



DESTINI BERHAD (Company No : 633265 K)

SUMMARY OF KEY FINANCIAL INFORMATION

FOR THE FOURTH QUARTER ENDED 31 DEC 2018

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Dec-18 RM ' 000	31-Dec-17 RM ' 000	31-Dec-18 RM ' 000	31-Dec-17 RM ' 000
1. Revenue	102,770	108,017	401,116	685,603
2. Profit/(Loss) before tax	9,816	5,535	10,193	41,761
3. Net Profit/(Loss) for the financial period	2,156	4,874	2,266	29,350
4. Profit/(Loss) after tax and non-controlling interest	1,563	5,651	1,807	30,674
5. Basic earnings per share (sen)	0.14	0.49	0.16	2.66
6. Net dividend per share (sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7. Net assets per share (sen)	44.08	44.09



DESTINI BERHAD (Company No : 633265 K)

ADDITIONAL INFORMATION

FOR THE FOURTH QUARTER ENDED 31 DEC 2018

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Dec-18 RM ' 000	31-Dec-17 RM ' 000	31-Dec-18 RM ' 000	31-Dec-17 RM ' 000
1. Profit/(Loss) from operations	10,271	6,180	16,028	45,830
2. Gross interest income	2,408	13	2,545	44
3. Gross interest expense	(326)	(645)	(5,335)	(4,069)



QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DEC 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31-Dec-18 RM'000	As at 31-Dec-17 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	108,337	106,940
Land use rights	1,597	1,684
Intangible Assets	205,034	205,831
Investment in quoted share	1,137	1,924
Investment in jointly control entity	-	-
Other Receivable	12,321	12,321
Other investments	320	320
	328,746	329,020
CURRENT ASSETS		
Amount due from contract customers	49,466	13,013
Inventories	11,928	10,684
Trade receivables	280,142	349,497
Other receivables and deposits	60,082	89,863
Amount owing by jointly control entity	-	694
Tax recoverable	5,876	2,702
Deposit with licensed bank	22,171	41,223
Cash and bank balances	30,297	11,468
	459,962	519,144
TOTAL ASSETS	788,708	848,164
EQUITY AND LIABILITIES		
SHARE CAPITAL	382,807	382,807
TRANSLATION RESERVE	13,371	12,156
RETAINED PROFITS	113,040	114,343
<i>Equity attributable to owners of the parent</i>	509,218	509,306
NON-CONTROLLING INTEREST	(561)	(2,851)
<i>Total Equity</i>	508,657	506,455
LONG TERM LIABILITIES		
Preferences shares	1,366	1,363
Deferred taxation	5,799	4,045
Hire purchase payables	1,680	1,698
Bank borrowings	130,568	145,615
Retirement benefits	471	-
	139,884	152,721
CURRENT LIABILITIES		
Amount owing to customer on contract	-	18,110
Trade payables	47,094	71,513
Other payables and accruals	49,879	45,020
Hire purchase payables	2,315	767
Bank borrowings	16,038	30,899
Tax Payable	24,841	22,679
	140,167	188,988
TOTAL EQUITY AND LIABILITIES	788,708	848,164
Net assets per share attributable to owners of the parent (sen)	44.08	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 FOURTH QUARTER ENDED 31 DEC 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 31-Dec-18 RM'000	INDIVIDUAL QUARTER PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-17 RM'000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 31-Dec-18 RM'000	CUMULATIVE QUARTER PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-17 RM'000
Revenue	102,770	108,017	401,116	685,603
Cost of sale	(50,478)	(83,344)	(288,073)	(572,906)
Gross profit	52,292	24,673	113,043	112,697
Other income	4,674	8,867	6,193	10,344
Administrative expenses	(43,591)	(25,296)	(91,234)	(69,377)
Depreciation	(3,104)	(2,064)	(11,974)	(7,834)
Profit from operations	10,271	6,180	16,028	45,830
Finance cost	(326)	(645)	(5,335)	(4,069)
Share of result of associates/JV	(129)	-	(500)	-
Profit/(Loss) before tax	9,816	5,535	10,193	41,761
Taxation	(7,660)	(661)	(7,927)	(12,411)
Net profit/(Loss) for the financial period	2,156	4,874	2,266	29,350
Other comprehensive income				
- Exchange Translation differences	(864)	1,037	1,215	(2,819)
Other comprehensive income for the financial period	(864)	1,037	1,215	(2,819)
Total comprehensive income for the financial period	1,292	5,911	3,481	26,531
Net Profit/(Loss) for the financial period attributable to:				
Owners of the parent	1,563	5,651	1,807	30,674
Non-controlling interests	593	(777)	459	(1,324)
	2,156	4,874	2,266	29,350
Total comprehensive income/(loss) for the financial period attributable to:				
Owners of the parent	699	6,688	3,022	27,855
Non-controlling interests	593	(777)	459	(1,324)
	1,292	5,911	3,481	26,531
Earnings per share attributable to owners of the parent:				
- basic (sen)	0.14	0.49	0.16	2.66
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.



QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DEC 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	AS AT END OF CURRENT PERIOD (Unaudited) 31-Dec-18 RM' 000	AS AT END OF PRECEDING YEAR (Audited) 31-Dec-17 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	10,193	45,100
Adjustments for:-		
Amortization of intangible	1,072	1,480
Amortization of land use right	-	40
Bad debts written off	-	431
Depreciation of property, plant and equipment	924	12,667
Fair value adjustment on investment in securities (quoted share)	787	(104)
Gain on disposal of a subsidiary	-	(7,212)
Gain on disposal of property, plant and equipment	-	-
Impairment loss on receivable	1,985	1,449
Impairment loss on other receivable	-	264
Impairment on goodwill	-	1,334
Interest expense	5,335	2,307
Interest Income	(2,545)	(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	-	1
Unrealized Foreign Exchange (Gain)/ Loss	-	181
	-	-
Operating profit before working capital changes	17,751	57,437
Inventories	1,085	(194)
Receivables	113,035	(180,822)
Payable	(14,209)	27,969
Amount due to contract customers	(56,893)	3,894
Joint venture	-	-
Directors	-	-
Cash used in operations	60,769	(91,716)
Tax paid	(5,763)	(13,993)
Tax refund	-	28
Interest paid	(5,335)	(2,307)
Interest received	2,545	549
Net cash used in operating activities	52,216	(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	(2,322)	(17,200)
Proceeds from disposal of subsidiaries (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	(1,822)	(11,250)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	-	89,828
Repayment of term loan	(32,316)	(11,805)
Repayment of finance lease liabilities	1,530	(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	-	(16,392)
Net cash generated from financing activities	(30,786)	78,255
CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	19,608	(40,434)
EFFECT OF EXCHANGE RATE FLUCTUATIONS	1,215	(1,021)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	10,902	52,357
CASH AND CASH EQUIVALENTS END OF PERIOD	31,725	10,902
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER COMPRISE OF:		
Deposit with licensed bank	22,171	11,468
Cash and bank balances	30,297	41,223
Bank overdraft	(327)	(930)
	52,141	51,761
Deposit with licensed bank (pledge)	(40,859)	(40,859)
Cash at bank pledged with license bank	20,443	-
	31,725	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 FOURTH QUARTER ENDED 31 DEC 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:							-	
Acquisition of subsidiaries	-	-	-	-	-	-	(2,712)	(2,712)
Disposal of subsidiaries	-	-	-	-	-	-	2,886	2,886
Total transaction with owners	-	-	-	-	-	-	174	174
At 31 December 2017 (Audited)	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 2018	382,807	-	-	12,156	114,343	509,306	(2,851)	506,455
Transition to no par value regime	-	-	-	-	-	-	-	-
Net profit for the financial year	-	-	-	-	1,807	1,807	459	2,266
Exchanges translation differences for foreign operations	-	-	-	1,215	-	1,215	-	1,215
Total comprehensive income for the financial year	-	-	-	1,215	1,807	3,022	459	3,481
Transactions with owner:								
Acquisition of new share in subsidiary	-	-	-	-	(1,831)	(1,831)	1,831	-
Expected credit loss	-	-	-	-	(1,279)	(1,279)	-	(1,279)
Total transaction with owners	-	-	-	-	(3,110)	(3,110)	1,831	(1,279)
At 31 December 2018 (Unaudited)	382,807	-	-	13,371	113,040	509,218	(561)	508,657

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.

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2018

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 Dec 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		12 months ended	
	31.12.18	31.12.17	31.12.18	31.12.17
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
- Services and trading	102,770	108,017	401,116	685,603
- Construction				
Elimination of inter-segment	-	-	-	-
Total	102,770	108,017	401,116	685,603

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2018

Segment result				
- Services and trading	2,156	4,874	2,266	29,350
- Construction	-	-	-	-
Profit after tax	2,,156	4,874	2,266	29,350

A8. Segmental Analysis (Cont'd)

b) Analysis by Geographical Area

	Current Quarter			
	3 months ended 31 Dec 2018			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	82,553	20,217	-	102,770
Inter segment	-	-	-	-
Total	82,553	20,217	-	102,770

	Preceding Quarter			
	3 months ended 31 Dec 2017			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	90,378	17,639	-	108,017
Inter segment	-	-	-	-
Total	90,378	17,639	-	108,017

	Cumulative Quarter			
	12 months ended 31 Dec 2018			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	333,366	67,750	-	401,116
Inter segment	-	-	-	-
Total	333,366	67,750	-	401,116

	Preceding Cumulative Quarter			
	12 months ended 31 Dec 2017			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	646,487	39,116	-	685,603
Inter segment	-	-	-	-
Total	646,487	39,116	-	685,603

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2018

	31 Dec 2018			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	678,890	112,134	-	791,024
Segment liabilities	242,162	34,877	-	277,039
Depreciation	11,147	827	-	11,974
	31 Dec 2017			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	767,090	140,270	-	907,360
Segment liabilities	284,904	113,878	-	398,782
Depreciation	6,568	1,246	-	7,814

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.

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2018

PETRONAS Carigali Sdn Bhd has awarded Destini Oil Services Sdn Bhd, a conditional work order award dated 2 July 2018 for the Provision of Well Abandonment Integrated Services for Pulau-B. the value of the Work Order is approximately USD 5 million or equivalent to RM20.2 million.

3. 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.
4. 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.
5. Destini Oil Services Sdn Bhd, a wholly-owned subsidiary of Destini, had on 22 May 2018, received a letter of award as a technical partner from Lyallpur Oil Tool Pvt Ltd for the tubular running services in Pakistan. The Letter of Award is estimated to have a gross value of approximately United States Dollar 8.0 million (equivalent to approximately RM31.76 million as at 22 May 2018).
6. Destini Berhad on 5 June 2018 incorporated a new wholly-owned subsidiary company with the name “DESTINI EMPIRE PROPERTIES SDN. BHD. ” (Company No. 1282448-U) (“DEP”) with the issued share capital of RM1.00 only.

The intended principal activity of DEP is to acquire by purchase, lease, exchange, hire or otherwise, lands and property of any tenure, buildings, or any share or shares, interest or interests therein.

The incorporation of DEP is not expected to have any material effects on the earnings per share, net assets per share, gearing, share capital and substantial shareholders’ shareholdings of Destini for the financial year ending 31 December 2018.

The incorporation of DEP is not subject to the approval of the shareholders of the Company.

None of the Directors and major shareholders or persons connected to the Directors or major shareholders of the Company has any interests, direct or indirect, in the incorporation of DEP.

7. PETRONAS Carigali Sdn Bhd has awarded Destini Oil Services Sdn Bhd, a conditional work order award dated 2 July 2018 for the Provision of Well Abandonment Integrated Services for Pulau-B. The value of the Work Order is approximately USD 5 million or equivalent to RM20.2 million.
8. Destini Oil Services Sdn Bhd, a wholly-owned subsidiary of Destini, had on 8 August 2018, received a contract award from PDC for the provision of tubular running services in the Union of Republic of Myanmar. The value of the Contract is estimated at USD5.2 million.
9. Destini Oil Services Sdn Bhd, a wholly-owned subsidiary of Destini, had received a letter of award on 7 November 2018 for the Provision of Tubular Handling, Conductor

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2018

Installation and Slot Recovery Equipment and Services for PAC Operators' Drilling Program for PETRONAS Carigali Sdn Bhd ("PETRONAS Carigali").

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 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 4 January 2019, received a letter of extension dated 28 December 2018 ("**Letter of Extension**") from the Ministry of Home Affairs to provide maintenance, repair and overhaul services, technical assistance and supply of spares related to safety and survival equipment, ground support and mechanical equipment, electronic equipment, airborne multisensor system and flight operations equipment for the Pasukan Gerakan Udara, Royal Malaysia Police for a further period of three (3) years from 30 November 2018 and expiring on 29 November 2021. The contract ceiling remains at RM10.0 million.
2. Destini Oil Services Sdn Bhd, a wholly-owned subsidiary of Destini, had on 14 January 2019 received a letter of award for the provision of tubular running services for exploration & appraisal and infill drilling campaign for Block B-17 & C-19 and Block B-17-01 located at the lower part of Gulf of Thailand near the South China Sea for Carigali-PTTEPI Operating Company Sdn Bhd.

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

Year to Date 31-Dec-18 RM '000	Year to Date 31-Dec-17 RM '000
29,493	29,493

A14. Capital Commitments

Approved and contracted for :

Year to Date 31-Dec-18 RM '000	Year to Date 31-Dec-17 RM '000
-	-

A15. Significant related party transactions

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

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 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 Dec 2018, the Group's revenue decreased to RM401.12 million or 41% as compared to RM685.60 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 to RM1.81 million' decreased by 94% as compared to RM30.67 million reported in the preceding year's corresponding period. The decreased 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 RM102.77 million for the current quarter under review or more than 100% increase compared to RM11.71 million in the preceding quarter. The Group registered profit after tax and non-controlling interests of RM1.56 million for the current quarter under review as compared to loss after tax and non-controlling interests at RM13.25 million in the preceding quarter. Profit in current quarter due to higher contribution from manufacturing services and MRO services.

B3. Commentary on Prospects for the Next Financial Quarter

The directors expect the Group's operating environment to remain challenging and competitive. Barring unforeseen circumstances, the Board foresees the Group's operational results for the financial year 2019 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-Dec-18 RM '000	31-Dec-17 RM '000	31-Dec-18 RM '000	31-Dec-17 RM '000

Current taxation

(7,660)

(661)

(7,927)

(12,411)

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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

<u>Secured</u>	31-Dec-18 RM '000	31-Dec-17 RM '000
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase Payables	309	753
Overdraft	326	-
Bank Borrowing	10,023	24,747
<i>Denominated in Singapore Dollar (SGD):</i>		
Hire Purchase Payables	1,459	65
Bank Borrowing	4,117	4,158
<i>Denominated in Chinese Renminbi (CNY):</i>		
Term Loans	2,107	2,216
Total	18,341	31,666

B7.2 Long Term Borrowings

<u>Secured</u>	31-Dec-18 RM '000	31-Dec-17 RM '000
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase Payables	767	1,562
Term Loan	125,886	140,224
<i>Denominated in Singapore Dollar (SGD):</i>		
Hire Purchase Payables	905	136
Bank Borrowing	4,690	5,391
Total	132,248	147,313

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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

	Year to date 31-Dec-18 RM '000	Year to date 31-Dec-17 RM '000
Profit for the period is arrived at after charging/(crediting):-		
Depreciation of property, plant and equipment	11,974	7,814
Interest expense	5,335	645
Fair value adjustment on investment in securities	787	-

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2018

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	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Quarter
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
Attributable to owners of parent (RM'000)	1,563	5,651	1,807	30,674
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)	0.14	0.49	0.16	2.66

B12. Disclosure of realised and unrealised profit

	Year to Date 31-Dec-18 RM'000	Year to Date 31-Dec-17 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	65,001	52,783
Less : consolidation adjustments	48,039	61,560
Total retained profits	113,040	114,343

BY ORDER OF THE BOARD

DATO' ROZABIL ABDUL RAHMAN
President and Group Chief Executive Officer