



SUMMARY OF KEY FINANCIAL INFORMATION

FOR THE PERIOD ENDED 31 MAR 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	3 MONTHS ENDED		15 MONTHS ENDED	
	31-Mar-24 RM ' 000	31-Mar-23 RM ' 000	31-Mar-24 RM ' 000	31-Mar-23 RM ' 000
1. Revenue	21,679	19,375	129,108	N/A
2. Profit/(Loss) before tax	(26,408)	(7,331)	(42,152)	N/A
3. Net Profit/(Loss) for the financial period	(25,795)	(7,331)	(42,939)	N/A
4. Profit/(Loss) after tax and non-controlling interest	(23,407)	(7,193)	(39,602)	N/A
5. Basic earnings per share (Sen)	(1.55)	(0.43)	(2.29)	N/A
6. Net dividend per share (Sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7. Net assets per share (RM)	0.1262	0.0804

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



ADDITIONAL INFORMATION

FOR THE PERIOD ENDED 31 MAR 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	3 MONTHS ENDED		15 MONTHS ENDED	
	31-Mar-24 RM ' 000	31-Mar-23 RM ' 000	31-Mar-24 RM ' 000	31-Mar-23 RM ' 000
1. Profit/(Loss) from operations	(23,485)	(7,203)	(37,929)	N/A
2. Gross interest income	6	3	16	N/A
3. Gross interest expense	(2,923)	(128)	(4,223)	N/A



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE PERIOD ENDED 31 MAR 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	3 MONTHS ENDED		15 MONTHS ENDED	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Revenue	21,679	19,375	129,108	N/A
Cost of sale	(15,157)	(12,817)	(80,533)	N/A
Gross profit	6,522	6,558	48,575	N/A
Other income	2,126	137	3,282	N/A
Administrative expenses	(30,329)	(12,610)	(83,369)	N/A
Depreciation	(1,804)	(1,288)	(6,417)	N/A
Profit from operations	(23,485)	(7,203)	(37,929)	N/A
Finance cost	(2,923)	(128)	(4,223)	N/A
Profit/(Loss) before tax	(26,408)	(7,331)	(42,152)	N/A
Taxation	613	-	(787)	N/A
Net profit/(Loss) for the financial period	(25,795)	(7,331)	(42,939)	N/A
Other comprehensive income				
- Exchange Translation differences	(1,385)	(1,066)	(1,148)	N/A
Other comprehensive income for the financial period	(1,385)	(1,066)	(1,148)	N/A
Total comprehensive income for the financial period	(27,180)	(8,397)	(44,087)	N/A
Net Profit/(Loss) for the financial period attributable to:				
Owners of the parent	(23,407)	(7,193)	(39,602)	N/A
Non-controlling interests	(2,388)	(138)	(3,337)	N/A
	(25,795)	(7,331)	(42,939)	N/A
Total comprehensive income/(loss) for the financial period attributable to:				
Owners of the parent	(24,792)	(8,259)	(40,750)	N/A
Non-controlling interests	(2,388)	(138)	(3,337)	N/A
	(27,180)	(8,397)	(44,087)	-
Earnings per share attributable to owners of the parent:				
- basic (Sen)	(1.55)	(0.43)	(2.29)	N/A
Weighted average number of ordinary shares ('000 units)	1,509,277	1,663,531	1,730,073	N/A
Enlarged number of ordinary shares in issue ('000 units)	4,990,595	1,663,531	4,990,595	N/A



QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE PERIOD ENDED 31 MAR 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31-Mar-24 (Unaudited) RM'000	As at 31-Dec-22 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	35,872	37,167
Right of use assets	17,897	19,684
Investment in jointly control entity	-	-
Intangible Assets	70,810	70,340
Investment in quoted share	-	130
Investment in jointly control entity	1,000	-
Other Receivable	13,062	14,387
Other investments	320	320
Pre - Operating Expenditures	-	-
	<u>138,961</u>	<u>142,028</u>
CURRENT ASSETS		
Inventories	39,154	13,310
Contract assets	15,378	2,451
Trade receivables	62,138	44,002
Other receivables and deposits	56,114	41,268
Amount due from associated company	6,255	6,255
Amount due from joint venture	-	-
Tax recoverable	3,974	3,671
Deposit with licensed bank	15,675	16,788
Cash and bank balances	35,183	10,788
	<u>233,871</u>	<u>138,533</u>
TOTAL ASSETS	<u>372,832</u>	<u>280,561</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL		
	612,911	479,829
TRANSLATION RESERVE		
	197	1,345
RETAINED PROFITS		
	(394,697)	(355,095)
<i>Shareholders' equity</i>	<u>218,411</u>	<u>126,079</u>
NON-CONTROLLING INTEREST		
<i>Total Equity</i>	<u>(6,736)</u>	<u>(3,399)</u>
	<u>211,675</u>	<u>122,680</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	-	177
Other payables	-	926
Lease liabilities	922	1,093
Bank borrowings	7,938	10,303
Long term creditor	-	7,997
	<u>8,860</u>	<u>20,496</u>
CURRENT LIABILITIES		
Contract liabilities	-	1,764
Trade payables	49,810	53,302
Other payables and accruals	73,305	59,696
Lease liabilities	714	950
Bank borrowings	1,707	6,513
Redeemable preference shares	1,417	1,357
Tax Payable	25,344	13,803
	<u>152,297</u>	<u>137,385</u>
TOTAL EQUITY AND LIABILITIES	<u>372,832</u>	<u>280,561</u>
Net assets per share attributable to owners of the parent (RM)	0.1262	0.0804
Weighted average number of ordinary shares ('000 units)	1,730,073	1,568,576
Enlarged number of ordinary shares in issue ('000 units)	1,663,531	1,663,531

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 2022 and the accompanying explanatory notes to the quarterly report.



QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE PERIOD ENDED 31 MAR 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM '000	Foreign Currency Translation Reserves RM '000	Accumulated Losses RM '000	Total RM '000	Non-controlling Interest RM '000	Total Equity RM '000
At 1 January 2023	479,829	1,345	(355,095)	126,079	(3,399)	122,680
Net profit for the financial year	-	-	(39,602)	(39,602)	(3,337)	(42,939)
Exchanges translation differences for foreign operations	-	(1,148)	-	(1,148)	-	(1,148)
Total comprehensive income for the financial year	-	(1,148)	(39,602)	(40,750)	(3,337)	(44,087)
Transactions with owner:						
Right Issue - Issuance of Ordinary Share	133,082		-	133,082	-	133,082
At 31 Mar 2024 (Unaudited)	612,911	197	(394,697)	218,411	(6,736)	211,675
	-	-	-	-	-	-

Notes:

As announced on 29 November 2024, the financial year end of the Group has been changed from 31 December 2023 to 30 June 2024. As such, there will be no comparative financial information available for the preceding year corresponding periods.

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 2022 and the accompanying explanatory notes to the quarterly report.

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE PERIOD ENDED 31 MAR 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	AS AT END OF CURRENT PERIOD (Unaudited) 31-Mar-24 RM' 000	AS AT END OF PRECEDING YEAR (Audited) 31-Mar-23 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(42,152)	N/A
Adjustments for:-		
Amortization of intangible	-	N/A
Bad debts written off	-	N/A
Intangible asset written off	-	N/A
Depreciation of property, plant and equipment	6,417	N/A
Amortization of right-of-use assets	-	N/A
Fair value adjustment on investment in securities	-	N/A
Derecognition arising from termination of lease agreement	-	N/A
Loss/(Gain) on disposal of property, plant & Equipment	-	N/A
Loss/(Gain) on disposal of investment in joint venture	-	N/A
Impairment loss on trade receivable	-	N/A
Impairment loss on other receivable	-	N/A
Impairment loss on property, plant and equipment	-	N/A
Interest expense	4,223	N/A
Interest Income	(16)	N/A
Property, plant and equipment written off	-	N/A
Reversal of impairment of Other receivable	-	N/A
Unrealised gain on foreign exchange	-	N/A
Operating profit before working capital changes	(31,528)	N/A
Inventories	(2,068)	N/A
Receivables	(35,665)	N/A
Payable	11,831	N/A
Contract assets/liabilities	(38,467)	N/A
Subsidiaries	-	N/A
Joint venture	-	N/A
Directors	-	N/A
Cash used in operations	(95,897)	N/A
Tax paid	-	N/A
Tax refund	-	N/A
Net cash used in operating activities	(95,897)	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	16	N/A
Investment in securities	-	N/A
Decreased/(Increase) in deposits pledged to licensed banks	-	N/A
Proceeds from disposal of property, plants and equipment	-	N/A
Proceeds from disposal of joint venture	-	N/A
Proceeds from disposal of investment in securities	130	N/A
Purchase of property, plant and equipment	(2,204)	N/A
Purchase of right-of-use-assets	-	N/A
Net change in deposit pledged to licensed banks	1,113	N/A
Net cash used in investing activities	(945)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(4,223)	N/A
Repayment of term loan	(6,894)	N/A
Repayment of finance lease liabilities	(407)	N/A
Proceeds from Right Issue	133,082	N/A
Net cash generated from financing activities	121,558	N/A
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD		
	24,716	N/A
EFFECT OF EXCHANGE RATE FLUCTUATIONS		
	(1,148)	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
	10,122	N/A
CASH AND CASH EQUIVALENTS END OF PERIOD		
	33,690	N/A
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER COMPRISE OF:		
Cash and bank balances	35,183	N/A
Fixed deposits with licensed bank	15,675	N/A
Bank overdraft	(388)	N/A
	<u>50,470</u>	<u>N/A</u>
Deposits with licensed bank (pledge)	(15,675)	N/A
Cash at bank pledged with license bank	(1,105)	N/A
	<u>33,690</u>	<u>N/A</u>

Notes:

As announced on 29 November 2024, the financial year end of the Group has been changed from 31 December 2023 to 30 June 2024. As such, there will be no comparative financial information available for the preceding year corresponding periods.

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 2022 and the accompanying explanatory notes to the quarterly report.

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 2021, 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 2022.

The financial statements of the Group have 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 2022 except for the adoption of the following with effect from 1 January 2023:

Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non- current Liabilities with Covenants and Classification of Liabilities as Current or Non-current

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

A2. Change of Financial Year End

On 24 November 2023, the Company announced that the Board of Directors of the Company has approved the change of financial year end from 31 December 2023 to 30 June 2024. Thus, the financial statements will be presented up from 1 January 2023 to 30 June 2024 covering a period of 18 months.

A3. Audit Report

The annual financial statement of the Company for the year ended 31 December 2022 was reported on without qualification.

A4. Seasonal or cyclical factors

The principal business operations of the Group are not materially affected by seasonal or cyclical factors during the financial quarter.

A5. Items of unusual nature and amount

The operations and performance of the Group during the current quarter under review have not been materially affected by any seasonal or cyclical factors.

A6. Material changes in estimates

There is no material change in estimates of amounts reported that will have a material effect in the financial quarter.

A7. 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 for the company are as follows:-

	No. of shares Issued and fully paid ordinary shares with no par value	Share Capital	Total
	'000	RM'000	RM'000
As at 1 Jan 2023	1,663,531	479,829	479,829
Issue of ordinary shares:			
- Right Issue	3,327,063	133,082	133,082
As at 31 Mar 2024	4,990,594	612,911	612,911

A8. 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 31 Mar 2024

A9. Segmental Analysis

a) Analysis of Segmental Revenue and Result

	Current Quarter		Cumulative Quarter	
	3 months ended		15 months ended	
	31 Mar 24	31 Mar 23	31 Mar 24	31 Mar 23
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
- Aviation and Defence	11,089	5,951	53,644	n/a
- Marine	8,506	10,323	47,295	n/a
- Energy	2,022	3,074	27,920	n/a
- Mobility	-	-	90	n/a
- Other	62	27	160	n/a
Elimination of inter-segment	-	-	-	n/a
Total	21,679	19,375	129,108	n/a
Segment result				
- Aviation and Defence	(3,974)	908	(3,076)	n/a
- Marine	(8,146)	(3,661)	(15,073)	n/a
- Energy	(661)	(1,785)	(1,114)	n/a
- Mobility	(4,358)	(422)	(7,034)	n/a
- Other	(6,268)	(2,233)	(13,305)	n/a
Elimination of inter-segment				
Profit/(loss) after tax and NCI	(23,407)	(7,193)	(39,602)	n/a

b) Analysis by Geographical Area

	Current Quarter			
	3 months ended 31 Mar 2024			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sales	13,393	7,786	-	21,679
Inter segment	-	-	-	-
Total	13,393	7,786	-	21,679

	Preceding Quarter			
	3 months ended 31 Mar 2023			
	Malaysia RM'000	Malaysia RM'000	Malaysia RM'000	Malaysia RM'000
Revenue				
External sales	9,409	9,966	-	19,375
Inter segment	-	-	-	-
Total	9,409	9,966	-	19,375

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Mar 2024

	Cumulative Quarter			
	15 months ended 31 Mar 2024			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sales	85,382	43,726	-	129,108
Inter segment	-	-	-	-
Total	85,382	43,726	-	129,108

Notes:

The financial year end of the Group has been changed from 31 Dec 2023 to 30 Jun 2024. As such, there are no comparative figures for the cumulative preceding year corresponding cumulative period.

	31 Mar 2024			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	274,039	98,793	-	372,832
Segment liabilities	132,466	28,691	-	161,157
Depreciation	5,285	1,132	-	6,417
	31 Mar 2023			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	152,078	111,525	-	263,603
Segment liabilities	125,230	24,090	-	149,320
Depreciation	815	473	-	1,288

A10. Valuation of property, plant and equipment

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

A11. Significant Events during 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 had on 18 July 2023, accepted a contract from the Ministry of Defence Malaysia for supply of Non-proprietary aircraft spare parts for the Royal Malaysian Airforce. For the contract ceiling of RM403.8 million, to be shared with other 29 contractors. The Contract will expire on 30 June 2025.
2. Destini Prima Sdn Bhd, a wholly-owned subsidiary of Destini, had on 20 June 2023, accepted a letter of award from Ministry of Defence Malaysia for the procurement of scheduled and unscheduled maintenance, testing, technical services (modification, training, publication and consultation) and supply of spare parts and related components, for the non airborne equipment to the Royal Malaysian Air Force. The value of the Contract is approximately RM25.44 million.
3. Destini Prima Sdn Bhd, a wholly-owned subsidiary of Destini, had on 27 June 2023, accepted a letter of award from Ministry of Defence Malaysia for the procurement, supply

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Mar 2024

and delivery of 70MM rockets (2.72 inch) to the Malaysian Army. The value of the Contract is approximately RM18.75 million.

4. Destini Oil Services Sdn. Bhd., a wholly-owned subsidiary of Destini, had on 10 July 2023, accepted the Service Order from Northern Gulf Petroleum Pte Ltd for the Provision of Conductor Hammering and Tubular Running Services to support Rossukon Project, Gulf of Thailand located at Rossukan field, block G6/48, offshore Gulf of Thailand, Kingdom of Thailand. The value of the Contract is approximately USD 488,000.00.
5. Destini Prima Sdn. Bhd., a wholly-owned subsidiary of Destini, had on 6 September 2023, accepted a letter of award from Ministry of Defence Malaysia for the procurement, supply and delivery of FZ Rocket Motor to the Royal Malaysian Air Force. The value of the Contract is RM19.04 million.
6. Destini Energy Sdn. Bhd., a wholly-owned subsidiary of Destini had on 12 September 2023 entered into a non-binding Collaboration Agreement with Maxland Energy Sdn. Bhd., a wholly-owned subsidiary of Priceworth International Berhad. The parties shall collaborate with each other to develop and embark on renewable energy projects including installation of solar panels at Indah Water Konsortium's sewerage treatment plants, solar power projects in Sandakan, Malaysia and Victoria, Australia and any other renewable energy projects to be secured by the Parties.
7. Destini on 15 September 2023 entered into a Memorandum of Understanding (MOU) with National Defence University of Malaysia to collaborate in the areas of Research and Innovation, Training and Industrial Collaboration Program.

A12. Changes in Composition of the Group

There are no changes in composition of the Group for the quarter under review.

A13 Significant Events Subsequent To the Financial Quarter

Subsequent to the financial period, there is no subsequent events took place for the Company and its subsidiaries:

A14. Contingent Liabilities or Assets

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

	Year to Date 31-Mar -24 RM '000	Year to Date 31-Dec-22 RM '000
Performance guarantees in favour of the supplier and local authorities for the purpose of secured projects	15,675	16,788

A15. Capital Commitments

Approved and contracted for:

Year to Date 31-Mar-24 RM '000	Year to Date 31-Dec-22 RM '000
-	-

A16. Significant related party transactions

There were no significant related party transactions incurred during the financial quarter ended 31 Mar 2024.

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

B1. Review of Performance

a) Current Quarter Compared to Corresponding Quarter

For current quarter Destini's Group revenue increased by 11% to RM21.68 million from RM19.38 million compared to the corresponding period. Higher revenue due to increase in revenue from aviation sectors. Loss after tax and non-controlling interest (LATNCI) for current quarter was RM23.41 million compared to RM7.19 million in corresponding quarter. Higher Loss in the current quarter is due to higher financing and administrative expenses.

Destini's Aviation and Defence sector registered higher revenue in the current quarter due to increase in Trading and MRO activities. Current quarter revenue increased by 86% to RM11.09 million compared to corresponding quarter of RM5.95 million. The sector registered LATNCI of RM3.97 million compared to PATNCI of RM0.91 million profit in the corresponding quarter due to increase in admin expenses.

The marine sector registered 18% decreased in revenue from RM10.32 million in corresponding quarter to RM8.51 million in current quarter due lower contribution from Group's manufacturing unit. Marine sector registered LATNCI of RM8.15 million compared to LATNCI of RM3.66 million in correspondence quarter.

Energy sector of Destini saw its revenue decreased to RM2.02 million in current quarter as compare to corresponding quarter of RM3.07 million. The decreased in revenue is attributed to the lower revenue from the rig activity. Energy sector of Destini recognised lower loss after tax and non-controlling interest (LATNCI) of RM0.66 million compared to loss of RM1.78 million in the corresponding quarter.

Destini's mobility and other sectors recorded LATNCI of RM4.36 million in the current quarter compare to LATNCI of RM0.42 million corresponding quarter, the loss due to higher administrative expenditures.

Destini Berhad and other minor subsidiaries are classified under the 'Others' sector. This sector did not register material revenue in both quarters. The LATNCI for 'Others' sector increased from RM2.23 million in corresponding quarter to RM6.27 million in current quarter. Higher loss as a resulted of higher financing cost and business development expenses

b) Cumulative quarter 15 months

As announced on 24 November 2023, the financial year end of the Company has been changed from 31 December 2023 to 30 June 2024. As such there is no comparative financial information is available for the preceding year corresponding cumulative quarter.

For the cumulative quarter ended 30 June 2023, the Group recorded revenue of RM129.11 million and loss before tax and non-controlling interest of RM39.60 million in current cumulative quarter.

Destini's Aviation and Defence sector revenue contributed RM53.64 million in the current cumulative quarter and this sector posted loss after tax and non-controlling interest of RM3.08million in current cumulative quarter.

The Marine sector revenue contributed RM47.29 million in the current cumulative quarter and this sector registered loss after tax and non controlling interest of RM15.07million in current cumulative quarter.

The Energy sector revenue registered RM27.92 million in the current cumulative quarter and loss after tax and non-controlling interest of RM1.11million in current cumulative quarter.

Destini's Mobility sector revenue registered loss after tax and non-controlling interest of RM7.03million in current cumulative quarter. This is because the MRO activities commence from December 2023.

Destini Berhad and other minor subsidiaries revenue are classified under the 'Others' sector. This sector did not register material revenue and posted loss after tax and non-controlling interest of RM13.31million in current cumulative quarter

B2. Review of Current Quarter against Preceding Quarter

Destini saw lower revenue of RM21.68 million for its current quarter ended 31 Mar 2024 from a revenue of RM28.22 million in the preceding quarter ended 31 December 2023. LATNCI in current quarter increased to RM23.41 million from LATNCI of RM3.93 million in the preceding quarter. Higher Loss in the current quarter compare preceding quarter mainly due to higher financing cost and administrative expenses especially in the mobility sector as MRO activities commenced, higher financing cost and business development expenses.

B3. Commentary on Prospects for the remaining period and next Financial Year

Destini's strong order book presents positive prospects for the company to return to profits in the next financial year. In Destini's Aviation sector, the contracts secured from Ministry of Defence Malaysia are expected to contribute more towards the earnings of Destini in FY2025. Similarly, Destini's ongoing contracts with Ministry of Transport, Malaysia with a total contract value of RM694 million are expected to contribute towards group earning starting next financial.

Destini's Aviation and Defence sector is poised to perform even better in the next quarters. This is backed with their strong orderbook from Ministry Defence, Malaysia. The energy sector has seen an increased in rig activities starting 4Q2023 and is expected to perform satisfactory in the next quarter of the financial year. As indicated earlier, earnings contribution from Mobility sector will begin in 2Q2024 as per the scheduled delivery and handover of trains to KTM. The Marine sector is expected to improve its performance for the remainder of the year owing to the increased orderbook from the group's marine manufacturing unit in China. In addition, the group has also embarked on a cost optimization exercise across the 'Others' segment that will contribute towards decrease in losses arising from this segment.

Destini has completed a rights issue exercise in at raising capital of RM133.08 million. The amount raised will be utilized mainly to the execution of contracts from Ministry of Transport and Ministry of Defence, Malaysia.

The Management expects performance in the next financial quarters to remain sluggish in view of the weaker demand and challenging economic environment caused by rising raw material prices, higher oil prices and the stronger US dollar.

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Mar 2024

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 3 months ended 31-Mar-24 RM '000	Corresponding Quarter 3 months ended 31-Mar-23 RM '000	Current Year To Date 15 months ended 31-Mar-24 RM '000	Corresponding Period 15 months ended 31-Mar-23 RM '000

Current taxation	613	-	(787)	n/a
------------------	-----	---	-------	-----

B6. Corporate Proposals

1. Status of corporate proposals announced but not completed

On 27 March 2027 the announced that the Company is proposing to consolidate every 10 existing Destini Shares held by the shareholders of Destini, on an entitlement date to be determined and announced later, into 1 Consolidated Share.

And that the listing application in relation to the Proposed Share Consolidation has been submitted to Bursa Malaysia Securities Berhad on 15 April 2024. Approval from shareholders was granted in the EGM dated 23 May 24

2. Status of utilisation of proceeds raised from corporate proposals

The Company has used the proceeds from the Rights Issue with Warrants in the following manner:-

Detail of utilisation	Timeframe for utilisation from 13 Mar 2024	Actual proceeds raised (RM'000)	Actual utilisation up to 31 Mar 2024 (RM'000)	Balance available for utilisation (RM'000)
Working Capital	Within 24 months	129,478	106,070	23,408
Repayment of bank borrowing	Within 12 months	2,895	2,895	-
Estimate expenses	Upon completion	710	710	-
Total		133,083	109,675	23,408

There was no deviation between the approved utilization amount and actual utilized amount.

B7. Group Borrowings and Debt Securities

Group borrowings are as follows:-

B7.1 Short Term Borrowings

<u>Secured</u>	31-Mar-24 RM '000	31-Dec-22 RM '000
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase and Lease Payables	673	803
Bank Borrowing	1,319	5,331
<i>Denominated in Singapore Dollar (SGD):</i>		
Hire Purchase and Lease Payables	40	233
Overdraft	388	430
Bank Borrowing	-	666
TOTAL	2,421	7,463

B7.2 Long Term Borrowings

<u>Secured</u>	31-Mar-24 RM '000	31-Dec-22 RM '000
<i>Denominated in Ringgit Malaysia</i>		
Hire Purchase and Lease Payables	865	1,011
Term Loan	3,751	5,822
<i>Denominated in Singapore Dollar (SGD)</i>		
Hire Purchase and Lease Payables	57	264
Bank Borrowing	4,187	4,262
Total	8,860	11,359

B8. Material Litigation

As at the date of this announcement, the following litigation took place for the Company and its subsidiaries:

1. Date of presentation of the Writ of Summons and Statement of Claim

Destini Shipbuilding and Engineering Sdn Bhd (“DSBE”) had on 3 May 2023 received a Writ of Summon and Statement of Claim dated 10 April 2023 (“the Summons”) by Lembaga Hasil Dalam Negeri Malaysia (“LHDN”) for and on behalf of Government of Malaysia issued by the High Court of Malaya at Shah Alam demanding for the settlement of the additional tax payable by DSBE amounting to RM1,254,627.00 including interest and penalty for the years of assessment of 2017 and 2018.

Pursuant to the Summons, DSBE has fourteen (14) days from the date of receipt of the Writ of Summons to enter appearance which DSBE had done so on 10 May 2023. LHDN filed a Summary Judgment application on 14.06.2023. DSBE replied to the affidavit on 27.06.2023. The matter is now fixed for Summary Judgment application Decision on 23.11.2023.

i) The financial and operational impact of the Summons on the Group

The Summons will not have any additional financial and operational impact on the Group.

ii) The expected losses, if any, arising from the Summons

The Company is not expected to incur any further loss arising from the Summons.

iii) Confirmation as whether DSBE is a major subsidiary

DSBE is not a major subsidiary of the Company.

iv) Steps taken and proposed to be taken in respect of the Summons

DSBE is in the process to resolve the matter amicably upon further discussion with LHDN.

2. Destini Shipbuilding and Engineering Sdn Bhd (“DSBE”) had been served with a Writ of Summons, details of which are as follows:

i) Date of service of the Writ of Summons

On 2 June 2022, Pembinaan Ismail had filed a writ of summons against DSBE (Writ No. BA-22C-21-06-2022) which has been received by the Company on 8 June 2022.

On 14 September 2022, Messrs Puspalingam, Kasmani & Partners for and on behalf of Pembinaan Ismail (the Defendant’s solicitors) filed a notice of the application to the High Court of Malaya at Shah Alam, in the State of Selangor Darul Ehsan, to allow the Plaintiff to enter a direct judgment against the Defendant as stated in the filed statement of claim, pursuant to Rule 14 of the Court Rules 2012.

On 21 June 2023, the Court allowed the Plaintiff’s summary application against DSBE for the sum of RM1,975,617.67 and costs of RM5,000.00. Pursuant thereto DSBE filed an appeal against the High Court decision. The Court of Appeal has yet to fix the Case Management date. DSBE also filed an application for Stay of Execution of the Judgment on 20.07.2023. Parties have agreed to settle this matter amicably, wherein DSBE shall pay RM30,000 per month to Pembinaan Ismail for 5 months starting August 2023 until December 2023. Thereafter DSBE shall made a bullet payment for the outstanding amount due to Pembinaan Ismail, including the interest and costs amount awarded to Pembinaan Ismail. In view of the settlement, DSBE the Stay Application and Appeal are withdrawn.

ii) Details of the default or circumstances leading to the filing of the Writ of Summons and the particulars of the claim under the Writ of Summons, including the amount claimed for and the interest rate

The Plaintiff had completed approximately 92.7% of the works by 8 April 2021. The Plaintiff submitted a claim demanding RM14,808,221.06. However, as of 30 March 2021, the Defendant had made a payment of RM11,707,270.79, leaving a balance of RM3,100,950.27 unpaid by the Defendant to the Plaintiff.

iii) The particulars of the claim under the Writ of Summons, including the amount claimed for and the interest rate

Pursuant to the Writ of Summons, the Plaintiff claims the following from DSBE:-

- a) The sum of RM3,100,950.27;
- b) Statutory interest at the rate of 5% on RM3,100,950.27 calculated from the date of the Writ to the date of full settlement of the judgement sum (“Interest on Damage”);
- c) Cost of the proceeding.

iv) A confirmation as to whether DSBE is a major subsidiary

DSBE is not a major subsidiary of the Company.

v) The financial and operational impact of the Writ of Summons on the Group

The Writ of Summons will not have any additional financial and operational impact on the Group

vi) The expected losses, if any, arising from the Writ of Summons on the Group

The Company is not expected to incur any further loss arising from the Writ of Summons

vii) Steps taken and proposed to be taken in respect of the Writ of Summons on the Group

Parties managed to reach a settlement agreement vide a letter dated 18 August 2023. In view of the settlement, DSBE had withdrawn the application for Stay of Execution of Judgment and Appeal.

3. Destini Shipbuilding and Engineering Sdn Bhd (“DSBE”) had been served with a winding up petition, details of which are as follows:

1) DATE OF PRESENTATION OF THE WINDING-UP PETITION

Destini Shipbuilding and Engineering Sdn. Bhd. (“DSBE”) had on 2 April 2024 been served with a winding up petition dated 21 March 2024 (“Petition”) by Messrs. Suraiya Arif, Miranda & Tan acting on behalf of Enigma Technical Solutions Sdn. Bhd. (“Enigma” or “Petitioner”).

2) THE PARTICULARS OF THE CLAIM UNDER THE WINDING-UP PETITION, INCLUDING THE AMOUNT CLAIMED FOR AND THE INTEREST RATE

The Petitioner claim DSBE had failed to settle the judgement amount of RM1,237,601.92. The amount claimed includes the amount indebted to the Petitioner, cost, and interest. The Petitioner’s claims are as follows:

- a) that DSBE be wound up by the Court under the provisions of the Companies Act, 2016;
- b) that Official Receiver Malaysia be appointed as Liquidator of DSBE;
- c) that costs borne by the Petitioner be paid out of the assets of DSBE; and

d) such order and/or direction that may be made by the Honourable Court as shall be deemed just and fit.

3) CONFIRMATION AS TO WHETHER DSBE IS A MAJOR SUBSIDIARY

DSBE is a not a major subsidiary of Destini.

4) TOTAL COST OF INVESTMENT IN DSBE

The total cost of investment of Destini in DSBE is RM3,000,000.

5) THE FINANCIAL AND OPERATIONAL IMPACT OF THE WINDING-UP PETITION

There will be no significant financial and operational impact to Destini and its subsidiaries (“Group”). The Company and/or DSBE is not expected to incur further losses arising from the winding-up petition save for legal fees and disbursements involved to challenge and oppose the winding-up petition.

6) THE EXPECTED LOSSES, IF ANY, ARISING FROM THE WINDING-UP PETITION

The Company is not expected to have any further loss arising from the winding-up petition.

7) STEPS TAKEN AND PROPOSED TO BE TAKEN IN RESPECT OF THE WINDINGUP PETITION

DSBE is seeking the necessary legal advice to resolve and/or defense against this matter.

B9. Dividends

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

B10. Notes to the Statement of Comprehensive Income

	Year to date 31-Mar-24 RM '000	Year to date 31-Dec-22 RM '000
Profit for the period is arrived at after charging/(crediting):-		
Depreciation of property, plant and equipment	6,417	7,197
Interest expense	4,223	1,712
Fair value adjustment on investment in securities	-	50

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Mar 2024

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 3 months ended 31-Mar-24	Corresponding Quarter 3 months ended 31-Mar-23	Current Year To Date 15 months ended 31-Mar-24	Corresponding Quarter 15 months ended 31-Mar-23
Attributable to owners of parent (RM'000)	(23,407)	(7,193)	(39,602)	n/a
Weighted average number of ordinary shares ('000) in issue	1,509,277	1,663,531	1,730,079	n/a
Basic earnings per share (Sen)	(1.55)	(0.43)	(2.29)	n/a

B12. Disclosure of realised and unrealised profit

Year to Date 31-Mar -24 RM'000	Year to Date 31-Dec -22 RM'000
-----------------------------------------------	-----------------------------------------------

Total accumulated losses of the Company
and its subsidiaries

- Realised	(623,357)	(494,582)
less: consolidation adjustments	228,661	139,119

Total retained profits	<u>(394,696)</u>	<u>(355,463)</u>
------------------------	------------------	------------------

BY ORDER OF THE BOARD

DESTINI BERHAD