



DESTINI BERHAD (Company No : 633265 K)

SUMMARY OF KEY FINANCIAL INFORMATION

FOR THE THIRD QUARTER ENDED 30 SEP 2018

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-Sep-18 RM ' 000	30-Sep-17 RM ' 000	30-Sep-18 RM ' 000	30-Sep-17 RM ' 000
1. Revenue	11,706	190,902	298,346	577,586
2. Profit/(Loss) before tax	(16,910)	15,819	378	36,225
3. Net Profit/(Loss) for the financial period	(13,246)	9,772	110	24,475
4. Profit/(Loss) after tax and non-controlling interest	(13,135)	6,130	244	25,023
5. Basic earnings per share (sen)	(1.14)	0.53	0.02	2.17
6. Net dividend per share (sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7. Net assets per share (sen)	43.98	44.09



DESTINI BERHAD (Company No : 633265 K)

ADDITIONAL INFORMATION

FOR THE THIRD QUARTER ENDED 30 SEP 2018

INDIVIDUAL PERIOD

CUMULATIVE PERIOD

	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-Sep-18 RM ' 000	30-Sep-17 RM ' 000	30-Sep-18 RM ' 000	30-Sep-17 RM ' 000
1. Profit/(Loss) from operations	(15,019)	16,237	5,758	39,650
2. Gross interest income	-	-	137	13
3. Gross interest expense	(1,694)	(418)	(5,009)	(3,425)



QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEP 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	As at 30-Sep-18 RM'000	As at 31-Dec-17 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	106,836	106,940
Land use rights	1,605	1,684
Intangible Assets	206,091	205,831
Investment in quoted share	1,708	1,924
Investment in jointly control entity	129	-
Other Receivable	12,321	12,321
Other investments	320	320
	329,010	329,020
	329,010	
CURRENT ASSETS		
Amount due from contract customers	2,236	13,013
Inventories	13,953	10,684
Trade receivables	372,911	349,497
Other receivables and deposits	82,340	89,863
Amount owing by jointly control entity	6,334	694
Tax recoverable	7,804	2,702
Deposit with licensed bank	19,863	41,223
Cash and bank balances	14,686	11,468
	520,127	519,144
	520,127	
TOTAL ASSETS	849,137	848,164
EQUITY AND LIABILITIES		
SHARE CAPITAL		
	382,807	382,807
TRANSLATION RESERVE		
	12,507	12,156
RETAINED PROFITS		
	112,756	114,343
<i>Equity attributable to owners of the parent</i>	508,070	509,306
NON-CONTROLLING INTEREST		
<i>Total Equity</i>	506,916	506,455
	506,916	506,455
LONG TERM LIABILITIES		
Preferences shares	1,363	1,363
Deferred taxation	3,951	4,045
Hire purchase payables	963	1,698
Bank borrowings	134,828	145,615
	141,105	152,721
	141,105	152,721
CURRENT LIABILITIES		
Amount owing to customer on contract	11,018	18,110
Trade payables	103,528	71,513
Other payables and accruals	46,152	45,020
Hire purchase payables	960	767
Bank borrowings	10,759	30,899
Tax Payable	28,699	22,679
	201,116	188,988
	201,116	188,988
TOTAL EQUITY AND LIABILITIES	849,137	848,164
	849,137	848,164
Net assets per share attributable to owners of the parent (sen)	43.98	44.09
Number of ordinary shares ('000 units)	1,155,230	1,155,230

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 2017 and the accompanying explanatory notes to the quarterly report.



DESTINI BERHAD (Company No : 633265 K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEP 2018

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
	30-Sep-18 RM'000	30-Sep-17 RM'000	30-Sep-18 RM'000	30-Sep-17 RM'000
Revenue	11,706	190,902	298,346	577,586
Cost of sale	(4,508)	(159,252)	(228,595)	(489,562)
Gross profit	7,198	31,651	69,751	88,024
Other income	309	177	1,519	1,477
Administrative expenses	(19,568)	(13,672)	(56,642)	(44,081)
Depreciation	(2,957)	(1,919)	(8,870)	(5,770)
Profit from operations	(15,019)	16,237	5,758	39,650
Finance cost	(1,694)	(418)	(5,009)	(3,425)
Share of result of associates/JV	(197)	-	(371)	-
Profit/(Loss) before tax	(16,910)	15,819	378	36,225
Taxation	3,664	(6,048)	(268)	(11,750)
Net profit/(Loss) for the financial period	(13,246)	9,772	110	24,475
Other comprehensive income				
- Exchange Translation differences	(767)	323	351	(1,782)
Other comprehensive income for the financial period	(767)	323	351	(1,782)
Total comprehensive income for the financial period	(14,013)	10,095	461	22,693
Net Profit/(Loss) for the financial period attributable to:				
Owners of the parent	(13,135)	6,130	244	25,023
Non-controlling interests	(111)	927	(134)	(548)
	(13,246)	9,772	110	24,475
Total comprehensive income/(loss) for the financial period attributable to:				
Owners of the parent	(13,902)	10,707	595	23,241
Non-controlling interests	(111)	(612)	(134)	(548)
	(14,013)	10,095	461	22,693
Earnings per share attributable to owners of the parent:				
- basic (sen)	(1.14)	0.53	0.02	2.17
Number of ordinary shares ('000 units)	1,155,230	1,155,230	1,155,230	1,155,230

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 2017 and the accompanying explanatory notes to the quarterly report.

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEP 2018**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	AS AT END OF CURRENT PERIOD (Unaudited) 30-Sep-18 RM' 000	AS AT END OF PRECEDING YEAR (Audited) 31-Dec-17 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	378	45,100
Adjustments for:-		
Amortization of intangible	81	1,480
Amortization of land use right	-	40
Bad debts written off	-	431
Depreciation of property, plant and equipment	8,869	12,667
Fair value adjustment on investment in securities (quoted share)	-	(104)
Gain on disposal of a subsidiary	-	(7,212)
Gain on disposal of property, plant and equipment	-	-
Impairment loss on receivable	-	1,449
Impairment loss on other receivable	-	264
Impairment on goodwill	-	1,334
Interest expense	5,009	2,307
Interest Income	(137)	(549)
Inventory written down	-	-
Property plant and equip written off	-	54
Reversal of impairment of trade and other receivable	-	-
Discount received	-	(6)
Share of (profit)/loss in investment in a associate company	371	1
Unrealized Foreign Exchange (Gain)/ Loss	-	181
	-	-
Operating profit before working capital changes	14,571	57,437
Inventories	(941)	(194)
Receivables	(183,953)	(180,822)
Payable	211,915	27,969
Amount due to contract customers	1,355	3,894
Joint venture	-	-
Directors	-	-
Cash used in operations	42,947	(91,716)
Tax paid	5,752	(13,993)
Tax refund	-	28
Interest paid	(5,009)	(2,307)
Interest received	137	549
Net cash used in operating activities	43,827	(107,439)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advance to subsidiaries	-	(705)
Investment in joint venture	500	-
Investment in other	-	-
Proceeds from disposal of property, plants and equipment	-	299
Purchase of property, plant and equipment	(8,766)	(17,200)
Proceeds from disposal of subsidiaries (net cash)	-	4,177
Purchase of quoted Shares	-	-
Additional of intangible assets	-	(551)
Acquisition of add interest from non controlling interest	-	-
Net cash inflow arising from acquisition of subsidiaries	-	2,730
Net cash used in investing activities	(8,266)	(11,250)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	-	89,828
Repayment of term loan	(31,141)	(11,805)
Repayment of finance lease liabilities	(541)	(727)
Changes in LC or credit of TR	-	17,351
Proceeds from issuance of Share (ESOS)	-	-
Proceeds from exercise of warrants	-	-
Proceeds from issuance of Preference Share	-	-
Utilisation of share premium for issuance expenses	-	-
Decreased/(Increased) in Fixed Deposit pledge to licensed banks	-	(16,392)
Net cash generated from financing activities	(31,682)	78,255
CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	3,879	(40,434)
EFFECT OF EXCHANGE RATE FLUCTUATIONS	351	(1,021)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	10,902	52,357
CASH AND CASH EQUIVALENTS END OF PERIOD	15,132	10,902
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER COMPRISE OF:		
Deposit with licensed bank	19,863	11,468
Cash and bank balances	14,686	41,223
Bank overdraft	-	(930)
	34,549	51,761
Deposit with licensed bank (pledge)	(40,859)	(40,859)
Cash at bank pledged with license bank	21,442	-
	15,132	10,902

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 2017 and the accompanying explanatory notes to the quarterly report.

QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FOR THE THIRD QUARTER ENDED 30 SEP 2018

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 2017	115,523	267,284	-	14,239	84,334	481,380	(1,556)	479,824
Transition to no par value regime (Note)	267,284	(267,284)	-	-	-	-	-	-
Net profit for the financial year	-	-	-	-	30,009	30,009	(1,419)	28,590
Exchanges translation differences for foreign operations	-	-	-	(2,083)	-	(2,083)	(50.00)	(2,133)
Total comprehensive income for the financial year	-	-	-	(2,083)	30,009	27,926	(1,469)	26,457
Transactions with owner:								
Issue of ordinary shares:							-	
Acquisition of subsidiaries	-	-	-	-	-	-	(2,712)	(2,712)
Disposal of subsidiaries	-	-	-	-	-	-	2,886	2,886
Total transaction with owners	-	-	-	-	-	-	174	174
At 31 December 2017 (Audited)	382,807	-	-	12,156	114,343	509,306	(2,851)	506,455

Note

Pursuant to Section 618(2) of Companies Act 2016 ("New Act") which came into effect on 31 January 2017, the credit standing in the share premium account of RM267,284,000 has been transferred to and became part of the share capital account. Pursuant to Section 618(3) of the New Act, the Group may exercise its rights to use the credit amounts from share premium account within 24 months after the commencement of the New Act. The Board of Director will make a decision thereon by 31 January 2019

	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 2018	382,807	-	-	12,156	114,343	509,306	(2,851)	506,455
Transition to no par value regime	-	-	-	-	-	-	-	-
Net profit for the financial year	-	-	-	-	244	244	(134)	110
Exchanges translation differences for foreign operations	-	-	-	351	-	351	-	351
Total comprehensive income for the financial year	-	-	-	351	244	595	(134)	461
Transactions with owner:								
Acquisition of new share in subsidiary	-	-	-	-	(1,831)	(1,831)	1,831	-
Total transaction with owners	-	-	-	-	(1,831)	(1,831)	1,831	-
At 31 September 2018 (Unaudited)	382,807	-	-	12,507	112,756	508,070	(1,154)	506,916

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 2017, 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 2017.

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.

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2017 except for the adoption of the following with effect from 1 January 2018:

- MFRS 9: Financial Instruments
- MFRS 15: Revenue from Contracts with Customers
- Amendments to MFRS 140: Transfers of Investment Property
- IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

Adoption of above amendments to MFRSs did not have any significant impacts on the financial statements of the Group and of the Company.

A2. Audit Report

The annual financial statement of the Company for the year ended 31 December 2017 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.

Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Sep 2018
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:

	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 2018 (Note)	1,155,230	382,807	-	-	382,807
- Transition to no par value regime	-	-	-	-	-
As at 30 Sep 2018	1,155,230	382,807	-	-	382,807

Note:

Pursuant to Section 618(2) of Companies Act 2016 ("New Act") which came into effect on 31 January 2017, the credit standing in the share premium account of RM267,284,000 has been transferred to and became part of the share capital account. Pursuant to Section 618(3) of the New Act, the Group may exercise its rights to use the credit amounts from share premium account within 24 months after the commencement of the New Act. The Board of Director will make a decision thereon by 31 January 2019

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		9 months ended	
	30.09.18	30.09.17	30.09.18	30.09.17
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
- Services and trading	11,706	190,902	298,346	577,586
- Construction				
Elimination of inter-segment	-	-	-	-
Total	11,706	190,902	298,346	577,586

Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Sep 2018

Segment result				
- Services and trading	(13,246)	9,772	110	24,475
- Construction	-	-	-	-
Profit after tax	(13,246)	9,772	110	24,475

A8. Segmental Analysis (Cont'd)

b) Analysis by Geographical Area

	Current Quarter			
	3 months ended 30 Sep 2018			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	6,626	5,080	-	11,706
Inter segment	-	-	-	-
Total	6,626	5,080	-	11,706

	Preceding Quarter			
	3 months ended 30 Sep 2017			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	186,362	10,287	-	162,996
Inter segment	-	-	-	-
Total	186,362	10,287	-	162,996

	Cumulative Quarter			
	9 months ended 30 Jun 2018			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	250,814	47,533	-	298,346
Inter segment	-	-	-	-
Total	250,814	47,532	-	298,346

	Preceding Cumulative Quarter			
	9 months ended 30 Sep 2017			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	556,109	21,477	-	577,586
Inter segment	-	-	-	-
Total	556,109	21,477	-	577,586

Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Sep 2018

	30 Sep 2018			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	901,877	135,566	-	1,037,443
Segment liabilities	468,672	50,120	-	518,792
Depreciation	8,273	597	-	8,870
	30 Sep 2017			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	700,170	133,003	-	833,173
Segment liabilities	227,339	103,317	-	330,656
Depreciation	2,450	975	-	3,425

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:

1. Destini Oil Services Sdn Bhd, a wholly-owned subsidiary of Destini, had on 10 November 2017, entered into a joint venture and shareholders agreement with Federal Hardware Engineering Co. Pte Ltd, a wholly-owned subsidiary of Federal International, a publicly listed company on the Mainboard of the Singapore Stock Exchange, for the purpose of, amongst others, undertaking the business of oil and gas activities leading into drilling and related services, well intervention services, offshore greenfield development and decommissioning services in the South Asia and South-East Asia region, via a joint venture company, to be incorporated in the Republic of Singapore within one month from the date of completion of the JV Agreement

The JV Company by the name "Federal Destini (S) Pte Ltd" has been duly incorporated in the Republic of Singapore on 15 January 2018 with the shareholdings structure as follows:

Shareholders	No. of shares	Equity Interest (%)	Amount (SGD)
Destini Oil Services Sdn. Bhd.	100,000	50.0	100,000
Federal Hardware Engineering Co. Pte Ltd	100,000	50.0	100,000
Total	200,000	100.0	200,000

2. Destini Oil Services Sdn Bhd, a wholly-owned subsidiary of Destini, has been awarded an umbrella contract for the provision of well abandonment integrated services for PETRONAS Carigali Sdn Bhd, via a letter of award dated 29 March 2018.

Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Sep 2018

PETRONAS Carigali Sdn Bhd has awarded Destini Oil Services Sdn Bhd, a conditional work order award dated 2 July 2018 for the Provision of Well Abandonment Integrated Services for Pulau-B. the value of the Work Order is approximately USD 5 million or equivalent to RM20.2 million.

3. Destini Engineering Technologies Sdn Bhd, a wholly-owned subsidiary of Destini, had on 10 April 2018, entered into a memorandum of understanding (“MOU”) with Felcra Processing & Engineering Sdn Bhd. The MOU to provide, amongst others, maintenance, repair and overhaul (MRO) services for industrial facilities and equipment for the agriculture and related industries within Malaysia and the ASEAN region.
4. Destini Prima Sdn Bhd, a wholly-owned subsidiary of Destini, had on 19 April 2018, accepted a letter of award from Ministry of Defence Malaysia for an additional RM138.0 million (including the Goods and Services Tax) to the existing contract to provide maintenance, repair and overhaul services and the supply of safety and survival equipment to the Royal Malaysian Air Force. The Letter of Award is an addition to the Contract ceiling.
5. Destini Oil Services Sdn Bhd, a wholly-owned subsidiary of Destini, had on 22 May 2018, received a letter of award as a technical partner from Lyallpur Oil Tool Pvt Ltd for the tubular running services in Pakistan. The Letter of Award is estimated to have a gross value of approximately United States Dollar 8.0 million (equivalent to approximately RM31.76 million as at 22 May 2018).
6. Destini Berhad on 5 June 2018 incorporated a new wholly-owned subsidiary company with the name “DESTINI EMPIRE PROPERTIES SDN. BHD. ” (Company No. 1282448-U) (“DEP”) with the issued share capital of RM1.00 only.

The intended principal activity of DEP is to acquire by purchase, lease, exchange, hire or otherwise, lands and property of any tenure, buildings, or any share or shares, interest or interests therein.

The incorporation of DEP is not expected to have any material effects on the earnings per share, net assets per share, gearing, share capital and substantial shareholders’ shareholdings of Destini for the financial year ending 31 December 2018.

The incorporation of DEP is not subject to the approval of the shareholders of the Company.

None of the Directors and major shareholders or persons connected to the Directors or major shareholders of the Company has any interests, direct or indirect, in the incorporation of DEP.

7. PETRONAS Carigali Sdn Bhd has awarded Destini Oil Services Sdn Bhd, a conditional work order award dated 2 July 2018 for the Provision of Well Abandonment Integrated Services for Pulau-B. The value of the Work Order is approximately USD 5 million or equivalent to RM20.2 million.
8. Destini Oil Services Sdn Bhd, a wholly-owned subsidiary of Destini, had on 8 August 2018, received a contract award from PDC for the provision of tubular running services in the Union of Republic of Myanmar (“**Contract**”). The value of the Contract is estimated at USD5.2 million.

Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Sep 2018

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 quarter, there no significant events took place for the Company and its subsidiaries:

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 30-Sep-18 RM '000	Year to Date 31-Dec-17 RM '000
29,493	29,493

A14. Capital Commitments

Approved and contracted for :

Year to Date 30-Sep-18 RM '000	Year to Date 31-Dec-17 RM '000
-	-

A15. Significant related party transactions

There were no significant related party transactions occurred during the financial quarter ended 30 Sep 2018.

Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Sep 2018

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 30 Sep 2018, the Group's revenue decreased to RM298.35 million or 48% as compared to RM577.59 million in the preceding year corresponding period. The main contributor to the decreased in revenue was aviation manufacturing services.

Profit after tax and non-controlling interests decreased to RM0.24 million' decreased by 99% as compared to RM25.02 million reported in the preceding year's corresponding period. The decreased in financial performance is mainly attributed to the decrease in the aviation manufacturing services.

B2. Review of Current Quarter against Preceding Quarter

The Group registered a revenue of RM11.71 million for the current quarter under review or 92% decreased compared to RM149.07 million in the preceding quarter. The Group's loss after tax and non-controlling interests at RM13.25 million for the current quarter under review as compared to profit after tax and non-controlling interests of RM5.63 million in the preceding quarter. Loss in current quarter due to lower contribution from manufacturing services and MRO 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 2018 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-Sep-18 RM '000	30-Sep-17 RM '000	30-Sep-18 RM '000	30-Sep-17 RM '000
Current taxation	3,664	(6,048)	(268)	(11,750)

Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Sep 2018

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>	30-Sep-18 RM '000	31-Dec-17 RM '000
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase Payables	663	753
Overdraft	-	-
Bank Borrowing	5,517	24,747
<i>Denominated in Singapore Dollar (SGD):</i>		
Hire Purchase Payables	297	65
Bank Borrowing	1,690	4,158
<i>Denominated in Chinese Renminbi (CNY):</i>		
Term Loans	3,552	2,216
Total	11,719	31,666

B7.2 Long Term Borrowings

<u>Secured</u>	30-Sep-18 RM '000	31-Dec-17 RM '000
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase Payables	791	1,562
Term Loan	130,258	140,224
<i>Denominated in Singapore Dollar (SGD):</i>		
Hire Purchase Payables	173	136
Bank Borrowing	4,569	5,391
Total	135,791	147,313

B8. Material Litigation

Except as disclosed below, 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:

1. Destini Berhad on 7 May 2018 was served with Writ of Summon dated 29 April 2018 and Statement of Claim dated 22 April 2018 by Lembaga Hasil Dalam Negeri Malaysia for and on behalf of Government of Malaysia issued by the High Court of Malaya at Shah Alam demanding for the settlement of the outstanding tax payable inclusive of penalties by the Company of totaling RM6,584,440.74 for the year of assessment of 2016. Pursuant to the Summons, Destini has fourteen (14) days from the date of receipt of the Writ of Summon to serve the appearance.

The above suit was fixed for case management on 21 May 2018 at Mahkamah Tinggi Sivil, Kompleks Mahkamah Tinggi Sivil, Kompleks Sultan Salahuddin Abdul Aziz Shah, Shah Alam, Selangor Darul Ehsan.

The Court further fixed for case management on 30 May 2018 for further instructions to be given in respect of the following application filed by the Company:-

1. Stay of proceedings against any action against the directors of the company;
2. Striking out the Summons and Statement of Claim; and
3. An extension of time to file defence.

Further to the case management held on 30 May 2018, the Plaintiff had withdrawn the Writ of Summon dated 29 April 2018 and Statement of Claim dated 22 April 2018 against the Company with cost of RM2,000 awarded to the Company by the High Court.

B9. Dividends

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

B10. Notes to the Statement of Comprehensive Income

	Individual quarter 30-Sep-18 RM '000	Year to date 30-Sep-17 RM '000
Profit for the period is arrived at after charging/(crediting):-		
Depreciation of property, plant and equipment	8,870	1,919
Interest expense	5,009	417
Fair value adjustment on investment in securities	-	364

Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Sep 2018

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 Quarter
	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17
Attributable to owners of parent (RM'000)	(13,135)	8,845	244	25,023
Weighted average number of ordinary shares ('000) in issue	1,155,230	1,155,230	1,155,230	1,155,230
Basic earnings per share (sen)	(1.14)	0.77	0.02	2.17

B12. Disclosure of realised and unrealised profit

	Year to Date 30-Sep-18 RM'000	Year to Date 31-Dec-17 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	64,529	52,783
Less : consolidation adjustments	48,277	61,560
Total retained profits	112,756	114,343

BY ORDER OF THE BOARD

DATO' ROZABIL ABDUL RAHMAN
President and Group Chief Executive Officer