

**DESTINI SEES LOSSES IN FY2019**

KUALA LUMPUR, Feb 28, 2020 – DESTINI BERHAD (Destini or the Group) today announced a reduction in revenue by 26% due to lower billings from its projects in hand for the financial year ended Dec 2019 (FY2019). The Group recorded a lower revenue of RM297.15 million in FY2019 from RM401.11 million a year ago.

Destini reported loss after tax and non-controlling interest (LATNCI) of RM235.44 million in FY2019 against profit after tax and non-controlling interest (PATNCI) of RM1.81 million the year before.

During the year under review, the Group was not spared from local and global challenges and uncertainties that effected its overall performance. For instance, Destini's aviation segment, which is highly dependent on Government contracts, saw a decline in revenue due to slower progress in its projects as a result of the transition of the Government. In addition, budgetary cutbacks also resulted in a reduction in billings from agencies.

Within the segment, postponements in the execution and completion of its MD530G helicopter project as a result of delays in the decision on its continuity, translated to higher operational and administration expenses including additional interest expenses of RM14.88 million. However, Destini Berhad (Destini or the Group) wishes to inform that the Malaysian Government had on January 15, 2020 given approval for the Group to continue executing the remaining contract obligations with the MD530G program. All six helicopters are scheduled to be delivered in this year.

Meanwhile, the marine manufacturing segment saw lower revenues due to slower progress of several projects. This was further exacerbated by the fact that marine manufacturing was not able to replenish its order book during the year under review. This resulted in an escalation in costs which was not budgeted during the year under review.

Seeing the challenges the Group underwent during FY2019, Destini's management decided to review its long-term contracts and do a reconciliation of its accounts in the fourth quarter of FY2019 which includes a provision and impairment on its assets and goodwill amounting to RM145.17 million.

Despite reporting losses in FY2019, Destini remains optimistic on its prospects for 2020. The Group sees that with the continuation of the MD530G helicopter project, Destini will be able to recognise revenues from this project as it aims to fulfil its obligations to the contract by the end of the year.

Destini Armada Pte Ltd, the Group's Singapore based marine services subsidiary, has been seeing positive growth momentum which is reflective of the increase in oil and gas activities in areas the company operates in which includes the UK, Middle East, Australia and Malaysia.

The increase in oil and gas activities also bodes well for Destini Oil Services Sdn Bhd which provides niche services in tubular running and decommissioning.

In addition, the Group is also looking forward to tap into its recent foray into port operations in Kalimantan, Indonesia. This will see the Group diversify its income stream further and acts as a means to mitigate cyclical income downturns from its aviation, marine and oil and gas business segments.

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#### **ABOUT DESTINI BERHAD**

**DESTINI BERHAD** (“Destini” or the “Group”) is an integrated engineering solutions provider with diverse interests in the aviation, marine, land systems as well as oil and gas industries. With a core business in ensuring safety and survival equipment efficiency in these industries, the Group excels in being one of the leading maintenance, repair and overhaul (MRO) service provider in the regions it has exposure in.

The Group started off as an aviation tool and spare parts trading company supplying for the defence industry. Two decades later, Destini has evolved to provide a diversified range of products and services for the aviation, marine and automotive industries for both defence and commercial sectors. With a wider portfolio and coupled with Destini's foray into oil and gas, the Group has expanded its geographical footprint over the Asian, Australian, Middle East and European regions.

The Group's core values of perseverance, foresight, rational thinking and determination to succeed have helped nurture a strong working relationship with global customers from both the public and private sectors.

For more information, please log on to <http://www.destinigroup.com>

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