



# **DYNACIATE GROUP BERHAD**

Registration No. 200601012544 (732294-W)

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2022**

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

(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENT  
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MAY 2022**

	<b>As at 31-May-22 Unaudited RM'000</b>	<b>As at 30-Nov-21 Audited RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	28,874	31,749
Investment properties	135,627	60,000
Investment in an associate	-	6,514
Intangible assets	157	-
<b>Total non-current assets</b>	<u>164,658</u>	<u>98,263</u>
<b>Current assets</b>		
Trade and other receivables	20,351	16,775
Current tax assets	35	20
Contract assets	222	673
Deposits, cash and bank balances	2,122	7,091
<b>Total current assets</b>	<u>22,730</u>	<u>24,559</u>
<b>Total assets</b>	<u>187,388</u>	<u>122,822</u>
<b>Equity</b>		
Share capital	114,534	92,348
Reserves	(33,216)	(31,533)
<b>Total equity attributable to owners of the Company</b>	<u>81,318</u>	<u>60,815</u>
Non-controlling interests	6,000	6,000
<b>Total equity</b>	<u>87,318</u>	<u>66,815</u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	2,047	1,615
Loans and borrowings	37,565	18,113
Other payables	3,653	5,874
<b>Total non-current liabilities</b>	<u>43,265</u>	<u>25,602</u>
<b>Current liabilities</b>		
Current tax liabilities	14	-
Loans and borrowings	1,910	1,449
Trade and other payables	53,047	28,052
Contract liabilities	1,834	904
<b>Total current liabilities</b>	<u>56,805</u>	<u>30,405</u>
<b>Total liabilities</b>	<u>100,070</u>	<u>56,007</u>
<b>Total equity and liabilities</b>	<u>187,388</u>	<u>122,822</u>
Net assets per ordinary share attributable to owners of the Company (sen)	8.33	8.17

*The unaudited Condensed Consolidated Statement of financial position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2021 with the accompanying explanatory notes attached to the financial statements.*

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

(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENT  
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MAY 2022**

	Individual period		Cumulative period	
	Current year- quarter-ended 31-May-22 RM'000	Preceding year corresponding quarter ended 31-May-21 RM'000	Current period- to-date 31-May-22 RM'000	Preceding year corresponding period ended 31-May-21 RM'000
Revenue	1,770	4,830	2,633	12,274
Cost of sales	(441)	(5,047)	(534)	(11,774)
<b>Gross profit</b>	<u>1,329</u>	<u>(217)</u>	<u>2,099</u>	<u>500</u>
Administrative expenses	(1,660)	(1,719)	(2,271)	(3,652)
Other operating expenses	(464)	-	(973)	-
Other income	236	1,087	401	1,104
Finance costs, net	(503)	(167)	(773)	(345)
Share of profit of associate, net of tax	-	-	(32)	-
<b>Loss before taxation</b>	<u>(1,062)</u>	<u>(1,016)</u>	<u>(1,549)</u>	<u>(2,393)</u>
Income tax expense	(4)	(3)	(4)	(4)
<b>Loss after taxation/Total comprehensive expenses for the financial period</b>	<u><u>(1,066)</u></u>	<u><u>(1,019)</u></u>	<u><u>(1,553)</u></u>	<u><u>(2,397)</u></u>
<b>Loss after taxation attributable to:</b>				
Owners of the Company	(1,066)	(1,019)	(1,553)	(2,397)
Non-controlling interests	-	-	-	-
	<u><u>(1,066)</u></u>	<u><u>(1,019)</u></u>	<u><u>(1,553)</u></u>	<u><u>(2,397)</u></u>
<b>Total comprehensive expenses attributable to:</b>				
Owners of the Company	(1,066)	(1,019)	(1,553)	(2,397)
Non-controlling interests	-	-	-	-
	<u><u>(1,066)</u></u>	<u><u>(1,019)</u></u>	<u><u>(1,553)</u></u>	<u><u>(2,397)</u></u>
<b>Loss per ordinary share (sen):</b>				
Basic	(0.12)	(0.15)	(0.19)	(0.38)
Diluted	N/A	N/A	N/A	N/A

*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 year ended 30 November 2021 with the accompanying explanatory notes attached to the financial statements.*

**DYNACIATE GROUP BERHAD 200601012544 (732294-W)**  
(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENT**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MAY 2022**

	<----- <i>Attributable to owners of the Company</i> ----->		<----- <i>Non-distributable</i> ----->		<i>Distributable</i> (Accumulated losses)/ Retained profits	Total	Non- controlling interests	Total Equity
	Share capital RM'000	Capital reserve RM'000	Warrant reserve RM'000	Retained profits RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 December 2021</b>	92,348	(11,369)	13,718	(33,882)	60,815	6,000	66,815	
Loss for the financial year	-	-	-	(1,553)	(1,553)	-	(1,553)	
Issuance of shares pursuant to acquisition of MGudang Sdn Bhd	17,295	-	-	-	17,295	-	17,295	
Issuance of shares pursuant to debt settlement	4,500	-	-	-	4,500	-	4,500	
Issuance of shares pursuant to conversion of ICPSs	391	(130)	-	-	261	-	261	
<b>Transactions with owners of the Company</b>	22,186	(130)	-	-	22,056	-	22,056	
<b>At 31 May 2022</b>	<b>114,534</b>	<b>(11,499)</b>	<b>13,718</b>	<b>(35,435)</b>	<b>81,318</b>	<b>6,000</b>	<b>87,318</b>	
<b>At 1 December 2020</b>	76,696	(10,833)	13,718	(46,487)	33,094	6,000	39,094	
Profit for the financial year	-	-	-	12,605	12,605	-	12,605	
Issuance of ordinary shares pursuant to private placement	14,392	(536)	-	-	13,856	-	13,856	
Issuance of ordinary shares pursuant to conversion of ICPSs	1,260	-	-	-	1,260	-	1,260	
<b>Transactions with owners of the Company</b>	15,652	(536)	-	-	15,116	-	15,116	
<b>At 30 November 2021</b>	<b>92,348</b>	<b>(11,369)</b>	<b>13,718</b>	<b>(33,882)</b>	<b>60,815</b>	<b>6,000</b>	<b>66,815</b>	

*The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2021 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 2022**

	<b>Current period- to-date 31-May-22 RM'000</b>	<b>Preceding year corresponding period ended 31-May-21 RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(1,549)	(2,393)
Adjustments for:		
Bargain purchase from acquisition of subsidiaries	(151)	-
Depreciation on property, plant and equipment	973	920
Depreciation on right-of-use assets	-	106
Gain on disposal of property, plant and equipment	(73)	-
Interest expense	773	345
Interest income	(10)	(4)
Reversal of impairment of contract assets	-	(1,070)
Share of loss of equity accounted associate	32	-
<b>Operating profit/(loss) before working capital changes</b>	<u>(5)</u>	<u>(2,096)</u>
<b>Changes in working capital:</b>		
Decrease/(Increase) in trade and other receivables	18,283	(6,772)
Decrease in contract assets	451	14,682
(Decrease)/Increase in trade and other payables	(16,161)	(5,282)
Increase in contract liabilities	930	2,770
<b>Cash generated from operations</b>	<u>3,498</u>	<u>3,302</u>
Income taxes paid	(46)	(6)
<b>Net cash generated from operating activities</b>	<u>3,452</u>	<u>3,296</u>
<b>Cash flows from investing activities</b>		
Acquisition of a subsidiary, net of cash acquired	(485)	-
Acquisition of other investment	-	(4,000)
Acquisition of property, plant and equipment	(11)	(36)
Acquisition of investment properties	(27,431)	-
Interest received	9	4
Placement of fixed deposit	(405)	-
<b>Net cash used in investing activities</b>	<u>(28,323)</u>	<u>(4,032)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(679)	(88)
Repayment of banker acceptances, net of drawdown	(806)	(144)
Drawdown of term loan, net of repayment	20,902	-
Proceeds from issuance of ordinary shares pursuant to conversion of ICPS	261	549
Proceeds from issuance of ordinary shares pursuant to private placement	-	8,170
Repayment of finance lease liabilities	(182)	(734)
<b>Net cash generated from financing activities</b>	<u>19,496</u>	<u>7,753</u>
Net (decrease)/increase in cash and cash equivalents	(5,375)	7,017
Cash and cash equivalents as at beginning of financial period	7,091	2,234
<b>Cash and cash equivalents as at end of financial period</b>	<u>1,716</u>	<u>9,251</u>
<b>Cash and cash equivalents comprise of:-</b>		
Cash and bank balances	1,707	9,039
Short term deposits with licensed banks	415	212
Deposits, cash and bank balances	<u>2,122</u>	<u>9,251</u>
Less: Deposits with more than three months maturity	(406)	-
Cash and cash equivalents	<u>1,716</u>	<u>9,251</u>

*The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2021 with the accompanying explanatory notes attached to the financial statements.*

# DYNACIATE GROUP BERHAD

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 2022

### 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 (“Bursa Securities”).

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 November 2021. 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 year ended 30 November 2021.

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 period beginning on or after 1 January 2021**

- Amendment to MFRS 9, *Financial Instruments*
- MFRS 139, *Financial Instruments: Recognition and Measurement*
- MFRS 7, *Financial Instruments: Disclosures*
- MFRS 4, *Insurance Contracts*
- MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

#### **MFRSs, interpretations and amendments effective for annual period beginning on or after 1 April 2021**

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

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

- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provision, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023**

- Amendments to MFRS 4, *Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9*
- MFRS 17 and Amendments to MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Initial Application of MFRS 17 and FRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

**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.

**A2. Qualification of financial statements**

The auditor's report on the audited financial statements for the financial year ended 30 November 2021 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**

Save as disclosed below, there were no issuance, cancellation, repurchases, resale and repayments of debts and equity securities during the financial quarter ended 31 May 2022.

1. On 4 April 2022, the Company completed the proposed acquisition of MGudang Sdn. Bhd. (“MGSB”) from MMAG Holdings Berhad (“MMAG”) and proposed settlement of amount owing by MGSB to MMAG with the issuance and listing of 180,157,290 ordinary shares and 46,875,000 ordinary shares at an issue price of RM0.096 each to MMAG respectively; and
2. The Company issued 5,350,000 new ordinary shares at RM0.12 per ordinary shares arising from the conversion of 6,350,000 Irredeemable Convertible Preference Shares (“ICPS”)

**A7. Dividend Paid**

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

**A8. Segmental information**

The reportable segments of the Group are:

Property investment and others	Includes rental of investment properties
Construction	Includes construction, civil and mechanical engineering, architectural steel fabrication and installation works

The Group operates principally in Malaysia.

The Group’s business is operated entirely within Malaysia and as such, no segment information based on geographical location is presented.

Financial period ended 31.05.2022	Construction RM'000	Property investment & others RM'000	The Group RM'000
<b>External revenue</b>	878	1,755	<b>2,633</b>
<b>Results</b>			
(Loss)/profit before following adjustments:	(348)	568	<b>220</b>
Gain on disposal of property, plant and equipment	73	-	<b>73</b>
Interest income	1	9	<b>10</b>
Depreciation of property, plant and equipment	(971)	(2)	<b>(973)</b>
Share of loss of associate, net of tax	-	(32)	<b>(32)</b>
Segment results	(1,245)	543	<b>(776)</b>
Finance costs			<b>(773)</b>
Taxation			<b>(4)</b>
Loss after taxation			<b><u>(1,553)</u></b>



<b>Financial period ended 31.05.2022</b>	<b>Construction RM'000</b>	<b>Property investment &amp; others RM'000</b>	<b>The Group RM'000</b>
<b>As at 31.05.2022</b>			
<b><u>Assets</u></b>			
Segment assets	47,413	139,940	<b>187,353</b>
Unallocated assets			<u>35</u>
Consolidated total assets			<u><b>187,388</b></u>
<b><u>Liabilities</u></b>			
Segment liabilities	47,331	52,725	<b>100,056</b>
Unallocated liabilities			<u>14</u>
Consolidated total liabilities			<u><b>100,070</b></u>

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

Save as disclosed below, there were no material events subsequent to the end of the interim period under review:

- On 1 March 2022, the Company announced the plan to undertake a Proposed 40% Private Placement (“**Announcement I**”). The additional listing application in relation to the Proposed 40% Private Placement has been submitted to Bursa Securities on 4 March 2022.

Subsequent to the Announcement I, there were material developments to the Group and thereby, on 29 April 2022, the Company announced via Announcement II additional and updated information which have material effects to the Proposed 40% Private Placement. In view of the above, the additional listing application which was submitted to Bursa Securities on 4 March 2022 was withdrawn and the revised additional application for the Proposed 40% Private Placement was submitted to Bursa Securities on 13 May 2022.

Bursa Securities had, vide its letter dated 14 June 2022, approved the listing and quotation for the Proposed 40% Private Placement.

On 4 July 2022, a circular in relation to the Proposed 40% Private Placement was circulated to shareholders and on 26 July 2022, the Proposed 40% Private Placement were approved by shareholders at the extraordinary general meeting.

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Notes to the Unaudited Interim Financial Report for the second quarter ended 31 May 2022

(Cont'd)

2. On 18 April 2022, The Company announced that its wholly owned subsidiary, Magnitude Resources Sdn. Bhd. (“**MRSB**”) had on 18 April 2022, entered into a sale and purchase agreement with Grand Century Construction Sdn. Bhd. for the proposed acquisition of all that piece of vacant freehold commercial land held under Geran 267432 Lot 60031, Pekan Seremban Jaya, Daerah Seremban, State of Negeri Sembilan with an area measuring approximately 4.913 acres for total consideration of RM13 million (“**Proposed Acquisition of Senawang Land**”). The Proposed Acquisition of Senawang Land was completed on 17 July 2022.
3. On 7 June 2022, The Company announced that its wholly owned subsidiary, Ingenieur EPCM Sdn. Bhd. (formally known as Dynaciate SPI Sdn. Bhd.) had, on even date, entered into the conditional sale and purchase agreement with MTrustee Berhad, as the trustee of Capitaland Malaysia Trust for the disposal of the freehold land held under GM448, Lot 1628 and GM450, Lot 1630, both in Mukim 12, Tempat Ladang Valdor, Dearah Seberang Perai Selatan, Negeri Pulau Pinang together with the buildings erected thereon. for the disposal consideration of RM80 million.
4. On 14 June 2022, The Company announced that its wholly owned subsidiary, MRSB had, on even date, entered into the sale and purchase agreement with Powernet Industries Sdn. Bhd. for the proposed acquisition of all that piece of freehold industrial land held under Lot 10231, GM7196, Mukim of Bentong, District of Bentong, Pahang Darul Makmur with an area measuring approximately 23,550 square metres together with buildings erected thereon (including fixtures and fittings) for total cash consideration of RM12 million (“**Proposed Bentong Acquisition**”) . The Proposed Bentong Acquisition was completed on 17 June 2022.
5. On 21 June 2022, The Company announced that its wholly owned subsidiary, MRSB had, on even date, entered into the sale and purchase agreement with Sime Darby Property (Nilai) Sdn. Bhd. for the proposed acquisition of all that piece of freehold industrial land with a single-storey detached factory with a two-storey office building identified as H.S. (D) 252503, PT 33999 within Mukim Setul, District of Seremban, State of Negeri Sembilan measuring approximately 7,689.62 square metres in area for total cash consideration of RM15 million.
6. On 26 July 2022, the Company obtained its shareholders approval for the proposed change of name of the Company from Dynaciate Group Berhad to Ingenieur Gudang Berhad.

**A10. Changes in composition of the Group during the financial year ending 30 November 2022**

Save as disclosed below, there were no other changes in the composition of the Group.

1. On 30 December 2021, the Company entered into a Share Sales Agreement (“SSA”) with Dato Seri Teoh Hai Hin to acquire 100% equity interest of 2 ordinary shares in Hong Seng Energy Sdn. Bhd. (“HSESB”) at cash consideration of RM2.00. The SSA was completed on 4 January 2022. HSESB is involve in property investment for the purpose of generating rental income.

2. On 4 April 2022, the Company has completed the proposed acquisition of MGudang Sdn. Bhd. from MMAG Holdings Berhad upon issuance and allotment of 180,157,290 new DGB shares and on even date, DGB has owned 100% of MGudang Sdn Bhd.
3. On 13 June 2022, the Company has incorporated a wholly owned subsidiary, MGudang Holdings Sdn. Bhd. with an initial paid up capital of RM100.00.

**A11. Contingent liabilities**

As at 31 May 2022, the Company has issued corporate guarantees for banking facilities granted to subsidiaries of which RM9.19 million were utilised. Additionally, the Company has also issued corporate guarantees totalling RM2.00 million in favour of suppliers of a subsidiary, of which RM0.11 million were utilised.

**A12. Capital commitment**

	<b>As at 31.05.2022</b>
	<b>RM'000</b>
Approved and contracted for	
– Investment properties	21,249

**A13. Significant related party transactions**

There were no significant related party transactions during the financial quarter and period under review.

**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 year under review.

**A15. Fair value of financial instruments**

	<b>Fair value of financial instruments not carried at fair value</b>				<b>Carrying Amount</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	<b>RM'000</b>
<b>As at 31.05.2022</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Financial liabilities</u>					
Term loan	-	-	(38,993)	(38,993)	(38,993)
Finance lease liabilities	-	-	(482)	(482)	(482)
Amount due to companies in which certain Director of a subsidiary have a substantial financial interest	-	-	(12,026)	(12,026)	(12,026)
	-	-	(51,501)	(51,501)	(51,501)

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Notes to the Unaudited Interim Financial Report for the second quarter ended 31 May 2022

(Cont'd)

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 3.52% to 4.50% (As at 30.11.2021: 3.27% to 4.25% per annum) per annum at the end of the reporting period.

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

**B1. Review of performance**

	Individual Quarter				Cumulative Period			
	31.05.22	31.05.21	Changes		31.05.22	31.05.21	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
<b>Revenue</b>								
- Construction	825	4,830	(4,005)	-83%	878	12,274	(11,396)	-93%
- Property Investment & Others	945	-	945	100%	1,755	-	1,755	100.00
	<b>1,770</b>	<b>4,830</b>	<b>(3,060)</b>	<b>-63%</b>	<b>2,633</b>	<b>12,274</b>	<b>(9,641)</b>	<b>-79%</b>
<b>(Loss)/Profit before taxation</b>								
- Construction	(940)	(414)	(526)	-127%	(1,729)	(1,385)	(344)	-25%
- Property Investment & Others	(122)	(602)	480	80%	180	(1,008)	1,188	118%
	<b>(1,062)</b>	<b>(1,016)</b>	<b>(46)</b>	<b>-5%</b>	<b>(1,549)</b>	<b>(2,393)</b>	<b>844</b>	<b>35%</b>

The Group posted revenue of RM1.77 million and loss before tax (“LBT”) of RM1.06 million for the second quarter ended 31 May 2022 (“Q2FY2022”) as compared to revenue of RM4.83 million and LBT of RM1.02 million for the second quarter ended 31 May 2021 (“Q2FY2021”).

The Group posted lower revenue compared to Q2FY2021 mainly due to lower order book on hand in construction segment while its LBT captured at RM0.94 million. LBT in construction was mainly due to lower revenue recognised which was insufficient to absorb its overheads expenditures, such as depreciation, finance cost and other administrative costs. However, property investment continues to generate stable revenue of RM0.94 million during the current quarter under review. Property segment posted lower LBT of RM0.12 million during the current quarter compared to Q2FY2021 mainly due to positive contribution from rental income.

On year-to-date basis, the Group posted revenue and LBT of RM2.63 million and RM1.55 million respectively as compared to revenue of RM12.27 million and LBT of RM2.39 million recorded in the 6 months financial period ended 31 May 2021.

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

	Current	Immediate	Changes	
	quarter ended	preceding		
	31.05.22	quarter	RM'000	%
	RM'000	ended	RM'000	%
		28.02.22		
		RM'000		
<b>Revenue</b>				
- Construction	825	53	772	1457%
- Property Investment & Others	945	810	135	17%
	<b>1,770</b>	<b>863</b>	<b>907</b>	<b>105%</b>
<b>(Loss)/Profit before taxation</b>				
- Construction	(940)	(789)	(151)	-19%
- Property Investment & Others	(122)	302	(424)	140%
	<b>(1,062)</b>	<b>(487)</b>	<b>(575)</b>	<b>-118%</b>

**DYNACIATE GROUP BERHAD**

Registration No. 200601012544 (732294-W)

(Incorporated in Malaysia)

Notes to the Unaudited Interim Financial Report for the second quarter ended 31 May 2022

(Cont'd)

The Group reported revenue and LBT of RM1.77 million and RM1.06 million respectively as compared with revenue of RM0.86 million and LBT of RM0.49 million reported in the immediate preceding quarter ended 28 February 2022 (“Q1FY2022”). Group revenue has improved approximately RM0.9 million compared to Q1FY2021 mainly due to higher construction revenue recognised during the current quarter under review.

Rental income generated from investment properties & others segment has been pivotal in contributing to consolidated revenue during the quarter under review. However, property investment and other segment posted LBT of RM0.12 million mainly due to higher corporate exercises expenditures incurred during the quarter.

**B3. Prospects**

The Board is of the view that manufacturing sector when reflecting to the current market climate will continue to grow. The Group’s continued investment in the industrial and commercial warehousing facilitation amongst the mid-term recalibration and construction planning activities will best position the Group, both strategically and operationally.

The recent completion of the Proposed Acquisition of MGSB from MMAG is expected to strengthen the Group’s business activities and operations and provide the Group with strong recurring rental income going 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 quarter ended 31.05.2022 RM’000	Current year-to- date ended RM’000
Income tax expense	4	4

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

	<b>Current quarter ended 31.05.2022 RM'000</b>	<b>Current year-to- date ended RM'000</b>
Interest income	(1)	(10)
Interest expense	503	773
Bargain purchase from acquisition of subsidiaries	(151)	(151)
Depreciation on property, plant and equipment	464	973
Impairment loss on contract assets	-	-
Fair value gain on investment properties	-	-
Reversal of impairment of contract assets	-	-
Share of loss/(gain) of associate	-	32
Gain on disposal of plant and equipment	(73)	(73)
Realised loss/(gain) on foreign exchange	-	-
Impairment loss on property, plant and equipment	-	-

**B7. Corporate proposals**

Save as disclosed in Note A9 item 1 and 3, there were 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 2022 are as follows:

	<b>Current Secured RM'000</b>	<b>Non-Current Secured RM'000</b>	<b>Total RM'000</b>
Term loans	1,552	37,442	38,993
Finance lease liabilities	358	124	482
<b>Total</b>	<b>1,910</b>	<b>37,565</b>	<b>39,475</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 did not recommend any dividend for the current quarter and period ended 31 May 2022.

**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 Financial Quarter ended</b>		<b>Cumulative Financial Period ended</b>	
	<b>31.05.2022</b>	<b>31.05.2021</b>	<b>31.05.2022</b>	<b>31.05.2021</b>
Loss attributable to owners of the Company (RM'000)	(1,066)	(1,019)	(1,553)	(2,397)
Weighted average number ordinary shares ('000)	889,775	666,913	817,789	629,486
Basic loss per share (sen)	(0.12)	(0.15)	(0.19)	(0.38)

**(b) Diluted**

The diluted earnings/(loss) per share of the Group is calculated from the profit/(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 year.

The diluted earnings/(loss) per share of the Group were not presented as the effect of the assumed conversion of 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.

This report is dated 26 July 2022.