



DESTINI BERHAD (Company No : 633265 K)

SUMMARY OF KEY FINANCIAL INFORMATION

FOR THE FOURTH QUARTER ENDED 31 DEC 2015

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Dec-15 RM ' 000	31-Dec-14 RM ' 000	31-Dec-15 RM ' 000	31-Dec-14 RM ' 000
1. Revenue	90,861	61,881	270,056	166,965
2. Profit before tax	12,742	9,306	25,690	21,340
3. Net Profit for the financial period	6,500	7,594	17,244	14,750
4. Profit after tax and non-controlling interest	9,527	7,975	21,082	16,570
5. Basic earnings per share (sen)	1.10	1.00	2.57	2.34
6. Net dividend per share (sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7. Net assets per share (sen)	40.42	34.56



DESTINI BERHAD (Company No : 633265 K)

ADDITIONAL INFORMATION

FOR THE FOURTH QUARTER ENDED 31 DEC 2015

INDIVIDUAL PERIOD

CUMULATIVE PERIOD

	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Dec-15 RM ' 000	31-Dec-14 RM ' 000	31-Dec-15 RM ' 000	31-Dec-14 RM ' 000
1. Profit from operations	13,618	6,177	28,474	25,713
2. Gross interest income	80	4	140	41
3. Gross interest expense	(620)	(366)	(2,528)	(1,872)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FOR THE FOURTH QUARTER ENDED 31 DEC 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	As at 31-Dec-15 RM'000	As at 31-Dec-14 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	95,227	69,089
Land use rights	1,900	1,637
Investment in Associates/Joint Vanture	389	-
Intangible Assets	196,444	111,245
Investment in quoted share	2,444	5,777
Other investments	320	280
	296,724	188,028
CURRENT ASSETS		
Inventories	16,098	15,799
Trade receivables	118,498	68,404
Other receivables and deposits	24,490	30,994
Tax recoverable	2,402	1,817
Deposit with licensed bank	31,816	12,525
Cash and bank balances	12,029	26,023
	205,333	155,562
TOTAL ASSETS	502,057	343,590
EQUITY AND LIABILITIES		
SHARE CAPITAL		
	91,660	79,942
SHARE PREMIUM		
	196,582	126,613
TRANSLATION RESERVE		
	12,013	3,830
SHARE-BASED PAYMENT RESERVES		
	-	1,490
RETAINED PROFITS		
	50,330	36,182
<i>Equity attributable to owners of the parent</i>	350,585	248,057
NON-CONTROLLING INTEREST		
	(250)	7,489
<i>Total Equity</i>	350,335	255,546
LONG TERM LIABILITIES		
Deferred taxation	3,457	4,590
Hire purchase payables	2,161	1,028
Bank borrowings	31,532	20,587
	37,150	26,205
CURRENT LIABILITIES		
Amount owing to customer on contract	39,572	-
Trade payables	37,284	23,448
Other payables and accruals	13,642	13,028
Hire purchase payables	823	221
Bank Overdraft	323	321
Bank borrowings	7,948	16,739
Tax Payable	14,980	8,082
	114,572	61,839
TOTAL EQUITY AND LIABILITIES	502,057	343,590
Net assets per share attributable to owners of the parent (sen)	40.42	34.56
Weighted average number of ordinary shares ('000 units)	867,283	717,840
Enlarged number of ordinary shares in issue ('000 units)	916,595	799,421

1) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2014 and the accompanying explanatory notes to the quarterly report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER	INDIVIDUAL QUARTER	CUMULATIVE QUARTER	CUMULATIVE QUARTER
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Dec-15 RM'000	31-Dec-14 RM'000	31-Dec-15 RM'000	31-Dec-14 RM'000
Revenue	90,861	61,881	270,056	166,965
Cost of sale	(57,846)	(47,087)	(185,247)	(104,634)
Gross profit	33,015	14,794	84,809	62,331
Other income	1,161	954	2,210	7,826
Administrative expenses	(19,225)	(8,351)	(53,795)	(40,832)
Depreciation	(1,333)	(1,220)	(4,750)	(3,612)
Profit from operations	13,618	6,177	28,474	25,713
Share-based payment expenses	-	3,938	-	(1,818)
Finance cost	(620)	(366)	(2,528)	(1,872)
Share of result of associates/JV	(256)	(443)	(256)	(683)
Profit before tax	12,742	9,306	25,690	21,340
Taxation	(6,242)	(1,712)	(8,446)	(6,590)
Net profit for the financial period	6,500	7,594	17,244	14,750
Other comprehensive income				
- Exchange Translation differences	3,601	1,886	8,183	1,641
Other comprehensive income for the financial period	3,601	1,886	8,183	1,641
Total comprehensive income for the financial period	10,101	9,480	25,427	16,391
Net Profit for the financial period attributable to:				
Owners of the parent	9,527	7,975	21,082	16,570
Non-controlling interests	(3,027)	(381)	(3,838)	(1,820)
	6,500	7,594	17,244	14,750
Total comprehensive income for the financial period attributable to:				
Owners of the parent	13,128	9,861	29,265	18,211
Non-controlling interests	(3,027)	(381)	(3,838)	(1,820)
	10,101	9,480	25,427	16,391
Earnings per share attributable to owners of the parent:				
- basic (sen)	1.10	1.00	2.57	2.34
- diluted (sen)	1.10	0.97	2.57	2
Weighted average number of ordinary shares ('000 units)	867,283	799,287	820,001	799,412
Enlarged number of ordinary shares in issue ('000 units)	916,595	799,421	916,595	799,421

1) The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2014 and the accompanying explanatory notes to the quarterly report.

QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FOR THE FOURTH QUARTER ENDED 31 DEC 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	AS AT END OF CURRENT PERIOD (Unaudited) 31-Dec-15 RM' 000	AS AT END OF PRECEDING YEAR (Audited) 31-Dec-14 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	25,690	21,223
Adjustments for:-		
Amortization of intangible assets	107	379
Amortization of land use right	-	34
Depreciation of property , plant & equipment	4,751	8,619
Equity-settled share-based payment expenses	-	1,818
Fair value adjustment on investment on investment securities	3,332	(3,309)
Gain/(loss) on disposal of property , plant & equipment	-	18
Impairment loss on trade receivables	-	119
Interest expenses	2,528	1,747
Interest income	(140)	(182)
Property, plant equipment written off	-	36
Reversal of impairment loss on trade receivables	-	(72)
Share of results of associate/JV	(175)	938
Waiver of amount due to trade payable	-	(438)
Operating profit before working capital changes	36,093	30,930
Inventories	299	(5,155)
Receivable	43,964	(19,083)
Payable	(55,290)	(16,394)
Cash used in operations	25,066	(9,702)
Tax paid	(1,637)	(4,798)
Tax refund	-	7
Interest paid	(2,528)	182
Interest received	140	(1,632)
Net cash used in operating activities	21,041	(15,943)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(15,890)	(20,797)
proceeds from disposal of property, plant and equipment	-	479
Purchase of Subsidiaries companies	(29,953)	-
Investment in Associate/JV	(1,000)	(255)
Additional in other Investment	(40)	(160)
Net Cash inflow/(outflow) from acquisition of subsidiaries	293	(2,495)
Investment in quoted shares	-	-
Addition of intangible assets	(263)	(515)
Net cash used in investing activities	(46,853)	(23,743)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan drawdown	10,853	12,844
Repayment of borrowings	(8,791)	(3,494)
Repayment of hire purchase payable	(253)	(145)
Changes in LC or TR	3,569	8,503
Proceeds from issuance of shares pursuant to private placement	-	43,200
Proceeds from issuance of shares - ESOS	5,316	1,082
Proceeds from issuance of shares	-	300
Share issuance expenses	-	-
Decrease/(Increase) in fixed deposits pledge to licensed banks	(5,793)	(6,434)
Net cash generated from financing activities	4,901	55,856
CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	(20,911)	16,170
EFFECT OF EXCHANGE RATE FLUCTUATIONS	8,183	1,673
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	29,757	11,914
CASH AND CASH EQUIVALENTS END OF PERIOD	17,029	29,757
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER COMPRISE OF:		
Deposit with licensed bank	31,816	12,525
Cash and bank balances	12,029	26,023
Bank overdraft	(323)	(321)
	43,522	38,548
Deposit with licensed bank (pledge)	(26,493)	(8,791)
	17,029	29,757

1) The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2014 and the accompanying explanatory notes to the quarterly report.



QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DEC 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM '000	Share Premium RM '000	ESOS Reserve RM '000	Foreign Currency Translation Reserves RM '000	Retained Profits RM '000	Total RM '000	Non-controlling Interest RM '000	Total Equity RM '000
At 1 January 2014	49,339	32,606	-	2,157	19,837	103,939	6,920	110,859
Net profit for the financial year	-	-	-	-	16,345	16,345	(1,821)	14,524
Exchanges translation differences for foreign operations	-	-	-	1,673	-	1,673	-	1,673
Total comprehensive income for the financial year	-	-	-	1,673	16,345	18,018	(1,821)	16,197
Transactions with owner:								
Acquisition of subsidiaries	22,857	57,143	-	-	-	80,000	2,390	82,390
Private placement	7,200	36,000	-	-	-	43,200	-	43,200
Share option exercised	546	864	(327)	-	-	1,083	-	1,083
Share-based payment transaction	-	-	1,817	-	-	1,817	-	1,817
Total transaction with owners	30,603	94,007	1,490	-	-	126,100	2,390	128,490
At 31 December 2014 (Audited)	79,942	126,613	1,490	3,830	36,182	248,057	7,489	255,546

	Share Capital RM '000	Share Premium RM '000	ESOS Reserve RM '000	Foreign Currency Translation Reserves RM '000	Retained Profits RM '000	Total RM '000	Non-controlling Interest RM '000	Total Equity RM '000
At 1 January 2015	79,942	126,613	1,490	3,830	36,182	248,057	7,489	255,546
Net profit for the financial year	-	-	-	-	21,082	21,082	(3,838)	17,244
Exchanges translation differences for foreign operations	-	-	-	8,183	-	8,183	-	8,183
Total comprehensive income for the financial year	-	-	-	8,183	21,082	29,265	(3,838)	25,427
Transactions with owner:								
Acquisition of subsidiaries	10,715	64,285	-	-	-	75,000	-	75,000
Acquisition of subsidiaries expenses	-	(119)	-	-	-	(119)	-	(119)
Share option exercised	1,003	4,313	-	-	-	5,316	-	5,316
Share-based payment transaction	-	1,490	(1,490)	-	-	-	-	-
Transaction with owner Acquisition additional Interest in Subsidiary	-	-	-	-	(6,934)	(6,934)	(3,901)	(10,835)
Total transaction with owners	11,718	69,969	(1,490)	-	(6,934)	73,263	(3,901)	69,362
At 30 September 2015	91,660	196,582	-	12,013	50,330	350,585	(250)	350,335

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:-

		Effective date for financial periods <u>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:

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	10,031	1,003	4,313	-	5,316
Acquisition of Subsidiaries	107,145	10715	64,285	-	75,000
Exercise expenses	-	-	(119)	-	(119)
Share-based payment Transaction	-	-	1,490	(1,490)	-
As at 31 Dec 2015	916,597	91,659	196,582	-	288,241

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	
	31.12.15	31.12.14	31.12.15	31.12.14
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
- Services and trading	90,861	55,723	270,056	144,044
- Construction	-	6,158	-	22,921
Elimination of inter-segment	-	-	-	-
Total	90,861	61,881	270,056	166,965
Segment result				
- Services and trading	6,500	7,436	17,244	16,140
- Construction	-	157	-	(1,390)
Profit after tax	6,500	7,593	17,244	14,750

A8. Segmental Analysis (Cont'd)

b) Analysis by Geographical Area

	Current Quarter			
	3 months ended 31 Dec 2015			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	88,903	1,958	-	90,860
Inter segment	-	-	-	-
Total	88,903	1,958	-	90,860

	Preceding 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

	Cumulative Quarter			
	12 months ended 31 Dec 2015			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	255,486	44,570	-	270,056
Inter segment	-	-	-	-
Total	255,486	44,570	-	270,056

	Preceding 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

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2015

	31 Dec 2015			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	383,474	118,576	-	502,050
Segment liabilities	117,709	34,013	-	151,722
Depreciation	6,835	1,248	-	8,083
	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

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.

- iii) Destini 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.
- iv) 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.

- v) 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 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.

- vi) Destini Berhad 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”).

- vii) 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.
- viii) 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.
- ix) 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.
- x) 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.
- xi) 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.

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- xii) Bursa Malaysia Securities Berhad ("Bursa Securities") had, vide its letter dated 9 September 2015, resolved to approve the listing of 107,142,857 new Destini Shares to be issued pursuant to the Proposed Acquisition.

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

- i. Destini and RHBIB must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the proposal;
 - ii. Destini and RHBIB to inform Bursa Securities upon completion of the proposal;
 - iii. Destini to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the proposal is completed; and
 - iv. Destini to furnish Bursa Securities with a certified true copy of the resolutions passed by shareholders at extraordinary general meeting for the proposal.
- xiii) On 23 September 2015, Destini Berhad entered into a Shares Sale Agreement with the Vendor for the proposed acquisition by Destini of 500,000 ordinary shares in Vanguard, representing the remaining 49% of the issued and paid-up share capital of Vanguard for a purchase consideration of SGD3,500,000 (approximately RM10,701,600) to be satisfied entirely via cash.
- xiv) The shareholders in EGM dated 12 October 2015 approved the proposed acquisition of entire issued and paid up capital of Destini Shipbuilding and Engineering Sdn Bhd
- xv) The Board of Directors of Destini Berhad ("Destini" or "the Company") wish to announce that the acquisition of the remaining 500,000 ordinary shares in Vanguard Composite Engineering Pte Ltd ("Vanguard"), representing 49% of the issued and paid-up share capital of Vanguard has been completed on 11 November 2015.
- xvi) The Board of Directors of Destini Berhad ("Destini" or "the Company") is pleased to announce that the Company had, on 12 November 2015 acquired additional 175,000 ordinary shares in System Enhancement Resources & Technologies Sdn Bhd ("SERT") from Wan Mazlan bin Wan Salim, representing the 5% of the issued and paid-up share capital of SERT for a purchase consideration of RM100,000 only to be satisfied entirely via cash ("Acquisition"). The Acquisition was funded by internally generated funds.

Upon completion of the Acquisition, Destini's shareholdings in SERT will increase from 50% to 55% and the total cost of investment in SERT will increase from RM1,000,000 to RM1,100,000.

- xvii) The Board of Directors of Destini Berhad ("Destini" or "the Company") is pleased to announce that Destini Prima Sdn. Bhd. ("DPSB"), a wholly-owned subsidiary of Destini, had on 27 November 2015, accepted a Letter of Award from Ministry of Home Affairs to provide Maintenance, Repair and Overhaul (MRO) Services, Technical Assistance, and Supply of Spares related to Safety and Survival Equipment, Ground Support and Mechanical Equipment, Electronic Equipment, Airborne

Multisensor System and Flight Operations Equipment for Pasukan Gerakan Udara Polis Diraja Malaysia (PDRM) for a total contract sum of RM10,000,000 only for the period of three (3) years (“the Contract”).

- xviii) Board of Directors of Destini announced that the 107,142,857 new Destini Shares issued pursuant to the Acquisition were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from 9.00 a.m. on Tuesday, 15 December 2015, marking the completion of the Acquisition.

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:

There was no significant event subsequent to the financial quarter.

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

Year to Date 31-Dec-15 RM ‘000	Year to Date 31-Dec-14 RM ‘000
26,493	10,576

A14. Capital Commitments

Approved and contracted for :
 - Acquisition of Office Building

Year to Date 31-Dec-15 RM ‘000	Year to Date 31-Dec-14 RM ‘000
-	4,622

A15. Significant related party transactions

There were no significant related party transactions occurred during the financial quarter ended 31 Dec 2015.

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

B1. Review of Performance

For the financial period ended 31 December 2015, the Group's revenue increased by 62% to RM270.06 million as compared to RM166.97 million in the preceding year corresponding period. The main contributor to the increased in revenue was marine manufacturing services.

Profit after tax and non-controlling interests increased by 27% to RM21.08 million as compared to RM16.57 million reported in the preceding year's corresponding period. The improvement in financial performance is mainly attributed to the increase in demand for the Group's MRO services and marine manufacturing services.

B2. Review of Current Quarter against Preceding Quarter

The Group registered a revenue of RM90.86 million for the current quarter under review compared to RM90.33 million in the preceding quarter. The Group's profit after tax and non-controlling interests increased by 35% to RM9.70 million for the current quarter under review as compared to profit after tax and non-controlling interests of RM7.20 million in the preceding quarter. Higher revenue and profit were mainly due to higher demand for the Group's MRO services and marine manufacturing services.

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 2016 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-15 RM '000	31-Dec-14 RM '000	31-Dec-15 RM '000	31-Dec-13 RM '000
Current taxation	(6,242)	1,712	(8,445)	3,134

B6. Corporate Proposals

There was no other corporate proposals announce but not yet completed as at the date of this quarterly report.

B7. Group Borrowings and Debt Securities

Group borrowings were as follows:

B7.1 Short Term Borrowings

<u>Secured</u>	31-Dec-15 RM '000	31-Dec-14 RM '000
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase Payables	823	305
Overdraft	323	2,716
Bank Borrowing	5,430	6,064
<i>Denominated in Singapore Dollar (SGD):</i>		
Hire Purchase Payables	-	-
Bank Borrowing	1,968	5,992
<i>Denominated in Chinese Renminbi (CNY):</i>		
Term Loans	2,316	1,972
Total	9,093	14,391

B7.2 Long Term Borrowings

<u>Secured</u>	31-Dec-15 RM '000	31-Dec-14 RM '000
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase Payables	2,160	896
Term Loan	24,828	22,966
<i>Denominated in Singapore Dollar (SGD):</i>		
Bank Borrowing	8,991	389
Total	35,979	24,251

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 31-Dec-15 RM '000	Year to date 31-Dec-15 RM '000
Profit for the period is arrived at after charging/(crediting):-		
Depreciation of property, plant and equipment	1,333	4,750
Impairment gain/(loss) on other investment	(2,711)	(3332)
Interest expenses	620	2,528

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-15	31-Dec-14	31-Dec-15	31-Dec-14
Attributable to owners of parent (RM'000)	9,527	7,974	21,082	16,570
Weighted average number of ordinary shares ('000) in issue	867,283	799,287	820,001	799,412
Basic earnings per share (sen)	1.10	1.00	2.57	2.34

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
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
Attributable to owners of parent (RM'000)	9,527	7,974	21,082	16,570
Weighted average number of ordinary shares ('000) in issue	867,283	799,287	820,001	799,412
Effect of dilution : share options (ESOS)	-	25,512	-	25,512
Adjusted weighted average number of ordinary shares in issue and Issuable('000)	867,283	824,799	820,001	734,925
Diluted earnings per share (sen)	1.10	0.97	2.57	2.25

B12. Disclosure of Realised and unrealised profit

	Year to Date 31-Dec-15 RM'000	Year to Date 31-Dec-14 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	13,402	1,664
Less : consolidation adjustments	36,928	34,518
Total retained profits	50,330	36,182

BY ORDER OF THE BOARD

DATO' ROZABIL ABDUL RAHMAN
Managing Director