

A1. Significant Accounting Policies

The interim financial report is unaudited and has been prepared in compliance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012, which were prepared in compliance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”). 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 year ended 31 December 2012.

The financial statements of the Group has been prepared on the historical cost convention except as disclosed in the notes to the financial statements and in compliance with MFRS, IFRS and the Companies Act, 1965 in Malaysia.

During the financial period, the Group has adopted the following applicable new Malaysia Financial Reporting Standards (“MFRSs”), revised MFRSs, Issues Committee (“IC”) Interpretations and amendments to MFRSs, issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for the current financial period:-

Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119 (2011)	Employee Benefits
MFRS 127 (2011)	Separate Financial Statements
MFRS 128 (2011)	Investments in Associates and Joint Ventures
MFRS 3	Business Combinations (IFRS 3 issued by IASB in March 2004)
MFRS 127	Consolidated and Separate Financial Statements (IAS 27 revised by IASB in December 2003)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to MFRS 1	Government Loans
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRSs 10, 11 and 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRSs contained in the document entitled “Annual Improvements 2009 – 2011 Cycle”	

Adoption of the above MFRSs, IC Interpretations, Amendments to MFRSs and Amendments to IC Interpretations did not have any significant effect on the financial statements of the Group

A1. Significant Accounting Policies (Cont'd)

The Group has not adopted earlier the following new MFRSs, and Amendments to MFRSs, which have been issued as at the date of authorisation of these financial statements and will be effective for the financial periods as stated below:-

		<u>Effective date for financial periods beginning on or after</u>
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
MFRS 9 (IFRS 9 as issued by IASB in November 2009)	Financial Instruments	1 January 2015
MFRS 9 (IFRS 9 as issued by IASB in October 2010)	Financial Instruments	1 January 2015

A2. Audit Report

The annual financial statement of the Company for the year ended 31 December 2012 was reported on without qualification.

A3. Seasonal or cyclical factors

The principal business operations of the Group are not materially affected by seasonal or cyclical factors during the financial quarter.

A4. Items of unusual nature and amount

There is no item affecting the assets, liabilities, equity, net income or cash flows of the Group that is unusual because of its nature, size or incidence.

A5. Material changes in estimates

There is no material change in estimates of amounts reported that will have a material effect in the financial quarter.

A6. Issuance or Repayment of Debt or Equity Securities

There is no issuance or repayment of debt or equity securities, share buybacks, share cancellations, shares held as treasury shares or resale of treasury shares in the financial quarter, other than disclosed as follows:

During the current financial quarter the Company issued additional 33,000,000 new ordinary shares of RM0.10 each at and exercise of RM0.30 pursuant to the private placement exercise.

The detail movement of the issued and paid up capital and share premium reserved for the company are as follows:

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A6. Issuance or Repayment of Debt or Equity Securities (Cont'd)

	No. of shares Issued and fully paid up ordinary shares of RM0.10 each	Share Capital	Share Premium	Total
	'000	RM'000	RM'000	RM'000
As at 1 January 2013	330,000	33,000	2,111	35,111
Share issuance for private placement	33,000	3,300	6,600	9,900
Issuance of new share	130,390	13,039	26,078	39,117
Share issuance expenses	-	-	(2,183)	(2,183)
As at 31 Dec 2013	493,390	49,339	32,606	81,945

A7. Dividend Paid

No interim dividend has been paid or declared during the current quarter.

A8. Segmental Analysis

a) Analysis of Segmental Revenue and Result

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.12.12	31.12.12	31.12.13	31.12.12
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
- Services and trading	21,783	22,965	55,292	56,837
- Manufacturing	13,913	-	38,022	-
Total	35,696	22,965	93,314	56,837
Segment result				
- Services and trading	3,105	4,531	5,485	7,064
- Manufacturing	1,565	-	5,386	-
Profit after tax	4,670	4,531	10,871	7,064

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A8. Segmental Analysis (Cont'd)

b) Analysis by Geographical Area

	Current Quarter			
	3 months ended 31 Dec 2013			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	16,622	19,074	-	35,696
Inter segment	-	-	-	-
Total	16,622	19,074	-	35,696

	Preceding Quarter			
	3 months ended 31 Dec 2012			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	22,965	-	-	22,965
Inter segment	-	-	-	-
Total	22,965	-	-	22,965

	Cumulative Quarter			
	12 months ended 31 Dec 2013			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	50,134	43,180	-	93,314
Inter segment	-	-	-	-
Total	50,134	43,180	-	93,314

	Preceding Cumulative Quarter			
	12 months ended 30 Dec 2012			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	56,837	-	-	56,837
Inter segment	-	-	-	-
Total	56,837	-	-	56,837

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	31 Dec 2013			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	77,074	89,311	-	166,385
Segment liabilities	22,458	33,066	-	55,524
Depreciation	1,185	213	-	1,398
	31 Dec 2012			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	72,155	-	-	72,155
Segment liabilities	21,191	-	-	21,191
Depreciation	592	-	-	592

A9. Valuation of property, plant and equipment

There was no valuation of property plant and equipment for the financial quarter.

A10. Significant Events During The Financial Quarter

During the financial period, the following significant events took place for the Company and its subsidiaries:

- (i) On 2 January 2013, entered into a sale and purchase agreement with CSL Manufacturing (M) Sdn Bhd for the proposed acquisition of the Property bearing the postal address at No. 10, Jalan Jurunilai U1/20, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, for a cash consideration of RM14,800,000. The acquisition was completed on 31 July 2013.
- (ii) On 22 January 2013 received a letter of award from the MINDEF awarding DPSB an extension of contract with MINDEF for the service and/or maintenance and supply of articles, components and spares, explosive publication, test equipment, ground support and special tools of safety and survival equipment to the Malaysian Army Aviation (PUTD) for a period of three (3) years from 27 November 2012 to 26 November 2015 with additional ceiling limit of RM4 million.
- ii) Proposed Acquisition of Subsidiaries:
On 3 April 2013, the Company entered into four (4) separate Heads of Agreement ("HOAs") in relations to the proposed acquisitions of the entire issued and paid-up share capital ("sale shares") of the following companies ("Target Company" or collectively the "Techno Fibre Companies") with the respective parties as set out in the table below ("vendor") at the following indicative purchase considerations ("Proposed Acquisitions").

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<i>Target Company</i>	<i>Vendors</i>	<i>Purchase consideration RM'000</i>
Techno Fibre Australia Pty Ltd	Ramesh Ramasamy	2,667
	Cecilia Jayaraman Sakaran	17,709
	Krishnan Vijayan	5,241
Techno Fibre Middle East Marine Services FZE	Ramesh Ramasamy Navis Limited	17,709
Techno Fibre International Sdn Bhd	Shamsudin Bin Abdul Wahab Jamaludin Bin Salaiman	5,241
Techno Fibre (S) Pte Ltd	Ramesh Ramasamy Shamsudin Bin Abdul Wahab	16,750

The above total indicative purchase consideration for the Sale Shares (“Purchase Consideration(s)”) shall be satisfied entirely via the issuance of new ordinary shares of RM0.10 each in Destini (“Destini Shares”) (“Consideration Shares”) to the Vendors (or their nominees) at an issue price of RM0.30 each.

The Purchase Considerations are indicative at this juncture and may be subject to adjustments depending on the outcome of the due diligence to be conducted on Techno Fibre Companies. The Purchase Considerations shall be finalised upon the execution of the Sales and Purchase agreements. Subject to the fulfilment of the Condition Precedents in HOAs, the completion of the Proposed Acquisition shall occur within three (3) months from the date of HOAs or such other extended period to be agreed between the parties.

The Proposed Acquisitions are subject to the following approval:

- (a) Bursa Securities for the listing of and quotation for the Consideration Shares;
 - (b) Shareholders of the Company at an Extraordinary General Meeting to be convened; and
 - (c) Any other relevant authorities and/ or third parties, if required.
- iii) On 10 April 2013, the Company announced that the Company has from the period commencing 22 January 2013 to 2 April 2013 acquired from the open market an aggregate of 10,323,100 ordinary shares of RM0.10 in SMR Technologies Berhad (“SMR”) (“SMR Shares”) for a total purchase consideration of approximately RM2,411,799.31.
- iv) On 23 April 2013 Bursa Malaysia Securities Berhad has approved the upliftment of the company from being classified as a PN17 Company.
- v) 30 April 2013, accepted a letter of award from Ministry of Defence Malaysia for the supply and maintenance of safety survival equipment to the Royal Malaysian Navy for a total contract sum of RM3,000,000.00 (“the Contract”). The Contract is for the period of three (3) years commencing from 30 April 2013 to 31 March 2016.

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- vi) On 2 July 2013 Destini entered into four (4) separate conditional sale and purchase agreements ("SPAs") for the proposed acquisitions of the entire issued and paid-up share capital of TF Australia, TF Middle East, TF Malaysia and TF Singapore.
- vii) 10 July 2013 Destini entered into four (4) separate conditional sale and purchase agreements ("SPAs") for the proposed acquisitions of the entire issued and paid-up share capital of TF Australia, TF ME, TF Malaysia and TF Singapore for a total purchase consideration of RM39,117,000 to be satisfied entirely via the issuance of 130,390,000 new ordinary shares of RM0.10 each in Destini ("Destini Share") at an issue price of RM0.30 per Destini Share.

The Company proposes to undertake a bonus issue of 242,000,000 free Warrants on the basis of two (2) free Warrants for every three (3) existing Destini Shares held on an entitlement date to be determined later.

- viii) On 11 July 2013 Destini announced that the listing application for the Consideration Shares in relation to the Proposed Acquisitions, the Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants and the new Destini Shares to be issued arising from the exercise of the Warrants has been submitted to Bursa Malaysia Securities Berhad

- ix) The Company has on 12 September 2013 fixed the exercise price for the Warrants to be issued pursuant to the Bonus Issue of Warrants at RM0.40 per Warrant.

The exercise price of RM0.40 per Warrant represents a discount of approximately 2.44% to the five (5)-day volume weighted average market price of Destini Shares up to and including 11 September 2013 of RM0.41 per Destini Share.

The exercise price of the Warrants has been determined by the Board, after taking into consideration, amongst others, the following:-

- 1) the historical price movement of Destini Shares;
 - 2) the liquidity of Destini Shares; and
 - 3) that the Warrants will be issued at no cost to the entitled shareholders of the Company.
- x) On 19 September 2013 Destini announced that Destini had via its letter requested for an extension of time from Kejuruteraan Samudra Timur Berhad ("KSTB" or "Vendor"), which has been mutually agreed by both parties, to extend the period for Due Diligence for another thirty (30) days from the expiry date which is on 22 September 2013 to 22 October 2013 to facilitate the completion of full Due Diligence pursuant to the Heads of Agreement ("HOA") dated 7 August 2013 entered into between KSTB and the Company.
 - xi) On 7 October 2013, the company announced that
 - a) 130,390,000 new Destini Shares issued pursuant to the Acquisitions will be granted listing and quotation with effect from 9.00 a.m., Tuesday, 8 October 2013; and

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(b) 242,000,000 Warrants 2013/2016 issued pursuant to the Bonus Issue of Warrants will be admitted to the Official List of the Exchange and the listing and quotation of the Warrants 2013/2016 on the Main Market under the "Trading/Services" sector will be granted with effect from 9.00 a.m., Tuesday, 8 October 2013.

- xii) On 8 October 2013, the company announced that:
- a) all the conditions precedent have been fulfilled or waived (where applicable) pursuant to the four (4) separate sale and purchase agreements dated 10 July 2013 in relation to the Acquisitions; and
 - b) 130,390,000 Destini Shares issued to satisfy the purchase consideration for the Acquisitions as well as 242,000,000 Warrants issued pursuant to the Bonus Issue of Warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from 9.00 a.m. on Tuesday, 8 October 2013.

Marking the completion of the Corporate Exercises.

- xiii) On 1 November 2013, the company announced pertaining to the heads of agreement ("HOA") entered into between the Company and Kejuruteraan Samudra Timur Berhad ("KSTB") ("Vendor") on 7 August 2013.

The Company had, on 1 November 2013, entered into a conditional share sale agreement ("SSA") with the Vendor for the proposed acquisition by Destini of the entire issued and paid up share capital of Samudra Oil Services Sdn Bhd ("Samudra Oil") ("Sale Shares") from the Vendor for a purchase consideration of RM80,000,000 ("Purchase Consideration") to be fully satisfied via the issuance of 228,571,428 new Destini Shares at an issue price of RM0.35 per Destini Share ("Consideration Shares") ("Proposed Acquisition").

In addition the Company proposes to undertake the following:-

- i. Proposed establishment of an employees' share option scheme ("ESOS") of up to 15% of the issued and paid-up share capital of the Company;
- ii. Proposed increase in the authorised share capital of Destini from RM100,000,000 comprising 1,000,000,000 Destini Shares to RM150,000,000 comprising 1,500,000,000 Destini Shares; and
- iii. Proposed amendments to the memorandum and articles of association of Destini.

The proposal was submitted to Bursa on 2 December 2013 and on 17 December 2013, Bursa approved the following:

- i. Listing of 228,571,428 new Destini Shares to be issued pursuant to the Proposed Acquisition; and
- ii. Listing of up to such number of additional new ordinary shares, representing up to 15% of the issued and paid-up ordinary share capital of Destini (excluding treasury shares), to be issued pursuant to the exercise of options under the Proposed ESOS.

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The approval by Bursa Securities for the above is subject to the following conditions:

- i. Destini and RHB must fully comply with the relevant provisions under the Main Market Listing Requirements ("Main LR") pertaining to the implementation of the Proposals;
 - ii. Destini and RHB to inform Bursa Securities upon completion of the Proposals;
 - iii. Destini to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;
 - iv. Destini to furnish Bursa Securities with a certified true copy of the resolutions passed by shareholders at extraordinary general meeting for the Proposals;
 - v. In respect of the Proposed ESOS, RHB is required to submit a confirmation to Bursa Securities of full compliance of the ESOS pursuant to Paragraph 6.43(1) of the Main LR and stating the effective date of implementation; and
 - vi. Payment of additional listing fees in respect of the new ordinary shares to be issued pursuant to the exercise of options under the Proposed ESOS, if relevant. In this respect, Destini is required to furnish Bursa Securities on a quarterly basis a summary of the total number of ESOS shares listed as at the end of each quarter together with a detailed computation of listing fees payable.
- xiv) Destini Prima Sdn Bhd ("DPSB"), a wholly-owned subsidiary of Destini, had on 7 November 2013, accepted a letter of award from Ministry of Defence Malaysia to provide the first line and above maintenance services for the safety and survival equipment for Royal Malaysian Air Force for a total contract sum of not exceeding RM95,027,217.00 ("the Contract"). The Contract is for the period of three (3) years commencing from 3 October 2013 to 2 October 2016.
- xv) On 10 December, the company wholly-owned subsidiary of Destini, had on 4 December 2013, accepted a letter of award from Ministry of Defence Malaysia to supply defence equipment for the Royal Malaysian Air Force for a total contract sum of RM46,317,000.00 for the period of three (3) years.

A11. Changes in Composition of the Group

- i) On 6 March 2013, one of the subsidiaries, Vanguard Composite Engineering Pte Ltd ("VCEPL") acquired 2 ordinary shares of RM1.00 each in the capital of Fleet Composite Sdn Bhd ("FCSB") for a total consideration of RM2. Following the acquisition, FCSB became a wholly-owned subsidiary of VCEPL.

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- ii) On 21 August 2013 acquired two (2) ordinary shares of RM1.00 each fully paid-up in the capital of DB Precision Sdn Bhd (Company No. 1057950-U) (“DB Precision”) from Dato’ Rozabil @ Rozamujib Bin Abdul Rahman (1 ordinary share) and Abdul Rahman Bin Mohamed Rejab (1 ordinary share) respectively at a total consideration of RM2.00 (Ringgit Malaysia : Two) only. (“Acquisition”). Following the Acquisition, DB Precision became a wholly-owned subsidiary of Destini.

DB Precision Sdn Bhd (“DBPSB”) was incorporated in Malaysia on 13 August 2013 with the authorised share capital of RM1,000,000.00 divided into 1,000,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of DBPSB is RM2.00 divided into two (2) ordinary shares of RM1.00 each. DBPSB has not commenced business since its incorporation and its intended principally activities is provision of calibration and cylinder services. DBPSB is a wholly-owned subsidiary of the Company.

On 27 August 2013 the entire issued and paid up share capital of DBPSB held by Destini was transferred to Destini Prima Sdn Bhd (“DPSB”), which is a wholly-owned subsidiary of Destini, at the total consideration of RM2.00 only. DBPSB has now become the wholly-owned subsidiary of DPSB. The internal reorganisation would enable the Company to reorganise its subsidiary companies for better reporting and control.

On 27 September 2013, Destini Prima Sdn Bhd (“DPSB”), a wholly-owned subsidiary of the Company had subscribed for an additional 99,998 new ordinary shares of RM1.00 each in DB Precision Sdn Bhd (Company No. 1057950-U) (“DB Precision”), a wholly-owned subsidiary of DPSB, at par for a total cash consideration of RM99,998.00 (“Subscription”). The Subscription was funded via internally generated funds. Pursuant to the Subscription, the total issued and paid-up share capital of DB Precision increased from 2 ordinary shares of RM1.00 each to 100,000 ordinary shares of RM1.00 each. As a result of this Subscription, the total cost of investment of DPSB in DB Precision will increase from RM2.00 to RM100,000.00.

- iii) On 8 October 2014 pursuant to completion of acquisition of Techno Fibre Companies, the following took place:

Techno Fibre Australia Pty Ltd, Techno Fibre Middle East Marine Services FZE and Techno Fibre (S) Pte Ltd become wholly-owned subsidiaries of TF Corp. Pte Ltd; and Techno Fibre International Sdn Bhd become wholly-owned subsidiary of Destini Prima Sdn Bhd

A12. Significant Events Subsequent To the Financial Quarter

Subsequent to the financial period, the following significant events took place for the Company and its subsidiaries:

- i) On 20 January 2014, the Company issued Circular to Shareholders in relation to :
- i) Proposed acquisition by Destini of the entire issued and paid up share capital of Samudra Oil Services Sdn Bhd from the Vendor for a purchase consideration of

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RM80,000,000 to be fully satisfied via the issuance of 228,571,428 new Destini Shares at an issue price of RM0.35 per Destini Share.

- ii) Proposed establishment of an employees' share option scheme ("ESOS") of up to 15% of the issued and paid-up share capital of the Company and proposed allocation of ESOS Option to the Directors of Destini.
 - iii) Proposed increase in the authorised share capital of Destini from RM100,000,000 comprising 1,000,000,000 Destini Shares to RM150,000,000 comprising 1,500,000,000 Destini Shares;
 - iv) Proposed amendments to the memorandum and articles of association of Destini
And
Notice of Extraordinary general Meeting
- ii) Destini Berhad at its Extraordinary General Meeting held on 10 February 2014 approved all the resolutions as set out in the Notice of EGM dated 20 January 2014

A13. Contingent Liabilities or Assets

Except as disclosed below, there were no material contingent liabilities or assets during the financial quarter.

	Year to Date 31-Dec-13 RM '000	Year to Date 31-Dec-12 RM '000
Banker's guarantees in favour of the local authorities for the purpose of development projects		
- Secured	3,777	3,949

A14. Capital Commitments

	Year to Date 31-Dec-13 RM '000	Year to Date 31-Dec-12 RM '000
Approved and contracted for :		
- Property, plant and equipment	-	-

A15. Significant related party transactions

There were no significant related party transactions occurred during the financial quarter ended 30 Dec 2013.

Part B: Explanatory Notes Pursuant to Appendix 9B of The Listing Requirements Of The Bursa Malaysia Securities Berhad.

B1. Review of Performance

The Group recorded a revenue of RM93.31 million and profit before tax of RM14.00 million compare to a revenue of RM56.84 million and a profit before tax of RM8.17million for the preceding year corresponding period.

Higher revenue and profit before tax as compared to the preceding quarter mainly due to the higher trading sale and new acquisition subsidiaries namely Vanguard and Techno Fibre Groups.

B2. Review of Current Quarter against Preceding Quarter

The Group achieved a revenue of RM35.70 million and profit before tax of RM6.55 million compare to a revenue of RM22.96 million and a profit before tax of RM5.63 million for the preceding year corresponding period.

Higher revenue and profit before tax as compared to the preceding quarter mainly due to the higher trading sale and acquisition subsidiaries in December 2012 and October 2013.

B3. Commentary on Prospects for the Next Financial Quarter

The directors expect the Group's operating environment to remain challenging and competitive. Barring unforeseen circumstances, the Board foresees the Group's operational results for the financial year 2014 will be satisfactory.

B4. Profit Forecast and Profit Guarantee

The Group did not announce any profit forecast nor profit guarantee for the current financial period.

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Dec-13 RM '000	31-Dec-12 RM '000	31-Dec-13 RM '000	31-Dec-12 RM '000
Current taxation	1,884	1,102	3,134	1,102

B6. Corporate Proposals

There was no other corporate proposals announce but not yet completed as at the date of this quarterly report, other than disclosed as follow:

- (i) On 3 April 2013, the Company entered into four (4) separate Heads of Agreement ("HOAs") in relations to the proposed acquisitions of the entire issued and paid-up share capital ("sale shares") of the following companies ("Target Company" or collectively the "Techno Fibre Companies") with the respective parties as set out in the table below ("vendor") at the following indicative purchase considerations ("Proposed Acquisitions").

Target Company	Vendors	Purchase consideration RM'000
Techno Fibre Australia Pty Ltd	Ramesh Ramasamy	2,667
	Cecilia Jayaraman Sakaran	17,709
	Krishnan Vijayan	5,241
Techno Fibre Middle East Marine Services FZE	Ramesh Ramasamy Navis Limited	17,709
Techno Fibre International Sdn Bhd	Shamsudin Bin Abdul Wahab Jamaludin Bin Salaiman	5,241
Techno Fibre (S) Pte Ltd	Ramesh Ramasamy Shamsudin Bin Abdul Wahab	16,750

The above total indicative purchase consideration for the Sale Shares ("Purchase Consideration(s)") shall be satisfied entirely via the issuance of new ordinary shares of RM0.10 each in Destini ("Destini Shares") ("Consideration Shares") to the Vendors (or their nominees) at an issue price of RM0.30 each.

The Purchase Considerations are indicative at this juncture and may be subject to adjustments depending on the outcome of the due diligence to the conducted on Techno Fibre Companies. The Purchase Considerations shall be finalised upon the execution of the Sales and Purchase agreements. Subject to the fulfilment of the Condition Precedents in HOAs, the completion of the Proposed Acquisition shall occur within three (3) months from the date of HOAs or such other extended period to be agreed between the parties.

The Proposed Acquisitions are subject to the following approval:

- Bursa Securities for the listing of and quotation for the Consideration Shares;
- Shareholders of the Company at an Extraordinary General Meeting to be convened; and
- Any other relevant authorities and/ or third parties, if required.

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This Corporate Exercise Completed on 8 October 2013.

- ii) On 7 August 2013 Destini Berhad entered into a Heads of Agreement ("HOA") in relation to the proposed acquisition of the entire issued and paid-up share capital of Samudra Oil Services Sdn Bhd with Kejuruteraan Samudra Timur Berhad ("KTSB") at the indicative purchase consideration of RM80.00 million to be satisfied entirely via the issuance of 228,571,428 new ordinary shares of RM0.10 each in Destini at an issue price of RM0.35 each. The Corporate Exercise was approved by Bursa and in EGM dated 10 February 2014

B7. Group Borrowings and Debt Securities

Group borrowings were as follows:

B7.1 Short Term Borrowings

<u>Secured</u>	31-Dec-13 RM '000	31-Dec-12 RM '000
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase Payables	270	88
Overdraft	100	656
Bank Borrowing	782	1,747
<i>Denominated in Singapore Dollar (SGD):</i>		
Bank Borrowing	617	-
<i>Denominated in Chinese Renminbi (CNY):</i>		
Term Loans	1,898	-
Total	3,667	2,491

B7.2 Long Term Borrowings

<u>Secured</u>	31-Dec-13 RM '000	31-Dec-12 RM '000
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase Payables	893	606
Term Loan	9,903	-
<i>Denominated in Singapore Dollar (SGD):</i>		
Bank Borrowing	411	-
Total	11,207	606

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B8. Material Litigation

As at the date of this announcement, the Group is not engaged in any outstanding material litigation, which has a material effect on the financial position or the business of the Group and the Board.

B9. Dividends

The Board has not recommended any dividend for the financial quarter.

B10. Notes to the Statement of Comprehensive Income

	Individual quarter 30-Dec-13 RM '000	Year to date 30-Dec-13 RM '000
Profit for the period is arrived at after charging/(crediting):-		
Depreciation of property, plant and equipment	527	1,398
Reversal of impairment loss on receivables	84	(1,547)

B11. Earnings Per Share

The basic earnings per share for the quarter and year to date are computed as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Dec-13 RM'000	31-Dec-12 RM'000	31-Dec-13 RM'000	31-Dec-12 RM'000
Attributable to owners of parent (RM'000)	3,847	4,352	8,206	7,065
Weighted average number of ordinary shares ('000) in issue	483,469	330,000	301,055	159,234
Basic earnings per share (sen)	0.80	1.37	2.73	4.44

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B12. Disclosure of Realised and unrealised profit

	Year to Date 31-Dec-13 RM'000	Year to Date 31- Dec- 12 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	(20,091)	(31,990)
Less : consolidation adjustments	39,929	43,613
Total retained profits	19,838	11,623

BY ORDER OF THE BOARD

DATO' ROZABIL ABDUL RAHMAN
Managing Director