



DYNACIATE GROUP BERHAD

Registration No. 200601012544 (732294-W)

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2020**

DYNACIATE GROUP BERHAD 200601012544 (732294-W)

(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENT
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 MAY 2020

	As at 31-May-20 Unaudited RM'000	As at 30-Nov-19 Audited RM'000
Assets		
Non-current assets		
Property, plant and equipment	6,555	7,100
Investment properties	40,650	40,650
Investment in associates	4,915	4,915
Total non-current assets	<u>52,120</u>	<u>52,665</u>
Current assets		
Inventories	347	173
Trade and other receivables	41,143	41,508
Current tax assets	143	57
Contract assets	12,875	9,175
Cash and cash equivalents	1,655	6,043
Total current assets	<u>56,163</u>	<u>56,956</u>
Total assets	<u>108,283</u>	<u>109,621</u>
Equity		
Share capital	74,120	71,806
Reserves	(29,217)	(23,065)
Total equity attributable to owners of the Company	<u>44,903</u>	<u>48,741</u>
Non-controlling interests	6,000	6,000
Total equity	<u>50,903</u>	<u>54,741</u>
Liabilities		
Non-current liabilities		
Loans and borrowings	8,297	8,346
Total non-current liabilities	<u>8,297</u>	<u>8,346</u>
Current liabilities		
Loans and borrowings	7,051	9,191
Trade and other payables	39,389	33,908
Contract liabilities	2,643	3,435
Total current liabilities	<u>49,083</u>	<u>46,534</u>
Total liabilities	<u>57,380</u>	<u>54,880</u>
Total equity and liabilities	<u>108,283</u>	<u>109,621</u>
Net assets per ordinary share attributable to owners of the Company (sen)	8.37	10.15

The unaudited Condensed Consolidated Statement of financial position should be read in conjunction with the Audited Financial Statements for the financial period ended 30 November 2019 with the accompanying explanatory notes attached to the financial statements.

CONDENSED INTERIM FINANCIAL STATEMENT
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE FINANCIAL PERIOD ENDED 31 MAY 2020

	Individual period		Cumulative period	
	Current year- quarter-ended 31-May-20 RM'000	Preceding year corresponding quarter ended 31-May-19 RM'000	Current year- to-date 31-May-20 RM'000	Preceding year corresponding period ended 31-May-19 RM'000
Revenue	9,267	N/A	30,932	N/A
Cost of sales	(12,485)	N/A	(32,782)	N/A
Gross (loss)/profit	<u>(3,218)</u>	N/A	<u>(1,850)</u>	N/A
Administrative expenses	(1,366)	N/A	(3,277)	N/A
Other operating expenses	(377)	N/A	(684)	N/A
Other operating income	2,166	N/A	2,847	N/A
Finance costs	(257)	N/A	(866)	N/A
Loss before taxation	<u>(3,052)</u>	N/A	<u>(3,830)</u>	N/A
Income tax expense	(8)	N/A	(8)	N/A
Loss after taxation/Total comprehensive expenses for the financial period	<u><u>(3,060)</u></u>	N/A	<u><u>(3,838)</u></u>	N/A
Loss after taxation attributable to:				
Owners of the Company	(3,060)	N/A	(3,838)	N/A
Non-controlling interests	-	N/A	-	N/A
	<u><u>(3,060)</u></u>	N/A	<u><u>(3,838)</u></u>	N/A
Total comprehensive expenses attributable to:				
Owners of the Company	(3,060)	N/A	(3,838)	N/A
Non-controlling interests	-	N/A	-	N/A
	<u><u>(3,060)</u></u>	N/A	<u><u>(3,838)</u></u>	N/A
Loss per ordinary share (sen):				
Basic	(0.57)	N/A	(0.72)	N/A
Diluted	N/A	N/A	N/A	N/A

There are no comparative figure with the preceeding quarter / period ended 31 May 2019 due to change in financial year end to 30 November 2019.

The unaudited Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period ended 30 November 2019 with the accompanying explanatory notes attached to the financial statements.

DYNACIATE GROUP BERHAD 200601012544 (732294-W)

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CONDENSED INTERIM FINANCIAL STATEMENT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MAY 2020

	----- Attributable to owners of the Company -----								
	----- Non-distributable -----				----- Distributable -----				
	Share capital RM'000	Capital Reserve RM'000	Reverse Acquisition Reserve RM'000	Revaluation Reserve RM'000	Warrant Reserve RM'000	(Accumulated losses)/ Retained profits RM'000	Total RM'000	Non- controlling interest RM'000	Total Equity RM'000
At 1 December 2019	71,806	(8,518)	(53,300)	-	13,718	25,035	48,741	6,000	54,741
Loss for the financial period	-	-	-	-	-	(3,838)	(3,838)	-	(3,838)
Transactions with owners of the Company									
Effect of conversion of ICPS	2,314	(2,314)	-	-	-	-	-	-	-
At 31 May 2020	74,120	(10,832)	(53,300)	-	13,718	21,197	44,903	6,000	50,903
At 1 June 2018, as previously reported	84,681	-	(53,300)	16,571	-	(26,049)	21,903	6,000	27,903
Adjustment on MFRS 9	-	-	-	-	-	(465)	(465)	-	(465)
	84,681	-	(53,300)	16,571	-	(26,514)	21,438	6,000	27,438
Loss for the financial period	-	-	-	-	-	(15,101)	(15,101)	-	(15,101)
Issuance of ICPS and Warrants	26,923		-	-	14,024	-	40,947	-	40,947
Issuance of ordinary shares pursuant to conversion of ICPS	36,919		-	-	-	-	36,919	-	36,919
Effect of conversion of ICPS	(16,941)	(8,824)	-	-	-	-	(25,765)	-	(25,765)
Exercise of Warrants	224	306	-	-	(306)	-	224	-	224
Transactions with owners of the Company	47,125	(8,518)	-	-	13,718	-	52,325	-	52,325
Capital reduction	(60,000)	-	-	-	-	60,000	-	-	-
Realisation of revaluation surplus on:									
– impairment on land and buildings	-	-	-	(9,921)	-	-	(9,921)	-	(9,921)
– disposal of assets held for sale	-	-	-	(6,650)	-	6,650	-	-	-
At 30 November 2019	71,806	(8,518)	(53,300)	-	13,718	25,035	48,741	6,000	54,741

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 30 November 2019 with the accompanying explanatory notes attached to the financial statements.

CONDENSED INTERIM FINANCIAL STATEMENT
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2020

	Current period-to-date ended 31-May-20 RM'000
Cash flows from operating activities	
Loss before tax	(3,830)
Adjustments for:	
Depreciation on property, plant and equipment	545
Impairment loss on other receivables	125
Interest expense	866
Gain on disposal of:	
- property, plant and equipment	(364)
- investment in a subsidiary	(1,837)
Interest income	(19)
Reversal of impairment of other receivables	(121)
Operating loss before working capital changes	(4,635)
Changes in working capital:	
Increase in inventories	(174)
Decrease in trade and other receivables	200
Increase in contract assets	(3,700)
Increase in trade and other payables	8,077
Decrease in contract liabilities	(792)
Cash generated used in operations	(1,024)
Income taxes paid	(94)
Net cash used in operating activities	(1,118)
Cash flows from investing activities	
Proceeds from disposal of property, plant and equipment	364
Interest received	19
Net cash outflow on disposal of a subsidiary	(16)
Net cash generated from investing activities	367
Cash flows from financing activities	
Interest paid	(866)
Repayment to Director	(582)
Drawdown of banker acceptance	3,404
Repayment of finance lease liabilities	(444)
Net cash generated from financing activities	1,512
Net increase in cash and cash equivalents	761
Cash and cash equivalents as at beginning of financial period	894
Cash and cash equivalents as at end of financial period	1,655
Cash and cash equivalents comprise of:-	
Cash and bank balances	1,418
Short term deposits with licensed banks	237
Cash and cash equivalents	1,655

There are no comparative figure available due to change in financial year end to 30 November 2019.

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial period ended 30 November 2019 with the accompanying explanatory notes attached to the financial statements.

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**CONDENSED INTERIM FINANCIAL STATEMENT
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2020 (CONT'D)**

Notes to statement of cash flows:

A. Disposal of a subsidiary

On 27 May 2020, the Company disposed of its entire 100% equity interest in Superinox Max Fittings Industry Sdn. Bhd. ("SMFI") for a total cash consideration of RM2.

	Total RM'000
Cash and cash equivalents	16
Trade and other receivables	161
Trade and other payables	(2,014)
Net liabilities relieved	<u>(1,837)</u>
Gain on disposal of a subsidiary	<u>1,837</u>
Consideration received, satisfied in cash #	-
Cash and cash equivalents of subsidiary disposed of	<u>(16)</u>
Net cash outflow	<u><u>(16)</u></u>

Total cash consideration received is RM2.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 2020

PART A: SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting in Malaysia and with IAS34, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial period ended 30 November 2019. These explanatory notes attached to the 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 period ended 30 November 2019.

The following are accounting standard and amendments of MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, *Business Combinations - Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures - Interest Rate Benchmark Reform*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendment to MFRS 101, *Presentation of Financial Statement - Classification of Liabilities as Current or Non-Current*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group plans to apply the abovementioned amendments, where applicable, in the respective financial years when the above amendments become effective.

The Group does not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on or after 1 January 2021 as it is not applicable to the Group and the Company.

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A2. Qualification of financial statements

The auditor's report on the audited financial statements for the financial period ended 30 November 2019 was not qualified.

A3. Seasonal and cyclical factors

The business operations of the Group are not subject to seasonal or cyclical factors.

A4. Exceptional and extraordinary items

There were no items affecting assets, liabilities, equity, net income or cash flows that are exceptional or extraordinary due to their nature, size or incidence affecting the interim financial report.

A5. Changes in accounting estimates

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

A6. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities since the last quarter reporting date.

A7. Dividend Paid

No dividend was paid by the Company in the current quarter or period to-date.

A8. Segmental information

The Group is principally engaged in the business segments of:

- (a) Steel Division – Manufacturing and trading of stainless-steel pipes, tubes and bars, electro-galvanized steel, perforated metal products and other ferrous and non-ferrous metal products; and
- (b) Construction Division - Civil, main mechanical, architectural, piping pre-fabrication and installation works.

The Group operates principally in Malaysia.

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Financial period ended 31.5.2020	<u>Steel</u> RM'000	<u>Construction</u> RM'000	<u>Other</u> RM'000	<u>The Group</u> RM'000
External revenue	2,834	28,098	-	30,932
Results				
Loss before following adjustments:-	(59)	(3,663)	(913)	(4,635)
Interest income	-	18	1	19
Gain on disposal of property, plant and equipment	364	-	-	364
Gain on disposal of a subsidiary	-	-	1,837	1,837
Reversal of impairment of other receivables	-	121	-	121
Depreciation of property, plant and equipment	(13)	(531)	(1)	(545)
Impairment loss on other receivables	(125)	-	-	(125)
Segment results	167	(4,055)	924	(2,964)
Finance costs				(866)
Taxation				(8)
Loss after taxation				(3,838)
As at 31.5.2020				
<u>Assets</u>				
Segment assets	7,400	59,723	41,017	108,140
Unallocated assets				143
Consolidated total assets				108,283
<u>Liabilities</u>				
Segment liabilities	3,350	44,453	9,577	57,380
Unallocated liabilities				-
Consolidated total liabilities				57,380

Revenue analysed by geographical location of customers are as follows:-

	Current year- to-date ended 31.5.2020 RM'000	Preceding year- to-date ended 31.5.2019 # RM'000
Malaysia	29,735	N/A
Asia (excluding Malaysia)	478	N/A
Europe	719	N/A
	30,932	N/A

Note: # *There are no comparative figures with the preceding year-to-date due to the change in financial year end to 30 November 2019.*

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A9. Material events subsequent to the end of the interim period

On 12 February 2020, a wholly owned subsidiary, DSPI (Dynaciate SPI Sdn. Bhd.) had entered into conditional SPAs (Sales & Purchase Agreements) with the following parties:-

- (a) Dynaciate Engineering Sdn. Bhd.
 - (i) to acquire a piece of leasehold industrial land located in Johor Bahru, State of Johor together with a factory erected thereon for a cash consideration of RM16,000,000 (“Proposed Johor Premises Acquisition”); and
 - (ii) to acquire machineries and equipment for a cash consideration of RM1,786,431;
- (b) Dynaciate (Kuantan) Sdn. Bhd.
 - to acquire a piece of leasehold industrial land located in Kuantan, State of Pahang together with a factory erected thereon for a cash consideration of RM9,000,000 (“Proposed Pahang Premises Acquisition”).
 - (collectively, the “Proposed Acquisitions”)

The total cash consideration for the Proposed Acquisitions is RM26,786,431.

On 28 May 2020, a circular in relation to the Proposed Acquisitions was circulated to shareholders and the Proposed Acquisitions were approved by shareholders at the extraordinary general meeting held on 22 June 2020.

On 8 July 2020 and 15 July 2020 respectively, the Company announced that all the Conditions Precedent pursuant to the SPAs for the Proposed Johor Premises Acquisition and the Proposed Pahang Premises Acquisition have been fulfilled.

Accordingly, all the SPAs in relation to the Proposed Acquisitions have turned unconditional.

Except as disclosed above, there were no other material events subsequent to the end of the interim period under review.

A10. Changes in composition of the Group for the financial year ending 30 November 2020

- (a) On 17 February 2020, DSPI disposed of its entire 40% equity interest in PT. Indo Bestinox Industri (“PIBI”) to Siah Chin Pin for a total cash consideration of RM100. Upon completion of the disposal, the Company ceased to have any interest in PIBI.
- (b) On 27 May 2020, the Company disposed of its entire 100% equity interest in Superinox Max Fittings Industry Sdn. Bhd. (“SMFI”) to Siah Kok Poay and Siah Chin Pin for a total cash consideration of RM2. Upon completion of the disposal, SMFI ceased to be subsidiary of the Company.

The nominal consideration for the disposals mentioned under (a) and (b) was premised upon the loss-making position of PIBI and SMFI for the past few years. As such, no separate announcement were issued given the nominal quantum of the divestment notwithstanding that these disposal were related party transactions.

- (c) On 28 May 2020, the Company disposed all of its 8,814,500 shares in Nippon Egalv Steel Sdn Bhd. (“NEG”) to Nippon Steel Corporation and Hanwa Co., Ltd (in proportion to their individual holding in NEG) for a total cash consideration of RM2. Upon completion of the disposal, the Company ceased to have any interest in NEG.

Except as disclosed above, there were no other changes in the composition of the Group.

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A11. Contingent liabilities

The Company has issued corporate guarantees to financial institution for borrowings granted to certain subsidiaries of which RM8.60 million were utilised at the end of the reporting quarter.

A12. Capital commitment

There was no capital commitment approved and contracted for during the current quarter ended 31 May 2020.

A13. Significant related party transactions

	Current quarter-ended 31 May 2020 RM'000	Current year- to-date ended 31 May 2020 RM'000
Management fee paid/payable to related parties	(17)	(40)
Rental expense paid/payable to related parties	(396)	(792)
Professional fees paid/payable to related parties	(64)	(129)
Rental income received/receivable from related parties	158	332
Progress billings issued to related parties	2,885	14,582
	<u>2,566</u>	<u>13,953</u>

A14. Changes in fair value of financial assets and liabilities, transfers and classification

There have been no significant changes in the business or economic circumstances that could affect the fair value of the Group's financial assets and financial liabilities in the current financial period under review.

A15. Fair value of financial instruments

Other than those disclosed below, the fair values of the financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The fair values are determined by discounting rates equal to the current market interest rate plus appropriate credit rating, where necessary.

	Fair value of financial instruments not carried at fair value				Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
As at 31.5.2020					
<u>Financial liabilities</u>					
Term loans	-	-	(8,601)	(8,601)	(8,601)
Finance lease liabilities	-	-	(1,448)	(1,448)	(1,448)
	<u>-</u>	<u>-</u>	<u>(10,049)</u>	<u>(10,049)</u>	<u>(10,049)</u>

The fair values above are for disclosure purposes and have been determined by the relevant cash flows using interest rates for similar instruments ranging from 4.02% to 8.10% (30.11.2019 - 4.02% to 8.60%) per annum at the end of the reporting period.

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PART B: OTHER INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

B1. Review of performance

	Individual Quarter		Cumulative Period	
	31.5.2020	31.5.2019	31.5.2020	31.5.2019
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Steel	922	N/A	2,834	N/A
- Construction	8,345	N/A	28,098	N/A
- Others	-	N/A	-	N/A
	9,267	N/A	30,932	N/A
(Loss)/Profit before taxation				
- Steel	(118)	N/A	(65)	N/A
- Construction	(4,079)	N/A	(4,247)	N/A
- Others	1,145	N/A	482	N/A
	(3,052)	N/A	(3,830)	N/A

Following the change in financial year end to 30 November 2019, there are no comparative financial information available for the current quarter and period ended 31 May 2020.

On 16 March 2020, the Malaysian Government imposed the Movement Control Order (“MCO”) starting from 18 March 2020 to curb the spread of the Covid-19 pandemic in Malaysia. The Covid-19 pandemic has also resulted in the imposition of travel restriction, lockdown and other precautionary measures in other countries. The emergence of the Covid-19 pandemic since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group operates. The Group’s construction segment has been significantly affected by the MCO.

The Group posted revenue and loss before tax (“LBT”) of RM9.27 million and RM3.05 million respectively during the current quarter ended 31 May 2020. Revenue from construction segment was significantly lower due to lower productivity from work-in-progress as construction activities were halted during the MCO. The Group only resumed its construction activities progressively upon receipt of approval and compliance with the relevant standard operating procedures and guidelines of working in the new norm. Nevertheless, construction segment still contributed about 90% to consolidated revenue during the current quarter under review.

LBT was reported at RM4.08 million and RM0.12 million during the current quarter under construction segment and steel segment respectively. Losses from construction segment was mainly due to low revenue recognised during the quarter which was insufficient to absorb the high fixed overheads. On the other hand, the profit before tax of RM1.15 million generated from other segments were mainly due to a one-off gain from disposal of a subsidiary amounting to RM1.84 million.

On the year-to-date basis, the Group recorded revenue of RM30.9 million and LBT of RM3.83 million. The bulk of revenue was contributed from the construction segment.

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B2. Variation of results against preceding quarter

	Current-	Immediate	Changes	
	quarter-ended	preceding		
	31.5.2020	quarter ended	RM'000	%
	RM'000	29.02.2020	RM'000	
Revenue				
- Steel	922	1,911	(989)	(52)
- Construction	8,345	19,754	(11,409)	(58)
- Others	-	-	-	-
	9,267	21,665	(12,398)	(57)
(Loss)/Profit before taxation				
- Steel	(118)	53	(171)	321
- Construction	(4,079)	(127)	(3,952)	(3,116)
- Others	1,145	(704)	1,849	263
	(3,052)	(778)	(2,274)	(293)

The Group reported revenue of RM9.27 million and LBT of RM3.05 million during the current quarter under review as compared to revenue of RM21.67 million and LBT of RM0.78 million in the immediate preceding quarter ended 29 February 2020.

As mentioned in Note B1 above, the Group's performance during the current quarter has been significantly impacted by the MCO. Revenue recognised during the current quarter was 57% lower than the immediate preceding quarter mainly due to lower productivity from work-in-progress due to the MCO. Meanwhile, higher LBT during the quarter was mainly due to higher losses from construction segment as its lower revenue was insufficient to absorb high fixed overheads.

B3. Prospects

The Board anticipated prospects for the current financial year to be challenging in view of the worsening macroeconomic outlook as a result of on-going Covid-19 pandemic and uncertainty in crude oil price. The Group is actively taking mitigating measures to weather the turbulent times. With the active progression from construction segment and the recent acquisition of the 2 pieces of industrial land and factories, the Board is confident of generating positive synergy and long-term growth moving forward.

B4. Variance between actual profit and forecast profit

The Group has not issued any profit forecast or profit guarantee.

B5. Income tax expense

	Current year- quarter-ended 31 May 2020 RM'000	Current year-to- date ended 31 May 2020 RM'000
Income tax expense	(8)	(8)

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B6. Notes to the statement of profit or loss and other comprehensive income

	Current year- quarter-ended 31 May 2020 RM'000	Current year-to- date ended 31 May 2020 RM'000
Interest income	(4)	(19)
Other income	(2,162)	(2,459)
Interest expense	257	866
Amortisation	-	-
Depreciation of investment properties	-	-
Depreciation of property, plant and equipment	275	545
Impairment loss on trade and other receivables	125	125
Inventories written down	-	-
Reversal of inventories written down	-	-
Deposits written off	-	-
Property, plant and equipment written off	-	-
Gain on disposal of plant and equipment	-	(364)
Realised loss/(gain) on foreign exchange	3	(5)
Unrealised (gain)/loss on foreign exchange	(43)	-
Gain or loss on derivatives	-	-
Impairment loss on property, plant and equipment	-	-

B7. Corporate proposals

There was no other corporate proposal pending for completion as at the date of this report.

B8. Group's borrowings

The Group's borrowings as at 31 May 2020 are as follows:

	Current Secured RM'000	Non-Current Secured RM'000	Total RM'000
Term loans	1,442	7,159	8,601
Hire Purchases	310	1,138	1,448
Banker acceptance	5,299	-	5,299
Total	7,051	8,297	15,348

The above borrowings are denominated in Ringgit Malaysia.

B9. Material litigation

The Group was not engaged in any material litigation during the current financial quarter.

B10. Proposed dividend

The Board does not recommend any dividend for the current quarter ended 31 May 2020.

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B11. Earnings per ordinary share

(a) Basic

The basic loss per share of the Group is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the reporting period.

	Individual Quarter quarter- ended 31 May 2020	quarter ended 31 May 2019#	Cumulative Period period ended 31 May 2019	period ended 31 May 2019#
Loss attributable to owners of the Company (RM'000)	(3,060)	N/A	(3,838)	N/A
Weighted average number ordinary shares ('000)	524,705	N/A	524,705	N/A
Basic loss per share (sen)	(0.57)	N/A	(0.72)	N/A

(b) Diluted

The diluted loss per share of the Group is calculated from the loss attributable to owners of the Company divided by weighted average number of shares outstanding after adjustment for the effects of all dilutive potential ordinary shares during the financial period.

The diluted loss per share of the Group were not presented as the effect of the assumed conversion of Irredeemable Convertible Preference Shares ("ICPS") on the loss per ordinary share is anti-dilutive. The effect of the assumed exercise of Warrants has not been considered as the exercise price of the Warrants is higher than the average market price of the Company's shares.

Note: *Due to the change in financial year end to 30 November 2019, no comparative financial information is available.*