

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 2014, 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 2014.

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 2014 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:

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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	ESOS Reserves	Total
	'000	RM'000	RM'000	RM'000	RM'000
As at 1 Jan 2015	799,421	79,942	126,613	1,490	208,045
Share option exercised	7,279	728	3,129	-	3,857
Share-based payment Transaction	-	-	437	(437)	-
As at 30 Jun 2015	806,700	80,670	130,179	1,053	211,902

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		6 months ended	
	30.06.15	30.06.14	30.06.15	30.06.14
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
- Services and trading	50,914	36,819	88,860	65,889
- Construction	-	-	-	-
Elimination of inter-segment	-	-	-	-
Total	50,914	36,819	88,860	65,889
Segment result				
- Services and trading	3,363	278	4,386	4,217
- Construction	-	-	-	-
Profit after tax	3,363	278	4,386	4,217

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A8. Segmental Analysis (Cont'd)

b) Analysis by Geographical Area

	Current Quarter			
	3 months ended 30 Jun 2015			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	34,948	15,966	-	50,914
Inter segment	-	-	-	-
Total	34,948	15,966	-	50,914

	Preceding Quarter			
	3 months ended 30 Jun 2014			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	29,002	7,817	-	36,819
Inter segment	-	-	-	-
Total	29,001	7,817	-	36,819

	Cumulative Quarter			
	6 months ended 30 Jun 2015			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	57,230	31,630	-	88,860
Inter segment	-	-	-	-
Total	57,230	31,630	-	88,860

	Preceding Cumulative Quarter			
	6 months ended 30 Jun 2014			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	44,884	21,005	-	65,889
Inter segment	-	-	-	-
Total	44,884	21,005	-	65,889

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	30 Jun 2015			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	249,136	111,617	-	360,753
Segment liabilities	61,279	32,725	-	94,004
Depreciation	2,202	238	-	2,440
	30 Jun 2014			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	223,696	97,008	-	320,704
Segment liabilities	48,761	28,835	-	77,596
Depreciation	1,291	216	-	1,507

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) 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.

- ii) Destini Berhad had on 30 April 2015 acquired two (2) ordinary shares of RM1.00 each in Land Auto Technology Sdn. Bhd. (Company No. 1139580-K) (“LAT”) at a total consideration of RM2.00 (Ringgit Malaysia : Two) only. Following the Acquisition, LAT would become a wholly-owned subsidiary of the Company. LAT was incorporated in Malaysia on 9 April 2015 with the authorised share capital of RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of LAT is RM2.00 divided into two (2) ordinary shares of RM1.00 each. The intended principal activity of LAT is to carry on the business as general merchants, distributors and commission agents for all kinds of motor vehicles and trading of motor accessories and spare parts.

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- iii) Destini had on 5 May 2015 acquired two (2) ordinary shares of RM1.00 each in Prinsip Pertiwi Sdn. Bhd. (Company No. 1139310-V) (“PPSB”) at a total consideration of RM2.00 (Ringgit Malaysia : Two) only (“Acquisition”). Following the Acquisition, PPSB would become a wholly-owned subsidiary of the Company. PPSB was incorporated in Malaysia on 8 April 2015 with the authorised share capital of RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of PPSB is RM2.00 divided into two (2) ordinary shares of RM1.00 each. PPSB has not commenced business since its incorporation

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. Destini had on 5 May 2015 acquired two (2) ordinary shares of RM1.00 each in Prinsip Pertiwi Sdn. Bhd. (Company No. 1139310-V) (“PPSB”) at a total consideration of RM2.00 (Ringgit Malaysia : Two) only (“Acquisition”). Following the Acquisition, PPSB would become a wholly-owned subsidiary of the Company. PPSB was incorporated in Malaysia on 8 April 2015 with the authorised share capital of RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of PPSB is RM2.00 divided into two (2) ordinary shares of RM1.00 each. PPSB has not commenced business since its incorporation.
- ii. On 10 June 2015 Destini has embarked on an internal reorganisation exercise which involved an indirect wholly-owned subsidiary of the Company i.e. Destini Aviation Sdn Bhd (formerly known as Satang Aviation Sdn Bhd) (“DASB”). DASB is a private limited company incorporated in Malaysia on 20 November 1995. DASB is principally engaged in maintenance, repairs and overhaul of aviation ground support safety equipments and survival equipment. As at 10 June 2015, the authorised share capital of DASB is RM500,000.00 divided into 500,000 ordinary shares of RM1.00 each while the issued and paid-up capital is RM250,000.00 comprising 250,000 ordinary shares of RM1.00 each. DASB is a wholly-owned subsidiary of Destini Prima Sdn Bhd (“DPSB”), which is a wholly-owned subsidiary of Destini.

The internal reorganisation, which was completed on 10 June 2015 involves the transfer of the entire issued and paid up share capital held by DPSB to Destini at the total consideration of RM2.00 only. Hence, upon completion of the internal reorganisation, DASB 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.

- iii. Destini Berhad (“Destini” or “the Company”) via Destini Aviation Sdn Bhd (formerly known as Satang Aviation Sdn Bhd) (“DASB”), a wholly-owned subsidiary of the Company, had on 16 June 2015 subscribed for 1,400,000 new ordinary shares of RM1.00 each in Safeair Technical Sdn. Bhd. (Company No. 878513-M) (“SAT”) at

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par for a total cash consideration of RM1,400,000.00 (“Subscription”). The Subscription was funded via internally generated funds.

SAT is principally engaged in the business relating to the provision of line maintenance service to commercial airlines. Pursuant to the Subscription, the total issued and paid-up share capital of SAT has increased from 350,000 ordinary shares of RM1.00 each to 1,750,000 ordinary shares of RM1.00 each. As a result of this Subscription, total equity held by DASB in SAT is 1,400,000 ordinary shares of RM1.00 each, representing 80% of the enlarged issued and paid-up share capital of SAT and SAT became a subsidiary of DASB.

- iv. Destini Berhad (“Destini” or “the Company”) wishes to announce that its wholly owned subsidiary, Destini Aviation Sdn Bhd (formerly known as Satang Aviation Sdn Bhd) (“DASB”) on 22 June 2015 entered into a Joint Venture Agreement (“JVA”) with Avia Technique Limited (“Avia”) to establish a new joint venture company (“JVCO”) to carry on the business of provision of inspection, repair and overhaul services of aircraft components including but not limited to oxygen equipment, survival equipment, fire suppression, air conditioning, electrical equipment and fuel and hydraulic equipment for commercial aviation and/or civil airline (non-military) customers (“Joint Venture”).
- v. Destini Berhad, on 24 June 2015, entered into a Heads of Agreement in relation to the proposed acquisition of the entire issued and paid-up share capital of Destination Marine Services Sdn Bhd (“DMS”) with Utarasama Marine Sdn Bhd, Goldleaf Pavilion Sdn Bhd and Radzuan Bin Idris (collectively as the “Vendors”) at the indicative purchase consideration of RM90.0 million to be satisfied via a combination of new shares at RM0.70 each in Destini and/or cash.
- vi. Destini Berhad wishes to announce that the Company on 26 June 2015 subscribed for an additional 49,998 new ordinary shares of RM1.00 each in Land Auto Technology Sdn. Bhd, a wholly-owned subsidiary of the Company, at par for a total cash consideration of RM49,998.00. The Subscription was funded via internally generated funds.

Pursuant to the Subscription, the total issued and paid-up share capital of LAT increased from 2 ordinary shares of RM1.00 each to 50,000 ordinary shares of RM1.00 each. As a result of this Subscription, total equity held by the Company in LAT is 50,000 ordinary shares of RM1.00 each, representing 100% of the enlarged issued and paid-up share capital of LAT and the total cost of investment of the Company in LAT will increase from RM2.00 to RM50,000.00.

- vii. Destini Berhad via Destini Armada Sdn Bhd, a wholly- owned subsidiary of the Company had, on 23 July 2015, entered into a conditional share sale agreement with Destination Marine Services Sdn Bhd (“DMS”), for the proposed acquisition by Destini Armada of the entire issued and paid up share capital of Everyday Success Sdn Bhd, a wholly-owned subsidiary company of DMS, for an indicative purchase consideration of RM90,000,000 to be satisfied via a combination of cash payment of RM15,000,000 and the remaining of the Purchase Consideration of RM75,000,000 to be satisfied via the issuance of 107,142,857 ordinary shares of RM0.10 each in Destini at the issue price of RM0.70 per Destini Share.

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- viii. Destini Berhad via Destini Aviation Sdn. Bhd. (formerly known as Satang Aviation Sdn. Bhd.), a wholly-owned subsidiary of Destini, had on 27 July 2015, entered into a Collaboration Agreement with AirAsia Berhad. The purpose of the Agreement is to sets the track for the two companies to start the final negotiations and implementation plan to execute the strategic outsourcing exercise.

The Agreement covers key initiatives for strategic outsourcing namely Technical Handling, Component maintenance, repair and overhaul, and hangar based Maintenance, Repair and Overhaul (“MRO”). Each of these initiatives is to be implemented in a phased manner over the next six to eight months, one after the other.

- ix. Destini Berhad, pursuant to the Joint Venture Agreement entered between Destini Aviation Sdn Bhd (formerly known as Satang Aviation Sdn Bhd), a wholly-owned subsidiary of the Company, and Avia Technique Limited (“Avia”), the parties had set up a new joint venture company namely, Destini Avia Technique Sdn Bhd (“DAT”). As of the date of this announcement, both DASB and Avia is holdings 1 ordinary share of RM1.00 each, representing 50% each of the total issued and paid up capital of DAT.

A13. Contingent Liabilities or Assets

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

	Year to Date 30-Jun-15 RM ‘000	Year to Date 31-Dec-14 RM ‘000
Banker’s guarantees in favour of the local authorities for the purpose of development projects		
- Secured	5,696	10,576

A14. Capital Commitments

	Year to Date 30-Jun-15 RM ‘000	Year to Date 31-Dec-14 RM ‘000
Approved and contracted for :		
- Acquisition of Office Building	-	4,622

A15. Significant related party transactions

There were no significant related party transactions occurred during the financial quarter ended 30 Jun 2015.

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 RM88.86 million and profit before tax of RM6.49 million compare to revenue of RM65.89 million and a profit before tax of RM6.11 million for the preceding year corresponding period. Higher revenue as compared to the preceding year corresponding period mainly due to new contribution in revenue from Samudra Oil Sdn Bhd and increased in revenue from MRO activities. The profit before tax increase compared to preceding year corresponding profit mainly from the MRO activities.

B2. Review of Current Quarter against Preceding Quarter

The Group registered a revenue of RM50.91 million for the current quarter under review representing an increase of RM12.96 million or 34.15% from the RM37.95 million in the preceding quarter. The Group's profit before tax was RM5.19 million for the current quarter under review as compared to profit before tax of RM1.30 million in the preceding quarter. Higher revenue and profit mainly due to higher demand for MRO services of the Group.

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 2015 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
	30-Jun-15 RM '000	30-Jun-14 RM '000	30-Jun-15 RM '000	30-Jun-14 RM '000
Current taxation	(1,826)	(1,458)	(2,103)	(1,890)

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 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.
- ii) Destini Berhad via Destini Armada Sdn Bhd, a wholly- owned subsidiary of the Company had, on 23 July 2015, entered into a conditional share sale agreement with Destination Marine Services Sdn Bhd ("DMS"), for the proposed acquisition by Destini Armada of the entire issued and paid up share capital of Everyday Success Sdn Bhd, a wholly-owned subsidiary company of DMS, for an indicative purchase consideration of RM90,000,000 to be satisfied via a combination of cash payment of RM15,000,000 and the remaining of the Purchase Consideration of RM75,000,000 to be satisfied via the issuance of 107,142,857 ordinary shares of RM0.10 each in Destini at the issue price of RM0.70 per Destini Share.

B7. Group Borrowings and Debt Securities

Group borrowings were as follows:

B7.1 Short Term Borrowings

<u>Secured</u>	30-Jun-15 RM '000	30- Jun-14 RM '000
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase Payables	258	410
Overdraft	-	670
Bank Borrowing	14,745	4,717
<i>Denominated in Singapore Dollar (SGD):</i>		
Hire Purchase Payables	-	-
Bank Borrowing	3,443	247
<i>Denominated in Chinese Renminbi (CNY):</i>		
Term Loans	2,128	1,811
Total	20,574	7,855

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B7.2 Long Term Borrowings

<u>Secured</u>	30-Jun-15 RM '000	30-Jun-14 RM '000
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase Payables	850	905
Term Loan	25,050	9,724
<i>Denominated in Singapore Dollar (SGD):</i>		
Bank Borrowing	153	169
Total	26,053	10,799

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-Jun-15 RM '000	Year to date 30-Jun-15 RM '000
Profit for the period is arrived at after charging/(crediting):-		
Depreciation of property, plant and equipment	1,760	2,440
Impairment gain/(loss) on other investment	(600)	(622)
Interest expenses	943	1,313

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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
	30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
Attributable to owners of parent (RM'000)	3,593	1,232	4,446	2,926
Weighted average number of ordinary shares ('000) in issue	804,503	743,169	802,075	359,336
Basic earnings per share (sen)	0.45	0.17	0.55	0.81

The dilute 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
	30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
Attributable to owners of parent (RM'000)	3,593	1,232	4,446	4,316
Weighted average number of ordinary shares ('000) in issue	804,503	743,169	802,075	618,962
Effect of dilution : share options (ESOS)	17,555	27,491	17,555	27,491
Adjusted weighted average number of ordinary shares in issue and Issuable('000)	822,058	770,660	819,630	646,454
Diluted earnings per share (sen)	0.44	0.16	0.54	0.67

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B12. Disclosure of Realised and unrealised profit

	Year to Date 30-Jun-15 RM'000	Year to Date 31-Dec-14 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	5,879	1,664
Less : consolidation adjustments	34,689	34,518
Total retained profits	40,568	36,182

BY ORDER OF THE BOARD

DATO' ROZABIL ABDUL RAHMAN
Managing Director