



# **DYNACIATE GROUP BERHAD**

Registration No. 200601012544 (732294-W)

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

**DYNACIATE GROUP BERHAD 200601012544 (732294-W)**

(Incorporated in Malaysia)

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

**AS AT 31 AUGUST 2020**

	<b>As at 31-Aug-20 Unaudited RM'000</b>	<b>As at 30-Nov-19 Audited RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,057	7,100
Investment properties	40,650	40,650
Investment in associates	4,915	4,915
<b>Total non-current assets</b>	<u>53,622</u>	<u>52,665</u>
<b>Current assets</b>		
Inventories	578	173
Trade and other receivables	32,065	41,508
Current tax assets	87	57
Contract assets	11,043	9,175
Cash and cash equivalents	1,693	6,043
<b>Total current assets</b>	<u>45,466</u>	<u>56,956</u>
<b>Total assets</b>	<u>99,088</u>	<u>109,621</u>
<b>Equity</b>		
Share capital	76,697	71,806
Reserves	(35,193)	(23,065)
<b>Total equity attributable to owners of the Company</b>	<u>41,504</u>	<u>48,741</u>
Non-controlling interests	6,000	6,000
<b>Total equity</b>	<u>47,504</u>	<u>54,741</u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	8,217	8,346
<b>Total non-current liabilities</b>	<u>8,217</u>	<u>8,346</u>
<b>Current liabilities</b>		
Loans and borrowings	9,630	9,191
Trade and other payables	30,823	33,908
Contract liabilities	2,914	3,435
<b>Total current liabilities</b>	<u>43,367</u>	<u>46,534</u>
<b>Total liabilities</b>	<u>51,584</u>	<u>54,880</u>
<b>Total equity and liabilities</b>	<u>99,088</u>	<u>109,621</u>
Net assets per ordinary share attributable to owners of the Company (sen)	7.03	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 AUGUST 2020**

	Individual period		Cumulative period	
	Current year- quarter-ended 31-Aug-20 RM'000	Preceding year corresponding quarter ended 31-Aug-19 RM'000	Current year- to-date 31-Aug-20 RM'000	Preceding year corresponding period ended 31-Aug-19 RM'000
Revenue	14,081	N/A	45,012	N/A
Cost of sales	(17,539)	N/A	(50,321)	N/A
<b>Gross loss</b>	<u>(3,458)</u>	<u>N/A</u>	<u>(5,309)</u>	<u>N/A</u>
Administrative expenses	(2,034)	N/A	(5,311)	N/A
Other operating expenses	(369)	N/A	(1,053)	N/A
Other operating income	65	N/A	2,915	N/A
Finance costs	(175)	N/A	(1,041)	N/A
<b>Loss before taxation</b>	<u>(5,971)</u>	<u>N/A</u>	<u>(9,799)</u>	<u>N/A</u>
Income tax expense	(4)	N/A	(13)	N/A
<b>Loss after taxation/Total comprehensive expenses for the financial period</b>	<u><u>(5,975)</u></u>	<u><u>N/A</u></u>	<u><u>(9,812)</u></u>	<u><u>N/A</u></u>
<b>Loss after taxation attributable to:</b>				
Owners of the Company	(5,975)	N/A	(9,812)	N/A
Non-controlling interests	-	N/A	-	N/A
	<u><u>(5,975)</u></u>	<u><u>N/A</u></u>	<u><u>(9,812)</u></u>	<u><u>N/A</u></u>
<b>Total comprehensive expenses attributable to:</b>				
Owners of the Company	(5,975)	N/A	(9,812)	N/A
Non-controlling interests	-	N/A	-	N/A
	<u><u>(5,975)</u></u>	<u><u>N/A</u></u>	<u><u>(9,812)</u></u>	<u><u>N/A</u></u>
<b>Loss per ordinary share (sen):</b>				
Basic	(1.01)	N/A	(1.83)	N/A
Diluted	N/A	N/A	N/A	N/A

*There are no comparative figure with the preceeding quarter / period ended 31 August 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.*

## CONDENSED INTERIM FINANCIAL STATEMENT

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

	----- Attributable to owners of the Company -----					Distributable (Accumulated losses)/ Retained profits	Total	Non- controlling interest	Total Equity
	Share capital RM'000	Capital Reserve RM'000	Reverse Acquisition Reserve RM'000	Revaluation Reserve RM'000	Warrant Reserve RM'000				
<b>At 1 December 2019</b>	71,806	(8,518)	(53,300)	-	13,718	25,035	48,741	6,000	54,741
Loss for the financial period	-	-	-	-	-	(9,812)	(9,812)	-	(9,812)
Effect of conversion of ICPS	2,316	(2,316)	-	-	-	-	-	-	-
Issuance of ordinary share capital pursuant to private placement	2,575	-	-	-	-	-	2,575	-	2,575
<b>Transactions with owners of the Company</b>	4,891	(2,316)	-	-	-	-	2,575	-	2,575
<b>At 31 August 2020</b>	<b>76,697</b>	<b>(10,834)</b>	<b>(53,300)</b>	<b>-</b>	<b>13,718</b>	<b>15,223</b>	<b>41,504</b>	<b>6,000</b>	<b>47,504</b>
<b>At 1 June 2018, as previously reported</b>	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
<b>Transactions with owners of the Company</b>	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	-	-	-
<b>At 30 November 2019</b>	<b>71,806</b>	<b>(8,518)</b>	<b>(53,300)</b>	<b>-</b>	<b>13,718</b>	<b>25,035</b>	<b>48,741</b>	<b>6,000</b>	<b>54,741</b>

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 AUGUST 2020**

	<b>Current period-to-date ended 31-Aug-20 RM'000</b>
<b>Cash flows from operating activities</b>	
Loss before tax	(9,799)
Adjustments for:	
Depreciation on property, plant and equipment	864
Impairment loss on other receivables	125
Interest expense	1,041
Gain on disposal of:	
- property, plant and equipment	(364)
- investment in a subsidiary	(1,837)
Share of profit of equity accounted associates, net of tax	
Interest income	(24)
Reversal of impairment of other receivables	(121)
<b>Operating loss before working capital changes</b>	(10,115)
<b>Changes in working capital:</b>	
Increase in inventories	(405)
Decrease in trade and other receivables	7,444
Increase in contract assets	(1,868)
Increase in trade and other payables	1,344
Increase in contract liabilities	(521)
<b>Cash generated from operations</b>	(4,121)
Income taxes paid	(42)
<b>Net cash from operating activities</b>	(4,163)
<b>Cash flows from investing activities</b>	
Acquisitions of property, plant and equipment	(1,822)
Proceeds from disposal of property, plant and equipment	364
Net cash outflow on disposal of a subsidiary	A (16)
Interest received	24
<b>Net cash used in investing activities</b>	(1,450)
<b>Cash flows from financing activities</b>	
Interest paid	(1,041)
Repayment to Director	(582)
Proceeds from issuance of ordinary shares pursuant to private placement	2,575
Drawdown of banker acceptance	6,007
Repayment of finance lease liabilities	(547)
<b>Net cash used in financing activities</b>	6,412
Net decrease in cash and cash equivalents	799
Cash and cash equivalents as at beginning of financial period	894
<b>Cash and cash equivalents as at end of financial period</b>	1,693
<b>Cash and cash equivalents comprise of:-</b>	
Cash and bank balances	1,686
Short term deposits with licensed banks	7
Cash and cash equivalents	1,693

*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 AUGUST 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.

	<b>Total RM'000</b>
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 AUGUST 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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<b>Financial period ended 31.8.2020</b>	<b><u>Steel</u></b> <b>RM'000</b>	<b><u>Construction</u></b> <b>RM'000</b>	<b><u>Other</u></b> <b>RM'000</b>	<b><u>The Group</u></b> <b>RM'000</b>
External revenue	4,810	40,202	-	<b>45,012</b>
<b>Results</b>				
Loss before following adjustments:-	(30)	(7,385)	(2,701)	<b>(10,116)</b>
Dividend income	1	-	-	<b>1</b>
Interest income	-	23	1	<b>24</b>
Gain on disposal of property, plant and equipment	364	-	-	<b>364</b>
Gain on disposal of a subsidiary	-	-	1,837	<b>1,837</b>
Reversal of impairment of other receivables	-	121	-	<b>121</b>
Depreciation of property, plant and equipment	(21)	(842)	(1)	<b>(864)</b>
Impairment loss on other receivables	(125)	-	-	<b>(125)</b>
Segment results	189	(8,083)	(864)	<b>(8,758)</b>
Finance costs				<b>(1,041)</b>
Taxation				<b>(13)</b>
Loss after taxation				<b>(9,812)</b>
<b>As at 31.8.2020</b>				
<b><u>Assets</u></b>				
Segment assets	4,009	51,288	43,791	99,088
Unallocated assets				-
Consolidated total assets				<b>99,088</b>
<b><u>Liabilities</u></b>				
Segment liabilities	4,416	46,366	802	51,584
Unallocated liabilities				-
Consolidated total liabilities				<b>51,584</b>

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

	<b>Current year- to-date ended 31.8.2020</b>	<b>Preceding year- to-date ended 31.8.2019 #</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	43,904	N/A
Asia (excluding Malaysia)	389	N/A
Europe	719	N/A
	<b>45,012</b>	<b>N/A</b>

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**

- (1) On 18 October 2019, a wholly-owned subsidiary, Dynaciate SPI Sdn. Bhd. (“DSPI”) had entered into a conditional sale and purchase agreement (“SPA”) with Mgudang Sdn. Bhd. (a wholly-owned subsidiary of MMAG Holdings Berhad) (“MGudang”) for the proposed disposal of 2 parcels of contiguous freehold land together with all buildings erected thereon, which are located at Kawasan Perusahaan Valdor, for a total cash consideration of RM41.00 million (“Proposed Disposal”).

On 6 January 2020, a circular in relation to the Proposed Disposal was circulated to shareholders and the Proposed Disposal was approved by shareholders at the extraordinary general meeting (“EGM”) held on 21 January 2020.

On 22 April 2020, DSPI has entered into a Supplemental Agreement with MGudang to vary the SPA to allow the Purchaser to defer the 2nd payment tranche of RM8.2 million to within twelve (12) months (instead of the original six (6) months) from the date of the SPA (on or before 18 October 2020) or upon fulfillment of all the conditions precedent as set forth in the SPA, whichever is later and upon full payment thereof, the delivery of vacant possession of the Property free from encumbrances to the Purchaser.

On 2 June 2020, DSPI had received a total sum of RM1.7 million being part payment of the 2<sup>nd</sup> Payment Tranche from MGudang.

On 19 October 2020, DSPI had via its lawyer, issued a Letter of Consent to grant a second extension of time (“2nd EOT”) on an interest free basis to MGudang to defer the payment of RM6.5 million being the balance amount of the 2<sup>nd</sup> Payment Tranche for six months to a date not later than 18 April 2021 from the date of the first EOT due on 18 October 2020 subject to and upon the following terms and conditions:

- (a) the payment of monthly rental of RM5,000 for partial vacant possession commencing 01 October 2020 through and up till the date of full vacant possession;
  - (b) the 2nd EOT shall be the last extension allowed; and
  - (c) the monthly rental payable by the Purchaser shall not constitute payment towards the 2nd Payment Tranche or the purchase price.
- (2) On 12 February 2020, DSPI 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 (“Proposed M&E Acquisition”);

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(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 had been fulfilled and accordingly, all the SPAs in relation to the Proposed Acquisitions have turned unconditional.

On 20 October 2020 and 27 October 2020 respectively, the Company announced that all the SPAs in relation to the Proposed Acquisition had been completed.

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 P.T. Indo Bestinox Industri (“PIBI”) to Siah Chin Pin for a total cash consideration of RM100. The SPA was completed on 3 March 2020 and the Company ceased to have any interest in PIBI.
- (b) On 27 May 2020, the Company disposed of its entire 100% equity interest in SMFI to Dato’ Siah Kok Poay and Siah Chin Pin for a total cash consideration of RM2. The SPA was completed on 29 May 2020 and the Company ceased to have any interest in SMFI.
- (c) On 5 October 2020, DSPI disposed of its entire 100% equity interest in Tatt Giap Hardware Sdn Bhd (“TGH”) to Dato’ Siah Kok Poay and Siah Chin Hoo for a total cash consideration of RM2.00. The SPA was completed on 13 October 2020 and the Company ceased to have any interest in TGH.

The nominal consideration for the disposals mentioned under (a), (b) and (c) was premised upon the loss-making position of PIBI, SMFI and TGH 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.

- (d) 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. The SPA was completed on 14 July 2020 and 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 August 2020.

**A13. Significant related party transactions**

	<b>Current quarter-ended 31 Aug 2020 RM'000</b>	<b>Current year- to-date ended 31 Aug 2020 RM'000</b>
Management fee paid/payable to related parties	(14)	(54)
Rental expense paid/payable to related parties	(388)	(1,180)
Professional fees paid/payable to related parties	(58)	(187)
Rental income received/receivable from related parties	9	341
Progress billings issued to related parties	9,708	24,290
	<u>9,257</u>	<u>23,210</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 these 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 31.8.2020					
<u>Financial liabilities</u>					
Term loans	-	-	(8,677)	(8,677)	(8,677)
Finance lease liabilities	-	-	(1,287)	(1,287)	(1,287)
	<u>-</u>	<u>-</u>	<u>(9,964)</u>	<u>(9,964)</u>	<u>(9,964)</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 3.5% to 8.10% (As at 30.11.2019: 4.02% to 8.60% per annum) 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	
	31.8.2020 RM'000	31.8.2019 RM'000	31.8.2020 RM'000	31.8.2019 RM'000
<b>Revenue</b>				
- steel	1,976	N/A	4,810	N/A
- construction	12,104	N/A	40,202	N/A
- others	-	N/A	-	N/A
	<b>14,080</b>	N/A	<b>45,012</b>	
<b>(Loss)/Profit before taxation</b>				
- steel	20	N/A	(45)	N/A
- construction	(4,645)	N/A	(8,890)	N/A
- others	(1,346)	N/A	(863)	N/A
	<b>(5,971)</b>	N/A	<b>(9,799)</b>	

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 August 2020.

During the quarter ended 31 August 2020, the Group posted revenue and loss before tax (“LBT”) of RM14.08 million and RM5.97 million respectively. While on the year-to-date basis, the Group recorded revenue of RM45.01 million and LBT of RM9.80 million. The construction segment contributed about 90% to consolidated revenue during the current quarter and period under review.

The Group's current quarter LBT position was due to lower productivity from construction activities which were halted during the MCO (Movement Control Order) from 18 March 2020 until 08 May 2020. Although the Group was able to resume its construction activities progressively slightly earlier upon receipt of approval and compliance with the relevant standards and guidelines, works were limited owing to restrictions still in place. Secondly, the lower revenue recognised during the quarter under review was insufficient to absorb the high fixed overheads coupled with some cost adjustment on certain projects.

Meanwhile, the current quarter LBT of RM1.35 million derived from others segment was mainly due to some upkeep cost incurred in relation to the investment property and some corporate exercise expenses incurred during the current quarter under review.

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**B2. Variation of results against preceding quarter**

	Current- quarter-ended 31.8.2020 RM'000	Immediate preceding quarter ended 31.5.2020 RM'000	Changes	
			RM'000	%
<b>Revenue</b>				
- steel	1,976	922	1,054	(114)
- construction	12,104	8,345	3,759	45
- others	-	-	-	-
	<b>14,080</b>	<b>9,267</b>	<b>4,813</b>	<b>52</b>
<b>(Loss)/Profit before taxation</b>				
- steel	20	(118)	138	117
- construction	(4,645)	(4,079)	(566)	(14)
- others	(1,346)	1,145	(2,491)	218
	<b>(5,971)</b>	<b>(3,052)</b>	<b>(2,919)</b>	<b>(96)</b>

The Group reported revenue of RM14.08 million and LBT of RM5.97 million during the current quarter under review as compared to RM9.27 million and RM3.05 million respectively in the immediate preceding quarter ended 31 May 2020.

Revenue from construction segment during the current quarter has improved as compared with the immediate preceding quarter. However, the LBT was mainly due to lower productivity affected by the different implementation phases of MCO and losses recognised resulted from cost adjustments on certain projects.

Current quarter LBT posted by the other segment was mainly due to some upkeep cost incurred with regards to the investment property and some corporate exercise expenses incurred during the current quarter under review. On the other hand, the profit before tax of RM1.14 million generated from other segments during the immediate preceding quarter ended 31 May 2020 were mainly due to a one-off gain from disposal of a subsidiary amounting to RM1.84 million.

**B3. Prospects**

The imposition of the MCO, has seriously affected the economy activities across all sector including the construction sector. The Board is of the view that prospects for the current financial year would be challenging in view of the worsening macroeconomic outlook as a result of on-going Covid-19 pandemic on top of the existing intense competition among market players and weak market sentiment. The Group remains cautious and vigilant in view of the impact and actively taking mitigating measures to weather the turbulent times.

**B4. Variance between actual profit and forecast profit**

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

**B5. Income tax expense**

	Current Quarter ended 31 Aug 2020 RM'000	Current year-to- date ended 31 Aug 2020 RM'000
Income tax expense	(4)	(13)

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

	<b>Current quarter-ended 31 Aug 2020 RM'000</b>	<b>Current year-to- date ended 31 Aug 2020 RM'000</b>
Interest income	(5)	(24)
Other income	(61)	(2,520)
Interest expense	175	1,041
Amortisation	-	-
Depreciation of investment properties	-	-
Depreciation of property, plant and equipment	320	864
Impairment loss on trade and other receivables	-	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	(2)	(7)
Unrealised (gain)/loss on foreign exchange	-	-
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 Aug 2020 are as follows:

	<b>Current Secured RM'000</b>	<b>Non-Current Secured RM'000</b>	<b>Total RM'000</b>
Term loans	1,442	7,235	8,677
Hire Purchases	305	982	1,287
Banker acceptance	7,883	-	7,883
<b>Total</b>	<b>9,630</b>	<b>8,217</b>	<b>17,847</b>

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 August 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.

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>quarter- ended</b>	<b>quarter ended</b>	<b>period ended</b>	<b>period ended</b>
	<b>31 Aug 2020</b>	<b>31 Aug 2019#</b>	<b>31 Aug 2019</b>	<b>31 Aug 2019#</b>
Loss attributable to owners of the Company (RM'000)	(5,975)	N/A	(9,812)	N/A
Weighted average number ordinary shares ('000)	590,107	N/A	536,460	N/A
Basic loss per share (sen)	(1.01)	N/A	(1.83)	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.*