00%	5,143	5.61%
Term loans (floating)	1,893	7.35%	2,357	6.85%
	<u>9,542</u>		<u>10,205</u>	
Long term borrowings (secured)				
Lease liabilities (fixed)	189	4.10%	252	4.10%
Term loans (floating)	8,033	7.35%	10,067	6.85%
	<u>8,222</u>		<u>10,319</u>	
Total borrowings	<u>17,764</u>		<u>20,524</u>	

None of the borrowings are denominated in foreign currencies.

The decrease in borrowings by RM 2.76 million is mainly due to the borrowing repayment.

29. Material litigation

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

30. Dividend

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

31. Disclosure of nature of outstanding derivatives

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

32. Rationale for entering into derivatives

The Group did not enter into any derivatives during the period ended 31 December 2024 nor the previous financial year ended 31 December 2023.

33. Risks and policies of derivatives

The Group did not enter into any derivatives during the period ended 31 December 2024 nor the previous financial year ended 31 December 2023.

34. 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 December 2024 nor the previous financial year ended 31 December 2023.

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

35. (Loss)/profit per share

(a) Basic

Basic (loss)/profit per share amounts is calculated by dividing (loss)/profit 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 period	
	Current year quarter ended 31.12.2024	Preceding year corresponding quarter ended 31.12.2023	Current year- to-date 31.12.2024	Preceding year corresponding period 31.12.2023
(Loss)/profit for the period attributable to ordinary equity holders of the Company (RM'000)	(483)	(1,217)	353	(2,408)
Weighted average number of ordinary shares in issue ('000)	105,588	105,588	105,588	105,588
Basic (loss)/profit per share (sen)	<u>(0.46)</u>	<u>(1.15)</u>	<u>0.33</u>	<u>(2.28)</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.

36. 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	Proposed utilisation RM'000	Actual utilisation RM'000	Amount unutilised RM'000
Working capital for upcoming project	7,000	(6,722)	278
General working capital	238	(238)	-
Defraying placement expenses	150	(150)	-
	<u>7,388</u>	<u>(7,110)</u>	<u>278</u>

37. 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 2023 were not subject to any qualification.