

## 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 2013, 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 2013.

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>
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 2013 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.

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

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2014

**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	Share-based payment Reserves	Total
	'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2014	493,390	49,339	32,606	-	81,945
Private Placement	72,000	7,200	36,000	-	43,200
Issuance of new shares	228,571	22,857	57,143	-	80,000
Share-based payment expenses	-	-	-	1,817	1,817
Issuance of new - shares ESOS	5,460	546	2,349	-	2,895
Transfer from share-based payment upon exercise ESOS	-	-	327	(327)	-
Share issuance expenses	-	-	((1,812))	-	(1,812)
As at 31 December 2014	799,421	79,942	126,613	1,490	208,045

**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	
	31.12.14	31.12.13	31.12.14	31.12.13
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
- Services and trading	55,723	21,783	144,044	55,292
- Manufacturing	6,158	13,913	22,921	38,022
Elimination of inter-segment	-	-	-	-
Total	61,881	35,696	166,965	93,314
Segment result				
- Services and trading	7,436	3,105	16,140	5,485
- Manufacturing	157	1,565	(1,390)	5,386
Profit after tax	7,593	4,670	14,750	10,871

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2014

**A8. Segmental Analysis (Cont'd)**

b) Analysis by Geographical Area

	Current Quarter			
	3 months ended 31 Dec 2014			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	51,695	10,186	-	61,881
Inter segment	-	-	-	-
Total	51,695	10,186	-	61,881

	Preceding 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

	Cumulative Quarter			
	12 months ended 31 Dec 2014			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	127,321	39,644	-	166,965
Inter segment	-	-	-	-
Total	127,321	39,644	-	166,965

	Preceding 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

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2014

	31 Dec 2014			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	240,621	102,782	-	344,403
Segment liabilities	58,123	30,761	-	88,884
Depreciation	3,157	455	-	3,612
	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

**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) Destini Berhad at its Extraordinary General Meeting held on 10 February 2014 approved all the resolutions as follows:
  - 1) 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 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.
  - 2) 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.
  - 3) 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;
  - 4) Proposed amendments to the memorandum and articles of association of Destini.
- ii) On 5 March 2014, Destini Berhad entered into a Share Purchase and Subscription Agreement ("SSA") with Mah Sook Hing ("Vendor") and Green Pluslink Sdn Bhd ("GPSB") for the acquisition of 2,500,000 ordinary shares of RM1.00 each in GPSB from the Vendor for a total purchase consideration of RM1,700,000.00 and to subscribe for additional 200,000 new ordinary shares of RM1.00 each in GPSB at the subscription price of RM2,400,000.00 which to be satisfied entirely via cash.

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2014

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- iii) Destini Prima Sdn Bhd, a wholly-owned subsidiary of Destini, had on 31 March 2014, accepted a letter of award from Ministry of Defence Malaysia for the appointment as one of the panel to supply the spare parts for “Non-Proprietary” aircraft for the Royal Malaysian Air Force for a total contract sum of RM98.85 million for the period of three (3) years (“the Contract”).
- iv) On 3 April 2014, 228,571,428 Destini Shares issued to KSTB to satisfy the purchase consideration for the Acquisition were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad ,marking the completion of the Acquisition.
- v) On 18 April 2014, Destini Berhad announced that the company had offered and granted options to eligible persons to subscribe for new ordinary shares of RM0.10 each in the Company (“Options”) under the Employees’ Share Option Scheme of the Company (“ESOS”).
- vi) On 9 May 2014, Destini Bhd announced that the Company proposes to undertake a private placement of up to 10% of the issued and paid-up share capital of Destini at issue price of RM0.60 for each new ordinary share of RM0.10 each in Destini for 72,000,000 Placement Shares. This exercise was completed following the listing of 72,000,000 new ordinary shares of RM0.10 each in Destini issued pursuant to the Private Placement on the Main Market of Bursa Malaysia Securities Berhad on 29 May 2014.
- vii) Samudra Oil Services Sdn Bhd, a wholly-owned subsidiary of Destini, had on 23 May 2014, accepted a letter of award from Lundin Malaysia B.V. (“Lundin”) for the provision of Hammer services and equipment for Lundin drilling campaign for a primary duration of two (2) years plus one (1) year extension option (“the Contract”). The contract is to provide Hammer services and equipment for Lundin drilling campaign which does not carry any contract sum. The Contract is based on work order to be provided by Lundin as and when they need the services to be performed by Samudra Oil Services Sdn Bhd.
- viii) The acquisition of 2,700,000 ordinary shares of RM1.00 each in Green Pluslink Sdn Bhd from the Vendor for a total purchase consideration of RM4,100,000.00 was completed on 4 June 2014
- ix) Destini Berhad announced that, Destini had, on 6 June 2014, entered into a Heads of Agreement in relation to the proposed acquisition of the remaining 500,000 ordinary shares in Vanguard , representing 49% of the issued and paid-up share capital of Vanguard Composite Engineering Pte Ltd with Ng Tuck Whye at the indicative purchase consideration of RM26.00 million to be satisfied entirely via the issuance of 40,000,000 new ordinary shares of RM0.10 each in Destini at an issue price of RM0.65 each.
- x) Destini Berhad had on 5 August 2014 acquired one (1) ordinary share of RM1.00 each in Detrac Sdn Bhd (Company No. 1101831-X) (“Detrac”) from Dato’ Rozabil @ Rozamujib Bin Abdul Rahman at a total consideration of RM1.00 (Ringgit Malaysia : One) only (“Acquisition”). Following the Acquisition, Destini would hold 50.0% of the total issued and paid up capital of Detrac and Detrac would become a subsidiary of the Company.

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**Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2014**

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Detrac was incorporated in Malaysia on 17 July 2014 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 Detrac is RM2.00 divided into two (2) ordinary shares of RM1.00 each. Detrac has not commenced business since its incorporation. The intended principal activity of Detrac is to carry on the business of research and development of mechatronic system including the software customization, repair and maintenance of electronic systems, support and consultation on system development.

On 4 November 2014 subscribed for an additional 699,999 new ordinary shares of RM1.00 each in Detrac Sdn Bhd (“Detrac”), a subsidiary of the Company, at par for a total cash consideration of RM699,999.00. The Subscription was funded via internally generated funds.

Pursuant to the Subscription, the total issued and paid-up share capital of Detrac increased from 2 ordinary shares of RM1.00 each to 1,000,000 ordinary shares of RM1.00 each. As a result of this Subscription, total equity held by the Company in Detrac is 700,000 ordinary shares of RM1.00 each, representing 70% of the enlarged issued and paid-up share capital of Detrac and the total cost of investment of the Company in Detrac will increase from RM1.00 to RM700,000.00.

The Acquisition is not expected to have any material effect on the earnings and net assets of the Company for the financial year ending 31 December 2014.

The Acquisition is not subject to the approval of the shareholders of the Company or other relevant authorities.

Except for Dato’ Rozabil @ Rozamujib Bin Abdul Rahman, who is a director and major shareholder of Destini and also the director and shareholder of Detrac, none of the directors and/or major shareholders of the Company and/or persons connected with them has any interest, direct or indirect in the Acquisition.

- xi) On 17 December 2014 Destini Berhad and Kejuruteraan Samudra Timur Berhad mutually agree to terminate the Management Agreement dated 27 March 2014 with effect from 1 December 2014.

Pursuant thereto, the Parties agree that KSTB shall not be liable for any claims, losses, demands, costs or interests in respect of the services provided to Samudra Oil Services Sdn Bhd under the terms of the Management Agreement and that Destini shall indemnify KSTB for any such claims, losses, demands, costs or interests by any party after the termination.

The Parties further agree to waive their rights to claim for damages for early termination equivalent to the fee payable for the remaining period of the Management Agreement.

The termination of the Management Agreement is not expected to have any material effect on the earnings, net asset and gearing of Destini Group for the financial year ending 31 December 2014.

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2014
 

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- xii) Vanguard Composite Engineering Pte Ltd, a subsidiary of Destini, had on 8 December 2014, accepted a purchase order for six lifeboats and integrated davits from SapuraAcergy Sdn Bhd for the total contract value of SGD1

**A11. Changes in Composition of the Group**

There no changes in composition of the Group for the quarter under review.

**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) The Company has embarked on an internal reorganisation exercise which involved an indirect wholly-owned subsidiary of the Company i.e. Destini First Sdn Bhd (formerly known as Satang Dagangan Sdn Bhd) (“DFSB”).

The internal reorganisation, which was completed on 26 January 2015 involves the transfer of the entire issued and paid up share capital held by DPSB to Destini at the total consideration of RM1.00 only. Hence, upon completion of the internal reorganisation, DFSB has now become a direct wholly-owned subsidiary of Destini.

The internal reorganisation would enable the Company to reorganise its subsidiary companies for better reporting and control.

**A13. Contingent Liabilities or Assets**

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

Banker’s guarantees in favour of the local authorities for the purpose of development projects  
 - Secured

	<b>Year to Date 31-Dec-14 RM ‘000</b>	<b>Year to Date 31-Dec-13 RM ‘000</b>
	10,576	3,777

**A14. Capital Commitments**

Approved and contracted for :  
 - Acquisition of Office Building

	<b>Year to Date 31-Dec-14 RM ‘000</b>	<b>Year to Date 31-Dec-13 RM ‘000</b>
	4,622	-



**A15. Significant related party transactions**

There were no significant related party transactions occurred during the financial quarter ended 31 Dec 2014.

**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 revenue of RM166.97 million and profit before tax of RM21.35 million compare to revenue of RM93.31 million and a profit before tax of RM14.00million 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 revenue from new subsidiaries namely Samudra Oil Sdn Bhd and Green Pluslink Sdn Bhd. Higher Profit before tax against preceding year mainly due to contribution from Samudra Oil and improvement in profit from MRO services.

**B2. Review of Current Quarter against Preceding Quarter**

The Group recorded revenue of RM61.88 million and profit before tax of RM9.32 million compare to revenue of RM35.70 million and a profit before tax of RM6.55million for the preceding year corresponding period.

Higher revenue as compared to the preceding quarter mainly due to the higher trading sale and revenue from new subsidiaries namely Samudra Oil Sdn Bhd and Green Pluslink Sdn Bhd. Higher Profit before tax in the current quarter against preceding quarter mainly due to contribution from Samudra Oil and improvement in profit from MRO services.

**B2. Commentary on Prospects for the Next Financial Quarter**

With the Group diversified its activity into Oil and Gas industry via acquisition of Samudra Oil Sdn Bhd and 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 2015 will be satisfactory.

**B3. Profit Forecast and Profit Guarantee**

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

**B4. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Dec-14 RM '000	31-Dec-13 RM '000	31-Dec-14 RM '000	31-Dec-13 RM '000
Current taxation	1,712	1,884	6,590	3,134

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2014

**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) Destini Berhad announced that, Destini had, on 6 June 2014, entered into a Heads of Agreement in relation to the proposed acquisition of the remaining 500,000 ordinary shares in Vanguard , representing 49% of the issued and paid-up share capital of Vanguard Composite Engineering Pte Ltd with Ng Tuck Whye at the indicative purchase consideration of RM26.00 million to be satisfied entirely via the issuance of 40,000,000 new ordinary shares of RM0.10 each in Destini at an issue price of RM0.65 each.

**B7. Group Borrowings and Debt Securities**

Group borrowings were as follows:

**B7.1 Short Term Borrowings**

<u>Secured</u>	<b>31-Dec-14 RM '000</b>	<b>31-Dec-13 RM '000</b>
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase Payables	305	370
Overdraft	2,716	100
Bank Borrowing	6,064	782
<i>Denominated in Singapore Dollar (SGD):</i>		
Hire Purchase Payables	-	-
Bank Borrowing	5,992	617
<i>Denominated in Chinese Renminbi (CNY):</i>		
Term Loans	1,972	1,898
<b>Total</b>	<b>14,391</b>	<b>3,667</b>

**B7.2 Long Term Borrowings**

<u>Secured</u>	<b>31-Dec-14 RM '000</b>	<b>31-Dec-13 RM '000</b>
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase Payables	896	893
Term Loan	22,966	9,903
<i>Denominated in Singapore Dollar (SGD):</i>		
Bank Borrowing	389	411
<b>Total</b>	<b>24,251</b>	<b>11,209</b>

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2014

**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**

	<b>Individual quarter 31-Dec-14 RM '000</b>	<b>Year to date 31-Dec-14 RM '000</b>
<b>Profit for the period is arrived at after charging/(crediting):-</b>		
Depreciation of property, plant and equipment	1,220	3,612
Share-based payment expenses	(3,938)	1,817
Impairment gain on other investment	511	(5,253)

**B11. Earnings Per Share**

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Quarter 31-Dec-14</b>	<b>Preceding Year Corresponding Quarter 31-Dec-13</b>	<b>Current Year To Date 31-Dec-14</b>	<b>Preceding Year Corresponding Period 31-Dec-13</b>
Attributable to owners of parent ( RM'000 )	<b>7,974</b>	<b>3,847</b>	<b>16,570</b>	<b>8,206</b>
Weighted average number of ordinary shares ('000) in issue	<b>799,287</b>	<b>483,469</b>	<b>799,412</b>	<b>301,055</b>
Basic earnings per share (sen)	<b>1.00</b>	<b>0.80</b>	<b>2.34</b>	<b>2.73</b>

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2014

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31-Dec-14	Preceding Year Corresponding Quarter 31-Dec-13	Current Year To Date 31-Dec-14	Preceding Year Corresponding Period 31-Dec-13
Attributable to owners of parent ( RM'000 )	7,974	3,847	16,570	8,206
Weighted average number of ordinary shares ('000) in issue	799,287	483,469	799,412	301,055
Effect of dilution : share options (ESOS)	25,512	-	25,512	-
Adjusted weighted average number of ordinary shares in issue and Issuable('000)	824,799	-	734,925	-
Diluted earnings per share (sen)	0.97	N/A	2.25	N/A

**B12. Disclosure of Realised and unrealised profit**

	Year to Date 31-Dec-14 RM'000	Year to Date 31- Dec- 13 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	1,664	(20,091)
Less : consolidation adjustments	34,744	39,929
Total retained profits	36,408	19,838

**BY ORDER OF THE BOARD**

**DATO' ROZABIL ABDUL RAHMAN**  
Managing Director