



SUMMARY OF KEY FINANCIAL INFORMATION

FOR THE FOURTH QUARTER ENDED 31 DEC 2023

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Dec-23 RM ' 000	31-Dec-22 RM ' 000	31-Dec-23 RM ' 000	31-Dec-22 RM ' 000
1. Revenue	28,215	98,650	107,430	186,170
2. Profit/(Loss) before tax	(4,061)	(32,286)	(15,744)	(33,157)
3. Net Profit/(Loss) for the financial period	(4,444)	(32,114)	(17,144)	(32,830)
4. Profit/(Loss) after tax and non-controlling interest	(3,932)	(29,653)	(16,195)	(30,155)
5. Basic earnings per share (Sen)	(0.24)	(1.78)	(0.97)	(1.81)
6. Net dividend per share (Sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7. Net assets per share (RM)	0.0659	0.0804

ADDITIONAL INFORMATION

FOR THE FOURTH QUARTER ENDED 31 DEC 2023

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Dec-23 RM ' 000	31-Dec-22 RM ' 000	31-Dec-23 RM ' 000	31-Dec-22 RM ' 000
1. Profit/(Loss) from operations	(3,515)	(31,435)	(14,444)	(31,445)
2. Gross interest income	5	104	10	167
3. Gross interest expense	(546)	(851)	(1,300)	(1,712)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DEC 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 31-Dec-23 (Unaudited) RM'000	INDIVIDUAL QUARTER PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-22 (Unaudited) RM'000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 31-Dec-23 (Unaudited) RM'000	CUMULATIVE QUARTER PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-22 (Audited) RM'000
Revenue	28,215	98,650	107,430	186,170
Cost of sale	(16,417)	(80,508)	(65,377)	(127,455)
Gross profit	11,798	18,142	42,053	58,715
Other income	133	5,505	1,156	8,578
Administrative expenses	(14,388)	(54,520)	(53,040)	(91,541)
Depreciation	(1,058)	(562)	(4,613)	(7,197)
Profit from operations	(3,515)	(31,435)	(14,444)	(31,445)
Finance cost	(546)	(851)	(1,300)	(1,712)
Profit/(Loss) before tax	(4,061)	(32,286)	(15,744)	(33,157)
Taxation	(383)	172	(1,400)	327
Net profit/(Loss) for the financial period	(4,444)	(32,114)	(17,144)	(32,830)
Other comprehensive income				
- Exchange Translation differences	(206)	2,471	(237)	(3,497)
Other comprehensive income for the financial period	(206)	2,471	(237)	(3,497)
Total comprehensive income for the financial period	(4,650)	(29,643)	(17,381)	(36,327)
Net Profit/(Loss) for the financial period attributable to:				
Owners of the parent	(3,932)	(29,653)	(16,195)	(30,155)
Non-controlling interests	(512)	(2,461)	(949)	(2,675)
	(4,444)	(32,114)	(17,144)	(32,830)
Total comprehensive income/(loss) for the financial period attributable to:				
Owners of the parent	(4,138)	(27,182)	(16,432)	(33,801)
Non-controlling interests	(512)	(2,461)	(949)	(2,526)
	(4,650)	(29,643)	(17,381)	(36,327)
Earnings per share attributable to owners of the parent:				
- basic (Sen)	(0.24)	(1.78)	(0.97)	(1.81)
Weighted average number of ordinary shares ('000 units)	1,663,531	1,663,531	1,663,531	1,663,531
Enlarged number of ordinary shares in issue ('000 units)	1,663,531	1,663,531	1,663,531	1,663,531



**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DEC 2023**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31-Dec-23 (Unaudited) RM'000	As at 31-Dec-22 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	34,585	37,167
Right of use assets	17,890	19,684
Investment in jointly control entity	-	-
Intangible Assets	72,004	70,340
Investment in quoted share	-	130
Investment in jointly control entity	-	-
Other Receivable	200	14,387
Other investments	320	320
Pre - Operating Expenditures	-	-
	124,999	142,028
CURRENT ASSETS		
Inventories	15,091	13,310
Contract assets	13,518	2,451
Trade receivables	52,601	44,002
Other receivables and deposits	62,630	41,268
Amount due from associated company	6,255	6,255
Amount due from joint venture	-	-
Tax recoverable	3,840	3,671
Deposit with licensed bank	15,137	16,788
Cash and bank balances	15,967	10,788
	185,039	138,533
TOTAL ASSETS	310,038	280,561
EQUITY AND LIABILITIES		
SHARE CAPITAL	479,829	479,829
TRANSLATION RESERVE	1,108	1,345
RETAINED PROFITS	(371,290)	(355,095)
Shareholders' equity	109,647	126,079
NON-CONTROLLING INTEREST	(4,348)	(3,399)
Total Equity	105,299	122,680
NON-CURRENT LIABILITIES		
Deferred tax liabilities	-	177
Other payables	-	926
Lease liabilities	1,083	1,093
Bank borrowings	7,874	10,303
Long term creditor	20,000	7,997
	28,957	20,496
CURRENT LIABILITIES		
Contract liabilities	-	1,764
Trade payables	57,281	53,302
Other payables and accruals	88,566	59,696
Lease liabilities	600	950
Bank borrowings	1,662	6,513
Redeemable preference shares	1,484	1,357
Tax Payable	26,189	13,803
	175,782	137,385
TOTAL EQUITY AND LIABILITIES	310,038	280,561
Net assets per share attributable to owners of the parent (RM)	0.0659	0.0804
Weighted average number of ordinary shares ('000 units)	1,663,531	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 FOURTH QUARTER ENDED 31 DEC 2023

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 2022	479,829	4,990	(323,717)	161,102	(2,096)	159,006
Net profit for the financial year	-	-	(30,155)	(30,155)	(2,675)	(32,830)
Exchanges translation differences for foreign operations	-	(3,645)	-	(3,645)	149	(3,496)
Total comprehensive income for the financial year	-	(3,645)	(30,155)	(33,800)	(2,526)	(36,326)
Transactions with owner:						
Acquisition of non-controlling interest:			(1,223)	(1,223)	1,223	-
At 31 December 2023 (Audited)	479,829	1,345	(355,095)	126,079	(3,399)	122,680
	-	-	-	-	-	-

	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	-	-	(16,195)	(16,195)	(949)	(17,144)
Exchanges translation differences for foreign operations	-	(237)	-	(237)	-	(237)
Total comprehensive income for the financial year	-	(237)	(16,195)	(16,432)	(949)	(17,381)
Transactions with owner:						
Acquisition of non-controlling interest:			-	-	-	-
At 31 December 2023 (Unaudited)	479,829	1,108	(371,290)	109,647	(4,348)	105,299
	-	-	-	-	-	-

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DEC 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	AS AT END OF CURRENT PERIOD (Unaudited) 31-Dec-23 RM' 000	AS AT END OF PRECEDING YEAR (Audited) 31-Dec-22 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(15,744)	(33,157)
Adjustments for:-		
Amortization of intangible	-	981
Bad debts written off	-	432
Intangible asset written off	-	100
Depreciation of property, plant and equipment	4,614	7,197
Amortization of right-of-use assets	-	1,913
Fair value adjustment on investment in securities	-	50
Derecognition arising from termination of lease agreement	-	(30)
Loss/(Gain) on disposal of property, plant & Equipment	-	(11)
Loss/(Gain) on disposal of investment in joint venture	-	(2,975)
Impairment loss on trade receivable	-	19,851
Impairment loss on other receivable	-	6,696
Impairment loss on property, plant and equipment	-	934
Interest expense	1,300	1,712
Interest Income	(10)	(167)
Property, plant and equipment written off	-	115
Reversal of impairment of Other receivable	-	(1,079)
Unrealised gain on foreign exchange	-	(175)
Operating profit before working capital changes	(9,840)	2,387
Inventories	(1,781)	(1,212)
Receivables	24,513	15,192
Payable	14,536	(19,084)
Contract assets/liabilities	(14,922)	76,351
Subsidiaries	-	-
Joint venture	-	500
Directors	-	(7)
Cash used in operations	12,506	74,127
Tax paid	-	(3,930)
Tax refund	-	261
Net cash used in operating activities	12,506	70,458
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	10	167
Investment in securities	-	-
Decreased/(Increase) in deposits pledged to licensed banks	-	-
Proceeds from disposal of property, plants and equipment	-	24
Proceeds from disposal of joint venture	-	2,975
Proceeds from disposal of investment in securities	130	-
Purchase of property, plant and equipment	60	(2,327)
Purchase of right-of-use-assets	-	(8)
Net change in deposit pledged to licensed banks	(1,651)	1,790
Net cash used in investing activities	(1,451)	2,621
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,300)	(1,712)
Repayment of term loan	(7,023)	(86,303)
Repayment of finance lease liabilities	(360)	(1,572)
Proceeds from private placement	-	-
Net cash generated from financing activities	(8,683)	(89,587)
NET INCREASE/(DECREASE) IN CASH AND		
CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	2,372	(16,508)
EFFECT OF EXCHANGE RATE FLUCTUATIONS	(237)	(3,733)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	10,122	30,363
CASH AND CASH EQUIVALENTS END OF PERIOD	12,257	10,122
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER COMPRISE OF:		
Cash and bank balances	15,967	10,788
Fixed deposits with licensed bank	15,137	16,788
Bank overdraft	(256)	(666)
	30,848	26,910
Deposits with licensed bank (pledge)	(15,137)	(16,788)
Cash at bank pledged with license bank	(3,454)	-
	12,257	10,122

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 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:			
- Private placement	-	-	-
As at 31 Dec 2023	1,663,531	479,829	479,829

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 Dec 2023
A9. Segmental Analysis
a) Analysis of Segmental Revenue and Result

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31 Dec 23	30 Dec 22	31 Dec 23	31 Dec 22
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
- Aviation and Defence	11,315	66,895	42,555	83,521
- Marine	7,466	32,151	38,789	63,603
- Energy	9,327	409	25,897	38,905
- Mobility	36	-	90	-
- Other	71	14	98	141
Elimination of inter-segment	-	-	-	-
Total	28,215	98,650	107,429	186,170
Segment result				
- Aviation and Defence	802	(3,062)	897	392
- Marine	(2,491)	(7,610)	(6,927)	(9,254)
- Energy	(547)	(3,651)	(453)	(3,358)
- Mobility	(1,105)	(921)	(2,675)	(1,610)
- Other	(591)	(14,409)	(7,036)	(16,325)
Elimination of inter-segment				
Profit/(loss) after tax and NCI	(3,932)	(29,653)	(16,194)	(30,155)

b) Analysis by Geographical Area

	Current Quarter			
	3 months ended 31 Dec 2023			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sales	18,829	9,389	-	28,218
Inter segment	-	-	-	-
Total	18,829	9,389	-	28,218

	Preceding Quarter			
	3 months ended 31 Dec 2022			
	Malaysia RM'000	Malaysia RM'000	Malaysia RM'000	Malaysia RM'000
Revenue				
External sales	86,891	86,891	86,891	86,891
Inter segment	-	-	-	-
Total	86,891	86,891	86,891	86,891

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2023

	Cumulative Quarter			
	12 months ended 31 Dec 2023			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sales	68,641	38,789	-	107,430
Inter segment	-	-	-	-
Total	68,641	38,789	-	107,430

	Preceding Cumulative Quarter			
	12 months ended 31 Dec 2022			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sales	144,896	41,274	-	186,170
Inter segment	-	-	-	-
Total	144,896	41,274	-	186,170

	31 Dec 2023			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	171,877	97,835	-	269,713
Segment liabilities	134,543	29,871	-	164,414
Depreciation	3,030	1,583	-	4,613
	31 Dec 2022			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	172,793	107,768	-	280,561
Segment liabilities	144,332	13,549	-	157,881
Depreciation	4,727	2,470	-	7,197

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.

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2023

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 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.

Performance guarantees in favour of the supplier and local authorities for the purpose of secured projects

Year to Date 31-Dec -23 RM '000	Year to Date 31-Dec-22 RM '000
15,137	16,788

A15. Capital Commitments

Approved and contracted for:

Year to Date 31-Dec-23 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 Dec 2023.

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 Preceding Year's Corresponding Quarter**

For current quarter Destini's revenue decreased by 71% to RM28.22 million from RM98.65 million compared to the preceding years corresponding period. Lower revenue due to less revenue from aviation and marine sectors. Loss after tax and non-controlling interest (LATNCI) for current quarter was RM3.93 million RM25.72 million lower compared to RM29.65 million LATNCI in the preceding year corresponding quarter. Lower Loss in the current quarter compare preceding year corresponding quarter mainly due to cost saving exercise and no impairment incurred.

Destini's Aviation and Defence sector registered lower revenue in the current quarter due to in the absent of revenue from MD Helicopter project which delivered last year. Current quarter revenue decreased to RM11.32million compared to corresponding quarter in preceding year of RM66.08 million, more than 83% decrease in revenue. The sector registered PATNCI of RM0.80 million compared to LATNCI of RM3.03 million profit in in the same period previous year as a profit from the Trading and MRO activities.

The marine sector registered 77% decreased in the revenue from RM32.15 million last year to RM7.47 million in current period. lower revenue arises from lesser contribution from Group's manufacturing unit. Despite of lower revenue the marine sector registered LATNCI of RM2.49 million lower compared to LATNCI of RM7.61 million same quarter last years. Lower loss in current quarter as no impairment incurred.

Energy sector of Destini saw its revenue increased to RM9.37 million in current quarter as compare to current quarter as compared to last year corresponding quarter to RM0.41 million increased in revenue is attributed to the increased in rig activity. Corresponding to the increase in revenue, Energy sector of Destini recognised lower loss after tax and non-controlling interest (LATNCI) of RM0.55 million compared to loss of RM3.65 million in the same period previous year. Lower loss in current quarter as saving in the business development expenses.

Destini's mobility and other sectors recorded LATNCI of RM1.10million in the current quarter compare to LATNCI of RM0.92 million last year same quarter, the loss due to higher administrative expenditures as the MRO activities commenced this quarter

Destini Berhad and other minor subsidiaries are classified under the 'Others' sector. This sector did not register material revenue in both YTD2023 and YTD2022 period. The LATNCI for 'Others' sector decreased from RM14.41 million in YTD2022 to RM0.59 million in YTD2023 due to cost savings exercises.

b) Financial Review for Current Year Compared to Preceding Year

Destini's revenue decreased by RM78.74 million or 42% to RM107.43 million in YTD2023 from RM186.17 million in the corresponding period previous year. The decreased in revenue for the Group was mainly due to lower business activities. Destini recorded 46% decreased in loss after tax and non-controlling interest (LATNCI) to RM16.19 million for the current

financial period as compared to LATNCI of RM30.15 million the previous year. Mainly due to due to cost savings exercises and less impairment.

Destini's Aviation and Defence sector saw decreased in YTD2023 revenue by RM40.97 million or 49% to RM42.55 million compared to RM 83.52 million in corresponding period in the absent of revenue from MD Helicopter project which delivered last year. The PATNCI increased to RM0.89 million from RM0.39 million in the previous years as a result of higher trading and MRO activities.

The Marine sector of Destini saw a decrease in revenue for YTD2023 to RM38.79 million from RM63.60 million in the same period previous year. The decreased in revenue arises from lesser contribution from Group's manufacturing unit. The LATNCI for the sector decreased from RM9.25 million in YTD2022 to RM6.93 million for the corresponding period in 2023. The decreased in losses arise as less impairment.

The Energy sector of Destini saw its revenue decreased from RM38.90 million in YTD2022 to RM25.89 million in YTD2023, a decrease of 33%. The dropped in revenue was attributed to the reduced rig activity in the first three quarters of 2023 compared to the previous year. Corresponding to the decreased in revenue, Energy sector of Destini recognised a LATNCI of RM0.45 million for YTD2023 against a loss of RM3.36 million in the same period previous year.

Destini's Mobility sector performed Maintenance Repair and Overhaul ("MRO") for Six Car Sets and Electric Train Sets based on the contracts awarded by Ministry of Transport, Malaysia (MOT). The sector saw no revenue in YTD2023 which was similar to YTD2022. The Mobility sector is expected to contribute significantly towards Destini's earning from 2Q2024. The sector's YTD2023 LATNCI totalled RM2.68 million, an increase from the RM1.61million recorded during the same period in 2022. This is because the MRO activities commence from December 2023.

Destini Berhad and other minor subsidiaries are classified under the 'Others' sector. This sector did not register material revenue in both YTD2023 and YTD2022 period. The LATNCI for 'Others' sector decreased by 73% from RM16.33 million in YTD2022 to RM7.04 million in YTD2023 due to cost savings exercises.

B2. Review of Current Quarter against Preceding Quarter

Destini saw higher revenue of RM28.22 million for its Fourth quarter ended 31 Dec 2023 from a revenue of RM22.03 million in the preceding quarter. Increase in revenue, resulted in LATNCI of RM3.93 million from LATNCI of RM6.80 million in the preceding quarter. Lower loss as a result of higher revenue and lower administrative expenses from cost saving exercise in the current quarter.

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 FY2024. 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. The Group's plan to raise capital for working capital purposes will enable it to execute the current orderbook effectively and hence significantly improve the earnings.

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 announced a rights issue exercise aimed at raising capital of up to RM133 million. The amount raised will be utilized mainly to the execution of contracts from Ministry of Transport and Ministry of Defence, Malaysia. With the new capital raise and earnings contribution from the Contracts, Destini is optimistic to improve its performance in 2024 and beyond.

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-23 RM '000	31-Dec-22 RM '000	31-Dec-23 RM '000	31-Dec-22 RM '000
Current taxation	(382)	172	(1,400)	327

B6. Corporate Proposals

The corporate proposal announced by the Group but not completed as at the date of this announcement is listed below:

1. On 28 August 2023, on behalf of the Board, UOBKH wishes to announce that the Board had deliberated on the Previous Proposed Rights Issue with Warrants and after taking into consideration the additional funding requirements, the Company proposes to undertake a revised renounceable rights issue of up to 3,327,063,258 new Destini Shares at the issue price of RM0.04 per Rights Share, on the basis of 2 Rights Shares for every 1 existing Destini Share held, together with up to 1,663,531,629 Warrants on the basis of 1 Warrant for every 2 Rights Shares subscribed for, on an entitlement date to be determined and announced later. The listing application in relation to the Proposed Rights Issue with Warrants was approved by Bursa Malaysia Securities Berhad on 31 October 2023. The shareholders' approval granted in the EGM dated 23 November 2023

Important Relevant Dates for Renounceable Rights

Dispatch Date	15 Feb 2024
Date for commencement of trading of rights	14 Feb 2024
Date for cessation of trading of rights	21 Feb 2024
Date for announcement of final subscription result and basis of allotment of excess Rights Securities	06 Mar 2024
Last date and time for :	
Sale of provisional allotment of rights	20 Feb 2024 05:00 PM
Transfer of provisional allotment of rights	22 Feb 2024 04:30 PM
Acceptance and Payment	28 Feb 2024 05:00 PM
Excess share application and payment	28 Feb 2024 05:00 PM
Available/Listing Date	13 Mar 2024
Rights Securities will be listed and quoted as the existing securities of the same class	Yes

B7. Group Borrowings and Debt Securities

Group borrowings are as follows:-

B7.1 Short Term Borrowings

<u>Secured</u>	31-Dec-23 RM '000	31-Dec-22 RM '000
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase and Lease Payables	557	803
Bank Borrowing	1,175	5,331
<i>Denominated in Singapore Dollar (SGD):</i>		
Hire Purchase and Lease Payables	43	233
Overdraft	409	430
Bank Borrowing	-	666
TOTAL	2,184	7,463

B7.2 Long Term Borrowings

<u>Secured</u>	31-Dec-23 RM '000	31-Dec-22 RM '000
<i>Denominated in Ringgit Malaysia</i>		
Hire Purchase and Lease Payables	1,023	1,011
Term Loan	3,524	5,822
<i>Denominated in Singapore Dollar (SGD)</i>		
Hire Purchase and Lease Payables	60	264
Bank Borrowing	4,428	4,262
Total	9,035	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 Summon 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.

The cost of investment in DSBE

The total cost of investment in DSBE is RM3,000,000.00

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.

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-23 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	4,614	7,197
Interest expense	1,300	1,712
Fair value adjustment on investment in securities	-	50

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2023**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-23	31-Dec-22	31-Dec-23	31-Dec-22
Attributable to owners of parent (RM'000)	(3,932)	(29,653)	(16,195)	(30,155)
Weighted average number of ordinary shares ('000) in issue	1,663,531	1,663,531	1,663,531	1,663,531
Basic earnings per share (Sen)	(0.24)	(1.78)	(0.97)	(1.81)

B12. Disclosure of realised and unrealised profit

Year to Date 31-Dec -23 RM'000	Year to Date 31-Dec -22 RM'000
---	---

Total accumulated losses of the Company and its subsidiaries

- Realised	(599,075)	(494,582)
less: consolidation adjustments	227,789	139,119

Total retained profits	<u>(371,290)</u>	<u>(355,463)</u>
------------------------	------------------	------------------

BY ORDER OF THE BOARD

DESTINI BERHAD