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DYNACIATE

DYNACIATE GROUP BERHAD

200601012544 (732294-W)

Resilience *and* SUSTAINABILITY

ANNUAL REPORT

2021

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Independent Non-Executive Chairman
Dato' Liang Chee Fong, Thomas

Executive Director
Tan Ooi Jin

Independent Non-Executive Directors

Lim Peng Tong
Tan Siew Peng
Ng Keok Chai
Dato' Seri Dr. Chen Chaw Min

AUDIT COMMITTEE

Tan Siew Peng *(Chairman)*
Dato' Liang Chee Fong, Thomas
Lim Peng Tong
Ng Keok Chai

NOMINATION COMMITTEE

Lim Peng Tong *(Chairman)*
Dato' Liang Chee Fong, Thomas
Tan Siew Peng
Ng Keok Chai

REMUNERATION COMMITTEE

Lim Peng Tong *(Chairman)*
Dato' Liang Chee Fong, Thomas
Tan Siew Peng
Ng Keok Chai

COMPANY SECRETARIES

Tai Yit Chan *(MAICSA 7009143)*
(SSM PC No. 202008001023)
Ong Tze-En *(MAICSA 7026537)*
(SSM PC No. 202008003397)

AUDITORS

Grant Thornton Malaysia PLT
201906003682 (LLP0022494-LCA)
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
T: (603) 2692 4022
F: (603) 2732 1010

LEGAL FORM AND DOMICILE

Public limited liability company incorporated and domiciled in Malaysia

PRINCIPAL PLACE OF BUSINESS

J-08-3A, Block J, Setiawalk
Persiaran Wawasan
Pusat Bandar Puchong
47160 Puchong
Selangor, Malaysia
T: (603) 5879 7662

REGISTERED OFFICE

170-09-01, Livingston Tower
Jalan Argyll, 10050 George Town
Pulau Pinang
T: (604) 229 4390
F: (604) 226 5860

SHARE REGISTRAR

Agriteum Share Registration Services Sdn. Bhd. (578473-T)
2nd Floor, Wisma Penang Garden
No. 42, Jalan Sultan Ahmad Shah
10050 Pulau Pinang
T: (604) 228 2321
F: (604) 227 2391

PRINCIPAL BANKERS

Ambank Berhad (8515-D)
Hong Leong Bank Berhad (97141-X)
Public Bank Berhad (6463-H)

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Code : 5178
Stock Name : DYNACIA
Listing Date : 22 July 2010

WEBSITE

www.dynaciategroup.com.my

GROUP CORPORATE STRUCTURE
AS AT 24 MARCH 2022

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DYNACIATE
Registration No. 200601012544 (732294-W)

100% **Dynaciate SPI Sdn. Bhd.**
Registration No. 200501030251 (712388-D)

100% **Magnitude Resources Sdn. Bhd.**
Registration No. 202101009903 (1410202-W)

100% **Hong Seng Energy Sdn. Bhd.**
Registration No. 202101021177 (1421477-V)

25.49% **MGudang Sdn. Bhd.**
Registration No. 200001006769 (509374-P)

Holding Company · Subsidiaries · Associate Company

4 SUSTAINABILITY STATEMENT

INTRODUCTION

Our sustainability statement in respect of financial year ended 30 November 2021 ("FYE 2021") illustrates Dynaciate Group Berhad ("DGB") and its subsidiaries' ("DGB Group" or "the Group") progress over its sustainability challenges and opportunities from Economic, Environmental and Social ("EES") dimensions associated with our business and operational activities during the financial year under review. This statement is prepared in accordance with Bursa Malaysia Sustainability Reporting Guide and the principles of the Malaysia Code of Corporate Governance 2017.

This statement demonstrates commitment from DGB towards discharging our social responsibility concurrent with our holistic approach to our business management, taking into consideration EES risks and opportunities alongside financial implications, as a measure to generate long term benefits and business continuity. We take steps to look into progressive improvement of our sustainability footprints by integrating, wherever possible, sustainable practices into our business activities.

Following our exit from the steel products business, the Group has been focused on growing its new core business in civil and mechanical engineering, architectural, steel fabrication and installation works. Notwithstanding the rollout of vaccination programs nationwide during the year under review, intermittent lockdowns implemented from time to time to curb the spread of Covid-19 pandemic had posed disruption across industries and severely affected business activities and operations whilst increasing costs. The construction industry and by extension, the group were not spared.

As part of the initiatives to mitigate the Covid-19 related adverse impact to the Group's existing construction activities, the Board of Directors ("Board") have pivoted to industrial and commercial warehousing sector to be part of the Group's recalibration and planning to better position the Group strategically and operationally.

GOVERNANCE STRUCTURE

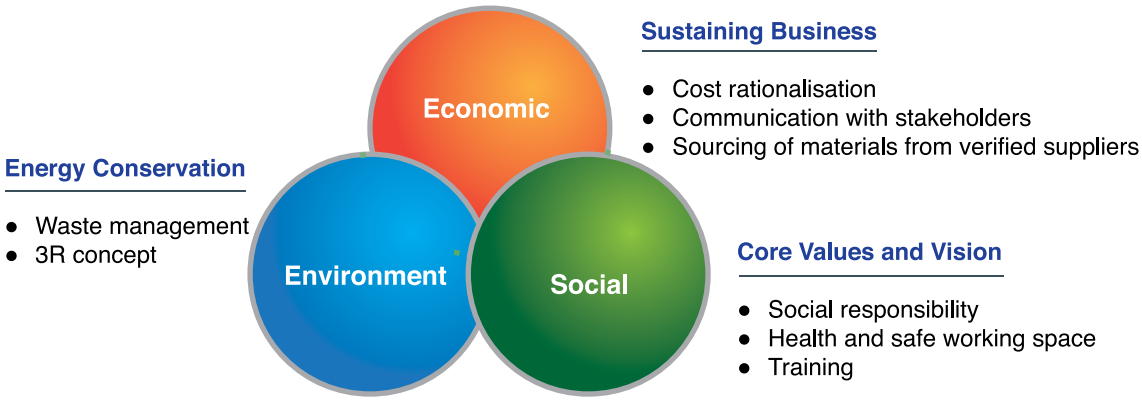
We have always conduct our business activities in an ethically responsible manner and in compliance with prevailing laws and regulations. In doing so, our actions reflect transparency and accountability whilst strengthening the trust of our stakeholders.

The Board is committed to upholding and implementing sound standards of corporate governance within the Group. Adherence to recommended practices in governance as enshrined in the Board Charter and various other board policies has enabled the Board and the Group to safeguard our reputation and boost shareholders' value as the transformation progresses. Essentially, the Board drives and fosters a corporate culture with sound standards of governance, integrity, transparency and accountability.

A Risk Management Committee ("RMC"), a management level committee which reports to the Audit Committee, was established during FYE 2020. The RMC is led by the Chief Financial Officer ("CFO") who is also the Chief Risk Officer. The CFO drives risk management initiatives with support from the members of the RMC who represent key business units within the Group. The RMC is tasked to implement initiatives that will help to identify and improve pertinent economic, environmental and social matters and other areas of concerns whilst keeping sight of Board's main focus of financial wellbeing and growth of the Group after years of sustained losses.

SUSTAINABILITY APPROACH AND PRINCIPLES

As of now, the Group has undertaken the following initiatives as an integral part of its business operations and practices to sustain its financial well-being while contributing to the welfare of our employees, stakeholders, the general public and the communities where we operate in. Our sustainability approach as seen through the EES perspective is as illustrated:



ECONOMIC

The Group's priority is business sustainability. Since our last reporting, the Group is still coming to grips with the adverse impact the Covid-19 pandemic has had on the economy and in particular, the construction industry.

To that end, the Board is determined to turn around the financial performance of the Group by closely monitoring our economic performance and managing our resources effectively to ensure that we are adequately funded with sufficient cash reserve for business growth and acquisitions. In keeping with our strategic planning to ensure diversification beyond construction and fabrication works, the Group has expanded its property investment arm by pivoting into industrial and commercial warehousing sector to support the booming online retail business which will better position the Group financially and operationally amidst challenging business environment and overreliance on our existing core business. The on-going acquisition exercises are expected to strengthen the Group's business activities and operations and provide the Group with strong recurring income going forward.

The Group recognises that the shareholders and the investing public are entitled to timely and quality information on the Group including its financial performance. The corporate website at www.dynaciategroup.com.my is the Group's efforts to facilitate easy access to all the information on the Group.

The Group is committed to see that not only our shareholders' interest is taken care of but also that of our customers and suppliers. Our close business partnerships with our supply chain have enabled all parties to have clear and definitive understanding of roles and responsibilities vis-a-vis needs, rules and regulations of the Group. We continue to prioritise the engagement of local suppliers and contractors to help develop and grow our sustainable practices along the supply chain whilst stimulating the local economy.

6 SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY APPROACH AND PRINCIPLES (CONT'D)

ENVIRONMENT

Under our construction business, the Group practices on-site waste management for effective utilisation of material with minimal waste and proper segregation of waste material to minimise impact to environment. All construction waste is segregated so that these can be identified for recycling for reuse or transported to designated disposal sites during off peak hours to avoid disruption of the public's daily commute.

In our premises, installation of energy efficient lighting and other appliances contribute to better consumption. We also use efficient inverter air conditioning units and LED (light emitting diodes) lights to reduce energy usage in our office premises. Additionally, we place pots of hardy indoor plants in our offices to improve air circulation, reduce carbon footprints and improve morale.

The 3R concept (Reduce, Reuse & Recycle) is practised and we encourage everyone to practice energy saving acts such as reducing the number of air conditioners operating at any given time and minimise electricity wastage by turning off lights and electrical products when not in use. All our employees are to prioritise electronic means as the primary mode of sharing and storing documents with printing or photocopying kept to a minimal or to use double sided printing.

SOCIAL

Anchoring our initiatives here are our employees and the communities in which we operate in. We believe that getting the governance message right and across to our audience is important. The Directors have ensured that the corporate vision, mission and core values, Code of Ethics and Conduct ("Code"), Anti-Bribery and Corruption policy as well as the Whistleblowing Policy are implemented, disseminated and understood by all Directors and employees. Induction training has been revamped to incorporate key elements of the above governance policies to better guide and foster both existing and new employees' understanding and eventual adoption of the Group's governance practices.

Talent retention is one of the most challenging scope in our human resource practices. We see caring for employees rising in importance, with inclusivity and diversity high in priority. Employee safety, health and wellness are critical and will remain so as we emerge from the pandemic crisis.

The Group kept its priorities right throughout the lockdown period, with safety and wellbeing right on the top. We had implemented stringent health and safety standard operating procedures ("SOPs") including suspending unnecessary visits to the construction and fabrication sites and limiting any visits to only pre-authorised essential employees.

SUSTAINABILITY APPROACH AND PRINCIPLES (CONT'D)

SOCIAL (CONT'D)

All employees non-essential to the running of construction sites and fabrication works were required to work from home, while those working on site and in the fabrication plants have to adhere to SOPs and segregation of workforce during shift handovers. We had also implemented a split team rotation for employees returning to the office to minimise risk of infection. Personal protection equipment is provided to all our employees entering our fabrication yard and/or construction sites. Our employees are trained to be fully aware on the safety and health measures and to meet the SOPs.

The other focus area is continued upskilling of our employees across all levels through professional development programs and trainings for better personal performance, leadership skills and career development. We had organised internal training, engage external expertise and as well as encourage our employees to enrol in online seminars and courses to enhance their knowledge.

At the same time, all social events (especially those employee-oriented and/or organised to mark occasions and cultural festivities) were curtailed indefinitely.

As a general rule, we maintain a no-bias recruitment policy. We encourage the recruitment of suitably qualified female personnel. Equality and gender diversity is one of the hallmarks of working in the Group. We nurture a dynamic work environment that celebrates diversity and equality. Our talent recruitment is merit-based which ensures diversity of qualifications and experiences, age, gender and ethnicity.

In a challenging and unprecedented year beset by the pandemic, Directors and employees gave up to 30% of their salaries as a gesture of solidarity to help the Group manage through the challenges. At the same time, natural attrition was not replaced with the savings from this workforce sufficient to sustain remaining workforce. Nonetheless, the adverse impact from pandemic were far reaching and the executive leadership took the difficult decision to curtail construction related activities. As a result, head count and associated costs were significantly reduced following transfer to a company owned by certain then Directors of the Company.

CONCLUSION

The Board recognises that embedding sustainability into the Group's business is a continuous and evolving practice in which the Board will strive to enhance in order to achieve its long term sustainable financial growth whilst balancing our commitment to customers, the welfare of our community and requirements of other stakeholders.

MANAGEMENT DISCUSSION & ANALYSIS

GROUP'S BUSINESS AND OPERATION OVERVIEW

Dynaciate Group Berhad ("DGB" or "Company") and subsidiaries ("DGB Group" or "Group") are principally involved in the construction business where the Group provides civil, main mechanical, architectural, piping pre-fabrication and installation works and services.

Financial year ended 30 November 2021 ("FYE 2021") has been one of the most challenging years for the Group as the Covid-19 pandemic triggered significant economic disruptions to business operations and activities and tremendous risks to the health and safety of global populations.

Through these challenges, the Group has persevered through its diversification into construction segment and streamlining efforts to include property investments following the complete disposal of its steel products business segment in the previous financial year. Yet, the anticipated growth did not materialise as the period of uncertainties and disruptions caused by the pandemic prolonged into a second year.

The construction industry suffered substantial contraction owing to work sites closures which had, in turn, affected domestic growth. Business recovery has been slow even as more sectors recommenced full scale operations. As a result, the Group witnessed a significant dip in revenue to RM16.20 million from RM59.25 million reported for FYE 2020.

As we marked the second year of the pandemic, our focus shifted to business continuity and sustainability. Our Board of Directors ("Board") have recalibrated our strategic direction by pivoting into industrial and commercial warehousing sector to rebuild our sustainability that will better position the Group strategically and operationally moving forward. This silver lining behind these dark clouds has been instrumental in lifting us out of the business doldrums.

FINANCIAL RESULTS HIGHLIGHTS

More than a year after the pandemic, its rippling effects continued to be felt. The growth anticipated during the year under review when the Group pivoted to civil and mechanical engineering, architectural, steel fabrication and installation works could not be realised. Instead, intermittent lockdowns imposed by federal government to keep the pandemic at bay had caused the Group to face an exceptionally trying time with pushback in delivery of projects and shrinking order books.

Given the overall lacklustre performance of the construction industry, the Board had recalibrated our strategic direction to mitigate negative impact to our construction segment. The difficult decision to expand our property investment segment by entering into industrial and commercial warehousing sector has been promising as recurring income from our strategically situated properties has put us in a stronger financial footing.

As a result of the efforts in streamlining business activities and realigning resources, the Group has recorded a gross profit of RM0.97 million as compared to a gross loss of RM6.2 million in FYE 2020.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

FINANCIAL RESULTS HIGHLIGHTS (CONT'D)

The year-on-year financial performance of the Group is summarised as below:

Statement of Profit or Loss and Other Comprehensive Income	FYE 2021 (RM'000)	FYE 2020 (RM'000)
Revenue (by segment)		
Construction	15,121	53,489
Steel products	-	5,760
Investment properties & others	1,080	-
Total	**16,201**	**59,249**
(Loss)/Profit before tax		
Construction	(3,954)	(13,715)
Steel products	-	(118)
Investment properties & others	18,158	(4,322)
Total	**14,204**	**(18,155)**

Statement of Financial Position	As at 30 November 2021	As at 30 November 2020
Total assets (RM'000)	122,822	106,997
Total liabilities (RM'000)	56,007	67,903
Borrowings (RM'000)	19,562	25,935
Equity attributable to owners of the Company (RM'000)	60,814	33,094
Number of ordinary shares ('000)	744,204	590,118

Financial Indicators	As at 30 November 2021	As at 30 November 2020
Debt-to-equity ratio	0.32	0.78
Net assets per share (sen)	8	6

The Group returned to the black by posting profit before taxation ("PBT") of RM14.20 million, a marked improvement from a loss before taxation ("LBT") of RM18.16 million in FYE 2020 arising from recognition of the fair value gain of RM18.97 million from investment property located in the state of Penang. The revaluation has also strengthened our balance sheet by boosting total assets to RM122.82 million from RM107.00 million as at FYE 2020.

Another positive effect was the improvement in debt-to-equity ratio to 0.32 times (FYE 2020: 0.78 times) as the Group's equity attributable to owner of the Company grew to RM60.80 million from RM33.10 million as at FYE 2020. Net assets per share stood at 8 sen as at 30 November 2021.

No dividend was proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of FYE 2021.

10 MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

SEGMENTAL REVIEW

Construction Segment

The segment saw a significant drop in revenue to RM15.12 million which resulted in a LBT of RM3.95 million as opposed to revenue of RM53.49 million and LBT of RM13.71 million reported for FYE 2020.

The significant 72% slide in revenue contribution was mainly due to low order book and slow work progress affected by prolonged lockdowns enforced during the year under review. The losses suffered in the construction segment resulted from low revenue recognition which was insufficient to absorb overhead expenditures such as depreciation as well as finance and administrative costs. Given the difficulties faced, headcount and associated costs were significantly reduced following transfer to a company owned by certain Directors of a subsidiary. This attrition and other cost cutting exercises implemented even pre-pandemic has enabled the Group to weather the worst of storm and be better prepared to take on a post-pandemic economy.

Today, the Group is in the midst of negotiating for an EPCC (Engineering, Procurement, Construction and Commissioning) contract as part of a sizeable project involving construction of a chemical plant in addition to active participation in potential project biddings. In view of the positive outlook going forward, the Group is confident to secure new deals to strengthen its order book and financial position.

INVESTMENT PROPERTIES & OTHERS SEGMENT

During the year under review, the Group diversified into investment properties sector through the strategic investment in MGudang Sdn. Bhd. ("MGudang").

This diversification effort has yielded positive results thus far. We have successful secured a tenancy with an independent third-party logistic company for part of the Group's investment properties located in the state of Penang for a 3-year period commencing 1 August 2021 for a monthly rental of RM260,000. This has enabled the Group to recognise revenue contribution of RM1.08 million under this fledgling segment. The recurrent rental income will contribute positively to the Group's liquidity position and rental yield.

Meanwhile, the PBT of RM18.16 million reported by this segment was contributed by fair value gain from investment properties set-off with corporate exercise expenses.

As we step into year 2022, the local real estate sector is slowly seeing a revival while the current economic conditions are slowly improving. New opportunities are still aplenty in these changing markets and the real estate sector (particularly for industrial buildings) is ready to capture the pent-up demand following the boom of e-commerce and online sales strategies which requires warehouses and storage spaces.

Therefore, the Group expects to see better rental yield and performance from this segment upon the investment properties held being fully tenanted and/or appreciation in the market value of the properties in the upcoming financial period.

The Group has offered an interested party intending to lease the remaining Penang based properties and negotiations ongoing to finalise the terms and conditions. The Group is expected to generate a good rental yield upon the deal being sealed with the entire factory tenanted.

CORPORATE DEVELOPMENT

Notwithstanding the challenges, the Group has pressed on its initiatives to strengthen its operational performance by undertaking several corporate exercises to, among others, acquire new properties to build up its portfolio of industrial buildings for lease and/or tenancy and place the Group on a strong financial footing to move forward.

On 16 April 2021, a wholly-owned subsidiary, Dynaciate SPI Sdn. Bhd. ("DSPI") entered into a Deed of Mutual Termination with MGudang for the termination of the Conditional Sale and Purchase Agreement dated 18 October 2019 and the Supplemental Agreement dated 22 April 2020 in connection with the disposal of two (2) parcels of contiguous freehold land together with a detached factory premise in Penang. As highlighted earlier, the Group has rented out part of the properties and currently generating fruitful rental yield.

On 4 May 2021, the Company announced its decision to acquire 19,000,000 MGudang shares, representing 74.51% equity interest from MMAG Holdings Berhad. The said exercise is targeted to be completed by middle of year 2022. As at the date of this report, DGB currently owns a 25.49% equity interest following completion of the acquisition of the said stake from Vortex Consolidated Berhad on 17 July 2021.

The Group's strategic venture into the industrial and commercial warehousing sector is notable given that the sector has been identified as a top performing sectors for year 2021 according to a report by Savills Malaysia. The Group's first foray was through a wholly-owned subsidiary, Magnitude Resources Sdn. Bhd. ("MRSB"), to acquire 2 parcels of industrial land in Tangkak, Johor and Seredah, Selangor measuring approximately 6 acres and 8 acres respectively for total cash consideration of about RM18 million with the aim to construct warehouses or industrial lots to be leased for warehousing and storage purposes. The eventual increase in market value of these properties would present opportunities to unlock higher returns on investment in the future.

On 1 March 2022, the Company announced its plan to undertake a Proposed Private Placement up to 467,585,600 new ordinary shares in DGB ("DGB shares") representing up to 40% of the total number of issued share in DGB. The fund-raising initiative is mainly earmarked for constructing warehouses on the land in Tangkak, Johor and further acquisition of companies and/or industrial properties.

The outcome from the developments and measures undertaken by the management has been encouraging as the Group is expected to enjoy recurring rental yield received of approximately 7% upon the Penang based properties being fully tenanted with fair value gain of RM18.97 million realised within a 12-month period as well as the long-term potential of MGudang being in the industrial property investment business.

RISK MANAGEMENT

DGB has identified the following risks which could hamper the Group's operations and performance in the construction and investment properties segments over the course of its businesses:

Cash Flow Liquidity Risk

Cash flow will remain challenging through to the next year but should be favourably affected by the Group's lower gearing level and the expected recovery of construction activities as the country enters the endemic stage of the pandemic. Throughout FYE 2021, the Group's primary concern has been to ensure its cash flows could sustain business continuity in the long term.

Worksite operations were severely disrupted due to regulatory lockdowns and other containment measures together with plunge in jobs and tender awards. Acquisition of new properties alongside loan repayments are also dependent on cash flow.

Arising from these urgent needs, the Group has successfully completed two private placements to raise about RM14.4 million for the purpose of funding warehouse constructions, acquisitions of companies, land and/or properties as well as working capital expenditures.

Covid-19 and Movement Restrictions

The prolonged pandemic has unleashed considerable uncertainties and risks globally, which could affect business continuity. The Malaysian experience of constant workplace interruption and restrictions may cast long-term impact on operations sustainability.

We have implemented thorough health and safety SOPs to minimise potential Covid-19 transmission among our workforce. These practices have enabled the Group to maintain a safe working environment for all.

DGB has been taking proactive initiatives such as regular testing at all work sites under supervision of health and safety personnel and the mandatory use of masks in all areas of work. Such actions would go some way to enable us to minimise the possibility of mass spreading and allow us manage the worksites as efficiently as possible.

Supply & Labour Risks

The Group procures raw materials such as steel, concrete, and other components to complete works for projects which are also labour intensive. Risk of unavailability of local and foreign labour forces, supply chain disruptions alongside price hikes may potentially impact our operations.

The management constantly monitors price fluctuations and has developed a pool of suppliers to help mitigate its effect.

In order to mitigate the risk, the Group has been agile in taking appropriate action in compliance with the recommended safety protocols. Details on the Group's formal risk management process are set out in the Statement on Risk Management and Internal Control in this Annual Report.

MOVING FORWARD

1 April 2022 will mark a watershed moment in the pandemic as our country enters the endemic stage. As Malaysia continues its journey on the road to recovery, the Group is not sitting still. We are making strides to grow our order book through tender participations or project negotiations and expand our property portfolio in strategic locations to improve our value proposition to a wider range of prospective tenants. The executive leadership and management team will continue to seek and identify viable commercial and industrial properties in strategic locations for acquisitions which could generate immediate recurrent rental income and fair value gain.

The pandemic has profoundly changed many aspects of our lives, reshaped the economy as well as the way we conduct our daily businesses. Having gone through a trying time with timely recapitalisation that has strengthen its financial footing, the Group is well prepared for any possible eventualities, and will place greater focus on business resilience in short to mid-term strategy.

"Hong Leong Investment Bank (HLIB) Research forecasted construction-sector earnings to double in 2022, driven by higher productivity and margins. In a sector outlook, HLIB Research said job awards could recover, driven by both the private and public sectors. According to the research firm, construction gross domestic product is slated to rebound 16.6% in 2022 and that in tandem, the firm has pencilled in a doubling of sector cumulative earnings driven by higher site productivity and better margins. As such, the firm cautiously expects gradually improving contract flows as Malaysia embraces endemicity with private-sector opportunities and roll-outs of public projects like the East Coast Rail Link, Pan Borneo Highway, Johor Baru-Singapore Rapid Transit System and Central Spine Road to keep the tap running in 2022." *(source: theedgemarkets.com, 22 December 2021)*

Looking at the current conditions of the market, unabated e-commerce growth and improving outlook of the construction segment, DGB is hopeful that things can only get better for the Group and the country.

However, we continue to remind ourselves that the pandemic is still ongoing and all necessary precautions must still be in place to help minimise the spread of the virus. On that note, the Group remains cautious on its near-term prospects due to persisting economic uncertainties on the road of recovery.

PROFILE OF DIRECTORS

DATO' LIANG CHEE FONG, THOMAS

Chairman, Independent Non-Executive Director

Age 49, Male, Malaysian

Dato' Thomas Liang joined the Board of Directors ("Board") of Dynaciate Group Berhad ("DGB" or "the Company") as Executive Director on 28 April 2017 and was re-designated as Non-Independent Non-Executive Director on 25 September 2017. On 23 March 2018, he was appointed as Non-Independent Non-Executive Chairman and assumed the position as Independent Non-Executive Chairman on 25 October 2019.

Dato' Thomas Liang is a member of the Audit, Nomination and Remuneration Committees of DGB. He holds a BA (Hons) in International Marketing and Economics from Coventry University in United Kingdom before he obtained his MBA in General Business Management in Dublin, Ireland.

He has more than two decades of extensive professional experience in financial management and equity market on both domestic and regional fronts. Over the course of his professional career, Dato' Thomas Liang has held numerous senior management positions with increasing responsibilities in a wide array of business sectors where he specialised in corporate restructuring and rejuvenation of businesses. He also assumed advisory roles in investment, operations, marketing and business development for multinational corporations and manages several entrepreneurial operations, hotel operations and property development.

Dato' Thomas Liang is the Executive Chairman of Mega Sun City Holdings Berhad, a public company listed on the Ace Market of Bursa Malaysia Securities Berhad.

TAN OOI JIN, SHANE

Executive Director

Age 47, Male, Malaysian

Mr. Tan was first appointed to the Board on 8 March 2019 as an Independent Non-Executive Director and was re-designated as Executive Director on 22 February 2021. He graduated with a Bachelor of Laws degree (Honours) from the University of Newcastle-upon-Tyne, United Kingdom. In 2002, he obtained his Certificate in Legal Practice from the Legal Profession Qualifying Board, Malaysia.

A former ASEAN Scholar, Mr. Tan started his legal career in a medium-sized firm with an international affiliation focusing on corporate, securities and ICT. During his tenure as a practitioner, he has advised on various corporate and commercial transactions especially cross border transactions and was involved in the listing of various companies in Malaysia as well as overseas including London, Hong Kong and Singapore and has been constantly consulted to assist public-listed companies to recover and unlock their intrinsic value so as to enhance shareholders value. He was involved in corporate exercises of various companies and is familiar with the growth pattern of many industries and how to create or unlock value in these sectors.

His work in complex and international transactions resulted in him being recognized as a notable individual by an independent foreign legal publication in 3 different practice areas. Mr Tan also advised the Technopreneurs Association of Malaysia (TeAM) and its members including its council members on legal issues and strategy. He was also part of a group of industry leaders which incorporated the National Incubators Network Association (NINA).

He is currently the Executive Chairman of Vortex Consolidated Berhad.

LIM PENG TONG

Independent Non-Executive Director

Age 63, Male, Malaysian

Mr. Lim was appointed to the Board as Independent Non-Executive Director on 14 November 2018. On 9 January 2019, Mr. Lim was appointed as a member of the Audit Committee as well as Chairman of the Nomination and Remuneration Committees.

He is professionally qualified with a Diploma in Banking and Financial Services from Institute Bank-Bank Malaysia (IBBM) in 1997 and is a Certified Credit Professional (CCP) since 2002. He is also an Associate member with IBBM which is now known as the Asian Institute of Chartered Bankers (AICB). Mr. Lim retired from Malayan Banking Berhad ("Maybank") after serving for 38 years. His last position with Maybank was as Regional Head of Business Banking of Northern Region (Penang, Kedah and Perlis), a senior position held for 8 years till his retirement in 2018.

Mr. Lim is also an Independent Non-Executive Director of CSH Alliance Berhad (formerly known as KTG Berhad).

TAN SIEW PENG

Independent Non-Executive Director

Age 53, Female, Malaysian

Ms Tan was appointed to the Board as Independent Non-Executive Director on 8 March 2019. She is also the Chairman of the Audit Committee as well as a member of the Nomination and Remuneration Committees.

She is professionally qualified from The Association of Chartered Certified Accountants (ACCA), United Kingdom. Ms Tan also holds a Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University College), Malaysia and is a member of the Malaysian Institute of Accountants (MIA).

Ms Tan has over 25 years' experience in the areas of financial management, treasury, tax planning and compliance as well as enterprise risk management. Ms Tan started her career with Price Waterhouse Johor Bahru in 1994 before transiting into the commercial sector where she has held senior positions in companies involved in the electronics, construction and property development activities. She is presently the Assistant Director of Finance at United Malayan Land Bhd (UMLand) where she is in charge of the Finance Division of UMLand's townships development in the southern region.

NG KEOK CHAI

Independent Non-Executive Director

Age 63, Male, Malaysian

Mr. Ng Keok Chai was appointed as Independent Non-Executive Director of the Company on 27 October 2021. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee.

Mr. Ng Keok Chai holds a Bachelor of Laws (Hons) from University of Wolverhampton, UK in 1996 while he was still in service with the Sarawak Police Contingent headquarters. In 1998, he obtained his Certificate in Legal Practice from the Legal Profession Qualifying Board, Malaysia.

His early career started when he was recruited as a Police Inspector with the Royal Malaysia Police in 1982. He was then posted to serve in Sarawak and he served there for 20 years until attaining the rank of Assistant Superintendent of Police. During his tenure in Sarawak, his exposure included the Criminal Investigation Department (CID), General Duty and Police Field Force.

In 2003, he was transferred to Selangor Police Contingent Headquarters to serve in Traffic Branch. Mr Ng was promoted to Deputy Superintendent of Police in 2005 and served in Commercial Crimes Investigation Department, Selangor Police Contingent Headquarters. He was promoted to Superintendent in 2008 and assumed the position of Deputy Head of Commercial Crime Investigation Department, Selangor Polis Contingent Headquarters.

After that, Mr. Ng was posted to Johor Police Contingent Headquarters as Deputy Head of Commercial Crimes Investigation Department in 2014. Then in the same year, he was transferred to Commercial Crimes Investigation Department, Royal Malaysia Police, Bukit Aman as Assistant Director in Forensic Accounting Investigation Division.

He was promoted to Assistant Commissioner of Police in 2016 and his last held position was that of Principal Assistant Director in Forensic Accounting Investigation Division, Commercial Crimes Investigation Department, Royal Malaysia Police, Bukit Aman.

Throughout his 36 years' service with Royal Malaysia Police, he was very much involved in police investigations due to his legal background. He specialised in criminal investigation across various fields including commercial crime, general crime and forensic accounting investigations with ample management and special operations experience.

At present, Mr. Ng is an Independent Non-Executive Director in CSH Alliance Berhad (formerly known as KTG Berhad), Hong Seng Consolidated Berhad and Green Packet Berhad in Malaysia.

DATO' SERI DR. CHEN CHAW MIN

Independent Non-Executive Director

Age 61, Male, Malaysian

Dato' Seri Dr. Chen was appointed as Independent Non-Executive Director of DGB on 21 March 2022.

Dato' Seri Dr. Chen graduated from Universiti Teknologi Malaysia with a Bachelor of Surveying (Second Upper). He obtained a Master in Business Administration from University of Illinois, Urbana-Champaign, USA and completed his academic achievement with a PhD in Finance from Universiti Putra Malaysia.

Dato' Seri Dr. Chen started his career with the Malaysian Civil Service in 1988 and advanced to many senior positions with increasing responsibilities with the federal government. His first posting was in Ministry of Rural Development and from 1990 onwards, he served in various divisions (Budget Division, Investment Division, Housing Loan Division, Finance Division and Fiscal and Economy Division) in the Ministry of Finance. On 25 April 2014, he joined Ministry of Health as Deputy Secretary General (Finance) and was appointed, on 4 July 2015, as Secretary General, the highest civil service position of a ministry. During his tenure as Secretary General of Ministry of Health and up his retirement in February 2021, he was actively involved in several National Policy Task Forces and Health-related Councils. He also played a pivotal role in spearheading the fight against Covid-19.

He has published in international and local journals and was invited to present papers in international conferences and seminars. Dato' Seri Dr. Chen has also attended several prestigious short courses at Harvard Business School in US and Oxford University Said School of Business in UK.

He is an alumni of Razak School of Government (RSOG) where he is a regular speaker on Leadership. Besides, he has been appointed as an associate of Putra Business School, University Putra Malaysia in 2021 where he is a lecturer in corporate finance and investment analysis for MBA program.

He is currently the Independent Non-Executive Chairman of Optimax Berhad and an Independent Non-Executive Director of MGRC Berhad. He also sits on the board of Tropicana Golf and Country Resort Berhad. He is a founding member of Pecca Leather Foundation as well as trustee of For Every Child Foundation.

KEY SENIOR MANAGEMENT

LIM YONG HWA

Chief Financial Officer

Age 51, Male, Malaysian

Mr. Lim was appointed as Chief Financial Officer of the Group on 1 April 2019. He is professionally qualified from The Association of Chartered Certified Accountants (ACCA), United Kingdom and is a member of the Malaysian Institute of Accountants (MIA).

Prior to joining Dynaciate Group Berhad ("DGB"), he was the General Manager for Finance & Chief Risk Officer of a listed issuer on the Main Market of Bursa Malaysia Securities Berhad where he led teams managing finance, warehouse operations as well as information technology functions. Mr Lim started his career in a public accounting firm in 1994 before he moved to the commercial environment where he held various senior positions with increasing scope of responsibilities in finance, project operation to business development functions in companies involved in plantation, property development as well as trading and building materials activities.

Notes:

1. Except as specifically stated, none of the Directors and Key Senior Management hold directorship in any public companies and listed issuers.
2. None of Directors and Key Senior Management has any family relationship with any Directors and/or major shareholders of DGB.
3. None of Directors and Key Senior Management has any conflict of interest with DGB.
4. None of Directors and Key Senior Management has been convicted of any offences (excluding traffic offences) within the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during financial year ended 30 November 2021.
5. The attendance record of the Directors at Board meetings held during the financial year is stated in the Corporate Governance Overview Statement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of Dynaciate Group Berhad ("DGB" or "the Company") is committed to ensure that good corporate governance practices are applied throughout DGB and its subsidiaries ("the Group" or "DGB Group") to direct and manage the business and affairs of the Group towards promoting business prosperity and corporate accountability, thereby enhancing shareholders' value. The Board recognises the growing level of expectation by stakeholders for increased corporate governance and, accordingly has taken necessary steps to ensure strong governance practices are adopted throughout the Group.

In accordance with Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") and Corporate Governance Guide (3rd edition) issued by Bursa Securities, the Board is pleased to provide this Corporate Governance Overview Statement ("CG Statement") to set out an overview of the manner in which the Company has applied the Principles set out in the Malaysian Code on Corporate Governance ("Code") which was launched on 26 April 2017. This CG Statement is to be read together with Corporate Governance Report ("the CG Report"), based on a prescribed format as outlined in paragraph 15.25 of the MMLR. The CG Statement and CG Report are available for reference on the Corporate website at www.dynaciategroup.com.my.

The Board is pleased to provide the following statement which provides an overview of the Company's application of the Practices set out in the Code that has been in place throughout the financial year ended 30 November 2021 ("FYE 2021") up till to-date.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

Part I Board Responsibilities

1. Board's Leadership on Objectives and Goals

1.1 Strategic Aims, Values and Standards

The Board is ultimately responsible for the direction and control of the Company and the Group as well as the overall business framework within which the Group operates. As a collective body, the Board assumes full responsibility for the Group's strategic direction, overseeing the proper conduct of the Group's business, identifying principal risks and ensuring the implementation of systems to manage risks, succession planning, developing investor relations programme, reviewing the adequacy and integrity of the Group's internal control systems and management information systems, establishing goals for management and monitoring the achievement of these goals, ensuring effective stakeholder engagement and promoting sustainability to ensure long-term value creation.

The Board has established 3 Board Committees to assist in the performance of its stewardship duties under specific terms of reference ("TOR") which are published on corporate website at www.dynaciategroup.com.my. The Committees are Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC"). All 3 Committees comprise solely of Independent Non-Executive Directors ("INEDs").

1.2 Chairman of the Board

Dato' Liang Chee Fong, Thomas is the Independent Non-Executive Chairman of the Board. He provides leadership and governance on the Board in discharging responsibilities for the business and affairs of the Group and its oversight of Management in order to create a conducive environment geared towards building and strengthening Directors' oversight and effectiveness and ensure that appropriate issues are discussed by the Board in a timely and congenial manner.

The Chairman also ensures that no member dominates discussion and that appropriate discussions takes place and that relevant opinions among Board members is forthcoming. Additionally, the Chairman also ensures that all Board resolutions are put to vote with the will of majority to prevail. Details of the roles and responsibilities of the Chairman are spelled out in the Board Charter.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I Board Responsibilities (Cont'd)

1. Board's Leadership on Objectives and Goals (Cont'd)

1.3 Separation of the Position of Chairman and the Chief Executive Officer ("CEO")

The Board has always made the distinction that the position of the Chairman and the CEO does not reside with the same person as such division further provides for organisational check and balance for better governance. There is a clear and separate division of responsibility in the roles and duties of the Chairman and CEO.

Tan Ooi Jin is the sole Executive Director and is deemed the CEO. He leads the Management team and oversees day-to-day operational management of the Group. The Executive Director oversees daily conduct of operating units, human resource management with respect to key positions in the Group's hierarchy, financial management and business affairs as well as organisational effectiveness and implementation of Board policies and decisions.

The Executive Director also ensures that the Group's corporate identity, products and services are of high standard and reflective of market environment, business practices are in compliance with governmental regulations.

1.4 Qualified and Competent Company Secretary

The Company Secretaries, who are qualified and experienced, advise the Board on any updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors and the potential impact and implications arising therefrom.

The Company Secretary, or her assistant, is present at all meetings to record deliberation, issues discussed and conclusions in discharging her duties and responsibilities and also provide advice in relation to relevant guides and legislations.

The duties of the Company Secretaries include, among others, the preparation of agendas and co-ordinating the preparation of Board papers, ensure Board procedure and applicable rules are observed, maintain records of the Board and ensure effective management of the Group's records, prepare minutes to document Board proceedings and ensuring conclusions are accurately recorded and timely dissemination of information relevant to Directors' roles and functions.

1.5 Access to Information and Advice

All Directors have unrestricted access to all information within the Group and to the advice and service of the Company Secretaries. The Company Secretaries are responsible in ensuring that all Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary also acts as the Company Secretary for all the Board Committees.

All Directors also have access to all information within the Group and may seek advice from senior management on matters under discussion or request further information on the Group's business activities. Minutes are prepared for all Board and Board Committees' proceedings, circulated to the Board and/or Board Committee Members and will be confirmed and signed by the respective Chairman. The minutes will then be tabled at the subsequent meetings for notation.

The Board, whether as full Board or in their personal capacity and upon approval from the Board, may seek independent professional advice, if so required in furtherance of their duty, at the Group's expense.

Prior to each Board meeting, all Board members are furnished with an agenda and a set of board papers which are issued in sufficient time to enable them to obtain a comprehensive understanding of the issues to be deliberated upon in order to arrive at an informed decision.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I Board Responsibilities (Cont'd)

2. Demarcation of Responsibilities

2.1 Board Charter

The Board has established a Board Charter as a point of reference for Board activities. The Charter delineates the roles, duties and responsibilities of the Board, Board Committees, Directors and Management in order to provide a structured guidance regarding their responsibilities, duties, roles, functions and powers.

Salient features of the Board Charter are available on the Company's website at www.dynaciategroup.com.my. The Board Charter and TORs and other policies are reviewed from time to time to ensure its relevance.

3. Good Business Conduct and Corporate Culture

3.1 Code of Ethics & Conduct

The Board has adopted a Code of Conduct and Ethics which is to instil and inculcate, amongst Directors, Management and employees of the Group, a corporate culture which engenders ethical conduct to permeate throughout the Group. The Code sets out broad standards to guide our Directors, Management and employees to carry out their duties and responsibilities in an ethical manner covering various elements from, among others, human rights, health and safety, environmental care, company's assets, records and controls to confidentiality, gifts and business courtesies and integrity and professionalism.

An Employee Handbook, which contained various human resources policies, serves as a guide for Management and employees of the Group and is communicated to all the employees, both new and existing, through training, notice board and induction programme.

The Code of Conduct and Ethics, revised to be aligned with the recommendations of the Code, is published on the corporate website at www.dynaciategroup.com.my.

3.2 Whistleblowing Policy

The Board has formalised and adopted a Whistleblowing Policy which has been updated to conform with para 15.29 of the MMLR and is now published on the corporate website at www.dynaciategroup.com.my. The Whistleblowing Policy sets out the mechanism and framework by which employees or any third parties can confidently raise concerns or complaints in a responsible manner without the fear of discriminatory treatment. All malpractices or wrongdoings reported by the whistleblower are to be directed to the Chairman of the AC.

3.3 Anti-Bribery and Corruption Policy

In January 2020, the Board adopted an Anti-Bribery and Corruption Policy ("ABC Policy") which signalled the commitment by the Board and the Group to conduct all businesses in an honest and ethical manner requiring all Directors and employees to act professionally, fairly and with integrity in all our business dealings and relationships.

The ABC Policy sets out adequate procedures designed to prevent situations in which bribery and corrupt practices may take root. The ABC Policy has been disseminated to all the employees and business partners and the same is published on the corporate website at www.dynaciategroup.com.my.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II Board Composition

4. Board Objectivity

4.1 Board Composition

The Board presently comprised of six (6) members with the composition as outlined below:

Directorate	Director(s)
Independent Non-Executive Chairman	Dato' Liang Chee Fong
Executive Director	Tan Ooi Jin
Independent Non-Executive Director	Tan Siew Peng Lim Peng Tong Ng Keok Chai Dato' Seri Dr. Chen Chaw Min

On 22 February 2021, Khoo Song Heng stepped down as Managing Director and Tan Ooi Jin was re-designated as Executive Director. Concurrent with his appointment, Tan Ooi Jin also stepped down from his membership in all Board Committees.

On 1 June 2021, Lee Poay Keong resigned as Non-INED.

On 1 October 2021, Woon Kok Kee resigned as Executive Director.

On 27 October 2021, Ng Keok Chai joined the Board as INED.

On 21 March 2022, Dato' Seri Dr. Chen Chaw Min was appointed as INED.

Brief profile of each Director is detailed under Profile of Directors in this Annual Report. As all concerns regarding the Group can be conveyed to any one of the Directors and will be deliberated by all Directors during Board meetings (if so deemed necessary), there is no immediate need to consider the appointment of a Senior INED.

The Board is in compliance with para 15.02 of the MMLR which requires that at least two (2) Directors or one-third of the Board of the Company, whichever is the higher, are INEDs. The concept of independence as adopted by the Board is consistent with definition of INEDs outlined in para 1.01 and Practice Note 13 of the MMLR. The key elements for fulfilling the criteria are the appointment of Directors who are not members of Management and who are free of any relationship which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company and the Group.

The Board comprises a majority of INEDs which represents more than 80% of the Board, well in excess of the recommended composition recommended for which INEDs are to comprise half (50%) of the Board members. These INEDs, with their breadth of professional background, have enabled the Board to exercise objective judgement on various issues through their sharing of impartial, objective and unbiased opinion and viewpoints.

The current composition of all Board Committees, made up of INEDs solely further affirmed the Board's commitment towards independence and provide strong check and balance in the Board's governance function.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II Board Composition (Cont'd)

4. Board Objectivity (Cont'd)

4.2 Tenure of Independent Director

As recommended by the Code and provided for in the Board Charter, the tenure of an INED should not exceed a cumulative or consecutive term of nine (9) years. Upon completion of the nine (9) years, the INED may continue to serve on the Board subject to the Director's re-designation as a Non-INED.

The INEDs do not participate in daily management of the Group. During meetings, the INEDs participate fully in all deliberations and fulfil crucial role in corporate accountability by providing independent, impartial, unbiased and objective views, opinions, advice and judgement in the evaluation of various issues on strategies, performance and resources.

As at to-date, all INEDs have served less than five (5) years with the Company.

During the financial year under review, the Board had, through NC, assessed the independence of its INEDs and is satisfied that the INEDs have demonstrated independence in their conduct and behaviour and that each of them is independent of the Management and free from any business or other relationships which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company and the Group.

4.3 Policy on Tenure of Independent Director

The Board Charter provides that the tenure of its INEDs shall be nine (9) years. In the event the Board intends to retain a Director as INED after the latter has served a cumulative/consecutive term of nine (9) years, the Board will justify the decision and seek shareholders' approval at the annual general meeting ("AGM").

4.4 Diverse Board and Senior Management Team

The Board supports diversity on the Board and in key senior management. Appointment of members of the Board and key senior management are based on objective criteria, merit and also due regard for diversity in experience, skills set, age and cultural background.

The Directors, with their diverse background and professional specialization, collectively, bring with them a wealth of experience and expertise in areas ranging from general management and operations, industrial, finance and accounting, corporate restructuring, manufacturing, sales and marketing, business, tax, product development to law enforcement.

4.5 Gender Diversity

The Board is supportive of gender diversity on the Board and in key senior management team. One (1) out of the six (6) Directors is a female, which reflects the Group's commitment on gender diversity.

Whilst acknowledging the recommendation of the Code on gender diversity, the Board is of the collective opinion that there was no necessity to adopt a formal gender diversity policy presently as the Group is committed to provide fair and equal opportunities and nurturing diversity within the Group. The NC and the Board will consider gender diversity as part of its future selection process and will look into increasing female board representation going forward.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II Board Composition (Cont'd)

4. Board Objectivity (Cont'd)

4.6 Diverse Sources for New Candidate(s) for Board Appointment

During the financial year and up to the date of this CG Statement, Ng Keok Chai and Dato' Seri Dr. Chen Chaw Min were appointed as INED. Although recommended by Management, their respective candidacy was reviewed on merit taking into consideration their professional and board experiences.

4.7 NC

The NC, comprised solely of INEDs with present composition and attendance at meetings held during the financial year as follows:

Directorate	Director(s)	Attendance
Chairman	Lim Peng Tong	2/2
Members	Dato' Liang Chee Fong, Thomas	2/2
	Tan Siew Peng	2/2
	Ng Keok Chai	-

Ng Keok Chai did not attend any meetings of the NC as these were held prior to his appointment.

The NC would meet at least once (1) annually with additional meetings convened on as and when needed basis. The TOR of the NC, which spelled out its duties and responsibilities, is published on corporate website at www.dynaciategroup.com.my.

During the financial year under review, the NC met twice with key activities undertaken summarised as follows:

(a) Reviewed the composition, mix of skills and experience and other qualities, including core competencies as well as contribution of each individual Director and the effectiveness of the Board as a whole and the Board Committees as well as contribution of each individual Director.

(b) Reviewed the level of independence of the INEDs.

(c) Discussed the character, experience, integrity and competence of the Directors, chief executive or chief financial officer and to ensure they have the time to discharge their respective roles.

(d) Discussed and recommended the re-election of Directors at AGM.

(e) Reviewed the term of office and performance of the AC and its members pursuant to Para 15.20 of the MMLR.

(f) Considered and recommended the candidacy of Ng Keok Chai as Independent Non-Executive Director of the Company.

(g) Conducted annual assessment on Board, Board Committees and Individual Directors.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II Board Composition (Cont'd)

5. Overall Board Effectiveness

5.1 Overall Effectiveness of the Board and Individual Directors

The NC undertakes annual assessment of the effectiveness of the Board, the Board Committees and the contribution of each individual Director. The INEDs are also assessed annually by the NC on behalf of the Board. Following assessments carried out for FYE 2021, the Board is satisfied with the level of independence demonstrated by the INEDs and their ability to provide unbiased impartial and objective opinion during meetings and act in the best interest of the Company.

All assessments and evaluations carried out by the NC in the discharge of all its functions are documented. The evaluation is performed on self-assessment basis. All Directors are provided with the same set of assessment forms for their completion. The results of all assessments and comments by Directors are summarised and tabled at the NC meeting. The Chairman of the NC will report the results and deliberation to the Board.

The criteria used in the assessment of the Board and the Board Committees focussed on composition, quality of information and decision-making, boardroom activities, board's relationship with Management and Board Committees. The assessment of individual Director focussed on fit and proper, contribution and performance, calibre and personality, skills set and independence. The assessment in respect of FYE 2021 was carried out with the results deemed satisfactory by the Board.

The Constitution of the Company provides that an election of Directors shall take place each year and, at the AGM, one-third of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election. All the Directors shall retire from office once at least in three (3) years but shall be eligible for re-election. The Directors to retire in each year shall be those who have been longest in office since their appointment or reappointment. A retiring Director is eligible for re-appointment. This provides an opportunity for shareholders to renew their mandates. The re-election of each Director is voted on separately.

The Director who is subject to re-election at next AGM is assessed by the NC before recommendation is made to the Board and shareholders for re-election. Appropriate assessment and recommendation by the NC are based on the annual assessment conducted.

The Board of Directors meets at least five (5) times a year with additional meetings convened as necessary. During FYE 2021, eight (8) Board meetings were held where the Board deliberated upon and considered a variety of matters including the Group's quarterly operations and financial results, major divestments and strategic decisions, business plan, risk management, corporate fund-raising exercise and any other strategic issues that may affect the Group's businesses.

In the intervals between Board meetings, approvals are obtained via circular resolutions for exceptional matters requiring urgent Board decision-making which are then supported with information necessary for informed decision-making.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II Board Composition (Cont'd)

5. Overall Board Effectiveness (Cont'd)

5.1 Overall Effectiveness of the Board and Individual Directors (Cont'd)

The listing of the Board members and their attendance at Board and Board Committees' meetings held during the financial year under review are as tabulated below:

Director	Board	AC	NC	RC
Dato' Liang Chee Fong	8/8	5/5	1/1	1/1
Khoo Song Heng (1)	1/1	-	-	-
Tan Ooi Jin (2)	8/8	-	1/1	1/1
Woon Kok Kee (3)	6/6	-	-	-
Lee Poay Keong (2)	3/3	-	-	-
Lim Peng Tong	8/8	5/5	2/2	2/2
Tan Siew Peng	8/8	5/5	2/2	2/2
Ng Keok Chai (5)	-	-	-	-
Dato' Seri Dr, Chen Chaw Min (6)	-	-	-	-

Notes:

(1) Khoo Song Heng stepped down as Managing Director on 22 February 2021.

(2) Tan Ooi Jin was redesignated as Executive Director on 22 February 2021 and concurrently, stepped down from membership in AC, NC and RC.

(3) Lee Poay Keong stepped down as Non-INED on 1 June 2021.

(4) Woon Kok Kee stepped down as Executive Director on 1 October 2021.

(5) Ng Keok Chai was appointed to the Board as INED on 27 October 2021.

(6) Dato' Seri Dr. Chen Chaw Min was appointed to the Board as INED on 21 March 2022.

Attendance at Board and Board Committee meetings (as applicable) is counted from date of appointment or up until date of resignation, as applicable.

Board meetings are scheduled ahead to enable the Directors to plan and adjust their schedule to ensure good attendance and the expected degree of attention to the Board meeting agenda. Management personnel and external consultants are also invited to attend the Board meetings as and when required in order to present and advise the members with information and clarification on certain meeting agenda to facilitate informed decision-making.

The Board is satisfied with the time commitment given by the Directors based on the full attendance by majority of all Directors at all meetings convened in and which is also in compliance with para 15.05 of the MMLR. In addition, all of the Directors do not hold more than 5 directorships as required under para 15.06 of the MMLR. The Board members will notify the Board or the Chairman upon acceptance of new directorship in other public listed companies.

The Board is cognisant of the need to ensure that its members undergo continuous trainings to enhance their knowledge, expertise and professionalism in discharging their duties.

The Directors will attend various seminars and training programmes necessary to enhance and keep abreast with relevant changes, development and updates affecting industries that the Group operates in as well as regulatory requirements.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II Board Composition (Cont'd)

5. Overall Board Effectiveness (Cont'd)

5.1 Overall Effectiveness of the Board and Individual Directors (Cont'd)

The trainings attended by the Directors during the financial year under review are as follows:

Director	Date	Training
Dato' Liang Chee Fong Tan Ooi Jin Lim Peng Tong Tan Siew Peng	29 March 2021	Briefing on the Amendment to Main Market Listing Requirements on Public Shareholdings Spread
	28 July 2021	Briefing on Revision of Malaysian Code on Corporate Governance ("MCCG") effective 28 April 2021
Lim Peng Tong	20 April 2021	Webinar: Navigating Tax Audit and Investigation
	8 July 2021	Webinar: Institute of Corporate Directors Malaysia – Launch of the Malaysian Board Practices Review 2020
	27 July 2021	The Malaysian Code on Corporate Governance – Updated 28 April 2021 – Unpacking the Updates & their implications to the Directors, Management, Company Secretaries & Auditors of Listed Issuers
Tan Siew Peng	2 March 2021	Thannees Tax Consulting Services Virtual Tax Conference 2021
	20 April 2021	Grant Thornton Webinar: Navigating Tax Audit and Investigation
	27 July 2021	MIRA Webinar – The Malaysian Code on Corporate Governance (Updated April 2021)
	12 October 2021	Thannees Tax Consulting Services 2nd Virtual Tax Conference 2021 – Tackling Practical Problems Faced by Taxpayers
	12 November 2021	Grant Thornton Webinar on Budget 2022: Budget Highlights and Recent Tax Developments
	26 November 2021	Malaysian Institute of Accountants: ESG in Financial Reporting Impact to Johor Corporates
	29 November 2021	Securities Commission Malaysia: Audit Oversight Board Conversation with Audit Committees
	15 December 2021	Grant Thornton Webinar: Webinar on Recent Changes in MFRS and the Common Pitfalls on the Application of MFRSs
Ng Keok Chai	14 June 2021	Webinar: Implementing Amendments in the Malaysian Code on Corporate Governance

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II Board Composition (Cont'd)

5. Overall Board Effectiveness (Cont'd)

5.1 Overall Effectiveness of the Board and Individual Directors (Cont'd)

Internal briefings are provided by the Company Secretary from time to time to update on any amendment(s) or implementation of new regulations which are of relevance to the Directors' roles and responsibilities. The Board had, through the NC, recommended for training to improve financial literacy and keep up with changes to financial reporting environment as well as understanding the impact of the changes arising from implementation of Companies Act 2016 and other related laws. The Directors are to identify the appropriate trainings for themselves that is in line with the recommended scope of training.

The Company facilitates the organisation of training programs for Directors and maintain a record of the trainings attended by the Directors.

6. Level and Composition of Remuneration

6.1 Remuneration Policy

The objective of the Group's Remuneration Policy is to attract and retain the Directors and Key Senior Management required to lead and control the Group effectively. In the case of the executive Board member, the component of the remuneration package are linked to individual and corporate performance. As for INEDs, the level of remuneration is reflective of their experience, broad based roles and responsibilities as well as time commitment to the Group that go with Board membership and the onerous challenges in discharging their fiduciary duties.

The Directors' fees and benefits payable to the INEDs are reviewed annually. The Executive Directors played no part in deciding their own remuneration and the respective Board members abstained from all discussion and decisions pertaining to their remuneration.

6.2 RC

The RC is presently populated solely by INEDs with composition and attendance at meetings held during the financial year as follows:

Directorate	Director(s)	Attendance
Chairman	Lim Peng Tong	2/2
Members	Dato' Liang Chee Fong	2/2
	Tan Siew Peng	2/2
	Ng Keok Chai	-

Ng Keok Chai did not attend any meetings of the RC as these were held prior to his appointment.

The TOR of the RC and Remuneration Policy are available on the corporate website at www.dynaciategroup.com.my.

The RC met twice during the financial year to consider the remuneration package for the Executive Directors and senior management as well as Directors' fees and benefits payable for the Directors.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II Board Composition (Cont'd)

7. Remuneration of Directors and Senior Management

7.1 Details of Directors' Remuneration

The remuneration received/receivable by the Directors of the Company during FYE 2021 is as disclosed in the CG Report.

7.2 Details of Top 5 Senior Management's Remuneration on Named Basis

Given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment and the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place, the Board takes the view that there is no necessity for the Group to disclose the remuneration of the Company's senior management personnel who are not Directors or the CEO.

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I AC

8. Effective and Independent AC

8.1 Chairman of the AC

Tan Siew Peng, an INED, is the Chairman of the AC. Details on the composition and activities of the AC are outlined under the AC Report in this Annual Report.

8.2 Policy Requiring Former Key Audit Partner to observe 2-year Cooling-off Period

None of the members of the Board were former key audit partners. Hence, no former key audit partner is appointed to the AC. The Board will observe a cooling-off period of at least two (2) years in the event any potential candidate to be appointed as a member of the AC is a former key audit partner.

8.3 Policy and Procedures to Assess the Suitability, Objectivity and Independence of the External Auditor

The AC undertakes an annual assessment of the suitability and independence of the external auditors and is satisfied with the technical competency, quality of audit engagement and independence of the external auditors. Upon satisfaction with the performance of the external auditors based on the annual assessment conducted, AC has recommended to the Board for the reappointment of the external auditor at the forthcoming AGM.

At least once a year and whenever necessary, the AC met with the external auditors without the presence of executive Board member and Management personnel, to allow the AC and the external auditors to exchange independent views on matters which require the AC's attention. During the year, the AC met up twice with the external auditors to discuss their audit plan, audit findings and the financial statements. The external auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the professional and regulatory requirements.

The AC would look into formalizing a policy on selection, appointment and assessment of external auditors to guide the AC in reviewing the suitability, objectivity and independence of the external auditor of the Company on an annual basis.

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Part I AC (Cont'd)

8. Effective and Independent AC (Cont'd)

8.3 Policy and Procedures to Assess the Suitability, Objectivity and Independence of the External Auditor (Cont'd)

The AC has considered the non-audit services provided by the external auditors during FYE 2021 and concluded that the provision of these services did not compromise the external auditors' independence and objectivity. The amount of fees paid for these services was not significant when compared to the total fees paid to the external auditors. Details of the fees paid to the external auditors and its affiliates are disclosed under Additional Compliance Information in this Annual Report.

8.4 Composition of the AC

The AC is comprised solely of INEDs as part of the Board's initiative for more independence and transparency in deliberation and decision-making.

8.5 Diversity in the Skills of the AC

The AC currently comprised of members with professional experience in financial, taxation, forensic accounting and commercial crime investigation from law enforcement perspective as well as business and law. All members are financially literate and are able to read, interpret and understand the financial statements.

The diversity in skills set coupled with their financial literacy gave the AC the ability to effectively discharge their roles and responsibilities. All members of the AC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.

9. Effective Risk Management and Internal Control Framework

9.1 Establish an effective risk management and internal control framework

The Statement on Risk Management and Internal Controls ("SORMIC") in this Annual Report provides an overview on the state of internal controls and risk management within the Group. Regular reviews would be carried out by the internal audit function and Management to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. The findings of the internal audit function are reported to the AC regularly.

9.2 Disclosure on the Features of Risk Management and Internal Control Framework

The SORMIC in this Annual Report provides an overview on the state of internal controls and risk management within the Group.

9.3 Establishment of a Risk Management Committee

The Board had set up a Risk Management Committee to lead from the top and drive the importance of embedding sound practices of risk management throughout the business operations of the Group.

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Part I AC (Cont'd)

10. Effective Governance, Risk Management and Internal Control

10.1 Effectiveness of the Internal Audit Function

The internal audit function of the Group is carried out by an outsourced and competent consulting firm, JWC Consulting Sdn. Bhd. ("JWC"), that assists the AC and the Board in managing the risks and establishment of the internal control system and processes within the Group by providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes. The internal auditors report directly to the AC.

The internal auditors have and will continue to keep abreast with developments in the profession, relevant industry and regulations. The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Company's system of internal control is satisfactory and operating effectively. Further details of the internal audit function are set out in the SORMIC of this Annual Report.

10.2 Disclosure on the Internal Audit Function

JWC is a competent consulting firm, which is sufficiently resourced and is a member of the Institute of the Internal Auditors Malaysia to provide the services that meet with the Group's required service level.

The service provider has been able to provide reasonable assurance that the Group's system of internal control and risk management is satisfactory and operating effectively. The internal auditors adopt a risk-based approach towards the planning and conduct of their audits, and this is consistent with the Group's approach in designing, implementing and monitoring its internal control system.

11. Continuous Communication Between Company and Stakeholders

11.1 Effective and Transparent and Regular Communication with Stakeholders

The Group recognises the value of transparent, consistent and coherent communications with the investment community consistent with commercial confidentiality and regulatory considerations. The Group aims to build long-term relationships with shareholders and potential investors through appropriate channels for disclosure of information.

The annual reports, press releases, quarterly results and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance. Investors are provided with sufficient business, operational and financial information on the Group to enable them to make informed investment decisions.

All material announcements are reviewed and endorsed by the AC (as applicable) and the Board prior to release to the public through Bursa Securities.

The Executive Director and Chief Financial Officer are the designated spokespersons for all matters related to the Group and dedicated personnel are tasked to prepare and verify material information for timely disclosure upon approval by the Board.

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Part I AC (Cont'd)

11. Continuous Communication Between Company and Stakeholders (Cont'd)

11.1 Effective and Transparent and Regular Communication with Stakeholders (Cont'd)

The Group maintains a corporate website at www.dynaciategroup.com.my for shareholders and the public to access information on, amongst others, the Group's background and products, financial performance and updates on its awards and recognitions and promotions. Stakeholders can at any time seek clarification or raise queries through the corporate website, by email at ir@dynaciategroup.com.my.

The Group recognises the value of transparent, consistent and coherent communications with the investment community consistent with commercial confidentiality and regulatory considerations. The Group aims to build long-term relationships with shareholders and potential investors through appropriate channels for disclosure of information.

11.2 Integrated Reporting

Integrated reporting is not applicable to the Group presently as the Company does not fall within the definition.

Part II Conduct of General Meetings

12. Encourage Shareholders Participation at General Meetings

12.1 Notice for AGM

The Board encourages shareholders' participation and as such, the AGM is an important event as the Board is given the opportunity to have a dialogue with the shareholders following presentation of annual audited financial results and to address any questions that may arise.

The Directors, Company Secretary and the Group's external auditors are available to respond to the queries raised. In the event that an answer cannot be readily given at the meeting, the response would be incorporated in the minutes of the said general meeting.

The notice of the 14th AGM held in 2021 was sent more than twenty-three (23) days before meeting date to shareholders and published in a major local newspaper. Items of special business included in the Notice of 14th AGM was accompanied by an explanation of the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting. All suggestions and comments put forth by shareholders was noted by the Board for consideration.

All Directors attended the AGM to answer any such questions that may arise as shareholders may seek more information than what is available in the Annual Report and/or circulars. All the resolutions set out in the Notice for the 14th AGM were put to vote by poll with the outcome announced to Bursa Securities on the same day. The Board is satisfied with the current programme at AGM and there have been no major contentious issues noted with shareholders/investors.

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Part II Conduct of General Meetings (Cont'd)

12. Encourage Shareholders Participation at General Meetings (Cont'd)

12.2 All Directors to Attend General Meetings

All the Directors (at that material time) attended the 14th AGM held on 30 April 2021 and the extraordinary general meeting held on 16 November 2021.

12.3 Leveraging on Technology for Voting in Absentia and Remote Shareholders' Participation

Based on an analysis of the shareholders, the Company does not have a large number of shareholders. Also, a large majority of the shareholders are Malaysians. Further, most general meetings are held at a hotel, which is easily accessible to all shareholders.

As such, the concern over voting in absentia and/or remote shareholders' participation at AGM are not applicable. As of now, the Company encourages participation of shareholders through the issuance of proxies when there is indication that shareholders are unable to attend and vote in person at general meetings.

STATEMENT ON COMPLIANCE

The Board will continue to strive for sound standards of corporate governance throughout the Group. Presently, the Board is of the view that the Company has in all material aspects satisfactorily complied with the principles and practices set out in the Code, except for the departures set out in the CG Report.

The Corporate Governance Overview Statement is issued in accordance with a resolution of the Board of Directors dated 24 March 2022.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

The Board of Directors ("Board") of Dynaciate Group Berhad ("DGB" or "the Company") is committed to maintain a sound system of risk management and internal control throughout DGB and its subsidiaries ("the Group") to safeguard shareholders' investments and the assets of the Group. In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the Statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuers) ("Internal Control Guidelines"), the Board is pleased to issue the Statement on Risk Management & Internal Control ("Statement") which outlines the nature and scope of risk management and internal controls within the Group during the financial year ended 30 November 2021 ("FYE 2021").

BOARD RESPONSIBILITY

The Board acknowledges the importance of a system of risk management and internal control being embedded into the culture, processes and structures of the Group to engrain good governance practices throughout the Group.

The systems of internal control of the Group cover risk management as well as financial information, organisational, operational, project and compliance controls.

The Board further affirms its overall responsibility for risk oversight and the Group's systems of internal control and for reviewing the adequacy, effectiveness and efficiency of these systems for applicable laws, regulations, rules, directives and guidelines to ensure its viability and robustness.

In view of the inherent limitation in any system on internal controls, the systems are designed to manage, rather than to eliminate the risk of failure to achieve corporate objectives and therefore, can only provide reasonable rather than absolute assurance against material misstatement of management and financial information, fraud and breaches of laws or regulations.

RISK MANAGEMENT

The risk oversight responsibility has always been within the purview of the Audit Committee ("AC") which is responsible for reviewing policies and framework on risk management for implementation within the Group. The AC is also tasked to review and endorse the corporate risk profile for the Group.

A Risk Management Committee ("RMC") which reports to the AC was established during FY2020. The RMC is a management level committee led by the Chief Financial Officer ("CFO") who is also the Chief Risk Officer. The CFO drives risk management initiatives with support from the members of the RMC who represent key business units within the Group.

Ultimately, the main components of the Group's risk governance and structure consist of the Board, the AC and the RMC. The structure allows for strategic risk discussions to take place in an effective and efficient manner.

As part of its risk management initiative, the RMC has developed a change map to drive risk management within the Group with key milestones that focused on soft issues such as culture of openness and a risk-centric approach to business to identify the risks, and put in place the appropriate controls to manage and maintain those risks to a level acceptable by the AC and the Board.

An Enterprise Risk Management ("ERM") process (as illustrated) is in place to identify, assess, mitigate and monitor risks faced or potentially exposed to by the Group that could impact the Group in pursuing its direction and business objectives.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT (CONT'D)

The outcome of the ERM exercise formed the basis to draw up internal audit plan for FYE 2021 and provides guidance to RMC in identifying key risks affect Group and establish risk management practices to safeguard the Group's business interest from risk events that may impede the achievement of business strategies and provided assurance to the Group's various stakeholders.

The growth anticipated during the year under review as the Group pivoted to civil and mechanical engineering, architectural, steel fabrication and installation works did not materialise. Instead, the Group faced an extremely challenging time with pushback in delivery of projects and shrinking order books which were adversely affected by lockdowns imposed by the federal government to curb spread of the Covid-19 pandemic.

Notwithstanding the vaccination rollout program, the pandemic continues to pose uncertainties and disruptions across many industries. Given the overall lacklustre performance of the construction industry, the Board recalibrated our strategic direction to mitigate negative impact to our construction segment. The difficult decision to enter into industrial and commercial warehousing sector to better position the Group strategically and operationally has been promising as recurring income from our strategically situated properties has put us in a stronger financial footing. At the same time, given the difficulties faced, headcount and associated costs were significantly reduced following transfer to a company owned by Directors.

A side effect from this attrition was a shrinking RMC with insufficient headcount and risk owners to oversee and address the risks.

By close of the financial year under review, the AC and the Board accepted an updated Risk Management Report ("RMR") from the Chief Risk Officer. The RMR affirmed that capital market and financing risk, financial and operational performance of the Group as well as strategic planning continue to be key risks faced by the Group following assessment of the operational processes and activities from its core businesses and changes in operating environment.

At the operational level, the recalibration is ongoing with the Board working together with the CFO to manage the identified risks and aligning objectives at all levels to overall organisational goals to ensure sustainable growth going forward.

The Board is cognizant of the T.R.U.S.T. principles set out in the Guidelines on Adequate Procedures in accordance with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. In this regard, the Board has included corruption risk into the Group's risk register.

CONTROL STRUCTURE AND ENVIRONMENT

In furtherance to the Board's commitment to maintain sound system of risk management and internal controls, the Group has implemented a structure and environment for the proper conduct of the Group's business operations as follows:

(a) The AC and the Board meet at least quarterly and set a schedule of matters to be discussed to ensure that it maintains full and effective supervision over appropriate controls. The CFO leads the presentation of board papers and provides explanation of pertinent issues with input from the executive Board members as needed. In addition, the Board is kept updated on the Group's activities and its operations on a quarterly basis.

(b) An organisation structure with defined scopes of responsibility, lines of accountability, and levels of delegated authority. A set of terms of reference and position descriptions are set out in the Board Charter and Terms of Reference of Board Committees. The Board is supported by the Board Committees, namely, AC, Nomination Committee and Remuneration Committee as well as the senior management team.

(c) A process of hierarchical reporting which provides for a documented and auditable trail of accountability.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL (CONT'D)

CONTROL STRUCTURE AND ENVIRONMENT (CONT'D)

(d) A Related Party Transaction Policy which guides oversight over related party transactions entered into by the Group with related parties.

(e) Management meetings were conducted to address operational and financial performance and other issues.

(f) Enterprise Resource Planning system for effective control of information and to ease the management of business activities in relation to accounting, project and supply chain management.

(g) Adopted a Whistleblowing Policy and Anti-Bribery & Corruption Policy ("ABC Policy") across the Group. The former sets out the mechanism and framework by which employees or any third parties can confidently raise concerns or complaints in a responsible manner without the fear of discriminatory treatment. As for the latter, the ABC Policy delineates procedures designed to prevent situations in which bribery and corrupt practices may take root. Copies of the said policies are published on the corporate website at www.dynaciategroup.com.my. Trainings were rolled out to the Group's employees (both existing and new) as required under the ABC Policy during the financial year under review.

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function. The AC has engaged the services of an independent professional accounting and consulting firm, JWC Consulting Sdn. Bhd. ("JWC") to provide assurance regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control.

JWC adopts a risk-based approach in developing its audit plan which addresses the core business processes of the Group based on their risk profiles. Scheduled internal audits were carried out by the internal auditors based on the audit plan presented and approved by the AC.

During FYE 2021, JWC carried out only 1 cycle of internal audit in view of significant reduction in activities associated with the construction segment. The sole cycle of internal audit was to review of the procedure and practices to assess adequacy and effectiveness of compliance with the ABC Policy.

Findings and recommendations for improvement are highlighted to management and presented to the AC, with periodic follow-up of the implementation of action plans. The AC had reviewed the internal control issues identified and evaluated the adequacy and effectiveness of the risk management and internal control system. Accordingly, the Board, as recommended by the AC, had directed the management to rectify and improve control procedures and processes based on internal audit's suggestions for improvement. The management is responsible for ensuring that corrective actions were implemented accordingly.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL (CONT'D)

REVIEW BY THE EXTERNAL AUDITORS

The external auditors have reviewed this Statement and their review procedures were performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on the Review of Statement on Risk Management and Internal Control ("AAPG 3"), issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management process and system of internal control. AAPG 3 also does not require the external auditors to consider whether the processes described to deal with the material internal control aspects of significant problems, if any, disclosed in this Annual Report will, in fact, remedy the problems. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that cause them to believe that this Statement is not prepared in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines, nor is it factually inaccurate.

CONCLUSION

Based on the internal auditors' report and the RMR for FYE 2021, the Board has reasonable assurance that the Group's system of risk management and internal control is generally adequate and appear to be working satisfactorily for the financial year under review and up to the date of issuance of this Statement. Risks and Internal control weaknesses that were identified during the year under review have been, or are being, addressed. None of the risks and weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in this Annual Report.

The Board has received assurance from the executive Board members (then and now) and CFO that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, to ensure achievement of corporate objectives. The Board continues to review and implement measures to strengthen the internal control environment of the Group.

This statement was issued in accordance with a resolution of the Directors dated 24 March 2022.

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") of Dynaciate Group Berhad ("DGB" or "the Company") is an independent committee established to assist the Board in the effective discharge of its fiduciary duties over, among others, integrity of financial reporting, effectiveness of the risk management and internal control systems as well as governance and compliance matters.

COMPOSITION AND MEETINGS

The AC, populated by three (3) Independent Non-Executive Directors, had exceeded the composition requirement under para 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR"). This composition has also exceeded the Step-Up under Practice 8.4 of the Malaysian Code on Corporate Governance 2017 as issued by the Securities Commission Malaysia.

The members of the AC and their attendance at the five (5) meetings held during the financial year ended 30 November 2021 ("FYE 2021") is as tabulated:

Composition I Designation	Attendance
Tan Siew Peng I Chairman	5/5
Dato' Liang Chee Fong I Member	5/5
Lim Peng Tong I Member	5/5
Ng Keok Chai I Member	-

Ng Keok Chai was appointed as member of the AC on 27 October 2021. There was no meeting held after his appointment.

All members of the AC are financially literate and are able to analyse and interpret financial statements and therefore, able to effectively discharge their duties and responsibilities as members of the AC. The Chairman of the AC is a member of the Malaysian Institute of Accountants.

Terms of Reference of the AC is published on the corporate website at www.dynaciategroup.com.my. Certain designated members of the Management and representatives of the external and internal auditors are invited to attend and brief the AC members on specific issues during AC meetings as and when the need arose.

The Company Secretary is the secretary of the AC and is responsible, together with the Chairman, to draft the agenda and circulating it prior to each meeting. Discussion at AC meetings are robust and detailed. The minutes of each AC meeting were recorded and tabled for confirmation at the following AC meeting. The AC Chairman would report to the Board on the activities undertaken and the key recommendations for the Board's consideration and decision.

The AC also made arrangements to meet and discuss with the external and internal auditors on any matters relating to the Group and its audit activities. During the financial year under review, the AC held private discussion at least once (1) each with the external and internal auditors without the presence of the executive Board members and management.

SUMMARY OF ACTIVITIES

A summary of the activities carried out by the AC during FYE 2021 and up to-date is as follows:

Financial Reporting

1 Reviewed the quarterly unaudited financial results and annual audited financial statements as well as appropriate announcements (as applicable) to the regulatory authorities to ensure that the financial reporting and disclosure requirements, particularly relating to changes in accounting policies as well as significant and unusual events or transactions are in compliance with the approved accounting standards, MMLR and other relevant statutory and legal requirements before recommending the financial statements to the Board for approval.

2 Reviewed the financial position of the Group and followed up with Management on business and operational restructuring initiatives.

3 Reviewed relevant issues which have or could have significant impact on the results of the Group such as receivables, inventory management, investment and divestments, bank borrowings and strategic operations of subsidiaries.

External Audit

4 Recommended the change in auditors from KPMG PLT to Grant Thornton Malaysia PLT as part of the cost reduction plan as operational activities in the construction business continues to be adversely impacted and curtailed by intermittent lockdowns to curb the spread of the pandemic.

5 Reviewed the external auditors' scope of work which included areas of emphasis and new areas such as changes in laws and regulations and accounting standards, proposed audit timeline and audit plan and statutory audit fees prior to the commencement of the audit for the financial year under review.

6 Held private discussion with external auditors on 27 January 2021, 26 October 2021 and 26 January 2022 in the absence of Management staff and Executive Directors to discuss relevant issues and obtain feedback.

7 Reviewed and discussed the following with the external auditors:

(a) The adequacy and effectiveness of the internal control systems and any other areas of concern arising from their audit for FYE 2021. The discussion on material uncertainty over going concern arising from the continuous losses of the Group and the Company and tight cash flows had been highlighted to the Board for their onward actions. This matter had been addressed by various financial arrangements.
(b) The results of the audit for FYE 2021, relevant audit reports on significant findings and recommendations (in Management Letter as applicable) as well as Management's responses to the issues highlighted.

8 Responded to external auditors' enquiries and recommendations, if any, to ensure compliance with the various approved accounting standards in the preparation of the Group's financial statements.

9 Reviewed and assessed the performance and independence of the external auditors with consideration to the quality of the people and service level, timeliness of the audit and report furnished, audit governance, level of understanding demonstrated of the Group's business as well as communication about new and applicable accounting practices and auditing standards and its impact on the Group's financial statements.

10 The external auditors had declared their independence throughout the conduct of the audit engagement in accordance with relevant professional and regulatory requirements annually to the AC as specified in the By-Laws issued by the Malaysian Institute of Accountants. The external auditors had provided the declaration in their annual audit plan and audit findings report presented to the AC.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES (CONT'D)

External Audit (Cont'd)

11 Following a review of the performance and independence of the external auditors upon conclusion of audit for FYE 2021, the AC recommended the re-appointment of Grant Thornton Malaysia PLT as external auditors of the Company.

12 Reviewed the non-audit services provided by the external auditors. The AC had reviewed the provision of non-audit services provided by the external auditors. The recurring non-audit services were in respect of tax compliance, annual review of the Statement on Risk Management and Internal Control.

13 The AC is satisfied that, given the nature and scope, the non-audit fees were unlikely to create any conflict or impair the independence and objectivity of the external auditors, Grant Thornton Malaysia PLT.

Internal Audit & Risk Management

14 Met with the Chief Risk Officer and accepted the Risk Management Report which outlined difficulties faced in a very challenging business environment beset by intermittent lockdowns. Upon review, endorsed the key business strategic, operational and process risks as identified. The analysis detailed risks register and management action plan to monitor and mitigate these risks.

15 Re-appointed JWC Consulting Sdn. Bhd. ("JWC") as internal auditor upon assessment of their performance and the fact that JWC and its senior personnel have the appropriate qualification and professional experiences as well as being a member of the Institute of Internal Auditors Malaysia. The responsibilities of the internal auditor are stated under the Statement of Risk Management and Internal Control ("SORMIC") in this Annual Report.

16 Reviewed the adequacy and relevance of the internal audit scope and competency of internal audit function and ensured that it has necessary authority and resource requirements to carry out its work.

17 Reviewed and approved internal audit plan for FYE 2021 taking into consideration engagement timeline, scope of work and resources prior to the commencement of the field work for the financial year under review. The internal audit plan was subsequently revised after due consideration of the significant reduction in the business activities of the construction segment.

18 Accepted the Internal Audit Report presented on 28 July 2021.

19 Reviewed the adequacy and effectiveness of the system of controls, reporting and risk management to ensure that management is developing a systematic methodology to identify, assess and mitigate risk areas.

Corporate Governance

20 Reviewed relevant regulatory changes and ensure compliance by the Company and the Group.

21 Reviewed and approved/recommended (as applicable) the AC Report inclusion in the Annual Report and the SORMIC for Board's approval before inclusion in the Annual Report.

22 Reviewed quarterly report on recurrent related party transactions of revenue and trading nature and other related party transactions entered into by the Group.

23 Reviewed and endorsed related party transactions as proposed by Management and recommended the same for approval by the non-interested Directors at Board level subsequently.

AUDIT COMMITTEE REPORT (CONT'D)

INTERNAL AUDIT FUNCTION

JWC is a competent consulting firm and also a third party with no involvement in the operations of the Group. As such, JWC is able to provide the AC and the Board with much of the assurance regarding the adequacy and integrity of the internal control systems within the Group.

The principal role of JWC is to undertake independent, regular and systematic reviews of the internal control and risk management to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsibility of the JWC to provide the AC with independent and objective reports on the state of internal control of the various operating units within the Group.

JWC carried out internal audit within the Group based on a risk-based audit plan approved by AC. Following significant reduction in activities associated with the Group's construction segment, the AC agreed to revise the internal audit plan for FYE 2021 where 1 cycle of internal audit was carried out to review of the procedure and practices to assess adequacy and effectiveness of compliance with the ABC Policy. Internal control weaknesses that were identified were all duly addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

The total cost incurred to engage the internal audit function of the Group for the financial year under review amounted to RM16,278.00.

This Audit Committee Report was issued in accordance with a resolution dated 24 March 2022.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

(a) On 17 November 2020, Dynaciate Group Berhad ("DGB" or "the Company") announced its intention to undertake a private placement of up to 20% of the total number of issued ordinary shares in DGB ("DGB Shares") (excluding any treasury shares) ("Private Placement").

The Private Placement, which entailed the issuance of 65,885,500 new DGB Shares at issue price of RM0.1240 per DGB Share, was completed following listing and quotation on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 11 March 2021. The proceeds from the Private Placement of RM8,169,802.00 had been fully utilised for working capital purpose during the financial year under review.

(b) On 3 September 2021, DGB announced a private placement of new ordinary shares in DGB ("DGB Shares") pursuant to sections 75 and 76 of the Companies Act 2016 ("Proposed Private Placement").

This Proposed Private Placement was completed following listing and quotation of 69,129,300 new DGB Shares on the Main Market of Bursa Securities on 29 November 2021. DGB raised RM6,221,637.00 at an issue price of RM0.09 per new DGB shares and the gross proceeds were fully utilised by 28 February 2022.

2. MATERIAL CONTRACTS

No contract of a material nature which involved the interest of the Directors and/or major shareholders was entered into by the Group or still subsisted as at the end of financial year ended 30 November 2021 ("FYE 2021").

3. AUDIT & NON-AUDIT FEES

The amounts of statutory audit fees and non-audit fees paid/payable to Grant Thornton Malaysia PLT and the local affiliates of Grant Thornton Malaysia PLT by the Company and the Group for FYE 2021 are as tabulated:

Fees (paid/payable)	Group (RM)	Company (RM)
Statutory audit fees	100,000	55,000
Non-audit fees	32,000	16,500

The recurring non-audit services includes annual tax compliance and annual review of the Statement on Risk Management and Internal Control. The non-recurring non-audit service was in respect of acting as reporting accountants for recently concluded corporate exercises.

4. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE ("RRPT")

Details of the RRPT transacted during FYE 2021 pursuant to the shareholders' mandate obtained by the Company at the annual general meeting held on 30 April 2021 and extraordinary general meeting held on 16 November 2021 respectively are as tabulated below. The information contained herein, save for the actual value transacted, is extracted from the circular to shareholders dated 5 April 2021 and 26 October 2021 respectively.

4. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE ("RRPT") (CONT'D)

Provider of goods and services	Recipient of goods and services	Nature of Transaction	Actual value transacted [1] (RM)	Related Parties
DSPI [2]	DESB Group [3]	(a) Providing civil, structural, building and architectural works. (b) Mechanical works – inclusive of, piping & equipment, steel structure, fabrication & erection works and piping and tankage works.	19,902,555	Mr. Woon Kok Kee ("WKK") and his alternate, Mr. Khoo Song Heng ("KSH") are the Directors of our wholly owned subsidiary, DSPI. WKK stepped down as Executive Director of our Company on 1 October 2021 and KSH, ceased as Alternate Director concurrent with the resignation of WKK on 1 October 2021. Dynaciate Holdings Sdn. Bhd. ("DHSB") is our Substantial Shareholder with equity interest of 8.91% as at LPD. WKK and KSH are Directors and shareholders of DHSB. By virtue of their interest in DHSB pursuant to Section 8 of the Companies Act 2016, WKK and KSH are deemed interested in our Company via DHSB. Both WKK and KSH are also Directors and Substantial Shareholders of DESB.
DESB Group [3]	DSPI [2]	(a) Providing civil, structural, building and architectural works. (b) Mechanical works – inclusive of, piping & equipment, steel structure, fabrication & erection works and piping and tankage works.	Nil	
DESB Group	DSPI	(a) Providing metal fabrication and mechanical engineering services including steel structure, tankage, piping and mechanical works. (b) Supplying of construction & fabrication material/ consumable item for project such as steel pipes, concrete, doors, window frames, roller shutters and etc.	72,003	
DESB Group	DSPI	(a) Supply of manpower and/or labour services for project. (b) Carry out inspection services for fabricated products.	950,704	
DESB Group	DGB	Rental of corporate office [4]	56,058	

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

4. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE ("RRPT") (CONT'D)

Provider of goods and services	Recipient of goods and services	Nature of Transaction	Actual value transacted [1] (RM)	Related Parties
DGB Group	MMAG Group	Rental of properties including storage and warehousing management and its other related services. [6]	Nil	MMAG, with equity interest of 8.85% in our Company, is our Substantial Shareholder. Accordingly, Chan Swee Ying, by virtue of her direct interest in MMAG pursuant to Section 8 of the Act will also be a Major Shareholder of our Company. Chan Swee Ying is a Non-Independent Non-Executive Director of MMAG.
DSPI	MMAG Group	(a) Provision of civil, structural, building and architectural works and its other related services. (b) Mechanical works - inclusive of, piping & equipment, steel structure, fabrication & erection works and piping and tankage works and its other related services.	Nil	

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

4. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE ("RRPT") (CONT'D)

Notes:

(1) The actual value transacted during FYE 2021.

(2) Dynaciate SPI Sdn. Bhd., a wholly owned subsidiary of DGB.

(3) Dynaciate Engineering Sdn. Bhd. and its subsidiaries, on a collective basis.

(4) A corporate office located at J-08-3A, Block J, Setiawalk, Persiaran Wawasan, Pusat Bandar Puchong, 47160, Puchong, Selangor owned by DESB. The area of the premises is approximately 2123.4 square feet. The current monthly rental is about RM4,671.50.

(5) On 29 July 2020, DESB ceased to be a substantial shareholder of DGB following sale of its stake in DGB to Dynaciate Holdings Sdn. Bhd..

(6) The following will form part of DGB Group's properties upon completion of the completion of the Proposed Acquisition of MGSB from MMAG and Proposed Settlement are as tabulated below:

(a) A 1½ storey semi-detached factory bearing postal address at No. 18, Jalan Empayar 4, Taman Perindustrian Empayar, 81550 Gelang Patah, Johor owned by MGSB. The built-up area is approximately 8,244 square feet in area. The property is currently unoccupied.

(b) A 1½ storey semi-detached factory bearing postal address at No. 20, Jalan Empayar 4, Taman Perindustrian Empayar, 81550 Gelang Patah, Johor owned by MGSB. The built-up area is approximately 8,244 square feet in area. The property is currently rent at monthly rental of RM12,500.00.

(c) A 1½ storey semi-detached factory bearing postal address at No. 10, Jalan Empayar 2, Taman Perindustrian Empayar, 81550 Gelang Patah, Johor owned by MGSB. The built-up area is approximately 12,669 square feet in area. The property is currently unoccupied.

(d) A 1½ storey semi-detached factory bearing postal address at No. 12, Jalan Empayar 2, Taman Perindustrian Empayar, 81550 Gelang Patah, Johor owned by MGSB. The built-up area is approximately 12,669 square feet in area. The property is currently rent at monthly rental of RM17,500.00.

(e) A 3 storey shop house bearing postal address at No. 3, Jalan Melur 1, Taman Melur, Bandar Segamat, 85000 Segamat, Johor owned by H&H Ecowood. The built-up area is approximately 4,000 square feet in area. The property is currently rent at monthly rental of RM3,000.00.

(f) A 2 storey shop house bearing postal address at No. 36-2, Jalan Genuang, Bandar Segamat, 85000 Segamat, Johor owned by H&H Ecowood. The built-up area is approximately 2,500 square feet in area. The property is currently unoccupied.

(g) A 2 storey shop house bearing postal address at No. 36-3, Jalan Genuang, Bandar Segamat, 85000 Segamat, Johor owned by H&H Ecowood. The built-up area is approximately 2,500 square feet in area. The property is currently unoccupied.

*(h) A 3½ storey shop office bearing postal address at B-G-06, B-1-06 and B-3-06, Block B, Jalan Bangau 11, Bandar Puchong Jaya, Off Jalan Puchong, 47170 Puchong, Selangor to be owned by MGSB. The built-up area is approximately 1,679 square feet in area. The property is currently unoccupied.**

(i) A 3 storey commercial building bearing postal address at No. 441, Taman Bandar Baru Mergong, 05150 Alor Setar, Kedah to be owned by MGSB. The built-up area is approximately 850 square meter in area. The property is currently unoccupied.@

(j) A 3 storey commercial building bearing postal address at No. 442, Taman Bandar Baru Mergong, 05150 Alor Setar, Kedah to be owned by MGSB. The built-up area is approximately 1,033 square meter in area. The property is currently unoccupied.#

** Pursuant to a sale and purchase agreement dated 24 September 2020 entered into by MGSB and OCR Group Berhad for a cash consideration of RM1,800,000 for investment purpose. Legal and beneficial titles have not transferred to MGSB Group as completion of acquisitions is still pending as at the LPD.*

@ Pursuant to a sale and purchase agreement dated 18 February 2021 entered into by MGSB and PP Chin Hin Realty Sdn. Bhd. for a cash consideration of RM1,950,000 for investment purpose. Legal and beneficial titles have not transferred to MGSB Group as completion of acquisitions is still pending as at the LPD.

 # Pursuant to a sale and purchase agreement dated 18 February 2021 entered by MGSB and PP Chin Hin Realty Sdn. Bhd. for a cash consideration of RM2,100,000 for investment purpose. Legal and beneficial titles have not transferred to MGSB Group as completion of acquisitions is still pending as at the LPD.

STATEMENT ON DIRECTORS' RESPONSIBILITY

IN RESPECT OF THE PREPARATION OF THE FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the financial statements of the Group and the Company are drawn up in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the state of affairs and financial position of the Group and the Company as at 30 November 2021 and of the results and cash flows of the Group and the Company for the financial year ended 30 November 2021.

In preparing the financial statements, the Directors have:

(a) adopted suitable accounting policies and applied them consistently;

(b) made judgements and estimates that are prudent and reasonable;

(c) ensured the adoption of and compliance with applicable approved accounting standards; and

(d) used the going concern basis for the preparation of the financial statements.

The Directors are responsible for ensuring that proper accounting records which disclose the financial position of the Group and the Company with reasonable accuracy at any time are kept in accordance with the Companies Act 2016 in Malaysia. The Directors are also responsible for ensuring that a proper system of internal control is in place to safeguard the Group's assets and to prevent and detect fraud and other irregularities as well as material misstatements.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2021

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 November 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements.

There has been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year other than those disclosed in Note 5 to the financial statements.

RESULTS

	Group RM	Company RM
Profit/(loss) for the year attributable to owners of the Company	12,604,986	(1,405,876)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year.

DIVIDEND

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Tan Ooi Jin	
Dato' Liang Chee Fong, Thomas	
Lim Peng Tong	
Tan Siew Peng	
Tuan Ng Keok Chai	*(appointed on 27 October 2021)*
Dato' Seri Dr. Chen Chaw Min	*(appointed on 21 March 2022)*
Lee Poay Keong	*(resigned on 1 June 2021)*
Woon Kok Kee	*(resigned on 1 October 2021)*
Khoo Song Heng	*(Alternate Director to Woon Kok Kee) (resigned on 1 October 2021)*

The names of the Directors of subsidiaries are set out in the respective subsidiaries' financial statements and the said information is deemed incorporated herein by such reference and made a part hereof.

DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 30 NOVEMBER 2021

DIRECTORS' INTERESTS IN SHARES

None of the other Directors in office at the end of the financial year had any interests in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received nor become entitled to receive any benefits (other than those disclosed in Notes 17, 19 and 21 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company of which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INDEMNITY AND INSURANCE COSTS

During the financial year, the cost of insurance effected for Directors and officers of the Group amounted to RM11,000 for a total sum insured of RM10,000,000.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued:

(a) 12,070,500 new ordinary shares at RM0.12 per ordinary share arising from the conversion of 12,070,500 Irredeemable Convertible Preference Shares ("ICPSs") with consideration of RM724,230;

(b) 7,000,000 new ordinary shares at RM0.12 per ordinary share arising from the conversion of 14,000,000 Irredeemable Convertible Preference Shares ("ICPSs"); and

(c) On 11 March 2021 and 29 November 2021, 65,885,500 and 69,129,300 new ordinary shares at RM0.124 and RM0.09 per share respectively via a private placements to eligible investors for a total cash consideration of RM14,391,439 for working capital purposes.

There were no issuance of any debentures during the financial year.

ICPSs AND WARRANTS

On 27 December 2018, the Company issued 682,453,608 5-year ICPSs at RM0.06 per ICPS together with 85,306,696 free detachable warrants ("Warrants") on the basis of 8 ICPSs together with 1 Warrant for every 2 existing ordinary shares held in the Company for a total cash consideration of RM40,947,217. The ICPSs are convertible into ordinary shares on the following basis:

(i) by surrendering for cancellation 2 ICPSs at RM0.06 per ICPS for every 1 new ordinary share of RM0.12 per share; or

(ii) by surrendering for cancellation 1 ICPS at RM0.06 per ICPS together with cash payment of RM0.06 for every 1 new ordinary share of RM0.12 per share.

The detail and salient features of the ICPS are disclosed in Note 10 to the financial statements.

ICPSs AND WARRANTS (CONT'D)

The Warrants entitle the holders, to subscribe for one (1) new ordinary share in the Company on the basis of one (1) new ordinary share for every Warrant held at an exercise price of RM0.12 per ordinary share, to be satisfied in cash within five (5) years from the date of the issue of the Warrants, subject to adjustments in accordance with the provisions of the Deed Poll created on 16 November 2018. Any Warrant not exercised during the exercise period will lapse and thereafter ceases to be valid for any purpose.

During the financial year, 26,070,500 (2020: 112,669,600) ICPSs and Nil (2020: Nil) Warrants were exercised respectively. As at the reporting date, the Company has 114,286,220 (2020: 140,356,720) outstanding number of ICPSs and 83,441,696 (2020: 83,441,696) Warrants which remained unexercised.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the ICPSs and Warrants of the Company.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

(i) action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there were no known bad debts to be written off and no provision needs to be made for doubtful debts; and

(ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(i) that would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; or

(ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

(ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 30 NOVEMBER 2021

OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the Directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the result of the operation of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND AFTER THE REPORTING DATE

The details of such events are disclosed in Note 26 to the financial statements.

AUDITORS

The auditors, Grant Thornton Malaysia PLT, have indicated their willingness to continue in office.

The auditors' remuneration is disclosed in Note 17 to the financial statements.

The Company has agreed to indemnify the Auditors, Grant Thornton Malaysia PLT as permitted under Section 289 of the Companies Act 2016 in Malaysia. No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year ended 30 November 2021.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

……..
Tan Ooi Jin
Director

……..
Lim Peng Tong
Director

Date: 24 March 2022

STATEMENTS OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Assets					
Property, plant and equipment	3	31,749,023	33,798,827	2,513	3,581
Investment property	4	60,000,000	40,650,000	-	-
Investments in subsidiaries	5	-	-	41,006,895	40,906,895
Investment in an associate	6	6,514,341	-	6,500,000	-
Total non-current assets		98,263,364	74,448,827	47,509,408	40,910,476
Contract assets	7	672,287	14,796,198	-	-
Trade and other receivables	8	16,775,335	15,481,927	6,293,817	47,541
Current tax assets		19,461	35,926	11,100	35,926
Cash and cash equivalents	9	7,091,418	2,234,222	6,178,769	480,990
Total current assets		24,558,501	32,548,273	12,483,686	564,457
Total assets		122,821,865	106,997,100	59,993,094	41,474,933
Equity					
Share capital	10	92,347,628	76,696,210	92,347,628	76,696,210
Reserves	11	(31,533,001)	(43,602,238)	(38,527,040)	(36,585,415)
Equity attributable to owners of the Company		60,814,627	33,093,972	53,820,588	40,110,795
Non-controlling interests	12	6,000,000	6,000,000	-	-
Total equity		66,814,627	39,093,972	53,820,588	40,110,795
Liabilities					
Deferred tax liabilities	13	1,615,543	-	-	-
Loans and borrowings	14	18,112,762	17,107,057	-	-
Other payables	15	5,873,796	11,038,661	-	-
Total non-current liabilities		25,602,101	28,145,718	-	-
Trade and other payables	15	28,051,817	29,758,620	6,172,506	1,364,138
Contract liabilities	7	903,999	1,162,498	-	-
Current tax liabilities		-	8,382	-	-
Loans and borrowings	14	1,449,321	8,827,910	-	-
Total current liabilities		30,405,137	39,757,410	6,172,506	1,364,138
Total liabilities		56,007,238	67,903,128	6,172,506	1,364,138
Total equity and liabilities		122,821,865	106,997,100	59,993,094	41,474,933

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Revenue	16	16,201,442	59,249,568	-	-
Cost of sales		(15,234,197)	(65,441,399)	-	-
Gross profit/(loss)		967,245	(6,191,831)	-	-
Other income		769,037	1,037,530	-	3,353,765
Reversal of impairment loss/(impairment loss) on contract assets and receivables		1,069,727	(1,069,727)	-	44,093,106
Distribution expenses		-	(116,024)	-	-
Administrative expenses		(4,146,059)	(7,019,623)	(1,412,684)	(2,301,368)
Fair value gain on investment property		18,967,508	-	-	-
Other expenses		(2,054,417)	(3,538,471)	(1,158)	(51,093,106)
Results from operating activities		15,573,041	(16,898,146)	(1,413,842)	(5,947,603)
Finance income		11,558	25,952	7,966	1,558
Finance costs		(1,395,211)	(1,282,559)	-	-
Net finance (costs)/income		(1,383,653)	(1,256,607)	7,966	1,558
Operating profit/(loss)		14,189,388	(18,154,753)	(1,405,876)	(5,946,045)
Share of profit of equity accounted associate		14,341	-	-	-
Profit/(loss) before tax	17	14,203,729	(18,154,753)	(1,405,876)	(5,946,045)
Tax expense	18	(1,598,743)	(67,590)	-	(50,790)
Profit/(loss) for the year representing total comprehensive income/(expense) for the year		12,604,986	(18,222,343)	(1,405,876)	(5,996,835)
Profit/(loss) for the year representing total comprehensive income/(expense) for the year attributable to:					
Owners of the Company		12,604,986	(18,222,343)	(1,405,876)	(5,996,835)
Basic earnings/(loss) per ordinary share (sen)	20	1.93	(3.26)		
Diluted earnings/(loss) per ordinary share (sen)	20	*	*		

* Anti-dilutive in nature

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2021

	← Attributable to owners of the Company →							
	← Non-distributable →							
	Share capital RM	Reverse acquisition reserve RM	Capital reserve RM	Warrants reserve RM	Retained earnings/ (accumulated losses) RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 December 2019	71,805,847	(53,300,000)	(8,518,124)	13,717,815	25,035,774	48,741,312	6,000,000	54,741,312
Loss for the year representing total comprehensive expense for the year	-	-	-	-	(18,222,343)	(18,222,343)	-	(18,222,343)
Contributions by owners of the Company:								
– Issuance of ordinary shares pursuant to private placement	2,575,003	-	-	-	-	2,575,003	-	2,575,003
– Issuance of ordinary shares pursuant to conversion of ICPSs	2,315,360	-	(2,315,360)	-	-	-	-	-
Total transactions with owners of the Company	4,890,363	-	(2,315,360)	-	-	2,575,003	-	2,575,003
Reclassification on disposal of subsidiary	-	53,300,000	-	-	(53,300,000)	-	-	-
At 30 November 2020	76,696,210	-	(10,833,484)	13,717,815	(46,486,569)	33,093,972	6,000,000	39,093,972

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D) FOR THE YEAR ENDED 30 NOVEMBER 2021

	← Attributable to owners of the Company →						
	← Non-distributable →						
	Share capital RM	Capital reserve RM	Warrants reserve RM	Retained earnings/ (accumulated losses) RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 December 2020	76,696,210	(10,833,484)	13,717,815	(46,486,569)	33,093,972	6,000,000	39,093,972
Profit for the year representing total comprehensive income for the year	-	-	-	12,604,986	12,604,986	-	12,604,986
Contributions by owners of the Company:							
– Issuance of ordinary shares pursuant to private placements	14,391,439	-	-	-	14,391,439	-	14,391,439
– Issuance of ordinary shares pursuant to conversion of ICPSs	1,259,979	(535,749)	-	-	724,230	-	724,230
Total transactions with owners of the Company	15,651,418	(535,749)	-	-	15,115,669	-	15,115,669
At 30 November 2021	92,347,628	(11,369,233)	13,717,815	(33,881,583)	60,814,627	6,000,000	66,814,627

The notes on pages 58 to 108 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2021

	Attributable to owners of the Company				
	Non-distributable				
	Share capital RM	Capital reserve RM	Warrants reserve RM	Accumulated losses RM	Total equity RM
At 1 December 2019	71,805,847	(8,518,124)	13,717,815	(33,472,911)	43,532,627
Loss for the year representing total comprehensive expense for the year	-	-	-	(5,996,835)	(5,996,835)
Contributions by owners of the Company:					
– Issuance of ordinary shares persuant to private placement	2,575,003	-	-	-	2,575,003
– Issuance of ordinary shares pursuant to conversion of ICPSs	2,315,360	(2,315,360)	-	-	-
Total transactions with owners of the Company	4,890,363	(2,315,360)	-	-	2,575,003
At 30 November 2020/ 1 December 2020	76,696,210	(10,833,484)	13,717,815	(39,469,746)	40,110,795
Loss for the year representing total comprehensive expense for the year	-	-	-	(1,405,876)	(1,405,876)
Contributions by owners of the Company:					
– Issuance of ordinary shares pursuant to private placements	14,391,439	-	-	-	14,391,439
– Issuance of ordinary shares pursuant to conversion of ICPSs	1,259,979	(535,749)	-	-	724,230
Total transactions with owners of the Company	15,651,418	(535,749)	-	-	15,115,669
At 30 November 2021	92,347,628	(11,369,233)	13,717,815	(40,875,622)	53,820,588

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Cash flows from operating activities					
Profit/(loss) before tax		14,203,729	(18,154,753)	(1,405,876)	(5,946,045)
Adjustments for:					
Depreciation on:					
– property, plant and equipment		2,054,304	1,389,707	1,068	1,067
Fair value gain on investment property		(18,967,508)	-	-	-
(Gain)/loss on disposal of:					
– investments in subsidiaries		-	(482,791)	-	(2)
– investments in associates		-	2,665,441	-	(1)
Impairment loss on:					
– investments in subsidiaries		-	-	-	51,093,106
Interest expense		1,395,211	1,282,559	-	-
Interest income		(11,558)	(25,952)	(7,966)	(1,558)
(Reversal of impairment)/impairment loss on contract assets		(1,069,727)	1,069,727	-	-
Reversal of impairment loss on amount due from subsidiaries		-	-	-	(44,093,106)
Share of profit of equity accounted associate, net of tax		(14,341)	-	-	-
Waiver of amount due to subsidiaries		-	-	-	(3,192,915)
Operating loss before working capital changes		(2,409,890)	(12,256,062)	(1,412,774)	(2,139,454)
Changes in working capital:					
Inventories		-	(413,933)	-	-
Trade and other receivables		(1,293,408)	22,847,415	(535,100)	2,545,059
Contract assets		15,193,638	(6,691,142)	-	-
Trade and other payables		(7,327,722)	3,071,836	3,512,539	210,708
Contract liabilities		(258,499)	(2,272,250)	-	-
Cash generated from operations		3,904,119	4,285,864	1,564,665	616,313

STATEMENTS OF CASH FLOWS (CONT'D) FOR THE YEAR ENDED 30 NOVEMBER 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Cash generated from operations (continued)		3,904,119	4,285,864	1,564,665	616,313
Tax paid		(11,550)	(37,852)	(11,000)	(34,426)
Tax refunded		36,433	-	35,826	-
Net cash generated from operating activities		3,929,002	4,248,012	1,589,491	581,887
Cash flows from investing activities					
Acquisition of:					
– property, plant and equipment	A	(4,500)	(17,116,560)	-	-
– investment property		(382,492)	-	-	-
– a subsidiary		-	-	(100,000)	-
– an associate		(6,500,000)	-	(6,500,000)	-
Advances to a subsidiary		-	-	(5,711,176)	(2,500,000)
(Net cash outflow)/proceeds from disposal of:					
– investments in subsidiaries	B	-	(82,796)	-	4
– investments in associates		-	102	-	2
Interest received		11,558	25,952	7,966	1,558
Net cash used in investing activities		(6,875,434)	(17,173,302)	(12,303,210)	(2,498,436)
Cash flows from financing activities	C				
Interest paid		(913,406)	(1,282,559)	-	-
Proceeds from issuance of:					
– ordinary shares pursuant to private placements		14,391,439	2,575,003	14,391,439	2,575,003
– ordinary shares pursuant to conversion of ICPSs		724,230	-	724,230	-
Repayments to Directors		(25,751)	(582,345)	(25,751)	(582,345)
(Repayments)/drawdown of borrowings		(5,788,293)	14,189,947	-	-
Advances from a subsidiary		-	-	1,321,580	-
Repayments of lease liabilities	D	(584,591)	(634,416)	-	-
Net cash generated from financing activities		7,803,628	14,265,630	16,411,498	1,992,658
Net changes		4,857,196	1,340,340	5,697,779	76,109
At beginning of financial year		2,234,222	893,882	480,990	404,881
At end of the financial year		7,091,418	2,234,222	6,178,769	480,990

STATEMENTS OF CASH FLOWS (CONT'D) FOR THE YEAR ENDED 30 NOVEMBER 2021

NOTES TO THE STATEMENTS OF CASH FLOWS

A. Acquisition of Property, Plant and Equipment

	2021 RM	2020 RM
Total additions	4,500	28,155,221
Other payables (Note 15)	-	(11,038,661)
Cash payments	4,500	17,116,560

B. Disposal of Subsidiaries

In prior year, the Company entered into Share Sale Agreement ("SSA") to dispose of its entire equity interest in Superinox Max Fittings Sdn. Bhd. ("SMFI") and Tatt Giap Hardware Sdn. Bhd. ("TGH"), both being wholly-owned subsidiaries for a total cash consideration of RM2 each.

The disposals had the following effects on the financial position of the Group:

	2020		
	SMFI RM	TGH RM	Total RM
Property, plant and equipment	-	66,954	66,954
Investment in an associate	-	2,250,000	2,250,000
Inventories	-	587,217	587,217
Cash and cash equivalents	15,971	66,829	82,800
Trade and other receivables	165,003	3,013,875	3,178,878
Loans and borrowings	-	(8,911)	(8,911)
Trade and other payables	(2,017,740)	(4,621,985)	(6,639,725)
Net (liabilities relieved)/assets disposed	(1,836,766)	1,353,979	(482,787)
Gain/(Loss) on disposal of subsidiaries	1,836,768	(1,353,977)	482,791
Consideration received in cash	2	2	4
Cash and cash equivalents disposed of	(15,971)	(66,829)	(82,800)
Net cash outflow	(15,969)	(66,827)	(82,796)

STATEMENTS OF CASH FLOWS (CONT'D) FOR THE YEAR ENDED 30 NOVEMBER 2021

NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

C. Reconciliation of Movements of Liabilities to Cash Flows Arising from Financing Activities

	At 1.12.2020 RM	Cash flows RM	At 30.11.2021 RM
Lease liabilities	1,249,077	(584,591)	664,486
Term loans	18,496,507	(405,013)	18,091,494
Bankers' acceptances	6,189,383	(5,383,280)	806,103
Amount due to a Director	165,000	(25,751)	139,249
Total liabilities from financing activities	26,099,967	(6,398,635)	19,701,332

	At 1.12.2019 RM	Changes arising from disposal of subsidiaries RM	Cash flows RM	At 30.11.2020 RM
Lease liabilities	1,892,404	(8,911)	(634,416)	1,249,077
Term loans	8,385,708	-	10,110,799	18,496,507
Bankers' acceptances	2,110,235	-	4,079,148	6,189,383
Amount due to a Director	747,345	-	(582,345)	165,000
Total liabilities from financing activities	13,135,692	(8,911)	12,973,186	26,099,967

D. Cash Outflows for Leases as a Lessee

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Included in net cash used in operating activities					
Payments relating to short-term leases	17	140,963	8,208,667	57,498	23,358
Payments relating to low-value assets	17	-	1,250	-	-
Payments of lease liabilities	14	584,591	634,416	-	-
Interest paid in relation to lease liabilities	14	68,109	88,517	-	-
Total cash outflows for leases		793,663	8,932,850	57,498	23,358

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Dynaciate Group Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the registered office and principal place of business of the Company are as follows:

REGISTERED OFFICE

170-09-01, Livingston Tower
Jalan Argyll
10050 George Town
Penang

PRINCIPAL PLACE OF BUSINESS

J-08-3A, Block J, Setiawalk
Persiaran Wawasan
Pusat Bandar Puchong
47160 Puchong
Selangor

The consolidated financial statements of the Company as at 30 November 2021 and for the financial year then ended comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interests in an associate.

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements.

These financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 March 2022.

1. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The Group and the Company have consistently applied the accounting policies set out in Note 2 to all years presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted amendments to MFRSs which are mandatory for the current financial year beginning on or after 1 December 2020. Initial application of the amendments to the standards did not have material financial impact to the financial statements.

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of Compliance (Cont'd)

The Group and the Company plan to apply the below amendments where applicable, in the respective financial years when they become effective.

Effective for annual periods beginning on or after 1 January 2021

- *Amendments 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*

Effective for annual periods beginning on or after 1 April 2021

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

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, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- *Amendments to MFRS 141*#, Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

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 MFRS 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 – Disclosure 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*

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*

* Not applicable to the Company's operation
\# Not applicable to the Group's operation

The initial application of the abovementioned amendments/improvements to the standards is not expected to have any material financial impacts to the financial statements.

1. BASIS OF PREPARATION (CONT'D)

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2 to the financial statements and on the assumption that the Group and the Company will continue to operate as a going concern.

As at 30 November 2021, the Group had current liabilities in excess of its current assets of RM5,846,636. The Directors are of the opinion that the Group will be able to rely on the existing unutilised banking facilities and the continuing financial support from shareholders to enable the Group to fulfill their obligations as and when they fall due. Subsequent to the financial year end, the Company has announced to undertake a proposed private placement of up to 467,585,600 new ordinary shares in the Company which expected to bring in cash inflow to the Group.

In view of the above, the Directors consider it appropriate to prepare the financial statements of the Group and of the Company on a going concern basis. Accordingly, the financial statements do not include any adjustments relating to the recoverability or classification of recorded assets and liabilities that may be necessary if the Group and the Company were unable to continue as a going concern.

(c) Functional and Presentation Currencies

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of Estimates and Judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Estimation Uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:-

Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment to be within 2.5 to 99 years and reviews the useful lives of depreciable assets at each reporting date. At 30 November 2021, the management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's and the Company assets.

The carrying amount of the Group's and the Company's property, plant and equipment at the reporting date is disclosed in Note 3 to the financial statements.

1. BASIS OF PREPARATION (CONT'D)

(d) Use of Estimates and Judgements (Cont'd)

Estimation Uncertainty (Cont'd)

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Fair value valuation of investment property

The Group measures its investment property at fair value with changes in fair value being recognised in profit or loss. Significant judgement is required in the determination of fair value which may be derived based on different valuation method. In making this judgement, the Group evaluates based on past experience and reliance on the work of specialists. The Group engages independent valuation specialists to determine fair values.

Information regarding the valuation techniques and inputs used in determining fair value is disclosed in Note 4 to the financial statements.

Revenue and construction cost recognition

As revenue from construction contracts is recognised over time, the amount of revenue recognised at the reporting date depends on the extent to which the performance obligation has been satisfied. This is done by determining the stage of completion. The stage of completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total revenue and total costs and the recoverability of the contract costs. In making these judgements, management relies on past experience.

The carrying amount of construction contracts of the Group is disclosed in Notes 7 and 16 to the financial statements.

1. BASIS OF PREPARATION (CONT'D)

(d) Use of Estimates and Judgements (Cont'd)

Estimation Uncertainty (Cont'd)

Provision for expected credit losses ("ECLs") of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Income taxes and deferred tax liabilities

Significant judgement is involved in determining the Group's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain in the ordinary course of business. The Group recognises tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all years presented in the financial statements.

(a) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business Combinations

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of Non-Controlling Interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of Control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Consolidation (Cont'd)

(v) Associate

Associate is an entity, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in an associate is accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associate, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in an associate is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vi) Non-Controlling Interests

Non-controlling interests at the end of the reporting date, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

(vii) Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associate is eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property, Plant and Equipment

(i) Recognition and Measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bring the assets to working condition for its intended use, cost of replacing component parts of the assets and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance costs are recognised in profit or loss as incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised in profit or loss.

(ii) Subsequent Costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated.

The depreciation rates for the current and comparative years are as follows:

	%
Leasehold land	66 – 99 years
Buildings	2%
Plant and equipment, tools and moulds	5% – 20%
Furniture, fittings and equipment	10% – 40%
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reviewed at end of the reporting date, and are adjusted as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Investment Property

(i) Investment Property Carried at Fair Value

Investment property is property which is owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bring the investment property to a working condition for their intended use.

Subsequently, investment property is measured at fair value with any changes therein recognised in profit or loss for the financial year in which they arise.

Investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the financial year in which the item is derecognised.

(ii) Reclassification to/from Investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(d) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) Recognition and Initial Measurement

As a Lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Leases (Cont'd)

(i) Recognition and Initial Measurement (Cont'd)

As a Lessee (Cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group's entities' incremental borrowing rate. Generally, the Group uses their incremental borrowing rate as the discount rate.

On the statements of financial position, right-of-use assets have been included in property, plant and equipment.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Leases (Cont'd)

(ii) Subsequent Measurement

As a Lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimates of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As A Lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

(e) Financial Instruments

(i) Recognition and Initial Measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial Instrument Categories and Subsequent Measurement

Financial Assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting date following the change of the business model.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (Cont'd)

(ii) Financial Instrument Categories and Subsequent Measurement (Cont'd)

Financial Assets (Cont'd)

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss.

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method and subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's trade and other receivables (excluding prepayments) and cash and cash equivalents fall into this category of financial instruments.

All financial assets are subject to impairment assessment as disclosed in Note 2(e)(vi) to the Financial Statements.

Financial Liabilities

The categories of financial liabilities at initial recognition are as follows :

Amortised cost

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The Group's and the Company's financial liabilities include trade and other payables and loans and borrowings.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate ("EIR") amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (Cont'd)

(iii) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.

Liabilities arising from financial guarantees are presented together with other provisions.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expired, transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial instruments (Cont'd)

(vi) Impairment – Financial Assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables with reference to historical credit loss experience. An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

(f) Impairment – Non-Financial Assets

The carrying amounts of other assets (except for contract assets and investment property measured at fair value) are reviewed at the end of each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Impairment – Non-Financial Assets (Cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior years are assessed at the end of each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(g) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks which are readily convertible to known amount of cash and which have an insignificant risk of changes in fair value with original maturities of three months or less.

(h) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity.

Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

Fair value from the issuance of warrants are credited to warrants reserve and is non-distributable. When the warrants are exercised or expired, the warrants reserve will be transferred to another reserve account within equity.

Accumulated losses include all current year's loss and prior years' accumulated losses.

All transactions with the owners of the Company are recorded separately within equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Employee Benefits

(i) Short-Term Employee Benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State Plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(j) Revenue and Other Income

(i) Revenue from Contracts with Customers

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- the customer simultaneously receives and consumes the benefits provided as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(ii) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Revenue and Other Income (Cont'd)

(iii) Interest Income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(iv) Contract asset/contract liability

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Contract assets are subject to impairment in accordance to MFRS 9, Financial Instruments as disclosed in Note 2 (e)(vi) to the financial statements.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(k) Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(l) Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting year, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting date.

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Income Tax (Cont'd)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting year and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(m) Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

(n) Contingent Liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(o) Earnings per Ordinary Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise Irredeemable Convertible Preference Shares and Warrants.

(p) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Executive Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Fair Value Measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting date.

3. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land RM	Buildings RM	Plant and equipment, tools and moulds RM	Furniture, fittings and equipment RM	Motor vehicles RM	Total RM
Group						
Cost						
At 1 December 2019	-	-	8,603,195	1,913,080	3,170,127	13,686,402
Additions	12,762,488	12,493,946	1,907,600	16,187	975,000	28,155,221
Disposal of subsidiaries	-	-	(3,384,995)	(1,708,485)	(1,110,658)	(6,204,138)
Written off	-	-	-	-	(6,403)	(6,403)
At 30 November 2020	12,762,488	12,493,946	7,125,800	220,782	3,028,066	35,631,082
Additions	-	-	4,500	-	-	4,500
At 30 November 2021	12,762,488	12,493,946	7,130,300	220,782	3,028,066	35,635,582
Accumulated depreciation						
At 1 December 2019	-	-	3,695,237	1,662,826	1,228,072	6,586,135
Charge for the financial year	37,428	42,500	733,822	69,426	506,531	1,389,707
Disposal of subsidiaries	-	-	(3,384,995)	(1,641,530)	(1,110,659)	(6,137,184)
Written off	-	-	-	-	(6,403)	(6,403)
At 30 November 2020	37,428	42,500	1,044,064	90,722	617,541	1,832,255
Charge for the financial year	213,872	249,025	920,162	65,631	605,614	2,054,304
At 30 November 2021	251,300	291,525	1,964,226	156,353	1,223,155	3,886,559
Carrying amounts						
At 30 November 2021	12,511,188	12,202,421	5,166,074	64,429	1,804,911	31,749,023
At 30 November 2020	12,725,060	12,451,446	6,081,736	130,060	2,410,525	33,798,827

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office equipment RM	Motor vehicles RM	Total RM
Company			
Cost			
At 1 December 2019	5,338	6,403	11,741
Written off	-	(6,403)	(6,403)
At 30 November 2020/30 November 2021	5,338	-	5,338
Accumulated depreciation			
At 1 December 2019	690	6,403	7,093
Charge for the financial year	1,067	-	1,067
Written off	-	(6,403)	(6,403)
At 30 November 2020	1,757	-	1,757
Charge for the financial year	1,068	-	1,068
At 30 November 2021	2,825	-	2,825
Carrying amounts			
At 30 November 2021	2,513	-	2,513
At 30 November 2020	3,581	-	3,581

Information on right-of-use assets are as follows:

	Carrying amount included in property, plant and equipment RM	Depreciation charged for the financial year RM	Addition RM
Group			
2021			
Leasehold land	12,511,188	213,872	-
Plant and equipment, tools and moulds	1,547,750	199,500	-
2020			
Leasehold land	12,725,060	37,428	12,762,488
Plant and equipment, tools and moulds	1,747,250	199,500	-

The right-of-use assets are included in the same items as where the corresponding underlying assets would be presented if they were owned.

The leasehold land and buildings of the Group with carrying amount of RM12,511,188 (2020: RM12,725,060) and RM12,202,421 (2020: RM12,451,446) respectively have been charged to licensed banks to secure banking facilities of the Group. The details of these banking facilities are disclosed in Note 14 to the financial statements.

4. INVESTMENT PROPERTY

	Freehold land RM	Buildings RM	Total RM
Group			
At fair value			
At 1 December 2019/30 November 2020	18,500,000	22,150,000	40,650,000
Addition	-	382,492	382,492
Fair value gain on investment property	6,399,637	12,567,871	18,967,508
At 30 November 2021	24,899,637	35,100,363	60,000,000

The following are recognised in profit or loss in respect of investment property:

	Group	
	2021 RM	2020 RM
Rental income	1,080,000	10,000
Direct operating expenses	218,456	217,615

The operating lease payments to be received are as follows:

	Group	
	2021 RM	2020 RM
Less than 1 year	3,120,000	-
Between 1 to 2 years	3,120,000	-
More than 2 years but less than 5 years	2,080,000	-
Total undiscounted lease payments	8,320,000	-

Fair Value Information – Fair Value Basis of Investment Property

The fair value represents the amount at which the property could be exchanged on an open market basis between a knowledgeable willing buyer and a knowledgeable willing seller on an arm's length basis at the reporting date.

The fair values of the Group's investment property have been arrived at on the basis of valuations carried out by a firm of independent professional valuers on 30 November 2021 who have appropriate professional qualification and recent experience in the relevant location and assets being valued. The fair values of the investment property were determined using the Comparison Method.

The Comparison Method entails comparing the property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, size, building construction and finishes, building services, management and maintenance, age and state of repair, market condition and other relevant characteristics.

Fair value measurement of the investment property is classified as level 2 (2020: level 2) in the fair value hierarchy.

4. INVESTMENT PROPERTY (CONT'D)

Security

The freehold land and buildings of the Group with carrying amount of RM60,000,000 (2020: RM40,650,000) has been charged to a licensed bank to secure banking facilities granted to a subsidiary. The details of these banking facilities are disclosed in Note 14 to the financial statements.

5. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 RM	2020 RM
At cost	142,100,000	142,000,000
Less: Accumulated impairment loss		
At 1 December	101,093,105	130,299,995
Impairment loss for the year	-	51,093,106
Disposals	-	(80,299,996)
At 30 November	101,093,105	101,093,105
	41,006,895	40,906,895

At the reporting date, the net assets of a subsidiary, Dynaciate SPI Sdn. Bhd. were lower than the Company's cost of investment which resulted in an impairment loss recognised accordingly.

Details of the subsidiaries, all of which are incorporated and having principal place of business in Malaysia, are as follows:

Name of entity	Effective ownership interest and voting interest 2021 %	2020 %	Principal activities
Dynaciate SPI Sdn. Bhd. ("DSPI")	100	100	Construction, civil and mechanical engineering, architectural, steel fabrication and installation works. During the year, the Company ventured into investment holding as its additional principal activities.
Magnitude Resources Sdn. Bhd. ("MRSB")	100	-	Investment holding

(i) In prior year, the Company subscribed 92,000,000 ordinary shares in DSPI, a wholly-owned subsidiary for RM92,000,000 through the capitalisation of amount due from DSPI.

(ii) On 18 March 2021, the Company incorporated MRSB with subscription of 100 new ordinary share at an issue price of RM1 per share, representing 100% equity interest in the share capital of MRSB. On 29 November 2021, the Company further subscribed another 99,900 ordinary shares at an issue price of RM1 per share.

6. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Investment in share, at cost	6,500,000	-	6,500,000	-
Share of profit of equity accounted associate, net of tax	14,341	-	-	-
	6,514,341	-	6,500,000	-

Details of the associate which incorporated and having principal place of business in Malaysia, is as follows:

Name of entity	Effective ownership interest and voting interest 2021 %	2020 %	Principal activities
MGudang Sdn. Bhd. ("MGSB")	25.49	-	Investment holding of properties

(i) In prior year, the Group entered into few Share Sale Agreements ("SSA") to dispose of its entire equity interests in the associates, PT. Indo Bestinox Industri, Nippon Egalv Steel Sdn. Bhd. and Nippon Steel Stainless (M) Sdn. Bhd. respectively for total cash consideration of RM102.

(ii) During the financial year, the Company has completed the acquisition of 6,500,000 of shares in MGSB which representing 25.49% equity interest.

On 18 November 2021, the Company has entered into a SSA with MMAG Holdings Berhad ("MMAG") for a proposed acquisition of remaining 19,000,000 ordinary shares in MGSB representing 74.51% equity interest, for a total purchase consideration of RM17,830,000. The proposed acquisition has been approved by the shareholders of the Company at the extraordinary general meeting on 16 November 2021. As at to-date, this transaction is yet to be completed.

The summary of financial information of an associate is as follows:

	MGSB 2021 RM
Summary of financial position	
Non-current assets	33,636,124
Current assets	8,335,547
Non-current liabilities	(431,693)
Current liabilities	(16,766,490)
Net assets	24,773,488

6. INVESTMENT IN AN ASSOCIATE (CONT'D)

	MGSB 2021 RM
Summary of financial performance for the financial period ended 30 November	
Net profit for the financial period	56,262
Capital commitments	
Approved and authorised:	
Property, plant and equipment	2,420,000
Reconciliation of net assets to carrying amount as at 30 November	
Group's share of net assets in the statements of financial position	6,314,762
Goodwill upon acquisition	199,579
	6,514,341
Group's share of results for the financial period ended 30 November	
Group's share of net profit recognised in profit or loss	14,341

7. CONTRACT ASSETS/ (LIABILITIES)

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount will be billed within 30 (2020: 30) days and payment is expected within 60 to 90 (2020: 60 to 90) days.

The contract liabilities primarily relate to advance consideration received from customers for construction contracts, which revenue is recognised over time. The contract liabilities are expected to be recognised as revenue over a period of 60 (2020: 60) days.

	Group	
	2021 RM	2020 RM
Presented as:		
Contract assets	672,287	14,796,198
Contract liabilities	(903,999)	(1,162,498)
	(231,712)	13,633,700

7. CONTRACT ASSETS/ (LIABILITIES) (CONT'D)

Significant changes to contract assets and contract liabilities balances during the financial year are as follows:

	Group	
	2021 RM	2020 RM
At 1 December	13,633,700	5,740,035
Revenue recognised during the financial year	15,121,442	53,489,447
Progress billings raised during the financial year	(30,056,581)	(44,526,055)
Reversal of impairment loss/(impairment loss) during the financial year	1,069,727	(1,069,727)
At 30 November	(231,712)	13,633,700

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade				
Trade receivables	2,593,630	6,000,440	-	-
Amount due from companies in which Directors of a subsidiary have a substantial financial interest	7,166,218	5,760,606	-	-
	9,759,848	11,761,046	-	-
Non-trade				
Amounts due from :				
– subsidiaries	-	-	5,711,176	-
– companies in which Directors of a subsidiary have a substantial financial interest	48,663	2,192,243	-	-
Other receivables	74,376	48,197	38,198	38,198
Deposits	1,945,754	254,959	-	9,343
Prepayments	4,946,694	1,225,482	544,443	-
	7,015,487	3,720,881	6,293,817	47,541
	16,775,335	15,481,927	6,293,817	47,541

8. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade Receivables

Included in trade receivables is retention sum amounting to RM2,075,242 (2020: RM2,838,822) for construction projects. The retention sum is expected to be received after the completion of the projects and the expiry of the defect liability period.

Amounts due from subsidiaries and companies in which Directors of a subsidiary have a substantial financial interest

The trade amount due from companies in which Directors of a subsidiary have a substantial financial interest is subject to 60 (2020: 60) days trade term.

The non-trade amounts due from subsidiaries and companies in which Directors of a subsidiary have a substantial financial interest are unsecured, interest-free and repayable on demand.

The movements in the allowance for impairment in respect of amount due from subsidiaries are shown below:

	Credit-impaired RM
Balance at 1 December 2019	44,093,106
Impairment loss reversed	(44,093,106)
Balance at 30 November 2020/2021	-

9. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Short-term deposits	7,125	211,790	-	204,835
Cash and bank balances	7,084,293	2,022,432	6,178,769	276,155
	7,091,418	2,234,222	6,178,769	480,990

10. SHARE CAPITAL

	Group and Company			
	2021		2020	
	Amount RM	Number of shares Units	Amount RM	Number of shares Units
Ordinary shares issued and fully paid with no par value				
At 1 December	71,159,137	590,118,496	61,823,958	480,137,796
Issued during the year pursuant to private placements	14,391,439	135,014,800	2,575,003	53,645,900
Conversion of ICPSs during the year	2,288,460	19,070,500	6,760,176	56,334,800
	87,839,036	744,203,796	71,159,137	590,118,496
Irredeemable Convertible Preference Shares				
At 1 December	5,537,073	140,356,720	9,981,889	253,026,320
Conversion during the financial year	(1,028,481)	(26,070,500)	(4,444,816)	(112,669,600)
	4,508,592	114,286,220	5,537,073	140,356,720
At 30 November	92,347,628	858,490,016	76,696,210	730,475,216

Ordinary Shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Irredeemable Convertible Preference Shares ("ICPSs")

The ICPSs shall confer on the holders thereof the following rights and privileges only and be subject to the following conditions:

(a) Dividend

No dividend shall be paid during the tenure of the ICPS, unless otherwise declared by the Company.

Dividends, if declared, shall be non-cumulative with an indicative targeted dividend rate of 3% per annum calculated based on the issue price of the ICPS from and including the date of issuance of the ICPS until the date of conversion or maturity of the ICPS, whichever is earlier.

(b) Voting

The preference shareholder does not carry any right to vote at any general meeting of the Company except on resolutions to reduce the Company's share capital, proposal to dispose of the whole of the Company's property, business and undertaking, to commence winding-up of the Company or to amend the rights and privileges of the ICPS.

10. SHARE CAPITAL (CONT'D)

Irredeemable Convertible Preference Shares ("ICPSs") (Cont'd)

(c) Conversion

The ICPSs are convertible into new ordinary shares in the Company at the conversion price of RM0.12 per ordinary share in the following manner:

(i) by surrendering for cancellation 2 ICPSs of RM0.06 per ICPSs for every 1 new ordinary share of RM0.12 per share; or
(ii) by surrendering for cancellation 1 ICPS of RM0.06 per ICPS together with cash payment of RM0.06 for every 1 new ordinary share of RM0.12 per share.

The ICPSs are convertible into new ordinary shares within five (5) years from the date of the issue of the ICPSs.

11. RESERVES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Warrants reserve	13,717,815	13,717,815	13,717,815	13,717,815
Capital reserve	(11,369,233)	(10,833,484)	(11,369,233)	(10,833,484)
Accumulated losses	(33,881,583)	(46,486,569)	(40,875,622)	(39,469,746)
	(31,533,001)	(43,602,238)	(38,527,040)	(36,585,415)

Warrants Reserve

On 27 December 2018, the Company issued 682,453,608 5-year Irredeemable Convertible Preference Shares ("ICPSs") at RM0.06 per ICPS together with 85,306,696 free detachable warrants ("Warrants") on the basis of eight (8) ICPSs together with one (1) Warrant for every two (2) existing ordinary shares held in the Company.

The Warrants entitle the holders, to subscribe for one (1) new ordinary share in the Company on the basis of one (1) new ordinary share for every Warrant held at an exercise price of RM0.12 per ordinary share, to be satisfied in cash within five (5) years from the date of the issue of the Warrants, subject to adjustments in accordance with the provisions of the Deed Poll created on 16 November 2018. Any Warrant not exercised during the exercise period will lapse and thereafter ceases to be valid for any purpose.

During the financial year, nil (2020: Nil) warrants were exercised. As at the end of the reporting date, 83,441,696 (2020: 83,441,696) warrants remained unexercised. The fair value of the Warrants of RM0.1644 each was estimated using the Trinomial option pricing model, taking into account the terms and conditions upon which the warrants were issued.

11. RESERVES (CONT'D)

Warrants Reserve (Cont'd)

The fair value of the warrants measured at issuance date were based on the following assumptions:

Tenure	5 years
Exercise price	RM0.12
Volume weighted average price of the Company's shares at 14 November 2018	RM0.2129
Volatility rate	83.785%
Period of volatility assessment	5 years

Capital Reserve

The capital reserve arises upon from the conversion of ICPSs into ordinary shares which will be progressively reversed when the detachable warrants are exercised.

12. NON-CONTROLLING INTERESTS

The non-controlling interests comprise redeemable convertible preference shares issued by a subsidiary and not subscribed by the Company.

13. DEFERRED TAX LIABILITIES

Recognised deferred tax liabilities

Movements in temporary differences during the financial year is as follow:

	At 1 December 2019/ 30 November 2020 RM	Recognised in profit or loss (Note 18) RM	At 30 November 2021 RM
Group			
Investment property - fair value gain	-	1,615,543	1,615,543

The deferred tax liabilities represent the tax effects of Real Property Gains Tax on fair value gain on investment property.

13. DEFERRED TAX LIABILITIES (CONT"D)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Unutilised tax losses	68,221,000	67,194,000	48,000	48,000
Unabsorbed capital allowance	12,950,000	11,568,000	-	-
Other temporary difference	(5,420,000)	(5,631,000)	-	-
	75,751,000	73,131,000	48,000	48,000

The unutilised tax losses and unabsorbed capital allowances of the Group and the Company are available for offsetting against future taxable profits of the Group and the Company, subject to no substantial changes in shareholdings of those entities under the Income Tax Act 1967 and subject to the relevant provision of Income Tax Act 1967. As announced in the Annual Budget 2022, the expiry terms of the unabsorbed tax losses of the Group and the Company has been extended from 7 years to 10 years. Upon expiry of the 10 (2020: 7) years, the unabsorbed tax losses will be disregarded.

The expiry terms of unutilised tax lossess are as follow:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
YA 2026	-	56,419,000	-	48,000
YA 2027	-	10,775,000	-	-
YA 2029	56,419,000	-	48,000	-
YA 2030	10,775,000	-	-	-
YA 2031	1,027,000	-	-	-
	68,221,000	67,194,000	48,000	48,000

Deferred tax assets have not been recognised in respect of these items as it is not probable that whether sufficient future taxable profits from a business source as defined by Malaysian tax legislature will be available against which the unrecognised temporary differences can be utilised.

14. LOANS AND BORROWINGS

	Group	
	2021 RM	2020 RM
Non-current, secured		
Term loans – variable rate	17,805,975	16,361,671
Lease liabilities	306,787	745,386
	18,112,762	17,107,057
Current, secured		
Term loans – variable rate	285,519	2,134,836
Lease liabilities	357,699	503,691
Bankers' acceptances	806,103	6,189,383
	1,449,321	8,827,910
	19,562,083	25,934,967

Term loans and bankers' acceptances

The borrowings of the Group are secured by way of:

(i) Legal charge over the investment property, lands and factory buildings of a subsidiary;
(ii) Corporate guarantee by the Company; and
(iii) Jointly and severally guaranteed by a Company in which Directors of subsidiary have a substantial financial interest.

The effective interest rates of the term loans are ranging from 3.27% to 3.95% (2020: 3.95% to 4.40%) per annum. Bankers' acceptance bore interest rates ranging from 3.54% to 4.25% (2020: 3.60% to 3.86%) per annum.

The maturity analysis of borrowings is disclosed in Note 24 to the Financial Statements.

Lease liabilities

The Group's leases bore interest rate of 2.60% (2020: 2.60%) per annum. Set out below are the movements of lease liabilities during the financial year:

	2021 RM	2020 RM
At 1 December	1,249,077	1,892,404
Lease payments/cash outflows	(584,591)	(634,416)
Changes arising from disposal of subsidiaries	-	(8,911)
Lease interests	68,109	88,517
Payment for lease interests	(68,109)	(88,517)
At 30 November	664,486	1,249,077

The lease liabilities are effectively secured as the rights to the assets under the finance lease that will revert to the lessor in the event of default. Certain leases are secured by corporate guarantee from the Company.

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-current				
Non-trade				
Amounts due to companies in which Directors of a subsidiary have a substantial financial interest	5,873,796	11,038,661	-	-
Current				
Trade				
Trade payables	12,749,590	23,297,674	-	-
Amounts due to a company in which Directors of a subsidiary have a substantial financial interest	89,558	17,555	-	-
	12,839,148	23,315,229	-	-
Non-trade				
Amounts due to:				
– companies in which Directors of a subsidiary have a substantial financial interest	9,231,168	899,129	70,072	14,015
– Directors	139,249	165,000	139,249	165,000
– a subsidiary	-	-	1,722,088	400,508
Other payables	5,378,822	4,634,818	4,169,097	706,615
Accrued expenses	463,430	744,444	72,000	78,000
	15,212,669	6,443,391	6,172,506	1,364,138
	28,051,817	29,758,620	6,172,506	1,364,138
	33,925,613	40,797,281	6,172,506	1,364,138

Other Payables

Included in other payables of the Group is an amount of RM202,118 (2020: Nil) due to an associate.

15. TRADE AND OTHER PAYABLES (CONT'D)

Amounts due to a subsidiary, Directors and companies in which Directors of a subsidiary have a substantial financial interest

Included in the non-trade amount due to a company in which Directors of a subsidiary have a substantial financial interest is RM11,520,467 (2020: RM11,038,661) related to the purchase of properties, plant and equipment in year 2020. The amount is unsecured, interest free and payable by way of quarterly instalments within 2 years commencing from January 2022, discount rate of 3.95% has been applied in calculating the fair value of the amount due to a company in which Directors of a subsidiary have a substantial financial interest. The remaining non-trade amounts due to companies in which Directors of a subsidiary have a substantial financial interest are unsecured, interest-free and payable on demand.

The trade amount due to a company in which Directors of a subsidiary have a substantial financial interest is subject to 60 (2020: 60) days trade term.

16. REVENUE

	Group	
	2021 RM	2020 RM
Revenue from contracts with customers:		
– Construction, civil and mechanical engineering, architectural, steel fabrication and installation works	15,121,442	53,489,447
– Trading of steel products	-	5,041,387
– Manufacturing and distribution of stainless-steel fittings and pipes	-	718,734
Rental income	1,080,000	-
	16,201,442	59,249,568
Timing of recognition		
– Satisfied over time	16,201,442	53,489,447
– Satisfied at a point in time	-	5,760,121
	16,201,442	59,249,568
Geographical markets		
Malaysia	16,201,442	57,905,454
Europe	-	718,734
Asia (excluding Malaysia)	-	625,380
	16,201,442	59,249,568

16. REVENUE (CONT'D)

Nature of Goods and Services

Revenue from the construction, civil and mechanical engineering, architectural, fabrication and installation works is typically recognised over time as costs are incurred. These contracts would meet the no alternative use criteria and the Group has rights to payment for work performed.

Progress billings are raised to customers based on work done as certified by quantity surveyors or upon achievement of specific contractual milestones. The payment term granted to customers ranges from 60 to 90 days from date of progress billing. Defect liability period of 1 to 2 years is given to customers. There is no variables element in consideration and obligation for returns of refunds attached to the goods sold or services rendered by the Group.

Rental income is recognised on a straight-line basis over the lease term period.

Transaction Price Allocated to the Remaining Performance Obligations

The Group applies the practical expedient exemption in paragraph 121(a) of MFRS 15 on the exemption for disclosure of information on remaining performance obligations that has original expected duration of one year or less.

Significant Judgement and Assumptions Arising from Revenue Recognition

The significant judgement has been disclosed in Note 1(d) to the financial statements.

17. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax has been determined after charging/(crediting) amongst others, the following items-

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Auditors' remuneration				
– audit fee	100,000	113,000	55,000	63,000
– other services	32,000	69,000	16,500	56,000
Directors' fees	227,357	300,000	227,357	300,000
Directors' remuneration and other emoluments	441,682	501,129	11,500	24,500
Expenses relating to:				
– short-term leases	140,963	8,208,667	57,498	23,358
– low-value leases	-	1,250	-	-
Realised gain on foreign exchange	(85)	(377)	-	-
Rental income	(1,080,000)	(184,000)	-	-

18. TAX EXPENSE

Major components of tax expense include :

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current tax expense				
– Current year	-	16,800	-	-
– Prior year	(16,800)	50,790	-	50,790
	(16,800)	67,590	-	50,790
Deferred tax expense				
– Deferred tax arising from fair value gain on investment property (Note 13)	1,615,543	-	-	-
	1,615,543	-	-	-
Total tax expense	1,598,743	67,590	-	50,790

Reconciliation of tax expense

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(loss) before tax	14,203,729	(18,154,753)	(1,405,876)	(5,946,045)
Income tax calculated using Malaysian tax rate of 24% (2020: 24%)	3,408,895	(4,357,141)	(337,410)	(1,427,051)
Non-deductible expenses	696,753	1,503,024	337,410	12,814,301
Income not subject to tax	(4,734,354)	(125,963)	-	(11,387,250)
Deferred tax arising from fair value gain on investment property	1,615,543	-	-	-
Deferred tax assets not recognised	628,706	2,996,880	-	-
(Over)/underprovision of current tax in prior year	(16,800)	50,790	-	50,790
	1,598,743	67,590	-	50,790

19. EMPLOYEE INFORMATION

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Directors' remuneration	441,682	501,129	11,500	24,500
Directors' fees	227,357	300,000	227,357	300,000
Salaries, bonus and other emoluments	1,588,898	5,471,773	-	2,000
Defined contribution plan	152,488	408,201	-	-
Social security contributions	14,659	47,435	-	-
Other benefits	42,750	77,618	-	680
	2,467,834	6,806,156	238,857	327,180

20. EARNINGS/(LOSS) PER ORDINARY SHARE

Basic Earnings/(loss) per Ordinary Share

The calculation of basic earnings/(loss) per ordinary share was based on the profit/(loss) attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding, calculated as follows :

	Group	
	2021 RM	2020 RM
Profit/(loss) for the financial year attributable to ordinary shareholders	12,604,986	(18,222,343)
Issued ordinary shares at beginning of financial year	590,118,496	480,137,796
Effect of shares issued during the financial year	62,138,516	78,338,772
Weighted average number of ordinary shares	652,257,012	558,476,568
Basic earnings/(loss) per ordinary share (sen)	1.93	(3.26)

Diluted Earnings/(loss) per Ordinary Share

The calculation of diluted earnings/(loss) per ordinary share was based on profit/(loss) attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

The diluted losses per ordinary share was not applicable as the unexercised warrants and ICPSs were anti-dilutive in nature, this was due to the average market share price of the Company being below the exercise price of warrants and ICPSs.

21. RELATED PARTIES

Identity of Related Parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

The Group has related party relationship with its subsidiaries and associate as disclosed in the financial statements, a firm in which a Director is a partner and companies in which Directors of subsidiary are deemed to have a substantial financial interest.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group or the Company either directly or indirectly.

The Group has related party relationship with its related companies and key management personnel. Related companies are related by virtue of having the same holding company.

Significant Related Party Transactions

The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Notes 8 and 15.

(i) Transaction with a firm in which a Director is a partner

	Group and Company	
	2021	2020
	RM	RM
Professional fees	(43,610)	(250,939)

(ii) Transactions with companies in which Directors of subsidiary have a substantial financial interest

	Group	
	2021	2020
	RM	RM
Progress billings	19,902,555	25,420,509
Purchase of materials and consumables	(72,003)	(1,593,902)
Personnel costs charged to	-	601,243
Personnel costs charged from	(339,405)	(2,085,873)
Rental expense	(56,058)	(1,904,382)
Usage of manpower or labour services	(611,299)	(8,484,483)
Acquisition of property, plant and equipment	-	(26,786,431)

(iii) Transactions with Directors and key management personnel

There were no transactions with the Directors and key management personnel of the Group and the Company other than the remuneration package paid to them in accordance with the terms and conditions of their appointment as disclosed in Notes 17 and 19 to the financial statements.

22. OPERATING SEGMENTS – GROUP

The Group has reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology, operational and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Group's Executive Director) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments :

- Property investment and others — Includes rental of investment property
- Steel products — Includes manufacturing and distribution of stainless-steel pipes and fittings and sale of steel related products
- Construction — Includes construction, civil and mechanical engineering, architectural, steel fabrication and installation works

Performance is measured based on segment profit/(loss) before tax, interest and depreciation, as included in the internal management reports that are reviewed by the CODM. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within these industries.

Segment Assets

The total of segment assets is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total asset is used to measure the return of assets of each segment.

Segment Liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liability.

Segment Capital Expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and investment property.

Geographical Segment

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets. The amounts of non-current assets do not include financial instruments (including investment in an associate).

Geographical Information

	Revenue		Non-current assets	
	2021 RM	2020 RM	2021 RM	2020 RM
Malaysia	16,201,442	57,905,454	98,263,364	74,448,827
Europe	-	718,734	-	-
Asia (excluding Malaysia)	-	625,380	-	-
	16,201,442	59,249,568	98,263,364	74,448,827

22. OPERATING SEGMENTS – GROUP (CONT'D)

	Construction		Steel products		Property investment and others		Total	
	2021 RM	2020 RM	2021 RM	2020 RM	2021 RM	2020 RM	2021 RM	2020 RM
Segment (loss)/profit before tax	(508,946)	(11,322,655)	-	136,317	18,150,632	(4,322,101)	17,641,686	(15,508,439)
Included in the measure of segment profit/(loss) are:								
Revenue from external customers	15,121,442	53,489,447	-	5,760,121	1,080,000	-	16,201,442	59,249,568
Reversal of impairment/(impairment loss) on contract assets	1,069,727	(1,069,727)	-	-	-	-	1,069,727	(1,069,727)
Fair value gain on investment property	-	-	-	-	18,967,508	-	18,967,508	-
Gain/(loss) on disposal of:								
- investments in subsidiaries	-	-	-	-	-	482,791	-	482,791
- investments in associates	-	100	-	-	-	(2,665,541)	-	(2,665,441)
Share of profit of equity accounted associate, net of tax	-	-	-	-	14,341	-	14,341	-
Not included in the measure of segment profit/(loss) but provided to CODMs:								
Depreciation	(2,053,236)	(1,366,530)	-	(22,110)	(1,068)	(1,067)	(2,054,304)	(1,389,707)
Finance costs	(1,395,211)	(1,050,043)	-	(232,516)	-	-	(1,395,211)	(1,282,559)
Interest income	3,592	24,394	-	-	7,966	1,558	11,558	25,952
Segment assets	103,499,106	106,429,062	-	-	19,322,759	568,038	122,821,865	106,997,100
Included in segment assets are:								
Investment in an associate	-	-	-	-	6,500,000	-	6,500,000	-
Additions to non-current assets other than financial instruments	386,992	28,155,221	-	-	-	-	386,992	28,155,221

22. OPERATING SEGMENTS - GROUP (CONT'D)

Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue :

	Revenue		
	2021 RM	2020 RM	Segment
– Customer A and its subsidiaries	9,234,209	32,306,857	Construction
– Customer B and its subsidiaries	4,063,163	11,481,207	Construction
– Customer C	1,628,859	6,047,193	Construction

23. CAPITAL COMMITMENTS – GROUP

	2021 RM	2020 RM
Approved and authorised:		
Property, plant and equipment	12,868,848	-

24. FINANCIAL INSTRUMENTS

24.1 Financial Risk Management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and the Company's business whilst managing its risks. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:-

(a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

It is the Group's and the Company's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group and the Company do not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. The Group's and the Company's portfolio of financial instrument is broadly diversified and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

24. FINANCIAL INSTRUMENTS (CONT'D)

24.1 Financial Risk Management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (Cont'd)

(a) Credit risk (Cont'd)

It is the Group and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group and the Company do not offer credit terms without the approval from the management.

Following are the areas where the Group and the Company are exposed to credit risk:-

Trade Receivables and Contract Assets

Risk Management Objectives, Policies and Processes for Managing the Risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally, credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit-impaired.

The gross carrying amounts of credit-impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

Exposure to Credit Risk, Credit Quality and Collateral

As at the end of the reporting date, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statements of financial position.

Concentration of Credit Risk

The Group has significant concentration of credit risks on 1 customer (2020: 4 customers) which comprise approximately 89% (2020: 92%) of the trade receivables balances as at the reporting date.

The exposure to credit risk for trade receivables and contract assets as at the end of the reporting date by geographical region was:

	2021 RM	2020 RM
Malaysia	10,432,135	25,266,044
Asia (excluding Malaysia)	-	1,291,200
	10,432,135	26,557,244

24. FINANCIAL INSTRUMENTS (CONT'D)

24.1 Financial Risk Management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (Cont'd)

(a) Credit risk (Cont'd)

Recognition and Measurement of Impairment Loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 90 days. The Group will start to initiate a structured debt recovery process for debts which are above 90 days past due which are monitored by the sales management team.

Set out below is the information about the credit risk exposure and expected credit losses ("ECL") for the Group's trade receivables using provision matrix:-

	Total gross carrying amount RM	Expected credit losses RM
2021		
Not past due	2,297,736	-
Past due for 1 to 30 days	52,596	-
Past due for 31 to 60 days	41,001	-
Past due for 61 to 90 days	8,500	-
Past due for 90 days	7,360,015	-
	9,759,848	-
Contract assets	672,287	-
2020		
Not past due	3,283,606	-
Past due for 1 to 30 days	3,359,327	-
Past due for 31 to 60 days	650,635	-
Past due for 61 to 90 days	2,934,853	-
Past due for 90 days	1,532,625	-
	11,761,046	-
Contract assets	14,796,198	-
Individually impaired	1,069,727	(1,069,727)
	15,865,925	(1,069,727)

The net carrying amount of trade receivables is considered a reasonable approximate of their fair value. The maximum exposure to credit risk is the carrying value of contract assets mentioned above.

24. FINANCIAL INSTRUMENTS (CONT'D)

24.1 Financial Risk Management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (Cont'd)

(a) Credit risk (Cont'd)

Cash and Cash Equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Intercompany Balances

Risk Management Objectives, Policies and Processes for Managing the Risk

The Company provides unsecured advances to a subsidiary. The Company monitors the ability of the subsidiary to repay the advances on an individual basis.

Exposure to Credit Risk, Credit Quality and Collateral

Generally, the Company considers advances to a subsidiary to have low credit risk. The Company considers a subsidiary's advance to be credit-impaired when:

- The subsidiary is unlikely to repay its advance to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholder's fund.

The Company determines the probability of default for the advances individually using internal information available. As at the end of the reporting year, there was no indication that the advances to the subsidiary are not recoverable.

Other receivables

Credit risks on other receivables are mainly arising from deposits paid for staff hostel and fixtures rented and amounts due from companies in which certain Directors have a substantial financial interest in relation to the Group's and the Company's normal course of business. The deposits will be received at the end of the lease terms. The Group and the Company manage the credit risk together with the leasing arrangements. The Group and the Company consider the amount due from companies in which Directors of a subsidiary have a substantial financial interest to have low credit risk.

As at the end of the reporting date, the maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position and the Group and the Company did not recognise any allowance for impairment losses.

24. FINANCIAL INSTRUMENTS (CONT'D)

24.1 Financial Risk Management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (Cont'd)

(a) Credit risk (Cont'd)

Financial Guarantees

Risk Management Objectives, Policies and Processes for Managing the Risk

The Company provides unsecured financial guarantees to banks and suppliers in respect of banking facilities and trade terms granted to a subsidiary. The Company monitors the ability of the subsidiary to service its loans and obligations.

Exposure to Credit Risk, Credit Quality and Collateral

As at the reporting date, the maximum exposure to credit risk amounts to RM10,466,500 (2020: RM17,179,100) representing the outstanding banking facilities of the subsidiary at the end of the reporting date.

The financial guarantees provided to the suppliers of its subsidiary are to secure the outstanding amount payable amounting to RM103,946 (2020: RM235,954) as at the end of the reporting date.

The financial guarantees are provided as credit enhancements to the subsidiary's secured loans and borrowings.

Recognition and Measurement of Impairment Loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit-impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank or supplier in full; or
- The subsidiary is continuously loss making and is having a deficit shareholder's fund.

The Company determines the probability of default of the guaranteed amounts individually using internal information available. As at the end of the reporting date, the Company did not recognise any allowance for impairment in respect of financial guarantees.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as and when they fall due. The Group and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings. The Group and the Company actively manage its debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet its working capital requirements.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

24. FINANCIAL INSTRUMENTS (CONT'D)

24.1 Financial Risk Management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (Cont'd)

(b) Liquidity risk (Cont'd)

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

As at 30 November 2021, the Group had current liabilities in excess of current assets of RM5,846,636. The Directors are of the opinion that the Group and the Company will be able to rely on the existing unutilised banking facilities and the continuing financial support from shareholders to enable the Group and the Company to fulfill their obligations as and when they fall due.

The table below summarises the maturity profile of the Group's financial liabilities as at the reporting date based on the undiscounted contractual payments:

	Carrying amounts RM	Contractual cash flows RM	Within 1 year RM	More than 1 year but less than 5 years RM	More than 5 years RM
Group					
2021					
Trade and other payables	33,925,613	34,405,647	28,405,397	6,000,250	-
Loan and borrowings	19,562,083	24,356,191	2,029,103	6,113,460	16,213,628
	53,487,696	58,761,838	30,434,500	12,113,710	16,213,628
2020					
Trade and other payables	40,797,281	41,759,120	29,758,620	12,000,500	-
Loan and borrowings	25,934,967	29,450,641	9,717,095	11,031,800	8,701,746
	66,732,248	71,209,761	39,475,715	23,032,300	8,701,746
Company					
2021					
Trade and other payables	6,172,506	6,172,506	6,172,506	-	-
2020					
Trade and other payables	1,364,138	1,364,138	1,364,138	-	-

24. FINANCIAL INSTRUMENTS (CONT'D)

24.1 Financial Risk Management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (Cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company's fixed rate instrument is exposed to a risk of change in its fair value due to changes in interest rates. The Group's and the Company's variable rate instrument is exposed to a risk of change in cash flows due to changes in interest rates.

The Group's and the Company's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group and the Company target a mix of fixed and floating debts based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instrument based on carrying amounts as at the end of the reporting year are as follows:-

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Fixed rate instruments				
Financial assets/ (liabilities)				
Short-term deposits	7,125	211,790	-	204,835
Other payables	(11,520,467)	(11,038,661)	-	-
Borrowings	(1,470,589)	(7,438,460)	-	-
	(12,983,931)	(18,265,331)	-	204,835
Floating rate instrument				
Financial liabilities				
Borrowings	18,091,494	18,496,507	-	-

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates as at reporting date would not affect profit or loss.

24. FINANCIAL INSTRUMENTS (CONT'D)

24.1 Financial Risk Management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (Cont'd)

(c) Interest rate risk (Cont'd)

The following table illustrates the sensitivity of loss to a reasonably possible change in interest rates of +/- 0.5%. These changes are considered to be reasonably possible based on observation of current market conditions.

	Increase/(decrease) in net profit/ equity for the financial year	
	RM +0.5%	RM -0.5%
Floating rate instrument		
2021	(90,457)	90,457
2020	(92,483)	92,483

24.2 Fair values of financial instruments

The carrying amounts of short term receivables and payable, cash and cash equivalents and short term borrowings, except for term loan, lease liabilities and certain amount due to companies in which Directors of a subsidiary have a substantial financial interest, approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

24. FINANCIAL INSTRUMENTS (CONT'D)

24.3 Fair Value Hierarchy

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments not carried at fair value Level 3 RM	Carrying amount RM
Group		
Financial liabilities		
2021		
Term loans – variable rate	18,091,494	18,091,494
Lease liabilities	664,486	664,486
Amount due to companies in which Directors of a subsidiary have a substantial financial interest	11,520,467	11,520,467
	30,276,447	30,276,447
2020		
Term loans – variable rate	18,496,507	18,496,507
Lease liabilities	1,249,077	1,249,077
Amount due to companies in which Directors of a subsidiary have a substantial financial interest	11,038,661	11,038,661
	30,784,245	30,784,245

Policy on Transfer between Levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Transfer between Levels

There has been no transfer between the fair value levels during the financial year.

Level 3 Fair Value

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting date. The carrying amount of floating rate term loans approximates their fair values as their effective interest rates change accordingly to movements in the market interest rate.

The fair value of lease liabilities is calculated using discounted cash flows using the current market rate for similar borrowings.

25. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than 25 percent of the issued and paid-up capital and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

The Group and the Company manage their capital structure and make adjustments to it in the light of changes in economic conditions or expansion of the Group and of the Company. The Group and the Company may adjust capital structure by issuing new shares, returning capital to shareholders or selling assets to reduce debts. There were no changes in the Group's approach to capital management during the financial year.

Subsequent to the financial year end, the Company has announced to undertake a proposed private placement of up to 467,585,600 new ordinary shares in the Company which expected to bring in cash inflow to the Group.

26. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND AFTER THE REPORTING DATE

(a) COVID-19 Impact

The recent outbreak of COVID-19 since the end of 2019 has seen significant cases increase worldwide which prompted the World Health Organisation to declare it as a pandemic on 11 March 2020.

This has affected business and economic activities in Malaysia and beyond.

The COVID-19 Pandemic also resulted in various travel restrictions and other precautionary measures imposed in Malaysia and various other countries.

As at the date of this report, the management of the Group have assessed the overall impact of the situation on the Group's operations and financial position.

Based on the assessment, for disruption in the construction industry due to Covid-19 and various movement control orders implemented by the Government throughout the years have led to delays in completing our projects. As a result, the Group's progress has slowed down and less revenue generated during the year. The Group has resumed operation of projects in certain areas while adhering to the standard operating procedures ("SOP") and directives issued by the Government of Malaysia throughout the period. It should be noted that the SOPs introduced during the pandemic has added to cost of operation. The Group has also activated its business continuity plan and implemented various procedures in its business conduct to reduce the risks of spread and safeguard its employees and customers.

However, the management is unable to reliably estimate the financial impact of COVID-19 on the Group's financial results for the financial year ending 30 November 2022 as the pandemic has yet to run its full course hence the current situation is still fluid. The Directors will continuously assess the impact of COVID-19 on its operations as well as the financial position for the financial year ending 30 November 2022.

26. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND AFTER THE REPORTING DATE (CONT'D)

(b) Material Litigation

Sanki Construction (SC) ("Plaintiff") vs Dynaciate SPI Sdn. Bhd. ("DSPI") (Defendant)

On 23 December 2021, a subsidiary of the Group, DSPI, was served a Writ and Statement of Claim dated 3 November 2021 and 1 November 2021 respectively from SC ("the plaintiff").

The Plaintiff has alleged that DSPI failed to settle the outstanding progress claim due and payable in the alleged sum of RM1,194,724.38.

DSPI has applied for a stay pending reference to arbitration application in accordance with Section 10 of the Arbitration Act 2005.

On 8 February 2022, the learned High Court Judge has invoked its inherent jurisdiction to strike off the Plaintiff's claim with liberty to file afresh, notwithstanding DSPI's application to stay the civil suit pending reference to Arbitration. A cost of RM1,000.00 was awarded to DPSI.

(c) Acquisition of Subsidiaries

(i) Acquisition/incorporation of subsidiaries/associate during and after the year are as disclosed in Notes 5 and 6 to the financial statements.

(ii) On 30 December 2021, the Company acquired 2 ordinary shares in Hong Seng Energy Sdn Bhd representing 100% equity interest, for a total purchase consideration of RM2. As at to-date, this transaction has been completed.

(d) Private Placement

On 1 March 2022, The Company has announced to undertake a proposed private placement of up to 467,585,600 new ordinary shares in the Company. As at to-date, the transaction has yet to be completed.

27. COMPARATIVE INFORMATION

The comparative figures were audited by another firm of Chartered Accountants other than Grant Thornton Malaysia PLT. Certain comparative figures were reclassified to conform with current year's presentation.

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 49 to 108 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 November 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

……..
Tan Ooi Jin
Director

……..
Lim Peng Tong
Director

Date: 24 March 2022

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **Lim Yong Hwa**, the officer primarily responsible for the financial management of Dynaciate Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 49 to 108 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed **Lim Yong Hwa**, NRIC : 710304-12-5029, MIA CA20241, at Kuala Lumpur in the Federal Territory on 24 March 2022.

……..
Lim Yong Hwa

Before me:

(Commissioner for Oaths)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DYNACIATE GROUP BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Dynaciate Group Berhad which comprise the statements of financial position as at 30 November 2021 of the Group and of the Company, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 49 to 108.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 November 2021, and their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Contract revenue and construction cost recognition

The risk –

The Group recognises revenue and costs in respect of construction, fabrication, engineering and installation activities over time based on the stage of completion which is determined by the proportion of the contract costs incurred to date to the estimated total contract costs. The recognition of revenue, construction costs and profit or loss is a key audit matter because of the judgement exercised by the Directors to determine the total estimated contract costs (including variation orders) to be recognised that will affect the measure of progress and hence, revenue and profit or loss recognised.

INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF DYNACIATE GROUP BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

KEY AUDIT MATTERS (CONT'D)

Contract revenue and construction cost recognition (Cont'd)

Our responses –

In addressing this area of focus, we have performed, amongst others, the following procedures:

- tested controls by checking for evidence of the Group's review, update and approval of the total estimated contract costs and the approving and recording of actual contract costs incurred;
- challenged the key assumptions used by the Group to derive the total contract costs which included comparing the actual margins achieved for similar completed projects to estimate used for on-going projects, agreed the total estimated contract costs to contracts awarded or supplier quotations and considered the reasonableness of any allowance for cost increase or contingencies included in the estimates;
- agreed the total estimated contract costs to contracts awarded or supplier quotations and assessed the basis used in determining the budgeted contract cost;
- recomputed the measure of progress of the construction contracts as the proportion of contract costs incurred to date to the total estimated contract costs; and
- assessed the actual costs incurred and accrued costs by examining evidences such as contractors' progress claims and suppliers' invoices issued during the financial year and/or subsequent to the financial year;

The Group's accounting policy and other related disclosures of revenue, contract cost and profit recognition are disclosed in Notes 2(j)(i) and 16 to the financial statements.

Impairment of property, plant and equipment

The risk –

In view of the depressed economic condition in the construction sector, the carrying amount of the Group's property, plant and equipment might exceed their recoverable amounts and therefore the carrying amount had to be impaired.

We have identified the aforesaid carrying amount of the Group's property, plant and equipment as a key audit matter because of its significance to total assets in the consolidated financial statements and the estimation of recoverable amount involve a significant degree of judgement and assumptions made by the Group such as estimated fair value of the property, plant and equipment as provided by external valuers.

Our responses -

In addressing this area of audit focus, we performed, amongst others, the following procedures:

- obtained an understanding on the management's assessment on the recoverability of the property, plant and equipment and evaluated the appropriateness of the methodology and approach applied;
- evaluated and interviewed the external valuers on their competence, capabilities and objectivity and obtained on understanding of the valuation model used;
- compared the valuation with recent transactions of the Group involving similar assets; and
- evaluated adequacy of the Group's disclosures regarding the impairment of property, plant and equipment.

INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF DYNACIATE GROUP BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

KEY AUDIT MATTERS (CONT'D)

Information other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

However, if after reading the other information when available and we conclude there is a material misstatement therein, we will communicate same to the Directors of the Company.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF DYNACIATE GROUP BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

KEY AUDIT MATTERS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF DYNACIATE GROUP BERHAD (INCORPORATED IN MALAYSIA)

OTHER MATTERS

1. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

2. The financial statements of the Group and of the Company as at 30 November 2020, were audited by another firm of Chartered Accountants whose report dated 30 March 2021, expressed an unmodified opinion on those financial statements.

GRANT THORNTON MALAYSIA PLT
201906003682 & LLP0022494-LCA
Chartered Accountants (AF 0737)

LEE SHEAU WEI
Approval Number : 03539/12/2022 J
Chartered Accountant

Date: 24 March 2022

LIST OF PROPERTIES
AS AT 30 NOVEMBER 2021

Location & Description	Description / Existing Use	Tenure	Land / Built-up area (square feet)	Carrying amount (RM) 30.11.2021	Market value (RM) / Date of valuation
Lot 1628 & 1630, ML 12, Tempat Ladang Valdor, Dearah Seberang Perai Selatan, Penang	2 storey office building with a factory attached & a stand-alone building and a new single storey factory/ Investment properties.	Freehold	549,927/ 325,335	60,000,000 [1]	60,000,000/ 30 November 2021
PLO 670, Jalan Platinum 2, Kawasan Perindustrian Pasir Gudang (Zon 12B), 81700 Pasir Gudang, Johor Darul Takzim.	Single-storey detached factory with a refuse chamber, a guard house cum utility rooms/ Currently used as factory and office.	60-year leasehold (26 December 2072)	174,268/ 56,185	15,623,271	16,800,000/ 28 February 2022
Lot 136A, Jalan Gebeng 3/2, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang Darul Makmur	Three (3) single-storey detached factories, an interconnecting building and a single-storey office building/ Currently used as factory and office.	99-year leasehold (17 May 2114)	149,091/ 49,466	9,090,338	9,200,000/ 28 February 2022

[1] *This property is classified as investment property in the financial statements.*

ANALYSIS OF SHAREHOLDINGS
AS AT 28 FEBRUARY 2022

Issued Share	:	744,203,796 Ordinary Shares
Class Of Share	:	Ordinary Shares
No. Of Shareholders	:	3,056
Voting Right	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares Held	%
Less than 100	14	0.4581	566	0.0000
100 – 1,000	337	11.0275	135,409	0.0183
1,001 – 10,000	847	27.7160	5,849,724	0.7860
10,001 – 100,000	1,404	45.9424	63,374,973	8.5158
100,001 – 37,210,188(*)	452	14.7906	542,657,624	72.9179
37,210,189 – and above (**)	2	0.0654	132,185,500	17.7620
TOTAL	**3,056**	**100.00**	**744,203,796**	**100.00**

* *Less than 5% of Issued shares*
** *5% and above of Issued shares*

SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares Held	%	No. of Shares Held	%
1.	Dynaciate Holdings Sdn Bhd (“DHSB”)	66,300,000	8.9088	-	-
2.	Woon Kok Kee	-	-	66,300,000	8.9088*
3.	Khoo Song Heng	-	-	66,300,000	8.9088*
4.	MMAG Holdings Berhad (“MMAG”)	65,885,500	8.8531	-	-
5.	Chan Swee Ying	-	-	65,885,500 ^	8.8531 ^

* *Deemed interest pursuant to Section 8 of the Act by virtue of his interest in DHSB.*
^ *Deemed interest pursuant to Section 8 of the Act by virtue of her interest in MMAG.*

DIRECTORS’ SHAREHOLDINGS

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares Held	%	No. of Shares Held	%
1.	Dato’ Liang Chee Fong, Thomas	-	-	-	-
2.	Lim Peng Tong	-	-	-	-
3.	Tan Siew Peng	-	-	-	-
4.	Tan Ooi Jin, Shane	-	-	-	-
5.	Ng Keok Chai	-	-	-	-

ANALYSIS OF SHAREHOLDINGS (CONT'D) AS AT 28 FEBRUARY 2022

LIST OF THIRTY LARGEST ORDINARY SHAREHOLDERS

No.	Name	Holdings	%
1.	Valhalla Capital Sdn Bhd *Pledged Securities Account for Dynaciate Holdings Sdn Bhd*	66,300,000	8.9088
2.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for MMAG Holdings Berhad*	65,885,500	8.8531
3.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Twinstar Century Sdn Bhd (Third Party)*	34,564,700	4.6445
4.	Hong Seng Capital Sdn Bhd *Pledged Securities Account For Eminent Mission Sdn Bhd*	34,564,600	4.6445
5.	Hong Seng Capital Sdn Bhd *Pledged Securities Account For Ng Them Seang*	31,891,100	4.2853
6.	Hong Seng Capital Sdn Bhd *Pledged Securities Account for Hallmark Pixel Sdn Bhd*	26,420,000	3.5501
7.	Wong Kuok Kiong	24,006,900	3.2258
8.	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Kon Tek Yoong*	21,784,300	2.9272
9.	HSBC Nominees (Asing) Sdn Bhd *Credit Suisse (Hong Kong) Limited*	18,500,000	2.4859
10.	Hong Seng Capital Sdn Bhd *Pledged Securities Account for Newfront Ventures Sdn Bhd*	17,131,300	2.3020
11.	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Chong Swee*	16,000,000	2.1499
12.	Chong Tong Siew	14,121,400	1.8975
13.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ooi Keng Thye*	12,393,000	1.6653
14.	CGS-CIMB Nominees (Asing) Sdn Bhd *Exempt an for CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)*	12,000,000	1.6125
15.	Kenanga Nominees (Tempatan) Sdn Bhd *Rakuten Trade Sdn Bhd for Pak Sow Loon*	10,578,400	1.4214
16.	RHB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Cheng Chew Giap*	9,500,000	1.2765
17.	Lim Hang Kiang	8,850,000	1.1892
18.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Francis Chai Kim Lung*	8,500,000	1.1422
19.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ooi Keng Thye (E-PPG)*	8,298,000	1.1150
20.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Cheng Chew Giap*	8,055,000	1.0824
21.	Khor Hsia Joew	8,000,000	1.0750
22.	Cheng Leh Theng	6,097,500	0.8193
23.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Loh Yong Huat*	5,532,100	0.7434
24.	Sim Mui Khee	5,000,000	0.6719
25.	Lim Seng Hock	4,863,400	0.6535
26.	Annathan A/L Sinivesan	4,383,400	0.5890
27.	Hong Seng Capital Sdn Bhd *Pledged Securities Account for Master Knowledge Sdn Bhd*	3,600,000	0.4837
28.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Pak Sow Loon (7003662)*	3,579,900	0.4810
29.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ooi Keng Thye (E-PPG)*	3,455,000	0.4643
30.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chai Chien Yen (7001736)*	3,400,000	0.4569
	Total	**497,255,500**	**66.8171**

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") HOLDINGS

AS AT 28 FEBRUARY 2022

No of ICPS 2018/2023 Issued	:	682,453,608
Conversion Price	:	RM0.12
No. of ICPS Holders	:	211
Maturity Date	:	26 December 2023. *(The ICPS may be converted at any time on or after the 27 December 2018 but not later than 5.00 p.m. (Malaysia time) on 26 December 2023).*

DISTRIBUTION OF ICPS HOLDINGS

Size of ICPS Holdings	No. of Holders	%	No. of ICPS Held	%
Less than 100	1	0.4739	20	0.0000
100 – 1,000	17	8.0569	5,700	0.0050
1,001 – 10,000	15	7.1090	70,400	0.0616
10,001 – 100,000	98	46.4455	4,616,700	4.0396
100,001 – 5,714,310 (*)	75	35.5450	64,697,400	56.6100
5,714,311 – and above (**)	5	2.3697	44,896,000	39.2838
TOTAL	**211**	**100.00**	**114,286,220**	**100.00**

* *Less than 5% of Issued ICPS*
** *5% and above of Issued ICPS*

DIRECTORS' ICPS HOLDINGS

		Direct Interest		Indirect Interest	
No.	Name	No. of ICPS Held	%	No. of ICPS Held	%
1.	Dato' Liang Chee Fong, Thomas	-	-	-	-
2.	Lim Peng Tong	-	-	-	-
3.	Tan Siew Peng	-	-	-	-
4.	Tan Ooi Jin, Shane	-	-	-	-
5.	Ng Keok Chai	-	-	-	-

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") HOLDINGS (CONT'D) AS AT 28 FEBRUARY 2022

LIST OF THIRTY LARGEST IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (ICPS) HOLDERS

No.	Name	Holdings	%
1.	CGS-CIMB Nominees (Asing) Sdn Bhd *Exempt an for CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)*	15,782,700	13.8098
2.	Sim Mui Khee	10,210,000	8.9337
3.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Cheng Chew Giap*	6,500,000	5.6875
4.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ooi Keng Thye*	6,405,100	5.6044
5.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Loh Yong Huat*	5,998,200	5.2484
6.	Wong Kuok Kiong	5,000,000	4.3750
7.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chai Chien Yen (7001736)*	4,670,000	4.0862
8.	SJ Sec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ooi Keng Thye (SMT)*	4,373,900	3.8271
9.	Ooi Keng Thye	3,721,000	3.2559
10.	Yap Pau Fang	3,377,900	2.9557
11.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Koo Koh Tat (E-BPT)*	3,040,000	2.6600
12.	Ng Wooi Ying	2,880,000	2.5200
13.	Cheang Kew Peng	2,700,000	2.3625
14.	Hong Seng Capital Sdn Bhd *Pledged Securities Account for Newfront Ventures Sdn Bhd*	2,500,000	2.1875
15.	Lim Bong Chai	2,000,000	1.7500
16.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Teo Chin Loong*	1,804,000	1.5785
17.	Loke Pek Yoke	1,700,000	1.4875
18.	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account - Ambank (M) Berhad for Ooi Keng Thye (SMART)*	1,500,000	1.3125
19.	Phang Li Koon	1,200,000	1.0500
20.	Tan Chun Kiat	1,200,000	1.0500
21.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Hong Shu Mei (6000046)*	1,000,000	0.8750
22.	Tan Chin Seoh	1,000,000	0.8750
23.	Cheah Chin Wooi	990,000	0.8662
24.	Kwan Yew Kok	989,800	0.8661
25.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Low Kok Chew*	956,400	0.8368
26.	Ho Swee Peng	940,000	0.8225
27.	Chan Fee Whye	850,000	0.7437
28.	Cheah Wai Liang	772,200	0.6757
29.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Yap Pau Fang (8099114)*	622,200	0.5444
30.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lee Mun Yee*	600,000	0.5250
	Total	**95,283,400**	**83.3726**

ANALYSIS OF WARRANTS HOLDINGS
AS AT 28 FEBRUARY 2022

No of Warrants 2018/2023 Issued	:	85,306,701 free detachable DGB warrants
Exercise Price	:	RM0.12
No. of Warrants Holders	:	436
Maturity Date	:	26 December 2023. *(The Warrants may be exercised at any time on or after the 27 December 2018 but not later than 5.00 p.m. (Malaysia time) on 26 December 2023).*

DISTRIBUTION OF WARRANTS HOLDINGS

Size of Holdings	No. of Warrants Holders	%	No. of Warrants Held	%
Less than 100	30	6.8807	1,512	0.0018
100 – 1,000	26	5.9633	13,272	0.0160
1,001 – 10,000	107	24.5413	578,850	0.6937
10,001 – 100,000	188	43.1193	9,376,287	11.2369
100,001 – 4,172,083 (*)	82	18.8073	41,522,375	49.7621
4,172,084 – and above (**)	3	0.6881	31,949,400	38.2895
TOTAL	**436**	**100.00**	**83,441,696**	**100.00**

* *Less than 5% of Issued Warrants*
** *5% and above of Issued Warrants*

DIRECTORS' WARRANTS HOLDINGS

		← Direct Interest →		← Indirect Interest →	
No.	Name	No. of Warrants Held	%	No. of Warrants Held	%
1.	Dato' Liang Chee Fong, Thomas	-	-	-	-
2.	Lim Peng Tong	-	-	-	-
3.	Tan Siew Peng	-	-	-	-
4.	Tan Ooi Jin, Shane	-	-	-	-
5.	Ng Keok Chai	-	-	-	-

ANALYSIS OF WARRANTS HOLDINGS (CONT'D) AS AT 28 FEBRUARY 2022

LIST OF THIRTY LARGEST WARRANTS HOLDERS

No.	Name	Holdings	%
1.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Loh Yong Huat*	21,860,100	26.1981
2.	Yee Kong Siong	5,900,000	7.0708
3.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Chee Xiang*	4,100,000	4.9136
4.	Lam Ah Choi	3,083,000	3.6948
5.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Choo Peng Hung*	2,591,600	3.1059
6.	Heng Guek Keng	2,200,000	2.6366
7.	Nordin Bin Latip	2,085,000	2.4987
8.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Koo Koh Tat (E-BPT)*	2,080,000	2.4928
9.	Ooh Kier Heng	2,000,000	2.3969
10.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Teo Chin Loong*	1,638,800	1.9640
11.	Tan Poh Chian	1,200,000	1.4381
12.	Ng Siew Choo	1,150,000	1.3782
13.	Lam Ah Choi	1,106,300	1.3258
14.	Lee Wai Sum	928,500	1.1128
15.	Maybank Nominees (Tempatan) Sdn Bhd *Ng Lai Heng*	901,100	1.0799
16.	Teo Chin Loong	870,600	1.0434
17.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lee Wai Sum*	850,000	1.0187
18.	Lau Teng Siang	716,300	0.8584
19.	Tan Seong Lee	700,000	0.8389
20.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Nordin Bin Latip*	670,000	0.8030
21.	Pak Sow Loon	670,000	0.8030
22.	V Tharmambihai A/P Vythilingam	650,000	0.7790
23.	Kenanga Nominees (Tempatan) Sdn Bhd *Rakuten Trade Sdn Bhd for Yee Chin Chin*	550,000	0.6591
24.	Chee Wai Ling	538,500	0.6454
25.	Lee Lonng Zen	531,700	0.6372
26.	Heng Guek Cheng	500,000	0.5992
27.	Yap Siew Ching	500,000	0.5992
28.	Kweh Wei Loon	488,000	0.5848
29.	Maybank Nominees (Tempatan) Sdn Bhd *Ismail Bin Mamat*	460,000	0.5513
30.	Asril Bin Tajab	416,000	0.4985
	Total	**61,935,500**	**74.2261**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN hat the Fifteenth ("15th") Annual General Meeting ("AGM") of Dynaciate Group Berhad ("**DGB**" or the "**Company**") will be held at ME Hub Kota Damansara, 3rd Floor, 28-3, Jalan PJU 5/4, Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor, Malaysia on **Wednesday, 27 April 2022 at 9.30 am** for the following purposes:

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 November 2021 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of Directors' Fees and benefits payable amounting to RM400,000 commencing this Annual General Meeting ("AGM") through to the next AGM of the Company in year 2023 of the Company and further, to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine. **Ordinary Resolution 1**

3. To re-elect Mr. Tan Ooi Jin retiring pursuant to Clause 104 of the Company's Constitution and who, being eligible, offer himself for re-election. **Ordinary Resolution 2**

4. To re-elect the following Directors who retire pursuant to Clause 111 of the Company's Constitution and who, being eligible, offer themselves for re-election:

   (a) Mr. Ng Keok Chai **Ordinary Resolution 3**
   (b) Dato' Seri Dr. Chen Chaw Min **Ordinary Resolution 4**

5. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to determine their remuneration. **Ordinary Resolution 5**

AS SPECIAL BUSINESS:

To consider, and if thought fit, to pass the following as Ordinary Resolutions with or without modification:

6. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Ordinary Resolution 6**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act") and subject always to the provisions of the Constitution of the Company and the approvals from the relevant regulatory authorities, the Board of Directors of the Company be and is hereby authorised to issue and allot from time to time such number of ordinary shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares to be issued pursuant to this resolution does not exceed twenty per centum (20%) of the issued share capital (excluding treasury shares, if any) of the Company for the time being AND THAT the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until 31 December 2022 or such timing, as empowered by Bursa Securities and thereafter ten percent (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being to be utilised before the conclusion of the next annual general meeting ("AGM") of the Company after such approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier (hereinafter referred to as the "General Mandate"), notwithstanding Section 76(3) of the Act, duly varied and adopted by the Directors of the Company pursuant to Section 76(4) of the Act. "

7. **PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")** **Ordinary Resolution 7**

"THAT subject to the provision of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("Group") to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature with specified classes of related parties ("Recurrent Related Party Transactions") which are necessary for the day to day operations and are in the ordinary course of business and are carried out at arms' length basis on normal commercial terms of the Group on terms not more favourable to the related parties than those generally available to the public and are not, in the Company's opinion, detrimental to minority shareholders of the Company and that such approval shall continue to be in force until:

(a) the conclusion of the next annual general meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;
(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
(c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Shareholders' Mandate."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

8. To consider any other business of which due notice shall have been given.

By order of the Board

Tai Yit Chan ***(MAICSA 7009143) (SSM PC No. 202008001023)***
Ong Tze-En ***(MAICSA 7026537) (SSM PC No. 202008003397)***

Joint Company Secretaries

Pulau Pinang, 30 March 2022

Notes:

1. A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting, and that a proxy may but need not be a member. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.

2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Where an exempt authorised nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under its Common Seal, or under the hand of an officer or attorney duly authorised. A proxy must be of full age. An instrument appointing a proxy to vote shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointer. Members not resident in Malaysia may appoint and revoke proxies by cable.

5. For the proxy to be valid, the Form of Proxy duly completed must be deposited at the Company's Registered Office at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

6. In respect of deposited securities, only a depositor whose name appears on the Record of Depositors on 18 April 2022 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxies to attend and/or vote on his/her behalf.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes:

1. The proposed Ordinary Resolution 1 is to facilitate payment of Directors' fees and benefits payable on current financial year basis, based on the current Board size and assuming that all Directors shall hold office until the end of the financial year. In the event the proposed Directors' fees and benefits payable is insufficient (due to the enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall. It will also authorised payment to be made by the Company on a monthly basis and/or as and when incurred. The Board is of the view that it is fair and equitable for the Directors to be paid on a monthly basis and/or as and when incurred particularly after they have discharged their responsibilities and rendered their services to the Company throughout the relevant period.

2. The proposed Ordinary Resolution 6, is for the purpose of granting a renewed general mandate ("General Mandate") and if passed, will give authority to the Board of Directors to issued and allot ordinary shares at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

   On 30 April 2021, at the 14th AGM, the Directors of the Company were granted a general mandate by the members of the Company to issue and allot shares in the Company up to and not exceeding 20% of the total number of issued shares of the Company (hereinafter referred to as the "20% General Mandate"). The 20% General Mandate granted to the Directors will lapse at the conclusion of the AGM. After that, unless extended by Bursa Securities, the 10% mandate limit will be reinstated.

   The 20% General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment projects, working capital and/or acquisitions as well as to avoid any delay and cost in convening general meeting to specifically approve such an issuance of shares.

   On 3 September 2021, DGB announced a private placement of new ordinary shares in DGB ("DGB Shares") pursuant to authority under sections 75 and 76 of the Companies Act 2016 granted to the Directors at the last AGM held on 30 April 2021 and which will lapse at the conclusion of the 15th AGM ("Proposed Private Placement"). This Proposed Private Placement was completed on 29 November 2021 following the issuance of 69,129,300 ordinary shares at an issue price of RM0.0900 per ordinary share.

   On 23 December 2021, Bursa Securities had announced a 12-month extension for the implementation and utilisation of the 20% General Mandate ("Extended 20% General Mandate") up to 31 December 2022 and DGB is eligible for the Extended 20% General Mandate. The 20% General Mandate may be utilised by the Company to issue and allot new ordinary shares until 31 December 2022 and thereafter, the 10% General Mandate will be reinstated.

3. The proposed Ordinary Resolution 7, if approved by shareholders, will authorise the Proposed Shareholders' Mandate and allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions as set out in Section 2.5 of the Circular to Shareholders dated 30 March 2022, with the related parties in the ordinary course of business which are necessary for the day-to-day operations based on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. This approval shall continue to be in force until the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the meeting; or the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or revoked/varied by resolutions passed by the shareholders of the Company in general meeting; whichever is the earlier. Further information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 30 March 2022.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
(PURSUANT TO PARAGRAPH 8.27(2) OF THE LISTING REQUIREMENTS)

No individual is standing for election as a Director at the forthcoming 15th AGM of the Company.

IMPORTANT NOTICE:

In view of the constant evolving COVID-19 situation in Malaysia, the Company has in place rules and control for the 15th AGM in order to safeguard the health of attendees at 15th AGM. You are requested to read and adhere to the Administrative Guide which is published in the Company's website at www.dynaciategroup.com.my together with this Notice of 15th AGM. Members are also reminded to monitor the Company's website and announcements from time to time for any changes to the 15th AGM arrangement.

ADMINISTRATIVE GUIDE

Day and Date	Time	Venue
Wednesday 27 April 2022	9.30 am	ME Hub Kota Damansara, 3rd Floor, 28-3, Jalan PJU 5/4, Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor, Malaysia

MEASURES TO MINIMISE RISKS OF COVID-19 INFECTION

In view of the constant evolving COVID-19 situation in Malaysia, the following steps will be taken for participants who will be attending the Fifteenth (15th) Annual General Meeting ("AGM") in order to minimise the risk of spreading the COVID-19 virus:

TEMPERATURE CHECKS, HEALTH DECLARATION FORM AND FACE MASK

(1) **Only fully vaccinated Attendees** (referring, in a collective sense, to members / proxies / management personnel / invited guests) **ARE ALLOWED** to attend the AGM.

(2) All Attendees are required to undergo a Covid-19 test on the spot using a self-testing kit which will be provided by the Company. Alternatively, the Attendees may undergo a PT-PCR or RTK swab test at any health facility within 48 hours before the Meeting date at their own cost. The negative test results have to be presented at the registration.

(3) The Attendees are required to show their fully vaccinated status through their MySejahtera app and undergo a temperature screening.

(4) Any person with a body temperature of more than 37.5°C and/or exhibit flu-like symptoms will not be allowed to attend the AGM. **Participants who are feeling unwell are strongly advised not to attend the AGM**.

(5) All Attendees must practice proper hygiene including the use of hand sanitisers provided at the meeting venue and are required to **wear a face mask at all times**.

(6) Attendees are advised to arrive early the meeting venue early given that the above measures may cause delay in the registration process.

SOCIAL DISTANCING AND SEATING ARRANGEMENT

(7) To enhance social distancing measures, the seats allocated for participants at the AGM venue will be maintained at a certain distance from one another as per the guidelines and/or standing operations procedure provided by the relevant governmental and/or health authorities.

PRE-REGISTRATION BEFORE AGM

(8) In order to assist the Company in managing the turnout for the AGM and to ensure compliance with the directives or guidelines on public gathering/event issued by the Malaysian Government and other relevant authorities. Shareholders/proxies/corporate representatives who wish to attend in person must pre-register with management by sending an email to ir@dynaciategroup.com.my after the release of the Notice of Meeting. The Company reserves the right to limit the number of participants to the AGM.

As the COVID-19 situation continues to evolve, the Company will closely monitor the situation and reserves the right to take further measures as appropriate up to the day of the AGM of the Company, in accordance with the guidelines and/or standing operating procedure issued by the Malaysian Government and other relevant authorities in order to minimise any risk to shareholders and others attending the AGM.

The Company would like to thank all participants for their patience and co-operation in enabling us to hold our AGM with the optimum safe distancing measures amidst the COVID-19 pandemic.

The Company may make necessary changes to the arrangements of the AGM at short notice.

Do refer the Company's website at www.dynaciategroup.com.my and Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com for the latest updates on the status of the AGM from time to time.

ADMINISTRATIVE GUIDE (CONT'D)

REGISTRATION ON THE DAY OF AGM

(9) Registration will commence at 9.00 am and will end at the time as may be determined by the Chairman of the meeting.

(10) Please present your original National Registration Identity Card (NRIC) or Passport to the registration staff for verification. Please make sure your NRIC is returned to you after registration.

(11) A polling form will be given to you thereafter. No one will be allowed to enter the meeting room without the polling form. There will be no replacement should you lose or misplace the polling form.

(12) You may proceed to the meeting room thereafter.

(13) Registration must be done in person. No person is allowed to register on behalf of another.

(14) The registration counter will handle verification of identity, registration and revocation of proxy/proxies.

PROXY

(15) A member entitled to attend and vote in the meeting is allowed to appoint proxy. Please submit your Form of Proxy in accordance with the notes and instructions printed therein.

(16) The Form of Proxy is not required if you are attending the meeting.

(17) If you have submitted your Form of Proxy prior to the meeting and subsequently decided to attend the meeting in person, please proceed to the Registration Counter to revoke the appointment of your proxy.

(18) Please ensure that the original Form of Proxy is deposited at the Company's Registered Office at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang not less than forty-eight (48) hours before the meeting time. No proof of despatch of Form of Proxy will be entertained.

GENERAL MEETING RECORD OF DEPOSITORS

(19) For the purpose of determining who shall be entitled to attend the AGM, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at **18 April 2022** and only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting.

CIRCULAR

(20) The AR 2021 and the Circular on Proposed Renewal of RRPT are published on the Company's website at www.dynaciategroup.com.my and is also released on Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com.

NO DOOR GIFTS / REFRESHMENT

(21) There will be no door gifts, food or beverage served at the AGM.

NO RECORDING OR PHOTOGRAPHY

(22) No recording or photography of the AGM proceedings is allowed without the prior written permission of the Company.

The Company and its subsidiaries, their officers and employees shall have no liability whatsoever to any and all shareholders, their proxies, corporate representatives or any other party arising out of or in connection with any of them being infected or suspected of being infected with COVID-19 and/or suffering any losses arising out of or in connection with attendance at the AGM and/or measures undertaken by the Company in the Company's sole discretion in response to the COVID-19 pandemic.

鼎實
DYNACIATE
Reg. No. 200601012544 (732294-W)
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	
Number of Shares Held	

I/We _____
(Full name in Block Letters and NRIC / Company No.)

of _____
(Address)

_____ and _____
(Tel. No.)

being a *member/ members of Dynaciate Group Berhad hereby appoint

Full Name (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

** and/or (*delete if not applicable)*

Full Name (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

or failing *him/her, THE CHAIRMAN OF THE MEETING as *my/our proxy, to vote for *me/us on *my/our behalf at the Fifteenth (15th) Annual General Meeting of the Company to be held at ME Hub Kota Damansara, 3rd Floor, 28-3, Jalan PJU 5/4, Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor, Malaysia on Wednesday, 27 April 2022 at 9.30 am or at any adjournment thereof, in the manner indicated below:

	Ordinary Resolutions						
	1	2	3	4	5	6	7
FOR							
AGAINST							

(Please indicate with an "x" in the appropriate box against the Ordinary Resolutions how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.)

Signed this _____ day of _____, 2022

_____
Signature of Shareholder

_____
Common Seal is to be affixed here if Shareholder is a Corporation

Notes:

1. A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting, and that a proxy may but need not be a member. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Where an exempt authorised nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under its Common Seal, or under the hand of an officer or attorney duly authorised. A proxy must be of full age. An instrument appointing a proxy to vote shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointer. Members not resident in Malaysia may appoint and revoke proxies by cable.
5. For the proxy to be valid, the Form of Proxy duly completed must be deposited at the Company's Registered Office at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
6. In respect of deposited securities, only a depositor whose name appears on the Record of Depositors on 22 April 2022 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxies to attend and/or vote on his/her behalf.

Personal Data Privacy

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 15th Annual General Meeting of the Company and any adjournment thereof.

AFFIX
STAMP

The Company Secretaries

DYNACIATE GROUP BERHAD
Registration No. 200601012544 (732294-W)

170-09-01, Livingston Tower
Jalan Argyll, 10050 George Town
Pulau Pinang, Malaysia

Please fold along this line

Please glue and seal along this edge

www.dynaciategroup.com.my

DYNACIATE GROUP BERHAD
Registration No. 200601012544 (732294-W)

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