DESTINI BERHAD (Company No : 633265 K)

SUMMARY OF KEY FINANCIAL INFORMATION

FOR THE FIRST QUARTER ENDED 31 MAR 2018

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Mar-18 RM ' 000	31-Mar-17 RM ' 000	31-Mar-18 RM ' 000	31-Mar-17 RM ' 000
1. Revenue	137,573	223,717	137,573	223,717
2. Profit before tax	9,700	12,980	9,700	12,980
3. Net Profit for the financial period	7,289	9,186	7,289	9,186
4. Profit after tax and non-controlling interest	7,748	10,049	7,748	10,049
5. Basic earnings per share (sen)	0.67	0.87	0.67	0.87
6. Net dividend per share (sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7. Net assets per share (sen)	44.57	44.09

DESTINI BERHAD *(Company No : 633265 K)*

ADDITIONAL INFORMATION

FOR THE FIRST QUARTER ENDED 31 MAR 2018

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Mar-18 RM ' 000	31-Mar-17 RM ' 000	31-Mar-18 RM ' 000	31-Mar-17 RM ' 000
1. Profit from operations	10,928	13,982	10,928	13,982
2. Gross interest income	137	13	137	13
3. Gross interest expense	(1,054)	(1,002)	(1,054)	(1,002)

DESTINI

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MAR 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31-Mar-18 RM'000	As at 31-Dec-17 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	106,056	106,940
Land use rights	1,638	1,684
Intangible Assets	205,398	205,831
Investment in quoted share	1,924	1,924
Investment in jointly control entity	326	-
Other Recievable	12,321	12,321
Other investments	320	320
	327,983	**329,020**
CURRENT ASSETS		
Amount due from contract customers	17,539	13,013
Inventories	13,995	10,684
Trade receivables	349,566	349,497
Other receivables and deposits	116,376	89,863
Amount owing by jointly control entity	684	694
Tax recoverable	6,016	2,702
Deposit with licensed bank	19,277	41,223
Cash and bank balances	21,141	11,468
	544,594	519,144
TOTAL ASSETS	**872,577**	**848,164**
EQUITY AND LIABILITIES		
SHARE CAPITAL	382,807	382,807
TRANSLATION RESERVE	11,832	12,156
RETAINED PROFITS	120,260	114,343
Equity attributable to owners of the parent	**514,899**	**509,306**
NON-CONTROLLING INTEREST	**(1,479)**	**(2,851)**
Total Equity	**513,420**	**506,455**
LONG TERM LIABILITIES		
Preferences shares	1,326	1,363
Deferred taxation	4,576	4,045
Hire purchase payables	971	1,698
Bank borrowings	144,933	145,615
	151,806	**152,721**
CURRENT LIABILITIES		
Amount owing to customer on contract	62,332	18,110
Trade payables	64,595	71,513
Other payables and accruals	29,235	45,020
Hire purchase payables	428	767
Bank borrowings	20,584	30,899
Tax Payable	30,177	22,679
	207,351	**188,988**
TOTAL EQUITY AND LIABILITIES	**872,577**	**848,164**
Net assets per share attributable to owners of the parent (sen)	**44.57**	**44.09**
Number of ordinary shares ('000 units)	1,155,230	1,155,230
	-	-

1) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2017 and the accompanying explanatory notes to the quarterly report.

DESTINI BERHAD (Company No : 633265 K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MAR 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 31-Mar-18 RM'000	INDIVIDUAL QUARTER PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-17 RM'000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 31-Mar-18 RM'000	CUMULATIVE QUARTER PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-17 RM'000
Revenue	**137,573**	**223,717**	**137,573**	**223,717**
Cost of sale	(103,620)	(193,347)	(103,620)	(193,347)
Gross profit	**33,953**	**30,370**	**33,953**	**30,370**
Other income	774	909	774	909
Administrative expenses	(20,798)	(15,581)	(20,798)	(15,581)
Depreciation	(3,001)	(1,716)	(3,001)	(1,716)
Profit from operations	10,928	13,982	10,928	13,982
Finance cost	(1,054)	(1,002)	(1,054)	(1,002)
Share of result of associates/JV	(174)	-	(174)	-
Profit before tax	**9,700**	**12,980**	**9,700**	**12,980**
Taxation	(2,411)	(3,794)	(2,411)	(3,794)
Net profit for the financial period	**7,289**	**9,186**	**7,289**	**9,186**
Other comprehensive income				
- Exchange Translation differences	**(324)**	**(1,021)**	**(324)**	**(1,021)**
Other comprehensive income for the financial period	**(324)**	**(1,021)**	**(324)**	**(1,021)**
Total comprehensive income for the financial period	**6,965**	**8,165**	**6,965**	**8,165**
Net Profit for the financial period attributable to:				
Owners of the parent	7,748	10,049	7,748	10,049
Non-controlling interests	(459)	(863)	(459)	(863)
	7,289	**9,186**	**7,289**	**9,186**
Total comprehensive income for the financial period attributable to:				
Owners of the parent	7,424	9,028	7,424	9,028
Non-controlling interests	(459)	(863)	(459)	(863)
	6,965	**8,165**	**6,965**	**8,165**
Earnings per share attributable to owners of the parent:				
- basic (sen)	0.67	0.87	0.67	0.87
Number of ordinary shares ('000 units)	1,155,230	1,155,230	1,155,230	1,155,230

1) The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2017 and the accompanying explanatory notes to the quarterly report.

DESTINI

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MAR 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	AS AT END OF CURRENT PERIOD (Unaudited) 31-Mar-18 RM' 000	AS AT END OF PRECEDING YEAR (Audited) 31-Dec-17 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**9,700**	**45,100**
Adjustments for:-		
Amortization of intangible	268	1,480
Amortization of land use right	-	40
Bad debts written off	-	431
Depreciation of property,plant and equipment	3,001	12,667
Fair value adjustment on investment in securities (quoted share)	-	(104)
Gain on disposal of a subsidiary		(7,212)
Gain on disposal of property, plant and equipment		-
Impairment loss on receivable	1,999	1,449
Impairment loss on other receivable		264
Impairment on goodwill		1,334
Interest expense	1,054	2,307
Interest Income	(137)	(549)
Inventory written down	-	-
Property plant and equip written off	-	54
Reversal of impairment of trade and other receivable	-	-
Discount received		(6)
Share of (profit)/loss in investment in a associate company	173	1
Unrealized Foreign Exchange (Gain)/ Loss	-	181
	-	-
Operating profit before working capital changes	**16,058**	**57,437**
Inventories	(982)	(194)
Receivables	(11,406)	(180,822)
Payable	(21,530)	27,969
Amount due to contract customers	37,365	3,894
Joint venture		-
Directors	-	-
Cash used in operations	**19,505**	**(91,716)**
Tax paid	5,086	(13,993)
Tax refund		28
Interest paid	(1,054)	(2,307)
Interest received	137	549
Net cash used in operating activities	**23,674**	**(107,439)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Advance to subsidiaries	-	(705)
Investment in joint venture	500	-
Investment in other	-	-
Proceeds from disposal of property,plants and equipment	-	299
Purchase of property,plant and equipment	(2,117)	(17,200)
Procceds from disposal of subsidiries (net cash)		4,177
Purchase of quoted Shares	-	-
Additional of intangible assets	-	(551)
Acquisition of add interest from non controlling interest	-	-
Net cash inflow arising from acquisition of subsidiaries	-	2,730
Net cash used in investing activities	(1,617)	(11,250)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	-	89,828
Repayment of term loan	(10,065)	(11,805)
Repayment of finance lease liabilities	(1,063)	(727)
Changes in LC or credit of TR	-	17,351
Proceeds from issuance of Share (ESOS)	-	-
Proceeds from exercise of warrants	-	-
Proceeds from issuance of Preference Share		-
Utilisation of share premium for issuance expenses	-	-
Decreased/(Increased) in Fixed Deposit pledge to licensed banks	3,146	(16,392)
Net cash generated from financing activities	**(7,982)**	**78,255**
CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	14,075	(40,434)
EFFECT OF EXCHANGE RATE FLUCTUATIONS	(324)	(1,021)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	10,902	52,357
CASH AND CASH EQUIVALENTS END OF PERIOD	**24,653**	**10,902**
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER COMPRISE OF:		
Deposit with licensed bank	19,277	11,468
Cash and bank balances	21,141	41,223
Bank overdraft	-	(930)
	40,418	**51,761**
Deposit with licensed bank (pledge)	(37,713)	(40,859)
Cash at bank pledged with license bank	21,948	-
	24,653	**10,902**
	-	-

1) The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2017 and the accompanying explanatory notes to the quarterly report.

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MAR 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM '000	Share Premium RM '000	ESOS Reserve RM '000	Foreign Currency Translation Reserves RM '000	Retained Profits RM '000	Total RM '000	Non-controlling Interest RM '000	Total Equity RM '000
At 1 January 2017	115,523	267,284	-	14,239	84,334	481,380	(1,556)	479,824
Transition to no par value regime (Note)	267,284	(267,284)	-	-	-	-	-	-
Net profit for the financial year	-	-	-	-	30,009	30,009	(1,419)	28,590
Exchanges translation differences for foreign operations	-	-	-	(2,083)	-	(2,083)	(50.00)	(2,133)
Total comprehensive income for the financial year	-	-	-	(2,083)	30,009	27,926	(1,469)	26,457
Transactions with owner:								
Issue of ordinary shares:							-	
Acqusation of subsidiaries	-	-	-	-	-	-	(2,712)	(2,712)
Disposal of subsidiaries	-	-	-	-	-	-	2,886	2,886
Total transaction with owners	-	-	-	-	-	-	174	174
At 31 December 2017 (Unaudited)	382,807	-	-	12,156	114,343	509,306	(2,851)	506,455
	-	-	-	-	-	-	-	-

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

	Share Capital RM '000	Share Premium RM '000	ESOS Reserve RM '000	Foreign Currency Translation Reserves RM '000	Retained Profits RM '000	Total RM '000	Non-controlling Interest RM '000	Total Equity RM '000
At 1 January 2017	382,807	-	-	12,156	114,343	509,306	(2,851)	506,455
Transition to no par value regime	-	-	-	-	-	-	-	-
Net profit for the financial year	-	-	-	-	7,748	7,748	(459)	7,289
Exchanges translation differences for foreign operations	-	-	-	(324)	-	(324)	-	(324)
Total comprehensive income for the financial year	-	-	-	(324)	7,748	7,424	(459)	6,965
Transactions with owner:								
							-	
Acqusation of new share in subsidiary	-	-	-	-	(1,831)	(1,831)	1,831	-
disposal of subsidiaries	-	-	-	-	-	-	-	-
Total transaction with owners	-	-	-	-	(1,831)	(1,831)	1,831	-
At 31 December 2017 (Unaudited)	382,807	-	-	11,832	120,260	514,899	(1,479)	513,420
	-	-	-	-	-	-	-	-

A1. Significant Accounting Policies

The interim financial report is unaudited and has been prepared in compliance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2017, which were prepared in compliance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"). These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2017.

The financial statements of the Group has been prepared on the historical cost convention except as disclosed in the notes to the financial statements and in compliance with MFRS, IFRS and the Companies Act, 1965 in Malaysia.

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

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

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

A2. Audit Report

The annual financial statement of the Company for the year ended 31 December 2017 was reported on without qualification.

A3. Seasonal or cyclical factors

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

A4. Items of unusual nature and amount

There is no item affecting the assets, liabilities, equity, net income or cash flows of the Group that is unusual because of its nature, size or incidence.

A5. Material changes in estimates

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

A6. Issuance or Repayment of Debt or Equity Securities

There is no issuance or repayment of debt or equity securities, share buybacks, share cancellations, shares held as treasury shares or resale of treasury shares in the financial quarter.

The detail movement of the issued and paid up capital and share premium reserved for the company are as follows:

	No. of shares Issued and fully paid up ordinary shares of RM0.10 each	Share Capital	Share Premium	ESOS Reserves	Total
	'000	RM'000	RM'000	RM'000	RM'000
As at 1 Jan 2018 (Note)	1,155,230	382,807	-	-	382,807
- Transition to no par value regime	-	-	-	-	-
As at 31 Mar 2018	1,155,230	382,807	-	-	382,807

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

A7. Dividend Paid

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

A8. Segmental Analysis

a) Analysis of Segmental Revenue and Result

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.03.18	31.03.17	31.03.18	31.03.17
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
- Services and trading	137,573	223,717	137,573	223,717
- Construction				
Elimination of inter-segment	-	-	-	-
Total	137,573	223,717	137,573	223,717

Segment result				
- Services and trading	7,289	9,186	7,289	9,186
- Construction	-	-	-	-
Profit after tax	7,289	9,186	7,289	9,186

A8. Segmental Analysis (Cont'd)

b) Analysis by Geographical Area

	Current Quarter			
	3 months ended 31 Mar 2018			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	122,467	15,106	-	137,573
Inter segment	-	-	-	-
Total	122,467	15,106	-	137,573

	Preceding Quarter			
	3 months ended 31 Mar 2017			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	217,067	6,650	-	223,717
Inter segment	-	-	-	-
Total	217,067	6,650	-	223,717

	Cumulative Quarter			
	3 months ended 31 Mar 2018			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	122,467	15,106	-	137,573
Inter segment	-	-	-	-
Total	122,467	15,106	-	137,573

	Preceding Cumulative Quarter			
	3 months ended 31 Mar 2017			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	217,067	6,650	-	223,717
Inter segment	-	-	-	-
Total	217,067	6,650	-	223,717

	31 Mar 2018			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	738,664	134,254	-	873,256
Segment liabilities	317,100	42,057	-	359,157
Depreciation	2,790	211	-	3,001
	31 Mar 2017			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	583,493	126,547	-	710,040
Segment liabilities	126,462	96,508	-	222,970
Depreciation	1,627	89	-	1,716

A9. Valuation of property, plant and equipment

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

A10. Significant Events During The Financial Quarter

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

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

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

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

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

A11. Changes in Composition of the Group

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

A12. Significant Events Subsequent To the Financial Quarter

Subsequent to the financial quarter, the following significant events took place for the Company and its subsidiaries:

1. Destini Engineering Technologies Sdn Bhd, a wholly-owned subsidiary of Destini, had on 10 April 2018, entered into a memorandum of understanding ("MOU") with Felcra Processing & Engineering Sdn Bhd. The MOU to provide, amongst others, maintenance, repair and overhaul (MRO) services for industrial facilities and equipment for the agriculture and related industries within Malaysia and the ASEAN region.

2. Destini Prima Sdn Bhd, a wholly-owned subsidiary of Destini, had on 19 April 2018, accepted a letter of award from Ministry of Defence Malaysia for an additional RM138.0 million (including the Goods and Services Tax) to the existing contract to provide maintenance, repair and overhaul services and the supply of safety and survival equipment to the Royal Malaysian Air Force. The Letter of Award is an addition to the Contract ceiling.

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

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

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

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

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

A13. 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-18 RM '000	**Year to Date 31-Dec-17 RM '000**
Banker's guarantees in favour of the local authorities for the purpose of development projects		
- Secured	29,493	29,493

A14. Capital Commitments

	Year to Date 31-Mar-18 RM '000	**Year to Date 31-Dec-17 RM '000**
Approved and contracted for :	-	-

A15. Significant related party transactions

There were no significant related party transactions occurred during the financial quarter ended 31 Mar 2018.

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

B1. Review of Performance

For the financial period ended 31 Mar 2018, the Group's revenue decreased by 38% to RM137.57 million as compared to RM223.72 million in the preceding year corresponding period. The main contributor to the decreased in revenue was aviation manufacturing services.

Profit after tax and non-controlling interests decreased by 23% to RM7.75 million as compared to RM10.05 million reported in the preceding year's corresponding period. The decrease in financial performance is mainly attributed to the decrease in the aviation manufacturing services.

B2. Review of Current Quarter against Preceding Quarter

The Group registered a revenue of RM137.57 million for the current quarter under review compared to RM108.20 million in the preceding quarter. The Group's profit after tax and non-controlling interests Increased by 37% to RM7.75million for the current quarter under review as compared to profit after tax and non-controlling interests of RM5.65 million in the preceding quarter. Higher profit due to lower contribution from manufacturing services compared to MRO services.

B3. Commentary on Prospects for the Next Financial Quarter

The directors expect the Group's operating environment to remain challenging and competitive. Barring unforeseen circumstances, the Board foresees the Group's operational results for the financial year 2018 will be satisfactory**.**

B4. Profit Forecast and Profit Guarantee

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

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Quarter	**Preceding Year Corresponding Quarter**	**Current Year To Date**	**Preceding Year Corresponding Period**
	31-Mar-18 RM '000	**31-Mar-17 RM '000**	**31-Mar-18 RM '000**	**31-Mar-17 RM '000**
Current taxation	**(2,411)**	**(3,794)**	**(2,411)**	**(3,794)**

B6. Corporate Proposals

There was no other corporate proposals announce but not yet completed as at the date of this quarterly report.

B7. Group Borrowings and Debt Securities

Group borrowings were as follows:

B7.1 Short Term Borrowings

Secured	31-Mar-18 RM '000	31-Dec-17 RM '000
Denominated in Ringgit Malaysia:		
Hire Purchase Payables	364	753
Overdraft	-	-
Bank Borrowing	16,745	24,747
Denominated in Singapore Dollar (SGD):		
Hire Purchase Payables	64	65
Bank Borrowing	1,690	4,158
Denominated in Chinese Renminbi (CNY):		
Term Loans	2,149	2,216
Total	**21,012**	**31,666**

B7.2 Long Term Borrowings

Secured	31-Mar-18 RM '000	31-Dec-17 RM '000
Denominated in Ringgit Malaysia:		
Hire Purchase Payables	857	1,562
Term Loan	39,542	140,224
Denominated in Singapore Dollar (SGD):		136
Hire Purchase Payables	114	5,391
Bank Borrowing	5,391	
Total	**145,904**	**147,313**

B8. Material Litigation

Except as disclosed below, the Group is not engaged in any outstanding material litigation, which has a material effect on the financial position or the business of the Group and the Board:

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

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

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

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

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

B9. Dividends

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

B10. Notes to the Statement of Comprehensive Income

	Individual quarter 31-Mar-18 RM '000	Year to date 31-Mar-18 RM '000
Profit for the period is arrived at after charging/(crediting):-		
Depreciation of property, plant and equipment	3,001	3,001
Interest expense	1,054	1,054

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 **31-Mar-18**	**Preceding Year Corresponding Quarter** **31-Mar-17**	**Current Year To Date** **31-Mar-18**	**Preceding Year Corresponding Quarter** **31-Mar-17**
Attributable to owners of parent (RM'000)	**7,748**	**10,049**	**7,748**	**10,049**
Weighted average number of ordinary shares ('000) in issue	**1,155,230**	**1,155,230**	**1,155,230**	**1,155,230**
Basic earnings per share (sen)	**0.67**	**0.87**	**0.67**	**0.87**

B12. Disclosure of realised and unrealised profit

	Year to Date 31-Mar-18 RM'000	Year to Date 31-Dec-17 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	74,050	52,783
Less : consolidation adjustments	46,211	61,560
Total retained profits	120,261	114,343

BY ORDER OF THE BOARD

DATO' ROZABIL ABDUL RAHMAN
President and Group Chief Executive Officer