



DYNACIATE GROUP BERHAD

Registration No. 200601012544 (732294-W)

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2020**

CONDENSED INTERIM FINANCIAL STATEMENT
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2020

	As at 30-Nov-20 Unaudited RM'000	As at 30-Nov-19 Audited RM'000
Assets		
Non-current assets		
Property, plant and equipment	33,600	7,100
Investment properties	40,650	40,650
Investment in associates	-	4,915
Total non-current assets	<u>74,250</u>	<u>52,665</u>
Current assets		
Inventories	-	173
Trade and other receivables	15,681	41,508
Current tax assets	28	57
Contract assets	14,796	9,175
Cash and cash equivalents	2,234	6,043
Total current assets	<u>32,739</u>	<u>56,956</u>
Total assets	<u>106,989</u>	<u>109,621</u>
Equity		
Share capital	76,697	71,806
Reserves	(43,603)	(23,065)
Total equity attributable to owners of the Company	<u>33,094</u>	<u>48,741</u>
Non-controlling interests	6,000	6,000
Total equity	<u>39,094</u>	<u>54,741</u>
Liabilities		
Non-current liabilities		
Loans and borrowings	17,148	8,346
Trade and other payables	11,039	-
Total non-current liabilities	<u>28,187</u>	<u>8,346</u>
Current liabilities		
Loans and borrowings	8,787	9,191
Trade and other payables	29,759	33,908
Contract liabilities	1,162	3,435
Total current liabilities	<u>39,708</u>	<u>46,534</u>
Total liabilities	<u>67,895</u>	<u>54,880</u>
Total equity and liabilities	<u>106,989</u>	<u>109,621</u>
Net assets per ordinary share attributable to owners of the Company (sen)	5.61	10.15

The unaudited Condensed Consolidated Statement of financial position should be read in conjunction with the Audited Financial Statements for the 18 months financial period ended 30 November 2019 with the accompanying explanatory notes attached to the financial statements.

CONDENSED INTERIM FINANCIAL STATEMENT
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2020

	Individual period		Cumulative period	
	Current year- quarter-ended 30-Nov-20 RM'000	Preceding year corresponding quarter ended 30-Nov-19 RM'000	Current year- to-date 30-Nov-20 RM'000	Preceding year corresponding period ended 30-Nov-19 RM'000
Revenue	14,238	N/A	59,250	N/A
Cost of sales	(15,121)	N/A	(65,442)	N/A
Gross loss	<u>(883)</u>	N/A	<u>(6,192)</u>	N/A
Administrative expenses	(3,165)	N/A	(8,477)	N/A
Other operating expenses	(4,038)	N/A	(5,091)	N/A
Other operating income	-	N/A	2,915	N/A
Finance costs	(267)	N/A	(1,308)	N/A
Loss before taxation	<u>(8,353)</u>	N/A	<u>(18,153)</u>	N/A
Income tax expense	(56)	N/A	(69)	N/A
Loss after taxation/Total comprehensive expenses for the financial period	<u><u>(8,409)</u></u>	<u>N/A</u>	<u><u>(18,222)</u></u>	<u>N/A</u>
Loss after taxation attributable to:				
Owners of the Company	(8,409)	N/A	(18,222)	N/A
Non-controlling interests	-	N/A	-	N/A
	<u><u>(8,409)</u></u>	<u>N/A</u>	<u><u>(18,222)</u></u>	<u>N/A</u>
Total comprehensive expenses attributable to:				
Owners of the Company	(8,409)	N/A	(18,222)	N/A
Non-controlling interests	-	N/A	-	N/A
	<u><u>(8,409)</u></u>	<u>N/A</u>	<u><u>(18,222)</u></u>	<u>N/A</u>
Loss per ordinary share (sen):				
Basic	(1.42)	N/A	(3.23)	N/A
Diluted	N/A	N/A	N/A	N/A

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

The unaudited Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the 18 months financial period ended 30 November 2019 with the accompanying explanatory notes attached to the financial statements.

DYNACIATE GROUP BERHAD 200601012544 (732294-W)

(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2020

	----- <i>Attributable to owners of the Company</i> -----								
	----- <i>Non-distributable</i> -----			<i>Distributable</i>					
	Share capital RM'000	Capital Reserve RM'000	Reverse Acquisition Reserve RM'000	Revaluation Reserve RM'000	Warrant Reserve RM'000	Retained profits/(Accumulat ed losses) RM'000	Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
At 1 December 2019	71,806	(8,518)	(53,300)	-	13,718	25,035	48,741	6,000	54,741
Loss for the financial period	-	-	-	-	-	(18,222)	(18,222)	-	(18,222)
Effect of conversion of ICPS	2,316	(2,316)	-	-	-	-	-	-	-
Issuance of private placement ordinary share capital	2,575	-	-	-	-	-	2,575	-	2,575
Transactions with owners of the Company	4,891	(2,316)	-	-	-	-	2,575	-	2,575
At 30 November 2020	76,697	(10,834)	(53,300)	-	13,718	6,813	33,094	6,000	39,094
At 1 June 2018, as previously reported	84,681	-	(53,300)	16,571	-	(26,049)	21,903	6,000	27,903
Adjustment on MFRS 9	-	-	-	-	-	(465)	(465)	-	(465)
	84,681	-	(53,300)	16,571	-	(26,514)	21,438	6,000	27,438
Loss for the financial period	-	-	-	-	-	(15,101)	(15,101)	-	(15,101)
Issuance of ICPS and Warrants	26,923	-	-	-	14,024	-	40,947	-	40,947
Issuance of ordinary shares pursuant to conversion of ICPS	36,919	-	-	-	-	-	36,919	-	36,919
Effect of conversion of ICPS	(16,941)	(8,824)	-	-	-	-	(25,765)	-	(25,765)
Exercise of Warrants	224	306	-	-	(306)	-	224	-	224
Transactions with owners of the Company	47,125	(8,518)	-	-	13,718	-	52,325	-	52,325
Capital reduction	(60,000)	-	-	-	-	60,000	-	-	-
Realisation of revaluation surplus on:									
– impairment on land and buildings	-	-	-	(9,921)	-	-	(9,921)	-	(9,921)
– disposal of assets held for sale	-	-	-	(6,650)	-	6,650	-	-	-
At 30 November 2019	71,806	(8,518)	(53,300)	-	13,718	25,035	48,741	6,000	54,741

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the 18 months financial period ended 30 November 2019 with the accompanying explanatory notes attached to the financial statements.

CONDENSED INTERIM FINANCIAL STATEMENT
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2020

	<i>Note</i>	Finance year ended 30-Nov-20 RM'000
Cash flows from operating activities		
Loss before tax		(18,153)
Adjustments for:		
Depreciation on property, plant and equipment		1,390
Impairment loss of trade and other receivables		125
Impairment loss of contract assets		1,070
Interest expense		1,308
(Gain)/Loss on disposal of:		
- property, plant and equipment		(364)
- investment in subsidiary		2,183
Interest income		(26)
Reversal of impairment of other receivables		(121)
Operating loss before working capital changes		(12,588)
Changes in working capital:		
Increase in inventories		(414)
Decrease in trade and other receivables		22,891
Increase in contract assets		(6,691)
Increase in trade and other payables		14,826
Decrease in contract liabilities		(2,273)
Cash generated from operations		15,751
Income taxes paid		(40)
Net cash from operating activities		15,711
Cash flows from investing activities		
Acquisitions of property, plant and equipment		(28,919)
Proceeds from disposal of property, plant and equipment		364
Net cash outflow on disposal of a subsidiary	A	(83)
Interest received		26
Net cash used in investing activities		(28,612)
Cash flows from financing activities		
Interest paid		(1,308)
Repayment to Director		(582)
Proceeds from issuance of ordinary shares pursuant to private placement		2,575
Drawdown of banker acceptance		4,491
Drawdown of term loans		9,699
Repayment of finance lease liabilities		(634)
Net cash from financing activities		14,241
Net increase in cash and cash equivalents		1,340
Cash and cash equivalents as at beginning of financial period		894
Cash and cash equivalents as at end of financial period		2,234
Cash and cash equivalents comprise of:-		
Cash and bank balances		2,022
Short term deposits with licensed banks		212
Cash and cash equivalents		2,234

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

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the 18 months financial period ended 30 November 2019 with the accompanying explanatory notes attached to the financial statements.

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**CONDENSED INTERIM FINANCIAL STATEMENT
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2020 (CONT'D)**

A. Disposal of a subsidiaries

On 27 May 2020, the Company disposed of its entire 100% equity interest in Superinox Max Fittings Industry Sdn. Bhd. (“SMFI”) for a total cash consideration of RM2.00

On 6 October 2020, the Company disposed of its entire 100% equity interest in Tatt Giap Hardware Sdn. Bhd. (“TGH”) for a total consideration of RM2.00

	SMFI	TGH	Total
	RM'000	RM'000	RM'000
Investment in associates	-	4,915	4,915
Property, plant and equipment	-	67	67
Inventories	-	587	587
Trade and other receivables	161	2,771	2,932
Cash and cash equivalents	16	67	83
Trade and other payables	(2,014)	(4,378)	(6,392)
Hire purchase payables	-	(9)	(9)
Net (liabilities relieved)/assets assumed	<u>(1,837)</u>	<u>4,020</u>	<u>2,183</u>
Gain/(loss) on disposal of subsidiaries	<u>1,837</u>	<u>(4,020)</u>	<u>(2,183)</u>
Consideration received in cash#	-	-	-
Cash and cash equivalents of subsidiary dispose of	<u>(16)</u>	<u>(67)</u>	<u>(83)</u>
Net cash outflow	<u>(16)</u>	<u>(67)</u>	<u>(83)</u>

Total cash consideration received was RM2 each from the disposal of SMFI & TGH.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 30 NOVEMBER 2020

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

A1. Basis of preparation

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

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the 18 months financial period ended 30 November 2019. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the 18 months financial period ended 30 November 2019.

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

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

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

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

- MFRS 17, *Insurance Contracts*

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

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

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

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

The Group plans to apply the abovementioned amendments, where applicable, in the respective financial years when the above amendments become effective. The Group does not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on or after 1 January 2021 as it is not applicable to the Group and the Company.

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A2. Qualification of financial statements

The auditor's report on the audited financial statements for the 18 months financial period ended 30 November 2019 was not qualified.

A3. Seasonal and cyclical factors

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

A4. Exceptional and extraordinary items

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

A5. Changes in accounting estimates

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

A6. Debt and Equity Securities

The Company had on 25 September 2019, 30 September 2019, 8 October 2019, 17 March 2020 and 24 March 2020 announced the Private Placement up to 10% of the total number of issued shares of the Company (excluding treasury shares) to be issued under the General Mandate obtained on 14 November 2018.

On 11 June 2020, 53,645,900 ordinary shares were issued pursuant to the Private Placement at RM0.048 per ordinary share representing approximately 10.0% of the 590,104,996 DGB shares approved for listing by Bursa Malaysia Securities Berhad. The issue price represents a discount of approximately RM0.0053 or 9.94% to the 5-day volume weighed average market price of ordinary shares up to and including 29 May 2020, being the last market day immediately preceding the Price-fixing Date of RM0.0533.

Save for the above, there were no cancellation, repurchases, resale and repayments of debts and equity securities during the financial year ended 30 November 2020.

A7. Dividend Paid

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

A8. Segmental information

The Group is principally engaged in construction activities focusing on civil, main mechanical, architectural, piping pre-fabrication and installation works.

During the financial year, the Group wound down its participation in steel division by selling off all subsidiaries involved in stainless-steel pipes, tubes and bars, electro-galvanized steel, perforated metal products and other ferrous and non-ferrous metal products

The Group operates principally in Malaysia.

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A8. Segmental information (Continue)

Financial year ended 30.11.2020	<u>Steel</u> RM'000	<u>Construction</u> RM'000	<u>Other</u> RM'000	<u>The Group</u> RM'000
External revenue	5,761	53,489	-	59,250
Results				
Loss before following adjustments:-	(103)	(10,160)	(3,396)	(13,659)
Dividend income	1	-	-	1
Interest income	-	24	2	26
Gain on disposal of property, plant and equipment	364	-	-	364
Loss on disposal of a subsidiary companies	-	-	(2,183)	(2,183)
Reversal of impairment of other receivables	-	121	-	121
Depreciation of property, plant and equipment	(22)	(1,366)	(2)	(1,390)
Impairment loss on other receivables	(125)	-	-	(125)
Segment results	115	(11,381)	(5,579)	(16,845)
Finance costs				(1,308)
Taxation				(69)
Loss after taxation				(18,222)
As at 30.11.2020				
<u>Assets</u>				
Segment assets	-	65,779	41,182	106,961
Unallocated assets				28
Consolidated total assets				106,989
<u>Liabilities</u>				
Segment liabilities	-	66,931	964	67,895
Unallocated liabilities				-
Consolidated total liabilities				67,895

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

	Current year- to-date ended 30.11.2020 RM'000	Preceding year- to-date ended 30.11.2019 # RM'000
Malaysia	58,142	N/A
Asia (excluding Malaysia)	389	N/A
Europe	719	N/A
	59,250	N/A

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

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

On 9 October 2020, the Company had obtained a general mandate from its shareholders at its extraordinary general meeting, for the Board to allot and issue new shares (“DGB Shares”) pursuant to Section 76 of the Companies Act 2016 at any time, at such price, upon such terms and conditions and for such purpose and to such person or persons whomsoever as the Board may, in their absolute discretion, deem fit provided that the aggregate number of DGB Shares to be issued does not exceed 20% of the total number of issued DGB Shares (“Proposed Private Placement”).

On 17 November 2020, the Company announced its intention to undertake the Proposed Private Placement.

On 20 November 2020, the Company submitted additional listing application in relation to the Proposed Private Placement to Bursa Securities. Approval was granted by Bursa Securities on 30 December 2020 (“Approval Date”) following provision of additional information on 24 December 2020. The Company shall complete the Proposed Private Placement within 6 months from the Approval Date.

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

- (a) On 17 February 2020, DSPI disposed of its entire 40% equity interest in P.T. Indo Bestinox Industri (“PIBI”) to Siah Chin Pin for a total cash consideration of RM100. The SPA was completed on 3 March 2020 and the Company ceased to have any interest in PIBI.
- (b) On 27 May 2020, the Company disposed of its entire 100% equity interest in SMFI to Dato’ Siah Kok Poay and Siah Chin Pin for a total cash consideration of RM2. The SPA was completed on 29 May 2020 and the Company ceased to have any interest in SMFI.
- (c) On 5 October 2020, DSPI disposed of its entire 100% equity interest in Tatt Giap Hardware Sdn Bhd (“TGH”) to Dato’ Siah Kok Poay and Siah Chin Hoo for a total cash consideration of RM2.00. The SPA was completed on 13 October 2020 and the Company ceased to have any interest in TGH.

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

- (d) On 28 May 2020, the Company disposed all of its 8,814,500 shares in Nippon Egalv Steel Sdn Bhd. (“NEG”) to Nippon Steel Corporation and Hanwa Co., Ltd. (in proportion to their individual holding in NEG) for a total cash consideration of RM2. The SPA was completed on 14 July 2020 and the Company ceased to have any interest in NEG.

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

A11. Contingent liabilities

As at 30 November 2020, the Company has issued corporate guarantees for banking facilities granted to subsidiaries of which RM24.7 million were utilised and a corporate guarantee of RM2 million provided to suppliers of a subsidiary company.

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A12. Capital commitment

There was no capital commitment approved and contracted for during the current quarter ended 30 November 2020.

A13. Significant related party transactions

	Current quarter-ended 30 Nov 2020 RM'000	Current year- to-date ended 30 Nov 2020 RM'000
Management fee paid/payable to related parties	-	(54)
Rental expense paid/payable to related parties	(229)	(1,409)
Professional fees paid/payable to related parties	(64)	(251)
Rental income received/receivable from related parties	-	341
Progress billings issued to related parties	643	24,933
Purchases from related parties	(398)	(1,116)
	<u>(48)</u>	<u>22,444</u>

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

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

A15. Fair value of financial instruments

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

	Fair value of financial instruments not carried at fair value				Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
As at 30.11.2020					
<u>Financial liabilities</u>					
Term loans	-	-	(18,497)	(18,497)	(18,497)
Finance lease liabilities	-	-	(1,249)	(1,249)	(1,249)
	<u>-</u>	<u>-</u>	<u>(19,746)</u>	<u>(19,746)</u>	<u>(19,746)</u>

The fair values above are for disclosure purposes and have been determined by the relevant cash flows using interest rates for similar instruments ranging from 3.5% to 8.10% (As at 30.11.2019: 4.02% to 8.60% per annum) per annum at the end of the reporting period.

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

B1. Review of performance

	Individual Quarter		Cumulative Period	
	30.11.2020 RM'000	30.11.2019 RM'000	30.11.2020 RM'000	30.11.2019 RM'000
Revenue				
- steel	950	N/A	5,761	N/A
- construction	13,288	N/A	53,489	N/A
- others	-	N/A	-	N/A
	14,238	N/A	59,250	
Loss before taxation				
- steel	(74)	N/A	(118)	N/A
- construction	(3,563)	N/A	(12,456)	N/A
- others	(4,716)	N/A	(5,579)	N/A
	(8,353)	N/A	(18,153)	

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

The Group posted revenue and loss before tax (“LBT”) of RM14.24 million and RM8.35 million respectively in respect of the current quarter under review. In respect of the 12 months financial year ended 30 November 2020 (“FYE2020”), the Group recorded revenue of RM59.25 million and LBT of RM18.15 million. Construction segment remain the key driver with 90% contribution to the consolidated revenue. Meanwhile, in line with the Group’s assets rationalisation plan, the Group has completed its divestment of the entire steel segment businesses during the quarter under review.

Construction segment recorded LBT of RM3.56 million and RM12.46 million for the current quarter and FYE2020 respectively. Construction LBT was due to lower productivity as activities were halted during the Movement Control Order (“MCO”) from 18 March 2020 until 08 May 2020 and the further extended MCO. Although the Group was able to resume its construction activities progressively, the low revenue recognised during the quarter was insufficient to absorb the high fixed overheads coupled with some cost adjustment on certain project resulted in project losses.

Meanwhile, the LBT of RM4.72 million derived from others segment was mainly due to an one-off RM4 million loss on disposal of its wholly owned subsidiary Tatt Giap Hardware Sdn. Bhd and some corporate exercise expenses incurred during the current quarter under review.

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B2. Variation of results against preceding quarter

	Current- quarter-ended 30.11.2020 RM'000	Immediate preceding quarter ended 31.8.2020 RM'000	Changes	
			RM'000	%
Revenue				
- steel	950	1,976	(1,026)	51.92
- construction	13,288	12,104	1,184	9.78
- others	-	-	-	-
	14,238	14,080	158	1.12
(Loss)/Profit before taxation				
- steel	(74)	20	(94)	470.00
- construction	(3,563)	(4,645)	1,082	23.29
- others	(4,716)	(1,346)	(3,370)	(250.37)
	(8,353)	(5,971)	(2,382)	(39.89)

The Group reported revenue of RM14.24 million and LBT of RM8.35 million during the current quarter under review as compared to RM14.08 million and RM5.97 million respectively in the immediate preceding quarter ended 31 August 2020.

Revenue improved marginally by about 9.8% against the immediate preceding quarter. The higher LBT in the current quarter under review was mainly due to lower productivity affected by the different implementation phases of MCO and cost adjustment on certain project resulted in project losses.

As stated in note B1 above, higher LBT posted by the Others segment during the current quarter was mainly due to a one-off loss on disposal of subsidiary and some corporate exercise expenses incurred during the current quarter under review.

B3. Prospects

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

B4. Variance between actual profit and forecast profit

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

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B5. Income tax expense

	Current Quarter ended 30 Nov 2020 RM'000	Current year-to- date ended 30 Nov 2020 RM'000
Income tax expense	(56)	(69)

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

	Current quarter-ended 30 Nov 2020 RM'000	Current year-to- date ended 30 Nov 2020 RM'000
Interest income	(2)	(26)
Other income	(5)	(2,525)
Interest expense	267	1,308
Amortisation	-	-
Depreciation of investment properties	-	-
Depreciation of property, plant and equipment	526	1,390
Impairment loss on trade and other receivables	-	125
Impairment loss on contract assets	1,070	1,070
Inventories written down	-	-
Reversal of inventories written down	-	-
Deposits written off	-	-
Property, plant and equipment written off	-	-
Gain on disposal of plant and equipment	-	(364)
Realised loss/(gain) on foreign exchange	7	-
Unrealised (gain)/loss on foreign exchange	-	-
Gain or loss on derivatives	-	-
Impairment loss on property, plant and equipment	-	-

B7. Corporate proposals

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

B8. Group's borrowings

The Group's borrowings as at 30 Nov 2020 are as follows:

	Current Secured RM'000	Non-Current Secured RM'000	Total RM'000
Term loans	2,094	16,403	18,497
Hire Purchases	504	745	1,249
Banker acceptance	6,189	-	6,189
Total	8,787	17,148	25,935

The above borrowings are denominated in Ringgit Malaysia.

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B9. Material litigation

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

B10. Proposed dividend

The Board does not recommend any dividend for the current quarter ended 30 November 2020.

B11. Earnings per ordinary share

(a) Basic

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

	Individual Quarter		Cumulative Period	
	quarter- ended 30 Nov 2020	quarter ended 30 Nov 2019#	Period Ended 30 Nov 2019	period ended 30 Nov 2019#
Loss attributable to owners of the Company (RM'000)	(8,409)	N/A	(18,222)	N/A
Weighted average number ordinary shares ('000)	590,118	N/A	563,289	N/A
Basic loss per share (sen)	(1.42)	N/A	(3.23)	N/A

(b) Diluted

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

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

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