


**SUMMARY OF KEY FINANCIAL INFORMATION**
**FOR THE SECOND QUARTER ENDED 30 JUN 2020**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-Jun-20 RM ' 000	30-Jun-19 RM ' 000	30-Jun-20 RM ' 000	30-Jun-19 RM ' 000
1. Revenue	30,260	45,070	64,307	129,561
2. Profit/(Loss) before tax	(16,120)	871	(27,859)	2,423
3. Net Profit/(Loss) for the financial period	(16,113)	1,095	(27,859)	1,536
4. Profit/(Loss) after tax and non-controlling interest	(15,873)	491	(27,668)	1,127
5. Basic earnings per share (Sen)	(1.32)	0.04	(2.27)	0.10
6. Net dividend per share ( Sen )	-	-	-	-

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7. Net assets per share (RM)	0.1970	0.2230

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



**ADDITIONAL INFORMATION**

FOR THE SECOND QUARTER ENDED 30 JUN 2020

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-Jun-20 RM ' 000	30-Jun-19 RM ' 000	30-Jun-20 RM ' 000	30-Jun-19 RM ' 000
1. Profit/(Loss) from operations	(14,757)	1,338	(25,808)	3,226
2. Gross interest income	-	-	2	-
3. Gross interest expense	(1,363)	(467)	(2,051)	(803)



QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 JUN 2020

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30-Jun-20 (Unaudited) RM'000	As at 31-Dec-19 (Audited) RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant & equipment	82,964	88,509
Right of use assets	37,862	38,459
Intangible Assets	107,044	107,044
Investment in quoted share	430	430
Investment in jointly control entity	-	-
Other Receivable	-	4,927
Other investments	320	320
	<u>228,620</u>	<u>239,689</u>
<b>CURRENT ASSETS</b>		
Inventories	12,805	13,494
Contract assets	24,922	17,513
Trade receivables	211,243	210,803
Other receivables and deposits	76,791	68,697
Amount due from joint venture	6,748	6,748
Tax recoverable	5,250	1,943
Deposit with licensed bank	16,823	16,823
Cash and bank balances	9,444	9,659
	<u>364,026</u>	<u>345,680</u>
<b>TOTAL ASSETS</b>	<u><b>592,646</b></u>	<u><b>585,369</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL</b>		
	398,037	388,237
<b>TRANSLATION RESERVE</b>		
	5,723	5,543
<b>RETAINED PROFITS</b>		
	(163,752)	(136,084)
<i>Equity attributable to owners of the parent</i>	<u>240,008</u>	<u>257,696</u>
<b>NON-CONTROLLING INTEREST</b>		
	(2,334)	(2,143)
<i>Total Equity</i>	<u>237,674</u>	<u>255,553</u>
<b>NON-CURRENT LIABILITIES</b>		
Preferences shares	-	394
Deferred taxation	5,474	2,828
Lease liabilities	1,779	14,619
Bank borrowings	77,229	10,173
Retirement benefits	-	-
	<u>84,482</u>	<u>28,014</u>
<b>CURRENT LIABILITIES</b>		
Contract liabilities	5,296	6,245
Trade payables	111,757	81,738
Other payables and accruals	85,365	79,742
Lease liabilities	12,119	6,798
Bank borrowings	31,922	104,575
Redeemable preference shares	1,351	1,351
Tax Payable	22,680	21,353
	<u>270,490</u>	<u>301,802</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>592,646</b></u>	<u><b>585,369</b></u>
<b>Net assets per share attributable to owners of the parent ( RM )</b>	<b>0.1970</b>	<b>0.2230</b>
Weighted average number of ordinary shares ('000 units)	1,218,417	1,155,367
Enlarged number of ordinary shares in issue ('000 units)	1,230,230	1,180,230

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 2019 and the accompanying explanatory notes to the quarterly report.



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 JUN 2020

**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-Jun-20 RM'000	30-Jun-19 RM'000	30-Jun-20 RM'000	30-Jun-19 RM'000
Revenue	30,260	45,070	64,307	129,561
Cost of sale	(29,282)	(24,714)	(54,730)	(84,081)
<b>Gross profit</b>	<b>978</b>	<b>20,356</b>	<b>9,577</b>	<b>45,480</b>
Other income	3,573	303	3,863	529
Administrative expenses	(16,546)	(15,686)	(33,703)	(37,327)
Depreciation	(2,762)	(3,635)	(5,545)	(5,456)
Profit from operations	(14,757)	1,338	(25,808)	3,226
Finance cost	(1,363)	(467)	(2,051)	(803)
Impairment of goodwill and assets	-	-	-	-
Share of result of associates/JV	-	-	-	-
Profit/(Loss) before tax	(16,120)	871	(27,859)	2,423
Taxation	7	224	-	(887)
<b>Net profit/(Loss) for the financial period</b>	<b>(16,113)</b>	<b>1,095</b>	<b>(27,859)</b>	<b>1,536</b>
<b>Other comprehensive income</b>				
- Exchange Translation differences	278	(87)	180	(282)
<b>Other comprehensive income for the financial period</b>	<b>278</b>	<b>(87)</b>	<b>180</b>	<b>(282)</b>
<b>Total comprehensive income for the financial period</b>	<b>(15,835)</b>	<b>1,008</b>	<b>(27,679)</b>	<b>1,254</b>
<b>Net Profit/(Loss) for the financial period attributable to:</b>				
Owners of the parent	(15,873)	491	(27,668)	1,127
Non-controlling interests	(240)	604	(191)	409
	<b>(16,113)</b>	<b>1,095</b>	<b>(27,859)</b>	<b>1,536</b>
<b>Total comprehensive income/(loss) for the financial period attributable to:</b>				
Owners of the parent	(15,595)	554	(27,488)	845
Non-controlling interests	(240)	454	(191)	409
	<b>(15,835)</b>	<b>1,008</b>	<b>(27,679)</b>	<b>1,254</b>
<b>Earnings per share attributable to owners of the parent:</b>				
- basic (Sen)	(1.32)	0.04	(2.27)	0.10
Weighted average number of ordinary shares ('000 units)	1,205,230	1,155,230	1,218,417	1,155,230
Enlarged number of ordinary shares in issue ('000 units)	1,230,230	1,155,230	1,230,230	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 2019 and the accompanying explanatory notes to the quarterly report.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 JUN 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	AS AT END OF CURRENT PERIOD (Unaudited) 30-Jun-20 RM' 000	AS AT END OF PRECEDING YEAR (Audited) 31-Dec-19 RM' 000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(27,859)	(251,244)
Adjustments for:-		
Amortization of intangible	-	2,125
Amortization of land use right	-	-
Bad debts written off	-	182
Depreciation of property, plant and equipment	4,351	12,508
Depreciation of right-of-use assets	1,194	7,473
Fair value adjustment on investment in securities (quoted share)	-	(355)
Gain on disposal of property, plant and equipment	-	(134)
Intangible assets written off	-	4,673
Impairment loss on trade receivable	-	42,468
Impairment loss on other receivable	-	17,018
Impairment loss on intangible assets	-	91,682
Impairment loss on property, plant and equipment	-	1,998
Impairment loss on right of use	-	11
Interest expense	2,051	23,248
Interest Income	(2)	(505)
Inventories written off	-	13
Reversal of impairment of trade receivable	-	(1,312)
Share of (profit)/loss in investment in a associate company	-	185
Unrealized Foreign Exchange (Gain)/ Loss	-	198
Operating profit before working capital changes	<b>(20,265)</b>	<b>(49,768)</b>
Inventories	683	(1,845)
Receivables	(22,390)	32,030
Payable	58,263	5,009
Contract assets/liabilities	(15,185)	50,726
Cash used in operations	<b>1,106</b>	<b>36,152</b>
Tax paid	(250)	(2,975)
Tax refund	-	96
Interest paid	(2,051)	(23,248)
Interest received	2	505
Net cash used in operating activities	<b>(1,193)</b>	<b>10,530</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(11,462)	(17,554)
Proceeds from disposal of property, plants and equipment	-	3,741
Proceeds from disposal quoted shares	-	1,061
Additional of intangible assets	-	(785)
Net cash used in investing activities	<b>(11,462)</b>	<b>(13,537)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loan	-	4,310
Repayment of term loan	(5,595)	(22,931)
Repayment of finance lease liabilities	(6,944)	(7,013)
Changes in LC or credit of TR	-	(3,058)
Proceeds private placement	9,800	5,430
Decreased/(Increased) in Fixed Deposit pledge to licensed banks	266	9,548
Net cash generated from financing activities	<b>(2,473)</b>	<b>(13,714)</b>
<b>CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD</b>	<b>(15,128)</b>	<b>(16,721)</b>
<b>EFFECT OF EXCHANGE RATE FLUCTUATIONS</b>	<b>180</b>	<b>(7,724)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>5,137</b>	<b>29,582</b>
<b>CASH AND CASH EQUIVALENTS END OF PERIOD</b>	<b>(9,811)</b>	<b>5,137</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER COMPRISE OF:</b>		
Deposit with licensed bank	16,823	16,823
Cash and bank balances	9,741	9,658
Bank overdraft	(297)	(1,259)
	<b>26,267</b>	<b>25,222</b>
Deposit with licensed bank (pledge)	(36,078)	(20,085)
Cash at bank pledged with license bank	-	-
	<b>(9,811)</b>	<b>5,137</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 2019 and the accompanying explanatory notes to the quarterly report.



QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 JUN 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM '000	Foreign Currency Translation Reserves RM '000	Retained Profits RM '000	Total RM '000	Non-controlling Interest RM '000	Total Equity RM '000
<b>At 1 January 2019</b>	382,807	12,358	111,859	507,024	(453)	506,571
Effect of adopting MFRS16	-	-	(120)	(120)	-	(120)
	382,807	12,358	111,739	506,904	(453)	506,451
Net profit for the financial year	-	-	(247,823)	(247,823)	(1,712)	(249,535)
Exchanges translation differences for foreign operations	-	(6,815)	-	(6,815)	22	(6,793)
Total comprehensive income for the financial year	-	(6,815)	(247,823)	(254,638)	(1,690)	(256,328)
<b>Transactions with owner:</b>						
Issue of ordinary shares: Private placement	5,430	-	-	5,430	-	5,430
Total transaction with owners	5,430	-	-	5,430	-	5,430
<b>At 31 December 2019 (Audited)</b>	388,237	5,543	(136,084)	257,696	(2,143)	255,553

	Share Capital RM '000	Foreign Currency Translation Reserves RM '000	Retained Profits RM '000	Total RM '000	Non-controlling Interest RM '000	Total Equity RM '000
<b>At 1 January 2020</b>	388,237	5,543	(136,084)	257,696	(2,143)	255,553
Effect of adopting MFRS16	-	-	-	-	-	-
	388,237	5,543	(136,084)	257,696	(2,143)	255,553
Net profit for the financial year	-	-	(27,668)	(27,668)	(191)	(27,859)
Exchanges translation differences for foreign operations	-	180	-	180	-	180
Total comprehensive income for the financial year	-	180	(27,668)	(27,488)	(191)	(27,679)
<b>Transactions with owner:</b>						
Issue of ordinary shares: Private placement	9,800	-	-	9,800	-	9,800
Total transaction with owners	9,800	-	-	9,800	-	9,800
<b>At 30 Jun 20 (Unaudited)</b>	398,037	5,723	(163,752)	240,008	(2,334)	237,674

Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Jun 2020

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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 2019, 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 2019.

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 2019 except for the adoption of the following with effect from 1 January 2020:

Amendments to MFRS 3	Business Combination - Definition of a Business
Amendments to MFRS 7, MFRS 9 and MFRS 139	Financial Instruments - Interest Rate, Benchmark Reform
Amendments to MFRS 101	Presentation of Financial Statements - Definition of Material
Amendments to MFRS 10	Accounting Policies, Changes in Accounting Estimates and Errors - 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.

**A2. Audit Report**

The annual financial statement of the Company for the year ended 31 December 2019 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.

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**Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Jun 2020**

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**A4. Items of unusual nature and amount**

The COVID-19 pandemic have severely impacted global economies and the business of Destini Group. Apart from the unprecedented Covid-19 pandemic as discussed in Note B3, there were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period.

**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	Total
	'000	RM'000	RM'000
As at 1 Jan 2020	1,180,230	388,237	388,237
Issue of ordinary shares:			
- Private placement	50,000	9,800	9,800
As at 30 Jun 2020	1,230,230	398,037	398,037

**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 Jun 2020**
**A8. Segmental Analysis**

## a) Analysis of Segmental Revenue and Result

	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
- Services and trading	30,260	45,070	64,307	129,561
- Construction				
Elimination of inter-segment	-	-	-	-
Total	30,260	45,070	64,307	129,561
Segment result				
- Services and trading	(15,873)	491	(27,668)	1,127
- Construction	-	-	-	-
Profit after tax and NCI	(15,873)	491	(27,668)	1,127

## b) Analysis by Geographical Area

	Current Quarter			
	3 months ended 30 Jun 2020			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	17,869	12,391	-	30,260
Inter segment	-	-	-	-
Total	17,869	12,391	-	30,260

	Preceding Quarter			
	3 months ended 30 Jun 2019			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	14,316	30,754	-	45,070
Inter segment	-	-	-	-
Total	14,316	30,754	-	45,070

**Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Jun 2020**

	Cumulative Quarter			
	6 months ended 30 Jun 2020			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	42,737	21,564	-	64,307
Inter segment	-	-	-	-
Total	42,737	21,564	-	64,307

	Preceding Cumulative Quarter			
	6 months ended 30 Jun 2019			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	76,984	52,577	-	129,561
Inter segment	-	-	-	-
Total	76,984	52,577	-	129,561

	30 Jun 2020			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	478,167	114,479	-	592,646
Segment liabilities	290,932	64,040	-	354,972
Depreciation	4,582	963	-	5,545
	30 Jun 2019			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	672,565	149,070	-	821,635
Segment liabilities	287,338	44,403	-	313,810
Depreciation	4,649	807	-	5,456

**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 Period**

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 22 April 2020 received a letter of award for the provision of tubular equipment and services for JX Nippon Oil & Gas Exploration (Malaysia) Limited's ("NIPPON") drilling campaign.
2. Destini Engineering Technologies Sdn Bhd, a wholly-owned subsidiary of Destini, had on 2 July 2020 accepted a letter of award dated 30 June 2020, to be the sub-contractor for the supply, delivery, installation, testing and commissioning of electrical installation for Wira

**Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Jun 2020**

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Syukur (M) Sdn Bhd in its commercial development in Mukim Semenyih for a sum of RM17,385,130.

**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 period, 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

<b>Year to Date 30-Jun-20 RM '000</b>	<b>Year to Date 31-Dec-19 RM '000</b>
16,823	16,823

**A14. Capital Commitments**

Approved and contracted for :

<b>Year to Date 30-Jun-20 RM '000</b>	<b>Year to Date 31-Dec-19 RM '000</b>
-	-

**A15. Significant related party transactions**

There were no significant related party transactions occurred during the financial quarter ended 30 Jun 2020.

Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Jun 2020

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

**B1. Review of Performance**

For the financial period ended 30 June 2020, the Group's revenue decreased by 50% to RM64.31 million from RM129.56 million in the preceding year corresponding period. The main contributor to the decrease in revenue was due to reduced billings for the Group's aviation services, oil and gas and marine manufacturing sectors.

Additionally, the Group faced a challenging start of the year from weak client sentiment due to the COVID-19 pandemic. A majority of the world economy was disrupted from enforced quarantines, lockdowns and travel restrictions. Destini's marine manufacturing facility in Nantong, China had to pause its operations for three months to comply with a mandatory requirement of the Chinese Government to curb the spread of the pandemic.

Destini recorded a loss after tax and non-controlling interests of RM27.67 million as compared to profit after tax and non-controlling interests of RM1.12 million profit after tax and non-controlling interests reported in the preceding year's corresponding period. Lower income for the Group was due to the drop in revenue that resulted in to margin compression which in turn was insufficient to cover the Group's overall administrative expenses.

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

The Group registered a revenue of RM30.26 million for the current quarter under review which represents a 11% decrease compared to a revenue of RM34.05 million in the preceding quarter.

The Group recorded loss after tax and non-controlling interests of RM15.87 million for the current quarter under review as compared to a loss after tax and non-controlling interests of RM11.79 million in the preceding quarter. Destini's losses widened in the current quarter as compared to the preceding quarter was mainly due to lower revenue registered.

**B3. Commentary on Prospects for the Next Financial Quarter**

The COVID-19 pandemic have severely impacted global economies and created market turbulence, volatility in global crude oil prices and weak consumer sentiment. These uncertainties are expected to negatively impact all nations and businesses throughout the year 2020.

Foreseeing this, the Group has taken pre-emptive measures to be resilient in weathering the current challenging environment by focusing more in strengthening the Group's balance sheet and managing its cash flow prudently. Plans, controls, regular review and actions are taken to tighten capital expenditure, operating expenditure, and investment assessments and decisions towards optimising the Group's balance sheet, including its capital structure, where necessary.

The Group had also implemented cost cutting measures that includes a salary pay cut that took into effect in April 2020. The total estimate savings from this pay cut amounts to RM3.52 mil per annum for local human capital cost.

**Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Jun 2020**

Destini has not only implemented a series of cost cutting measure to ensure its sustainability. To ensure stable revenue stream, the Group will continuously bid on tenders that are available in the market. Currently the Group is further strengthening its portfolio to participate in tenders by the Government that is expected to be rolled out in the second half of FY2020.

Destini has also strengthened its portfolio in civil engineering during the second quarter after Destini Engineering Technologies Sdn Bhd, a wholly-owned subsidiary of Destini, accepted a letter of award dated 30 June 2020, to be the sub-contractor for the supply, delivery, installation, testing and commissioning of electrical installation for Wira Syukur (M) Sdn Bhd in its commercial development in Mukim Semenyih value at RM17.38million

The directors expect the Group's operating environment to remain challenging and competitive in FY2020.

**B4. Profit Forecast and Profit Guarantee**

The Group did not announce any profit forecast nor profit guarantee for the current financial period.

**B5. Taxation**

Individual Quarter		Cumulative Quarter	
Current Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
30-Jun-20 RM '000	30-Jun-19 RM '000	30-Jun-20 RM '000	30-Jun-19 RM '000
Current taxation	7	224	-
			(887)

**B6. Corporate Proposals**

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

1. Destini Armada Pte Ltd (DAPL), a wholly-owned subsidiary of Destini had on 18 February 2020, entered into a conditional share sale agreement with PT Berkah Sadaya Adikarya for the acquisition of 4,999 ordinary shares in PT Muara Badak Perkasa (PT MBP), representing approximately 99.9% equity interest in PT MBP for a purchase consideration of SGD4,000,000 to be satisfied entirely via the issuance and allotment of 4,900,000 new DAPL Shares at an issue price of approximately SGD0.8163 per DAPL Share

In conjunction with the Proposed Acquisition, the Board proposes to undertake a diversification of the business activities of Destini and its subsidiaries to include the provision of jetty and/or port operations related services to mining companies.

Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Jun 2020

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Upon completion of the Proposed Acquisition, PT Berkah Sadaya Adikarya will emerge as the largest shareholder of DAPL, with a 55.0% equity interest in DAPL. Simultaneously, the equity interest of Destini in DAPL will be diluted from 100.0% to 45.0%.

- i. Bursa Securities had, vide its letter dated 20 April 2020 (which was received on 21 April 2020), resolved to grant an extension of time of 3 months up to 18 July 2020 to submit the draft Circular pursuant to Paragraph 9.33(1)(a) of the Listing Requirements.
  - ii. DAPL has on 28 April 2020 entered into a supplemental agreement to the SSA with the Vendor to extend the CP Period from 21 May 2020 to 31 October 2020 ("**Supplemental Agreement**"). Save for the aforementioned, all other terms of the SSA shall remain unchanged and continue to be in full force and effect.
  - iii. Bursa Securities to seek its approval for a further extension of time of up to 3 months to submit the draft Circular (i.e. by 18 October 2020).
  - iv. Bursa Securities had, vide its letter dated 4 August 2020, resolved to grant an extension of time of 3 months up to 18 October 2020 to submit the draft Circular pursuant to Paragraph 9.33(1)(a) of the Listing Requirements.
2. 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.
- i) 1st tranche of the Proposed Private Placement comprising 25,000,000 Placement Shares at RM0.2172 per Placement Share. The Issue Price represents the 5-day volume weighted average market price of Destini Shares up to and including 13 December 2019, being the last market day immediately preceding the Price-fixing Date, of RM0.2172 per Destini Share. The shares were listed on 30 Dec 2019.
  - ii) 2nd tranche of the Proposed Private Placement comprising 50,000,000 Placement Shares at RM0.1960 per Placement Share ("**Issue Price**"). The Issue Price represents the 5-day volume weighted average market price of Destini Shares up to and including 4 February 2020, being the last market day immediately preceding the Price-fixing Date, of RM0.1960 per Destini Share. The shares were listed on 13 Feb 2020.
  - iii) 3rd tranche of the Proposed Private Placement comprising up to 55,163,000 Placement Shares at RM0.1450 per Placement Share ("**Issue Price**"). The Issue Price represents a discount of approximately RM0.0056 or 3.72% to the 5-day volume weighted average market price of Destini Shares up to and including 6 July 2020, being the last market day immediately preceding the Price-fixing Date, of RM0.1506 per Destini Share. The shares were listed on 15 Jul 2020.
  - iv) 4th tranche of the Proposed Private Placement comprising 60,600,000 Placement Shares at RM0.1650 per Placement Share ("**Issue Price**"). The Issue Price represents a discount of approximately RM0.0148 or 8.23% to the 5-day volume weighted average market price of Destini Shares up to and including 20 July 2020, being the last market

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day immediately preceding the Price-fixing Date, of RM0.1798 per Destini Share. The shares were listed on 30 Jul 2020.

v) 5th tranche of the Proposed Private Placement comprising 40,283,059 Placement Shares at RM0.1827 per Placement Share ("**Issue Price**"). The Issue Price represents a discount of approximately RM0.0096 or 4.99% to the 5-day volume weighted average market price of Destini Shares up to and including 23 July 2020, being the last market day immediately preceding the Price-fixing Date, of RM0.1923 per Destini Share. The shares were listed on 06 Aug 2020

vi) Private Placement has been completed on 06 August 2020

vii) The status of the utilisation of proceeds from the 1<sup>st</sup> to 5th tranches. Total proceeds raised in the Private Placement exercise is RM40,587,350 is as follows:

Utilisation purposes	Proposed utilisation	Actual utilisation	Intended timeframe for the utilisation	Deviation overspent	
	RM	RM		RM	%
Repayment of bank borrowings	21,000,000	13,267,800	Within 2 months	-	-
Working capital:					
- Existing project	22,000,000	18,279,876	Within 6 months	-	-
- New projects	1,000,00	400,873	Within 24 months	-	-
- General requirements	773,982	668,962	Within 24 months	-	-
Estimated expenses in relation to the Proposed Private Placement	280,000	280,000	Within 1 month	-	-
<b>Total</b>	<b>45,053,982</b>	<b>32,897,511</b>		-	-

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**B7. Group Borrowings and Debt Securities**

Group borrowings were as follows:

**B7.1 Short Term Borrowings**

<u>Secured</u>	<b>30-Jun-20</b> <b>RM '000</b>	<b>31-Dec-19</b> <b>RM '000</b>
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase and Lease Payables	1,837	1,837
Bank Borrowing	19,203	83,038
<i>Denominated in Singapore Dollar (SGD):</i>		
Hire Purchase and Lease Payables	10,282	11,862
Overdraft	-	298
Bank Borrowing	12,452	14,071
<i>Denominated in Chinese Renminbi (CNY):</i>		
Term Loans	267	267
<b>Total</b>	<b>44,041</b>	<b>111,373</b>

**B7.2 Long Term Borrowings**

<u>Secured</u>	<b>30-Jun-20</b> <b>RM '000</b>	<b>31-Dec-19</b> <b>RM '000</b>
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase and Lease Payables	590	740
Term Loan	77,149	22,915
<i>Denominated in Singapore Dollar (SGD):</i>		
Hire Purchase and Lease Payables	1,189	1,057
Bank Borrowing	80	80
<b>Total</b>	<b>79,008</b>	<b>24,792</b>

**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.



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

	<b>Year to date 30-Jun-20 RM '000</b>	<b>Year to date 31-Dec-19 RM '000</b>
<b>Profit for the period is arrived at after charging/(crediting):-</b>		
Depreciation of property, plant and equipment	5,545	12,192
Interest expense	2,051	17,305
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 Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year To Date</b>	<b>Preceding Year Corresponding Quarter</b>
	<b>30-Jun-20</b>	<b>30-Jun-19</b>	<b>30-Jun-20</b>	<b>30-Jun-19</b>
Attributable to owners of parent ( RM'000 )	<b>(15,873)</b>	<b>491</b>	<b>(27,668)</b>	<b>1,127</b>
Weighted average number of ordinary shares ('000) in issue	<b>1,205,230</b>	<b>1,155,230</b>	<b>1,218,417</b>	<b>1,155,230</b>
Basic earnings per share (Sen)	<b>(1.32)</b>	<b>0.04</b>	<b>(2.27)</b>	<b>0.10</b>

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

	<b>Year to Date 30-Jun-20 RM'000</b>	<b>Year to Date 31-Dec-19 RM'000</b>
Total accumulated losses of the Company and its subsidiaries		
- Realised	(198,199)	(171,092)
Less : consolidation adjustments	34,447	35,008
Total retained profits	<u>(163,752)</u>	<u>(136,084)</u>

**BY ORDER OF THE BOARD**

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