

SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE FOURTH QUARTER ENDED 31 DEC 2017

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Dec-17 RM ' 000	31-Dec-16 RM ' 000	31-Dec-17 RM ' 000	31-Dec-16 RM ' 000
1. Revenue	108,017	115,441	685,603	354,426
2. Profit before tax	5,535	20,997	41,761	46,330
3. Net Profit for the financial period	4,874	11,939	29,350	31,147
4. Profit after tax and non-controlling interest	5,651	11,985	30,674	33,001
5. Basic earnings per share (sen)	0.49	1.17	2.66	3.30
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	41.67



DESTINI BERHAD (*Company No : 633265 K*)

ADDITIONAL INFORMATION

FOR THE FOURTH QUARTER ENDED 31 DEC 2017

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Dec-17 RM ' 000	31-Dec-16 RM ' 000	31-Dec-17 RM ' 000	31-Dec-16 RM ' 000
1. Profit from operations	6,180	22,100	45,830	49,544
2. Gross interest income	13	210	44	237
3. Gross interest expense	(645)	(1,298)	(4,069)	(2,896)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DEC 2017**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31-Dec-17 (Unaudited) RM'000	As at 31-Dec-16 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	103,356	107,471
Land use rights	1,752	1,791
Intangible Assets	201,664	197,183
Investment in quoted share	1,924	1,820
Other investments	320	320
	309,016	308,585
CURRENT ASSETS		
Amount due from contract customers	8,404	12,505
Inventories	12,700	9,805
Trade receivables	374,790	165,201
Other receivables and deposits	151,618	105,662
Amount owing by jointly control entity	684	684
Tax recoverable	9,977	2,016
Deposit with licensed bank	22,281	55,360
Cash and bank balances	17,886	21,748
	598,340	372,981
TOTAL ASSETS	907,356	681,566
EQUITY AND LIABILITIES		
SHARE CAPITAL	382,807	115,523
SHARE PREMIUM	-	267,284
TRANSLATION RESERVE	11,420	14,239
RETAINED PROFITS	115,007	84,333
<i>Equity attributable to owners of the parent</i>	509,234	481,379
NON-CONTROLLING INTEREST	(656)	(1,555)
<i>Total Equity</i>	508,578	479,824
LONG TERM LIABILITIES		
Preferences shares	1,910	1,941
Deferred taxation	5,189	5,328
Hire purchase payables	851	2,022
Bank borrowings	88,674	63,847
	96,624	73,138
CURRENT LIABILITIES		
Amount owing to customer on contract	125,609	13,337
Trade payables	71,015	56,573
Other payables and accruals	16,292	21,488
Hire purchase payables	408	652
Bank borrowings	43,878	18,481
Tax Payable	44,952	18,073
	302,154	128,604
TOTAL EQUITY AND LIABILITIES	907,356	681,566
Net assets per share attributable to owners of the parent (sen)	44.08	41.67
Weighted average number of ordinary shares ('000 units)	1,155,230	1,155,230
Enlarged number of ordinary shares in issue ('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 2016 and the accompanying explanatory notes to the quarterly report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 31-Dec-17 RM'000	INDIVIDUAL QUARTER PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-16 RM'000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 31-Dec-17 RM'000	CUMULATIVE QUARTER PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-16 RM'000
Revenue	108,017	115,441	685,603	354,426
Cost of sale	(83,344)	(73,466)	(572,906)	(237,612)
Gross profit	24,673	41,975	112,697	116,814
Other income	8,867	2,957	10,344	4,876
Administrative expenses	(25,296)	(20,252)	(69,377)	(62,483)
Depreciation	(2,064)	(2,580)	(7,834)	(9,663)
Profit from operations	6,180	22,100	45,830	49,544
Finance cost	(645)	(1,298)	(4,069)	(2,896)
Share of result of associates/JV	-	195	-	(318)
Profit before tax	5,535	20,997	41,761	46,330
Taxation	(661)	(9,058)	(12,411)	(15,183)
Net profit for the financial period	4,874	11,939	29,350	31,147
Other comprehensive income				
- Exchange Translation differences	1,037	835	(2,819)	2,089
Other comprehensive income for the financial period	1,037	835	(2,819)	2,089
Total comprehensive income for the financial period	5,911	12,774	26,531	33,236
Net Profit for the financial period attributable to:				
Owners of the parent	5,651	11,985	30,674	33,001
Non-controlling interests	(777)	(46)	(1,324)	(1,854)
	4,874	11,939	29,350	31,147
Total comprehensive income for the financial period attributable to:				
Owners of the parent	6,688	12,820	27,855	35,090
Non-controlling interests	(777)	(46)	(1,324)	(1,854)
	5,911	12,774	26,531	33,236
Earnings per share attributable to owners of the parent:				
- basic (sen)	0.49	1.17	2.66	3.30
- diluted (sen)	0.49	1.17	2.66	3.30
Weighted average number of ordinary shares ('000 units)	1,155,230	1,022,411	1,155,230	1,001,364
Enlarged number of ordinary shares in issue ('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 2016 and the accompanying explanatory notes to the quarterly report.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DEC 2017**
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	AS AT END OF CURRENT PERIOD (Unaudited) 31-Dec-17 RM' 000	AS AT END OF PRECEDING YEAR (Audited) 31-Dec-16 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	41,761	46,233
Adjustments for:-		
Amortization of intangible	(108)	603
Amortization of land use right	-	40
Depreciation of property, plant and equipment	7,834	11,452
Fair value adjustment on investment in securities (quoted share)	(104)	904
Gain on disposal of property, plant and equipment	-	(2)
Impairment loss on other receivable	-	721
Impairment on goodwill	1,334	1,843
Interest expense	4,069	2,889
Interest Income	(44)	(379)
Inventory written down	-	145
Reversal of impairment of trade and other receivable	-	(28)
Discount received	-	(1,131)
Share of (profit)/loss in investment in a associate company	-	318
Unrealized Foreign Exchange (Gain)/ Loss	-	(788)
Gain on disposal of subsidiaries	(7,212)	-
	-	-
Operating profit before working capital changes	47,530	62,820
Inventories	(195)	1,470
Receivables	(225,513)	(128,311)
Payable	9,075	31,700
Amount due to contract customers	113,677	(36,989)
Joint venture	-	(93)
Cash used in operations	(55,426)	(69,403)
Tax paid	14,468	(9,423)
Interest paid	(4,069)	(2,889)
Interest received	44	379
Net cash used in operating activities	(44,983)	(81,336)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plants and equipment	-	5
Purchase of property, plant and equipment	(4,867)	(23,909)
Purchase of quoted Shares	-	(280)
Additional of intangible assets	-	(239)
Net cash inflow arising from acquisition of subsidiaries	-	3,380
Net cash used in investing activities	(4,867)	(21,043)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	55,789	52,258
Repayment of term loan	(5,321)	(11,078)
Repayment of finance lease liabilities	(1,415)	(651)
Changes in LC or credit of TR	-	(1,870)
Proceeds from exercise of warrants	-	95,423
Proceeds from issuance of Preference Share	-	1,941
Decreased/(Increased) in Fixed Deposit pledge to licensed banks	(8,574)	(8,703)
Net cash generated from financing activities	40,479	127,320
CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	(9,371)	24,941
EFFECT OF EXCHANGE RATE FLUCTUATIONS	(2,819)	(378)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	52,357	27,794
CASH AND CASH EQUIVALENTS END OF PERIOD	40,167	52,357
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER COMPRISE OF:		
Deposit with licensed bank	22,281	55,360
Cash and bank balances	17,886	21,748
Bank overdraft	-	(284)
	40,167	76,824
Deposit with licensed bank (pledge)	(33,041)	(24,467)
Cash at bank pledged with license bank	-	-
	7,126	52,357

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 2016 and the accompanying explanatory notes to the quarterly report.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DEC 2017**

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 2016	91,667	195,717	-	11,995	51,302	350,681	(252)	350,429
Net profit for the financial year	-	-	-	-	33,031	33,031	(1,934)	31,097
Exchanges translation differences for foreign operations	-	-	-	2,244	-	2,244	-	2,244
Total comprehensive income for the financial year	-	-	-	2,244	33,031	35,275	(1,934)	33,341
Transactions with owner:								
Issue of ordinary shares:								
- pursuant to warrants exercised	23,856	71,567	-	-	-	95,423	-	95,423
Acquisition of subsidiaries	-	-	-	-	-	-	631	631
Total transaction with owners	23,856	71,567	-	-	-	95,423	631	96,054
At 31 December 2016 (Audited)	<u>115,523</u>	<u>267,284</u>	<u>-</u>	<u>14,239</u>	<u>84,333</u>	<u>481,379</u>	<u>(1,555)</u>	<u>479,824</u>

	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	84,333	481,379	(1,555)	479,824
Transition to no par value regime (Note)	267,284	(267,284)	-	-	-	-	-	-
Net profit for the financial year	-	-	-	-	30,674	30,674	(1,324)	29,350
Exchanges translation differences for foreign operations	-	-	-	(2,819)	-	(2,819)	-	(2,819)
Total comprehensive income for the financial year	-	-	-	(2,819)	30,674	27,855	(1,324)	26,531
Transactions with owner:								
Issue of ordinary shares:								
- pursuant to warrants exercised	-	-	-	-	-	-	-	-
disposal of subsidiaries	-	-	-	-	-	-	2,223	2,223
Total transaction with owners	-	-	-	-	-	-	2,223.00	2,223
At 31 December 2017 (Unaudited)	<u>382,807</u>	<u>-</u>	<u>-</u>	<u>11,420</u>	<u>115,007</u>	<u>509,234</u>	<u>(656)</u>	<u>508,578</u>

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

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 2016, 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 2016.

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.

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to MFRS 2014-2016 Cycle:	
<ul style="list-style-type: none"> Amendments to MFRS 12 	

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

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs, new interpretation and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

	Effective dates for financial periods beginning on or after
Annual Improvements to MFRS 2014-2016 Cycle:	
<ul style="list-style-type: none"> Amendments to MFRS 1 	1 January 2018
<ul style="list-style-type: none"> Amendments to MFRS 128 	1 January 2018

A1. Significant Accounting Policies (Cont'd)

Standards issued but not yet effective (Cont'd)

		Effective dates for financial periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 <i>Financial Instruments</i> with MFRS 4 <i>Insurance Contracts</i>	1 January 2018*
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sales or Contributions of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

Note:

* Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.

The Group and the Company intend to adopt above MFRSs when they become effective.

The initial application of the abovementioned MFRSs is not expected to have any significant impacts of the financial statements of the Group and of the Company except as mentioned below:

MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 *Financial Instruments: Recognition and Measurement*.

A1. Significant Accounting Policies (Cont'd)**Standards issued but not yet effective (Cont'd)****MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014) (Cont'd)**

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

A1. Significant Accounting Policies (Cont'd)**Standards issued but not yet effective (Cont'd)****MFRS 16 Leases**

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

The impact of the new MFRSs, amendments and improvements to published standard on the financial statements of the Group and of the Company are currently being assessed by management.

A2. Audit Report

The annual financial statement of the Company for the year ended 31 December 2016 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.

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2017
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 2017	1,155,230	115,523	267,284	-	382,807
Transition to no par value regime (Note)	-	267,284	(267,284)	-	-
As at 31 Dec 2017	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	
	31.12.17	31.12.16	31.12.17	31.12.16
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
- Services and trading	108,017	115,441	685,603	354,426
- Construction	-	-	-	-
Elimination of inter-segment	-	-	-	-
Total	108,017	115,441	685,603	354,426
Segment result				
- Services and trading	4,874	11,939	29,350	31,147
- Construction	-	-	-	-
Profit after tax	4,874	11,939	29,350	31,147

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2017

A8. Segmental Analysis (Cont'd)

b) Analysis by Geographical Area

	Current 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

	Preceding Quarter			
	3 months ended 31 Dec 2016			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	105,986	9,455	-	115,441
Inter segment	-	-	-	-
Total	105,986	9,455	-	115,441

	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

	Preceding Cumulative Quarter			
	12 months ended 31 Dec 2016			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	322,814	31,612	-	354,426
Inter segment	-	-	-	-
Total	322,814	31,612	-	354,426

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Dec 2017

	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
	31 Dec 2016			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	581,284	102,155	-	683,439
Segment liabilities	178,861	32,098	-	210,959
Depreciation	8,455	1,241	-	9,696

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 Berhad announced that THHE Destini Sdn. Bhd. (formerly known as Gigih Integrasi Sdn. Bhd.), an indirect subsidiary of Destini, had on 19 January 2017 accepted a Letter of Award from the Government of Malaysia for the supply, delivery, testing and commissioning of three (3) units of Offshore Patrol Vessels C/W fitting and accessories for Malaysian Maritime Enforcement Agency for a total contract sum of RM738,900,000.00 (inclusive of 6% GST) only for a period of forty two (42) months commencing from the return of the Letter of Award and submission of performance bond and corporate guarantee to the Government whichever is later.
2. Destini Prima Sdn. Bhd. a wholly-owned subsidiary of the Company, had on 16 February 2017 entered into a Share Sale Agreement with Dato' Harrison Bin Hassan and Dato' Roslee Bin Muhamad Roba for the proposed acquisition by DPSB of 70% equity interest in Halaman Optima Sdn. Bhd. ("HOSB") comprising 700,000 ordinary shares in HOSB for a purchase consideration of RM5,500,000.00 only to be satisfied entirely via cash. Upon completion of the Proposed Acquisition, HOSB will become a subsidiary company of DPSB.

The Acquisition has been duly completed on 29 March 2017.

3. Destini Oil Services Sdn. Bhd. (formerly known as Samudra Oil Services Sdn. Bhd.), a wholly-owned subsidiary of the Company, had on 28 February 2017 acquired two (2) ordinary shares in Massive Maxim Sdn. Bhd. ("MMSB") for a purchase consideration of RM2.00 only to be satisfied entirely via cash ("Acquisition"). Following the Acquisition, MMSB will become a wholly-owned subsidiary company of DOSSB.

MMSB, a private company limited by shares incorporated in and existing under the laws of Malaysia. As at the 28 February 2017, the issued share capital of MMSB is two (2)

ordinary shares. MMSB has not commenced business since its incorporation. Subsequent to that on 26 April 2017, the company changed its name to Destini Downstream Sdn Bhd.

4. Destini Aviation Sdn Bhd, a wholly-owned subsidiary of Destini Berhad, has on 20 June 2017 entered into a Joint Venture and Shareholders Agreement (“Agreement”) with Sapura Aero Sdn Bhd, a wholly-owned subsidiary of Sapura Resourced Berhad, in relation to the incorporation of a Joint Venture Company, Urban Fleet Sdn Bhd. The proposed joint venture company is to effectively collaborate by drawing upon skills, expertise, experience and capabilities of each other for all parties’ mutual benefits and profits in the undertaking of the business of sale of rotary wing and fixed wing aircraft, supply and provision of maintenance, repair and overhaul services in relation to aircraft and helicopters and the provision of programs such as wet leasing and dry leasing of aircraft.

Subsequent to that on 23 Oct 2017, the company changed its name to Invation Aero Sdn Bhd.

5. Destini Oil Services Sdn. Bhd., a wholly-owned subsidiary of the Company, had on 3 July 2017 incorporated a new wholly-owned subsidiary company at Singapore with the name “DBD International Pte. Ltd.” (Company Registration No. 201718529N) (“DBD”) with the registered capital of SGD2.00 only.

The intended principal activity of DBD is engaged in service activities incidental to oil and gas extraction and engineering design and consultancy services.

6. 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
7. Destini Prima Sdn. Bhd, a wholly-owned subsidiary on 19 April 2016 entered into a Memorandum of Understanding (“MOU”) with AMMROC (Advanced Military Maintenance, Repair And Overhaul Center) L.L.C. (“AMMROC”) for the purpose to provide a framework for developing a business case supporting the formation of a strategic alliance or other strategic agreement for the provision of the maintenance, repair, and overhaul of aircraft escape systems to targeted customers.

AMMROC is a limited liability company established in the Emirate of Abu Dhabi providing maintenance, repair and overhaul (“MRO”) services to government-owned or operated aircraft including those of the United Arab Emirates Armed Forces and other aerospace customers worldwide.

In December 2016, DPSB had forwarded a proposal to AMMROC for their consideration. Whilst AMMROC evaluated DPSB's proposal, there was an internal restructuring of AMMROC. The matter is kept in abeyance until such time AMMROC has evaluated DPSB's proposal.

8. Destini Armada Pte Ltd, a wholly-owned subsidiary of the Company, had on 27 November 2017, entered into a share subscription and shareholders agreement with AMS Marine Pte

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Ltd and its existing shareholders, namely SZW Investments Pte Ltd, KNH Investments Pte Ltd and Lazmin Binte Ibriam, to subscribe for 4.2 million new ordinary shares in AMS, representing 70% of the enlarged issued and paid up capital of AMS for a total cash consideration of Singaporean Dollar 1.00 only (equivalent to approximately RM3.07) only, subject to the terms and conditions of the SSA.

9. Destini had on 29 December 2017, entered into a share sale agreement with Terokadana Sdn Bhd for the proposed disposal of its entire 51.92% equity interest in its subsidiary company, Green Pluslink Sdn Bhd ("GPSB"), comprising of 2,700,000 ordinary shares in GPSB, to TSB for a total cash consideration of RM4,400,000.00 only

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. Further to the Company's announcement made on 10 November 2017 pertaining to the Joint Venture and Shareholders Agreement entered between Destini Oil Services Sdn. Bhd. and Federal Hardware Engineering Co. Pte Ltd, the Board of Directors of the Company wishes to announce that all the Conditions Precedent of the JV Agreement have been duly fulfilled on 11 January 2018.

Pursuant to Clause 3.1 of the JV Agreement, a JV Company by the name "Federal Destini (S) Pte Ltd" will be incorporated in the Republic of Singapore within one (1) month from the date of completion of the JV Agreement.

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-17 RM '000	Year to Date 31-Dec-16 RM '000
29,493	29,493

A14. Capital Commitments

Approved and contracted for :

Year to Date 31-Dec-17 RM '000	Year to Date 31-Dec-16 RM '000
-	-

A15. Significant related party transactions

There were no significant related party transactions occurred during the financial quarter ended 31 Dec 2017.

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 30 Sep 2017, the Group's revenue increased by more than 100% to RM685.60 million as compared to RM354.32 million in the preceding year corresponding period. The main contributor to the increased in revenue due to increase in demand for the Group's MRO services, marine and aviation manufacturing services.

Profit after tax and non-controlling interests decreased by 9% to RM30.67million as compared to RM33.00 million reported in the preceding year's corresponding period. decrease in profit due lower contribution from manufacturing services compared to MRO services

B2. Review of Current Quarter against Preceding Quarter

The Group registered a revenue of RM108.02 million for the current quarter under review compared to RM190.90 million in the preceding quarter. The Group's profit after tax and non-controlling interests decreased by 36% to RM5.65million for the current quarter under review as compared to profit after tax and non-controlling interests of RM8.85million in the preceding quarter. Lower revenue mainly due to lower order for the Group's MRO services, marine and aviation manufacturing services. lower profit due to lower contribution from manufacturing 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 2017 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-17 RM '000	31-Dec-16 RM '000	31-Dec-17 RM '000	31-Dec-16 RM '000

Current taxation	(661)	(9,058)	(12,411)	(15,183)
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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

	31-Dec-17 RM '000	31-Dec-16 RM '000
<u>Secured</u>		
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase Payables	408	652
Overdraft	-	284
Bank Borrowing	37,504	10,680
<i>Denominated in Singapore Dollar (SGD):</i>		
Hire Purchase Payables	-	-
Bank Borrowing	4,158	1,924
<i>Denominated in Chinese Renminbi (CNY):</i>		
Term Loans	2,216	3,659
Total	44,286	17,199

B7.2 Long Term Borrowings

	31-Dec-17 RM '000	31-Dec-16 RM '000
<u>Secured</u>		
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase Payables	851	2,017
Term Loan	82,622	58,533
<i>Denominated in Singapore Dollar (SGD):</i>		
Bank Borrowing	6,052	7,248
Total	89,525	67,798

B8. Material Litigation

As at the date of this announcement, the Group is not engaged in any outstanding material litigation, which has a material effect on the financial position or the business of the Group and the Board.

B9. Dividends

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

B10. Notes to the Statement of Comprehensive Income

	Individual quarter 31-Dec-17 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	2,064	7,834
Interest expense	645	4,069
Fair value adjustment on investment in securities	-	104

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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-17	31-Dec-16	31-Dec-17	31-Dec-16
Attributable to owners of parent (RM'000)	5,651	11,985	30,674	33,001
Weighted average number of ordinary shares ('000) in issue	1,155,230	1,022,411	1,155,230	1,001,364
Basic earnings per share (sen)	0.49	1.17	2.66	3.30

The dilute earnings per share for the quarter and year to date are computed as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Current Quarter	Current Year To Date	Preceding Year Current Quarter
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Attributable to owners of parent (RM'000)	5,651	11,985	30,674	33,001
Weighted average number of ordinary shares ('000) in issue	1,155,230	1,022,411	1,155,230	1,001,364
Effect of dilution : conversion of warrants	-	1.17	-	3.30
Adjusted weighted average number of ordinary shares in issue and Issuable('000)	-	-	-	-
Diluted earnings per share (sen)	0.49	1.17	2.66	3.30

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B12. Disclosure of realised and unrealised profit

	Year to Date 31-Dec-17 RM'000	Year to Date 31-Dec-16 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	75,088	40,610
Less : consolidation adjustments	39,919	43,723
Total retained profits	115,007	84,333

BY ORDER OF THE BOARD

DATO' ROZABIL ABDUL RAHMAN
Group Managing Director