



DESTINI BERHAD ([Registration No. 200301030845 (633265-K)])

**SUMMARY OF KEY FINANCIAL INFORMATION**

**FOR THE THIRD QUARTER ENDED 30 SEP 2019**

|   | INDIVIDUAL PERIOD     |                                      | CUMULATIVE PERIOD     |                                     |
|---|-----------------------|--------------------------------------|-----------------------|-------------------------------------|
|   | CURRENT YEAR QUARTER  | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE  | PRECEDING YEAR CORRESPONDING PERIOD |
|   | 30-Sep-19<br>RM ' 000 | 30-Sep-18<br>RM ' 000                | 30-Sep-19<br>RM ' 000 | 30-Sep-18<br>RM ' 000               |
| 1. Revenue  | 90,933                | 11,706                               | 220,494               | 298,346                             |
| 2. Profit/(Loss) before tax                             | 744                   | (16,910)                             | 3,167                 | 378                                 |
| 3. Net Profit/(Loss) for the financial period           | 986                   | (13,246)                             | 2,522                 | 110                                 |
| 4. Profit/(Loss) after tax and non-controlling interest | 699                   | (13,135)                             | 1,825                 | 244                                 |
| 5. Basic earnings per share (Sen)                       | 0.06                  | (1.14)                               | 0.16                  | 0.02                                |
| 6. Net dividend per share ( Sen )                       | -                     | -                                    | -                     | -                                   |

|                              | AS AT END OF CURRENT QUARTER | AS AT PRECEDING FINANCIAL YEAR END |
|------------------------------|------------------------------|------------------------------------|
| 7. Net assets per share (RM) | 0.44                         | 0.44                               |

DESTINI BERHAD ([Registration No. 200301030845 (633265-K)])

**DESTINI**

**ADDITIONAL INFORMATION**

**FOR THE THIRD QUARTER ENDED 30 SEP 2019**

|                                  | INDIVIDUAL PERIOD    |                                      | CUMULATIVE PERIOD    |                                     |
|----------------------------------|----------------------|--------------------------------------|----------------------|-------------------------------------|
|                                  | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
|                                  | 30-Sep-19            | 30-Sep-18                            | 30-Sep-19            | 30-Sep-18                           |
|                                  | RM ' 000             | RM ' 000                             | RM ' 000             | RM ' 000                            |
| 1. Profit/(Loss) from operations | 1,318                | (15,019)                             | 4,544                | 5,758                               |
| 2. Gross interest income         | -                    | -                                    | -                    | 137                                 |
| 3. Gross interest expense        | (574)                | (1,694)                              | (1,377)              | (5,009)                             |



QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEP 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|   | As at<br>30-Sep-19<br>(Unaudited)<br>RM'000 | As at<br>31-Dec-18<br>(Audited)<br>RM'000 |
|---|---|---|
| <b>ASSETS</b>   |   |   |
| <b>NON-CURRENT ASSETS</b>   |   |   |
| Property, plant & equipment   | 106,368                                     | 108,088                                   |
| Land use rights   | 1,634                                       | 1,634                                     |
| Intangible Assets   | 204,217                                     | 204,723                                   |
| Investment in quoted share  | 76  | 1,137                                     |
| Investment in jointly control entity                                    | 185   | 185                                       |
| Other Receivable  | 12,321                                      | 12,910                                    |
| Other investments   | 320   | 320                                       |
|   | <u>325,121</u>                              | <u>328,997</u>                            |
| <b>CURRENT ASSETS</b>   |   |   |
| Inventories   | 14,266                                      | 11,663                                    |
| Contract assets   | 66,231                                      | 49,775                                    |
| Trade receivables   | 287,933                                     | 264,077                                   |
| Other receivables and deposits  | 78,065                                      | 77,057                                    |
| Amount due from joint venture   | 6,966                                       | 694                                       |
| Tax recoverable   | 5,526                                       | 1,141                                     |
| Deposit with licensed bank  | 34,260                                      | 32,130                                    |
| Cash and bank balances  | 12,704                                      | 28,018                                    |
|   | <u>505,951</u>                              | <u>464,555</u>                            |
| <b>TOTAL ASSETS</b>   | <u><b>831,072</b></u>                       | <u><b>793,552</b></u>                     |
| <b>EQUITY AND LIABILITIES</b>   |   |   |
| <b>SHARE CAPITAL</b>  | 382,807                                     | 382,807                                   |
| <b>TRANSLATION RESERVE</b>  | 12,062                                      | 12,358                                    |
| <b>RETAINED PROFITS</b>   | 113,684                                     | 111,859                                   |
| <i>Equity attributable to owners of the parent</i>                      | <u>508,553</u>                              | <u>507,024</u>                            |
| <b>NON-CONTROLLING INTEREST</b>   | 244   | (453)                                     |
| <i>Total Equity</i>   | <u>508,797</u>                              | <u>506,571</u>                            |
| <b>LONG TERM LIABILITIES</b>  |   |   |
| Preferences shares  | -   | 1,347                                     |
| Deferred taxation   | 5,547                                       | 5,480                                     |
| Hire purchase payables  | 1,709                                       | 1,527                                     |
| Bank borrowings   | 114,742                                     | 115,611                                   |
| Retirement benefits   | -   | -   |
|   | <u>121,998</u>                              | <u>123,965</u>                            |
| <b>CURRENT LIABILITIES</b>  |   |   |
| Contract liabilities  | 1,126                                       | 6,478                                     |
| Trade payables  | 104,691                                     | 70,315                                    |
| Other payables and accruals   | 51,254                                      | 40,439                                    |
| Hire purchase payables  | 1,958                                       | 920                                       |
| Bank borrowings   | 13,421                                      | 20,490                                    |
| Tax Payable   | 27,827                                      | 24,374                                    |
|   | <u>200,277</u>                              | <u>163,016</u>                            |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                     | <u><b>831,072</b></u>                       | <u><b>793,552</b></u>                     |
| <b>Net assets per share attributable to owners of the parent ( RM )</b> | <b>0.44</b>                                 | <b>0.44</b>                               |
| 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 2018 and the accompanying explanatory notes to the quarterly report.



DESTINI BERHAD ([Registration No. 200301030845 (633265-K)])

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEP 2019

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-19 RM'000     | 30-Sep-18 RM'000                     | 30-Sep-19 RM'000     | 30-Sep-18 RM'000                    |
| Revenue  | 90,933               | 11,706                               | 220,494              | 298,346                             |
| Cost of sale   | (58,980)             | (4,508)                              | (143,061)            | (228,595)                           |
| <b>Gross profit</b>  | <b>31,953</b>        | <b>7,198</b>                         | <b>77,433</b>        | <b>69,751</b>                       |
| Other income   | 1,603                | 309                                  | 2,132                | 1,519                               |
| Administrative expenses  | (28,828)             | (19,568)                             | (66,156)             | (56,642)                            |
| Depreciation   | (3,410)              | (2,957)                              | (8,865)              | (8,870)                             |
| Profit from operations   | 1,318                | (15,019)                             | 4,544                | 5,758                               |
| Finance cost   | (574)                | (1,694)                              | (1,377)              | (5,009)                             |
| Share of result of associates/JV   | -                    | (197)                                | -                    | (371)                               |
| Profit/(Loss) before tax   | 744                  | (16,910)                             | 3,167                | 378                                 |
| Taxation   | 242                  | 3,664                                | (645)                | (268)                               |
| <b>Net profit/(Loss) for the financial period</b>                                  | <b>986</b>           | <b>(13,246)</b>                      | <b>2,522</b>         | <b>110</b>                          |
| <b>Other comprehensive income</b>  |                      |                                      |                      |                                     |
| - Exchange Translation differences   | 211                  | (767)                                | (71)                 | 351                                 |
| <b>Other comprehensive income for the financial period</b>                         | <b>211</b>           | <b>(767)</b>                         | <b>(71)</b>          | <b>351</b>                          |
| <b>Total comprehensive income for the financial period</b>                         | <b>1,197</b>         | <b>(14,013)</b>                      | <b>2,451</b>         | <b>461</b>                          |
| <b>Net Profit/(Loss) for the financial period attributable to:</b>                 |                      |                                      |                      |                                     |
| Owners of the parent   | 699                  | (13,135)                             | 1,825                | 244                                 |
| Non-controlling interests  | 287                  | (111)                                | 697                  | (134)                               |
|  | <b>986</b>           | <b>(13,246)</b>                      | <b>2,522</b>         | <b>110</b>                          |
| <b>Total comprehensive income/(loss) for the financial period attributable to:</b> |                      |                                      |                      |                                     |
| Owners of the parent   | 910                  | (13,902)                             | 1,754                | 595                                 |
| Non-controlling interests  | 287                  | (111)                                | 697                  | (134)                               |
|  | <b>1,197</b>         | <b>(14,013)</b>                      | <b>2,451</b>         | <b>461</b>                          |
| <b>Earnings per share attributable to owners of the parent:</b>                    |                      |                                      |                      |                                     |
| - basic (Sen)  | 0.06                 | (1.14)                               | 0.16                 | 0.02                                |
| 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 2018 and the accompanying explanatory notes to the quarterly report.



QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEP 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

|   | AS AT END OF<br>CURRENT<br>PERIOD<br>(Unaudited)<br>30-Sep-19<br>RM' 000 | AS AT END OF<br>PRECEDING<br>YEAR<br>(Audited)<br>31-Dec-18<br>RM' 000 |
|---|--|--|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                |  |  |
| Profit before tax   | 3,167  | 9,735  |
| Adjustments for:-   |  |  |
| Amortization of intangible  | 804  | 2,150  |
| Amortization of land use right  | -  | 39   |
| Bad debts written off   | -  | 109  |
| Depreciation of property, plant and equipment                             | 8,865  | 12,738   |
| Fair value adjustment on investment in securities (quoted share)          | 532  | 657  |
| Gain on disposal of a subsidiary  | -  | -  |
| Gain on disposal of property, plant and equipment                         | -  | (166)  |
| Impairment loss on receivable   | -  | 1,328  |
| Impairment loss on other receivable                                       | -  | 338  |
| Interest expense  | 1,376  | 3,331  |
| Interest Income   | -  | (1,589)  |
| Property plant and equip written off                                      | -  | 31   |
| Reversal of impairment of trade and other receivable                      | -  | (19)   |
| Share of (profit)/loss in investment in a associate company               | -  | 612  |
| Unrealized Foreign Exchange (Gain)/ Loss                                  | -  | (86)   |
|   | -  | -  |
| Operating profit before working capital changes                           | <b>14,744</b>  | <b>29,208</b>  |
| Inventories   | (2,604)  | 1,350  |
| Receivables   | (37,361)   | 108,258  |
| Payable   | 36,884   | (17,314)   |
| Contract assets/liabilities   | (21,808)   | (50,723)   |
| Cash used in operations   | <b>(10,145)</b>  | <b>70,779</b>  |
| Tax paid  | 2,568  | (4,866)  |
| Tax refund  | -  | 2,403  |
| Interest paid   | (1,376)  | (3,331)  |
| Interest received   | -  | 1,589  |
| Net cash used in operating activities                                     | <b>(8,953)</b>   | <b>66,574</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                               |  |  |
| Advances to associate and joint venture                                   | -  | 451  |
| Investment to associate and joint venture                                 | -  | (797)  |
| Purchase of property, plant and equipment                                 | (7,145)  | (12,646)   |
| Proceeds from disposal of property, plants and equipment                  | -  | 277  |
| Proceeds from disposal quoted Shares                                      | 529  | 130  |
| Additional of intangible assets   | -  | (1,099)  |
| Net cash used in investing activities                                     | (6,616)  | (13,684)   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                               |  |  |
| Drawdown of term loan   | 1,779  | 716  |
| Repayment of term loan  | -  | (27,002)   |
| Repayment of finance lease liabilities                                    | (560)  | (760)  |
| Changes in LC or credit of TR   | -  | (15,623)   |
| Decreased/(Increased) in Fixed Deposit pledge to licensed banks           | -  | 11,226   |
| Net cash generated from financing activities                              | <b>1,219</b>   | <b>(31,443)</b>  |
| <b>CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD</b>              | <b>(14,350)</b>  | <b>21,447</b>  |
| <b>EFFECT OF EXCHANGE RATE FLUCTUATIONS</b>                               | <b>(71)</b>  | <b>(2,767)</b>   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>                   | <b>29,582</b>  | <b>10,902</b>  |
| <b>CASH AND CASH EQUIVALENTS END OF PERIOD</b>                            | <b>15,161</b>  | <b>29,582</b>  |
| <b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER COMPRISE OF:</b> |  |  |
| Deposit with licensed bank  | 34,260   | 28,018   |
| Cash and bank balances  | 12,704   | 32,130   |
| Bank overdraft  | -  | (933)  |
|   | <b>46,964</b>  | <b>59,215</b>  |
| Deposit with licensed bank (pledge)                                       | (26,874)   | (29,633)   |
| Cash at bank pledged with license bank                                    | (4,929)  | -  |
|   | <b>15,161</b>  | <b>29,582</b>  |

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 2018 and the accompanying explanatory notes to the quarterly report.

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
 FOR THE THIRD QUARTER ENDED 30 SEP 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

|   | Share<br>Capital<br>RM '000 | Share<br>Premium<br>RM '000 | ESOS<br>Reserve<br>RM '000 | Foreign Currency<br>Translation<br>Reserves<br>RM '000 | Retained<br>Profits<br>RM '000 | Total<br>RM '000 | Non-controlling<br>Interest<br>RM '000 | Total<br>Equity<br>RM '000 |
|---|-----------------------------|-----------------------------|----------------------------|--|--------------------------------|------------------|--|----------------------------|
| <b>At 1 January 2018</b>  | 382,807                     | -                           | -                          | 12,156   | 113,186                        | 508,149          | (2,851)                                | 505,298                    |
| Effect of adopting MFRS 9   | -                           | -                           | -                          | -  | (1,272)                        | (1,272)          | -                                      | (1,272)                    |
| <b>At 1 January 2018 as<br/>restated</b>                            | 382,807                     | -                           | -                          | 12,156   | 111,914                        | 506,877          | (2,851)                                | 504,026                    |
| Net profit for the financial year                                   | -                           | -                           | -                          | -  | 1,775                          | 1,775            | 551                                    | 2,326                      |
| Exchanges translation differences<br>for foreign operations         | -                           | -                           | -                          | 202  | -                              | 202              | 17                                     | 219                        |
| Total comprehensive income for the financial year                   | -                           | -                           | -                          | 202  | 1,775                          | 1,977            | 568                                    | 2,545                      |
| <b>Transactions with owner:</b>                                     |                             |                             |                            |  |                                |                  |  |                            |
| Acquisition of additional<br>Interest from non-controlling interest | -                           | -                           | -                          | -  | (1,830)                        | (1,830)          | 1,830                                  | -                          |
| Total transaction with owners                                       | -                           | -                           | -                          | -  | (1,830.00)                     | (1,830)          | 1,830                                  | -                          |
| <b>At 31 December 2018 (Audited)</b>                                | 382,807                     | -                           | -                          | 12,358   | 111,859                        | 507,024          | (453)                                  | 506,571                    |

|   | Share<br>Capital<br>RM '000 | Share<br>Premium<br>RM '000 | ESOS<br>Reserve<br>RM '000 | Foreign Currency<br>Translation<br>Reserves<br>RM '000 | Retained<br>Profits<br>RM '000 | Total<br>RM '000 | Non-controlling<br>Interest<br>RM '000 | Total<br>Equity<br>RM '000 |
|---|-----------------------------|-----------------------------|----------------------------|--|--------------------------------|------------------|--|----------------------------|
| <b>At 1 January 2019</b>  | 382,807                     | -                           | -                          | 12,358   | 111,859                        | 507,024          | (453)                                  | 506,571                    |
| Net profit for the financial year                                   | -                           | -                           | -                          | -  | 1,825                          | 1,825            | 697                                    | 2,522                      |
| Exchanges translation differences<br>for foreign operations         | -                           | -                           | -                          | (296)  | -                              | (296)            | -                                      | (296)                      |
| Total comprehensive income for the financial year                   | -                           | -                           | -                          | (296)  | 1,825                          | 1,529            | 697                                    | 2,226                      |
| <b>Transactions with owner:</b>                                     |                             |                             |                            |  |                                |                  |  |                            |
| Acquisition of additional<br>Interest from non-controlling interest | -                           | -                           | -                          | -  | -                              | -                | -                                      | -                          |
| Total transaction with owners                                       | -                           | -                           | -                          | -  | -                              | -                | -                                      | -                          |
| <b>At 30 September 2018 (Unaudited)</b>                             | 382,807                     | -                           | -                          | 12,062   | 113,684                        | 508,553          | 244                                    | 508,797                    |

Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Sep 2019

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**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 2018, 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 2018.

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, 2016 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 2018 except for the adoption of the following with effect from 1 January 2019:

|  |  |
|--|--|
| MFRS 16  | Leases   |
| IC Interpretation 23   | Uncertainty over Income Tax Treatments               |
| Amendments to MFRS 9   | Prepayment Features with Negative Compensation       |
| Amendments to MFRS 119   | Plan Amendment, Curtailment or Settlement            |
| Amendments to MFRS 128   | Long-term interests in Associates and Joint Ventures |
| Annual Improvements to MFRSs 2015 – 2017 Cycle:                        |  |
| • Amendments to MFRS 3   |  |
| • Amendments to MFRS 11  |  |
| • Amendments to MFRS 112   |  |
| • Amendments to MFRS 123   |  |
| Amendments to References to the Conceptual Framework in MFRS Standards |  |
| Amendments to MFRS 3   | Definition of a Business                             |
| Amendments to MFRS 101   | Definition of Material                               |

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

**Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Sep 2019**

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**A2. Audit Report**

The annual financial statement of the Company for the year ended 31 December 2018 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:

|                   | No. of shares<br>Issued and fully<br>paid up ordinary<br>shares of<br>RM0.10 each | Share<br>Capital | Total   |
|-------------------|---|------------------|---------|
|                   | '000  | RM'000           | RM'000  |
| As at 1 Jan 2019  | 1,155,230   | 382,807          | 382,807 |
| As at 30 Sep 2019 | 1,155,230   | 382,807          | 382,807 |

**A7. Dividend Paid**

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



## Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Sep 2019

**A8. Segmental Analysis**

## a) Analysis of Segmental Revenue and Result

|                              | Current Quarter |           | Cumulative Quarter |           |
|------------------------------|-----------------|-----------|--------------------|-----------|
|                              | 3 months ended  |           | 9 months ended     |           |
|                              | 30 Sep 19       | 30 Sep 18 | 30 Sep 19          | 30 Sep 18 |
|                              | RM'000          | RM'000    | RM'000             | RM'000    |
| Segment revenue              |                 |           |                    |           |
| - Services and trading       | 90,933          | 11,706    | 220,494            | 298,346   |
| - Construction               | -               | -         | -                  | -         |
| Elimination of inter-segment | -               | -         | -                  | -         |
| Total                        | 90,933          | 11,706    | 220,494            | 298,346   |
| Segment result               |                 |           |                    |           |
| - Services and trading       | 986             | (13,246)  | 2,522              | 110       |
| - Construction               | -               | -         | -                  | -         |
| Profit after tax             | 986             | (13,246)  | 2,522              | 110       |

## b) Analysis by Geographical Area

|               | Current Quarter            |                    |                        |                        |
|---------------|----------------------------|--------------------|------------------------|------------------------|
|               | 3 months ended 30 Sep 2019 |                    |                        |                        |
|               | Malaysia<br>RM'000         | Overseas<br>RM'000 | Eliminations<br>RM'000 | Consolidated<br>RM'000 |
| Revenue       |                            |                    |                        |                        |
| External sale | 47,119                     | 43,814             | -                      | 90,933                 |
| Inter segment | -                          | -                  | -                      | -                      |
| Total         | 47,119                     | 43,814             | -                      | 90,933                 |

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

**Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Sep 2019**

|               | Cumulative Quarter         |                    |                        |                        |
|---------------|----------------------------|--------------------|------------------------|------------------------|
|               | 9 months ended 30 Sep 2019 |                    |                        |                        |
|               | Malaysia<br>RM'000         | Overseas<br>RM'000 | Eliminations<br>RM'000 | Consolidated<br>RM'000 |
| Revenue       |                            |                    |                        |                        |
| External sale | 145,926                    | 74,568             | -                      | 220,494                |
| Inter segment | -                          | -                  | -                      | -                      |
| Total         | 145,926                    | 74,568             | -                      | 220,494                |

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

|                     | 30 Sep 2019        |                    |                        |                        |
|---------------------|--------------------|--------------------|------------------------|------------------------|
|                     | Malaysia<br>RM'000 | Overseas<br>RM'000 | Eliminations<br>RM'000 | Consolidated<br>RM'000 |
| Segment Assets      | 664,750            | 166,323            | -                      | 831,073                |
| Segment liabilities | 252,319            | 69,957             | -                      | 322,276                |
| Depreciation        | 7,978              | 877                | -                      | 8,865                  |
|                     | 30 Sep 2018        |                    |                        |                        |
|                     | Malaysia<br>RM'000 | Overseas<br>RM'000 | Eliminations<br>RM'000 | Consolidated<br>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                  |

**A9. Valuation of property, plant and equipment**

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

**A10. Significant Events As At The Financial Quarter**

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

1. Destini Prima Sdn Bhd, a wholly-owned subsidiary of Destini, Bhd on 4 January 2019, received a letter of extension dated 28 December 2018 from the Ministry of Home Affairs to provide maintenance, repair and overhaul 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 the Pasukan Gerakan Udara, Royal Malaysia Police for a further period of three (3) years from

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30 November 2018 and expiring on 29 November 2021. The contract ceiling remains at RM10.0 million.

2. Destini Oil Services Sdn Bhd, a wholly-owned subsidiary of Destini, had on 14 January 2019 received a letter of award for the provision of tubular running services for exploration & appraisal and infill drilling campaign for Block B-17 & C-19 and Block B-17-01 located at the lower part of Gulf of Thailand near the South China Sea for Carigali-PTTEPI Operating Company Sdn Bhd.
3. On 13 Mar 2019 Destini Berhad announced that, Destini Oil Services Sdn Bhd, a wholly-owned subsidiary of Destini, had on 4 December 2018 received a letter of award for the provision for tubular handling, conductor installation and slot recovery equipment and services for PAC Operators' Drilling Program for Sarawak Shell Berhad
4. Destini Rail Sdn Bhd, a wholly-owned subsidiary of the Company, had on 19 April 2019 incorporated a new wholly-owned subsidiary, DLP Rail Sdn Bhd. As a result, DLP Rail has become an indirect wholly-owned subsidiary of Destini. And

Destini Rail Sdn. Bhd. had on 2 May 2019 entered into a Joint Venture and Shareholders Agreement with Lion Pacific Sdn. Bhd., and SVPR Consulting Services Sdn. Bhd. in respect of DLP Rail Sdn. Bhd.

The purpose of the Proposed Joint Venture is to formalise a collaboration between the Shareholders and to draw upon the skills, expertise, experience and capabilities of each other for the benefit of the JV Company, in undertaking the business of rail related projects in Malaysia and the region which, among others, include engineering solutions and services, civil works, rolling stock, system and track works, asset management and maintenance services for rail projects.

5. Destini Avia Technique Sdn Bhd, a 50:50 joint venture company between Destini and Avia Technique Ltd from the United Kingdom, had on 23 April 2019, entered into an aircraft safety equipment maintenance support agreement with Malindo Airways Sdn Bhd and Thai Lion Mentari Co Ltd, to supply, test, repair and/or carry out overhaul activities on the Vendor's aircraft safety equipment.
6. Destini Oil Services Sdn Bhd, a wholly-owned subsidiary of Destini, had on 26 June 2019 received a letter of award from Petrofac (Malaysia-PM304) Limited for the provision of tubular handling equipment and running services.
7. Destini Oil Services Sdn Bhd a wholly-owned subsidiary of Destini, had on 20 September 2019 received a Letter of Award from PETRONAS Carigali Sdn Bhd for the Pan Malaysia Umbrella Contract for the Provision of Integrated Well Services for Intervention, Workover & Abandonment for Petroleum Arrangement Contractors (PACs).

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

There are 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:

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**A13. Contingent Liabilities or Assets**

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

|  | <b>Year to Date<br/>30-Sep-19<br/>RM '000</b> | <b>Year to Date<br/>31-Dec-18<br/>RM '000</b> |
|--|---|---|
| Banker's guarantees in favour of the local authorities for the purpose of development projects |   |   |
| - Secured  | 29,493  | 29,493  |

**A14. Capital Commitments**

|                               | <b>Year to Date<br/>30-Sep-19<br/>RM '000</b> | <b>Year to Date<br/>31-Dec-18<br/>RM '000</b> |
|-------------------------------|---|---|
| Approved and contracted for : | -   | -   |

**A15. Significant related party transactions**

There were no significant related party transactions occurred during the financial quarter ended 30 September 2019.

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**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 2019, the Group's revenue decreased to RM220.49 million or 26% as compared to RM298.35 million in the preceding year corresponding period. The main contributor to the decreased in revenue were due to the less order for aviation services and completion of several marine manufacturing services.

Profit after tax and non-controlling interests of RM1.82 million increased more than 100% as compared to RM0.24 million reported in the preceding year's corresponding period. Higher Profit due to higher contribution from manufacturing services and MRO services.

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

The Group registered a revenue of RM90.93 million for the current quarter under review or more than 100% increase compared to RM45.07million in the preceding quarter. The Group registered Profit after tax and non-controlling interests of RM0.69 million for the current quarter under review as compared to profit after tax and non-controlling interests at RM0.49 million in the preceding quarter. Profit in current quarter increased due to higher 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.

**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-19<br>RM '000 | 30-Sep-18<br>RM '000                 | 30-Sep-19<br>RM '000 | 30-Sep-18<br>RM '000                |
| Current taxation | 242                  | 3,664                                | (645)                | (268)                               |

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**B6. Corporate Proposals**

The following are corporate proposals announced but not yet completed as at the date of this quarterly report.

1. The Company proposes to undertake a private placement of up to 231,046,059 new ordinary shares in Destini, representing up to 20% of the total number of issued shares in Destini to third party investor(s) to be identified at a later date and at an issue price to be determined later. The proposal was approved by Bursa Securities had vide its letter dated 10 October 2019 and the shareholders in Extraordinary General Meeting held on 11 November 2019.

**B7. Group Borrowings and Debt Securities**

Group borrowings were as follows:

**B7.1 Short Term Borrowings**

| <u>Secured</u>                                | <b>30-Sep-19<br/>RM '000</b> | <b>31-Dec-18<br/>RM '000</b> |
|---|------------------------------|------------------------------|
| <i>Denominated in Ringgit Malaysia:</i>       |                              |                              |
| Hire Purchase Payables                        | 393                          | 1,459                        |
| Bank Borrowing                                | 4,473                        | 6,266                        |
| <i>Denominated in Singapore Dollar (SGD):</i> |                              |                              |
| Hire Purchase Payables                        | 1,565                        | 309                          |
| Overdraft                                     | -                            | 326                          |
| Bank Borrowing                                | 6,311                        | 10,023                       |
| <i>Denominated in Chinese Renminbi (CNY):</i> |                              |                              |
| Term Loans                                    | 2,637                        | 2,107                        |
| <b>Total</b>                                  | <b>15,379</b>                | <b>21,410</b>                |

**B7.2 Long Term Borrowings**

| <u>Secured</u>                                | <b>30-Sep-19<br/>RM '000</b> | <b>31-Dec-18<br/>RM '000</b> |
|---|------------------------------|------------------------------|
| <i>Denominated in Ringgit Malaysia:</i>       |                              |                              |
| Hire Purchase Payables                        | 621                          | 767                          |
| Term Loan                                     | 110,697                      | 110,776                      |
| <i>Denominated in Singapore Dollar (SGD):</i> |                              |                              |
| Hire Purchase Payables                        | 1,088                        | 905                          |
| Bank Borrowing                                | 4,045                        | 4,690                        |
| <b>Total</b>                                  | <b>116,451</b>               | <b>117,138</b>               |

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**Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Sep 2019**


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**B8. Material Litigation**

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

**B9. Dividends**

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

**B10. Notes to the Statement of Comprehensive Income**

|   | <b>Year to<br/>date<br/>30-Sep-19<br/>RM '000</b> | <b>Year to<br/>date<br/>30-Sep-18<br/>RM '000</b> |
|---|---|---|
| <b>Profit for the period is arrived at after charging/(crediting):-</b> |   |   |
| Depreciation of property, plant and equipment                           | 8,865   | 8,870   |
| Interest expense  | 1,377   | 5,009   |
| Fair value adjustment on investment in securities                       | 532   | -   |

**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<br/>Quarter<br/><br/>30-Sep-19</b> | <b>Preceding<br/>Year<br/>Corresponding<br/>Quarter<br/><br/>30-Sep-18</b> | <b>Current Year<br/>To Date<br/><br/>30-Sep-19</b> | <b>Preceding<br/>Year<br/>Corresponding<br/>Quarter<br/><br/>30-Sep-18</b> |
| Attributable to owners of parent ( RM'000 )                | <b>699</b>                                    | <b>(13,135)</b>  | <b>1,825</b>                                       | <b>244</b>   |
| Weighted average number of ordinary shares ('000) in issue | <b>1,155,230</b>                              | <b>1,155,230</b>   | <b>1,155,230</b>                                   | <b>1,155,230</b>   |
| Basic earnings per share (RM)                              | <b>0.0006</b>                                 | <b>(0.0114)</b>  | <b>0.0016</b>                                      | <b>0.0002</b>  |

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

|   | <b>Year to Date<br/>30-Sep-19<br/>RM'000</b> | <b>Year to Date<br/>31-Dec-18<br/>RM'000</b> |
|---|--|--|
| Total accumulated losses of the Company<br>and its subsidiaries |  |  |
| - Realised  | 68,111                                       | 64,539                                       |
| Less : consolidation adjustments                                | 45,573                                       | 47,320                                       |
| Total retained profits  | <u>113,684</u>                               | <u>111,859</u>                               |

**BY ORDER OF THE BOARD**

**DATO' ROZABIL ABDUL RAHMAN**  
**President and Group Chief Executive Officer**