



DESTINI BERHAD (Company No : 633265 K)

SUMMARY OF KEY FINANCIAL INFORMATION

FOR THE FIRST QUARTER ENDED 31 MAR 2019

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|--|----------------------------|--|----------------------------|---|
| | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
| | 31-Mar-19 RM ' 000 | 31-Mar-18 RM ' 000 | 31-Mar-19 RM ' 000 | 31-Mar-18 RM ' 000 |
| 1. Revenue | 84,491 | 137,573 | 84,491 | 137,573 |
| 2. Profit/(Loss) before tax | 1,552 | 9,700 | 1,552 | 9,700 |
| 3. Net Profit/(Loss) for the financial period | 441 | 7,289 | 441 | 7,289 |
| 4. Profit/(Loss) after tax and non-controlling interest | 636 | 7,748 | 636 | 7,748 |
| 5. Basic earnings per share (sen) | 0.06 | 0.67 | 0.06 | 0.67 |
| 6. Net dividend per share (sen) | - | - | - | - |

| | AS AT END OF CURRENT QUARTER | AS AT PRECEDING FINANCIAL YEAR END |
|-------------------------------|------------------------------------|---|
| 7. Net assets per share (sen) | 43.93 | 43.89 |



DESTINI BERHAD (*Company No : 633265 K*)

ADDITIONAL INFORMATION

FOR THE FIRST QUARTER ENDED 31 MAR 2019

INDIVIDUAL PERIOD

CUMULATIVE PERIOD

| | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
|----------------------------------|----------------------------|--|----------------------------|---|
| | 31-Mar-19 RM ' 000 | 31-Mar-18 RM ' 000 | 31-Mar-19 RM ' 000 | 31-Mar-18 RM ' 000 |
| 1. Profit/(Loss) from operations | 1,888 | 10,928 | 1,888 | 10,928 |
| 2. Gross interest income | 23 | 137 | 23 | 137 |
| 3. Gross interest expense | (336) | (1,054) | (336) | (1,054) |



**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MAR 2019**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at 31-Mar-19 RM'000 | As at 31-Dec-18 (Audited) RM'000 |
|--|------------------------------|---|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant & equipment | 107,580 | 108,088 |
| Land use rights | 1,676 | 1,634 |
| Intangible Assets | 208,579 | 204,723 |
| Investment in quoted share | 1,137 | 1,137 |
| Investment in jointly control entity | 185 | 185 |
| Other Receivable | 12,321 | 12,910 |
| Other investments | 320 | 320 |
| | 331,798 | 328,997 |
| CURRENT ASSETS | | |
| Inventories | 15,724 | 11,663 |
| Contract assets | 39,181 | 49,775 |
| Trade receivables | 297,676 | 264,077 |
| Other receivables and deposits | 66,176 | 77,057 |
| Amount due from joint venture | 694 | 694 |
| Tax recoverable | 6,317 | 1,141 |
| Deposit with licensed bank | 23,571 | 32,130 |
| Cash and bank balances | 10,783 | 28,018 |
| | 460,122 | 464,555 |
| TOTAL ASSETS | 791,920 | 793,552 |
| EQUITY AND LIABILITIES | | |
| SHARE CAPITAL | 382,807 | 382,807 |
| TRANSLATION RESERVE | 12,163 | 12,358 |
| RETAINED PROFITS | 112,495 | 111,859 |
| <i>Equity attributable to owners of the parent</i> | 507,465 | 507,024 |
| NON-CONTROLLING INTEREST | (648) | (453) |
| <i>Total Equity</i> | 506,817 | 506,571 |
| LONG TERM LIABILITIES | | |
| Preferences shares | 1,339 | 1,347 |
| Deferred taxation | 5,860 | 5,480 |
| Hire purchase payables | 835 | 1,527 |
| Bank borrowings | 119,876 | 115,611 |
| Retirement benefits | - | - |
| | 127,910 | 123,965 |
| CURRENT LIABILITIES | | |
| Contract liabilities | 1,280 | 6,478 |
| Trade payables | 71,881 | 70,315 |
| Other payables and accruals | 40,634 | 40,439 |
| Hire purchase payables | 460 | 920 |
| Bank borrowings | 15,979 | 20,490 |
| Tax Payable | 26,959 | 24,374 |
| | 157,193 | 163,016 |
| TOTAL EQUITY AND LIABILITIES | 791,920 | 793,552 |
| Net assets per share attributable to owners of the parent (sen) | 43.93 | 43.89 |
| 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 2018 and the accompanying explanatory notes to the quarterly report.



DESTINI BERHAD (Company No : 633265 K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MAR 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER CURRENT YEAR QUARTER 31-Mar-19 RM'000 | INDIVIDUAL QUARTER PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-18 RM'000 | CUMULATIVE QUARTER CURRENT YEAR TO DATE 31-Mar-19 RM'000 | CUMULATIVE QUARTER PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-18 RM'000 |
|--|---|--|---|---|
| Revenue | 84,491 | 137,573 | 84,491 | 137,573 |
| Cost of sale | (59,367) | (103,620) | (59,367) | (103,620) |
| Gross profit | 25,124 | 33,953 | 25,124 | 33,953 |
| Other income | 226 | 774 | 226 | 774 |
| Administrative expenses | (21,641) | (20,798) | (21,641) | (20,798) |
| Depreciation | (1,821) | (3,001) | (1,821) | (3,001) |
| Profit from operations | 1,888 | 10,928 | 1,888 | 10,928 |
| Finance cost | (336) | (1,054) | (336) | (1,054) |
| Share of result of associates/JV | - | (174) | - | (174) |
| Profit/(Loss) before tax | 1,552 | 9,700 | 1,552 | 9,700 |
| Taxation | (1,111) | (2,411) | (1,111) | (2,411) |
| Net profit/(Loss) for the financial period | 441 | 7,289 | 441 | 7,289 |
| Other comprehensive income | | | | |
| - Exchange Translation differences | (195) | (324) | (195) | (324) |
| Other comprehensive income for the financial period | (195) | (324) | (195) | (324) |
| Total comprehensive income for the financial period | 246 | 6,965 | 246 | 6,965 |
| Net Profit/(Loss) for the financial period attributable to: | | | | |
| Owners of the parent | 636 | 7,748 | 636 | 7,748 |
| Non-controlling interests | (195) | (459) | (195) | (459) |
| | 441 | 7,289 | 441 | 7,289 |
| Total comprehensive income/(loss) for the financial period attributable to: | | | | |
| Owners of the parent | 291 | 7,424 | 291 | 7,424 |
| Non-controlling interests | (45) | (459) | (45) | (459) |
| | 246 | 6,965 | 246 | 6,965 |
| Earnings per share attributable to owners of the parent: | | | | |
| - basic (sen) | 0.06 | 0.67 | 0.06 | 0.67 |
| 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 2018 and the accompanying explanatory notes to the quarterly report.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MAR 2019**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | AS AT END OF CURRENT PERIOD (Unaudited) 31-Mar-19 RM' 000 | AS AT END OF PRECEDING YEAR (Audited) 31-Dec-18 RM' 000 |
|---|--|--|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 1,552 | 9,735 |
| Adjustments for:- | | |
| Amortization of intangible | 268 | 2,150 |
| Amortization of land use right | - | 39 |
| Bad debts written off | - | 109 |
| Depreciation of property, plant and equipment | 1,821 | 12,738 |
| Fair value adjustment on investment in securities (quoted share) | - | 657 |
| Gain on disposal of a subsidiary | - | - |
| Gain on disposal of property, plant and equipment | - | (166) |
| Impairment loss on receivable | - | 1,328 |
| Impairment loss on other receivable | - | 338 |
| Interest expense | 336 | 3,331 |
| Interest Income | (23) | (1,589) |
| Property plant and equip written off | - | 31 |
| Reversal of impairment of trade and other receivable | - | (19) |
| Share of (profit)/loss in investment in a associate company | - | 612 |
| Unrealized Foreign Exchange (Gain)/ Loss | - | (86) |
| | - | - |
| Operating profit before working capital changes | 3,954 | 29,208 |
| Inventories | (4,061) | 1,350 |
| Receivables | (23,501) | 108,258 |
| Payable | 9,093 | (17,314) |
| Contract assets/liabilities | 5,396 | (50,723) |
| Cash used in operations | (9,119) | 70,779 |
| Tax paid | - | (4,866) |
| Tax refund | - | 2,403 |
| Interest paid | (336) | (3,331) |
| Interest received | 23 | 1,589 |
| Net cash used in operating activities | (9,432) | 66,574 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Advances to associate and joint venture | - | 451 |
| Investment to associate and joint venture | - | (797) |
| Purchase of property, plant and equipment | (1,312) | (12,646) |
| Proceeds from disposal of property, plants and equipment | - | 277 |
| Purchase of quoted Shares | - | 130 |
| Additional of intangible assets | - | (1,099) |
| Net cash used in investing activities | (1,312) | (13,684) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Drawdown of term loan | - | 716 |
| Repayment of term loan | - | (27,002) |
| Repayment of finance lease liabilities | (1,153) | (760) |
| Changes in LC or credit of TR | - | (15,623) |
| Decreased/(Increased) in Fixed Deposit pledge to licensed banks | - | 11,226 |
| Net cash generated from financing activities | (1,153) | (31,443) |
| CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD | (11,897) | 21,447 |
| EFFECT OF EXCHANGE RATE FLUCTUATIONS | (195) | (2,767) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 29,582 | 10,902 |
| CASH AND CASH EQUIVALENTS END OF PERIOD | 17,490 | 29,582 |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER COMPRISE OF: | | |
| Deposit with licensed bank | 23,571 | 28,018 |
| Cash and bank balances | 10,783 | 32,130 |
| Bank overdraft | (53) | (933) |
| | 34,301 | 59,215 |
| Deposit with licensed bank (pledge) | (29,633) | (29,633) |
| Cash at bank pledged with license bank | 12,822 | - |
| | 17,490 | 29,582 |

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 2018 and the accompanying explanatory notes to the quarterly report.

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MAR 2019

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 2018 | 382,807 | - | - | 12,156 | 113,186 | 508,149 | (2,851) | 505,298 |
| Effect of adopting MFRS 9 | - | - | - | - | (1,272) | (1,272) | - | (1,272) |
| At 1 January 2018 as restated | 382,807 | - | - | 12,156 | 111,914 | 506,877 | (2,851) | 504,026 |
| Net profit for the financial year | - | - | - | - | 1,775 | 1,775 | 551 | 2,326 |
| Exchanges translation differences for foreign operations | - | - | - | 202 | - | 202 | 17 | 219 |
| Total comprehensive income for the financial year | - | - | - | 202 | 1,775 | 1,977 | 568 | 2,545 |
| Transactions with owner: | | | | | | | | |
| Acquisition of additional Interest from non-controlling interest | - | - | - | - | (1,830) | (1,830) | 1,830 | - |
| Total transaction with owners | - | - | - | - | (1,830.00) | (1,830) | 1,830 | - |
| At 31 December 2018 (Audited) | 382,807 | - | - | 12,358 | 111,859 | 507,024 | (453) | 506,571 |

| | 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 2019 | 382,807 | - | - | 12,358 | 111,859 | 507,024 | (453) | 506,571 |
| Net profit for the financial year | - | - | - | - | 636 | 636 | (195) | 441 |
| Exchanges translation differences for foreign operations | - | - | - | (195) | - | (195) | - | (195) |
| Total comprehensive income for the financial year | - | - | - | (195) | 636 | 441 | (195) | 246 |
| Transactions with owner: | | | | | | | | |
| Acquisition of additional Interest from non-controlling interest | - | - | - | - | - | - | - | - |
| Total transaction with owners | - | - | - | - | - | - | - | - |
| At 31 Mar 2018 (Unaudited) | 382,807 | - | - | 12,163 | 112,495 | 507,465 | (648) | 506,817 |

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 2018, 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 2018.

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 2018 except for the adoption of the following with effect from 1 January 2019:

| | |
|--|--|
| MFRS 16 | Leases |
| IC Interpretation 23 | Uncertainty over Income Tax Treatments |
| Amendments to MFRS 9 | Prepayment Features with Negative Compensation |
| Amendments to MFRS 119 | Plan Amendment, Curtailment or Settlement |
| Amendments to MFRS 128 | Long-term interests in Associates and Joint Ventures |
| Annual Improvements to MFRSs 2015 – 2017 Cycle: | |
| <ul style="list-style-type: none">• Amendments to MFRS 3• Amendments to MFRS 11• Amendments to MFRS 112• Amendments to MFRS 123 | |
| Amendments to References to the Conceptual Framework in MFRS Standards | |
| Amendments to MFRS 3 | Definition of a Business |
| Amendments to MFRS 101 | Definition of Material |

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

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Mar 2019

A2. Audit Report

The annual financial statement of the Company for the year ended 31 December 2018 was reported on without qualification.

A3. Seasonal or cyclical factors

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

A4. Items of unusual nature and amount

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

A5. Material changes in estimates

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

A6. Issuance or Repayment of Debt or Equity Securities

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

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

| | No. of shares Issued and fully paid up ordinary shares of RM0.10 each | Share Capital | Total |
|-------------------|---|------------------|---------|
| | '000 | RM'000 | RM'000 |
| As at 1 Jan 2019 | 1,155,230 | 382,807 | 382,807 |
| As at 31 Mar 2019 | 1,155,230 | 382,807 | 382,807 |

A7. Dividend Paid

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

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Mar 2019

A8. Segmental Analysis

a) Analysis of Segmental Revenue and Result

| | Current Quarter | | Cumulative Quarter | |
|------------------------------|-----------------|----------|--------------------|----------|
| | 3 months ended | | 3 months ended | |
| | 31.03.19 | 31.03.18 | 31.03.19 | 31.03.18 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Segment revenue | | | | |
| - Services and trading | 84,491 | 137,573 | 84,491 | 137,573 |
| - Construction | - | - | - | - |
| Elimination of inter-segment | - | - | - | - |
| Total | 84,491 | 137,573 | 84,491 | 137,573 |
| Segment result | | | | |
| - Services and trading | 441 | 7,289 | 441 | 7,289 |
| - Construction | - | - | - | - |
| Profit after tax | 441 | 7,289 | 441 | 7,289 |

b) Analysis by Geographical Area

| | Current Quarter | | | |
|---------------|----------------------------|--------------------|------------------------|------------------------|
| | 3 months ended 31 Mar 2019 | | | |
| | Malaysia RM'000 | Overseas RM'000 | Eliminations RM'000 | Consolidated RM'000 |
| Revenue | | | | |
| External sale | 62,668 | 21,823 | - | 84,491 |
| Inter segment | - | - | - | - |
| Total | 62,668 | 21,823 | - | 84,491 |

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

| | Cumulative Quarter | | | |
|---------------|----------------------------|--------------------|------------------------|------------------------|
| | 3 months ended 31 Mar 2019 | | | |
| | Malaysia RM'000 | Overseas RM'000 | Eliminations RM'000 | Consolidated RM'000 |
| Revenue | | | | |
| External sale | 62,668 | 21,823 | - | 84,491 |
| Inter segment | - | - | - | - |
| Total | 62,668 | 21,823 | - | 84,491 |

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Mar 2019

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

| | 31 Mar 2019 | | | |
|---------------------|--------------------|--------------------|------------------------|------------------------|
| | Malaysia RM'000 | Overseas RM'000 | Eliminations RM'000 | Consolidated RM'000 |
| Segment Assets | 652,928 | 138,992 | - | 791,920 |
| Segment liabilities | 241,434 | 43,806 | - | 285,240 |
| Depreciation | 1,014 | 807 | - | 1,821 |
| | 31 Mar 2018 | | | |
| | Malaysia RM'000 | Overseas RM'000 | Eliminations RM'000 | Consolidated RM'000 |
| Segment Assets | 738,664 | 134,254 | - | 873,256 |
| Segment liabilities | 317,100 | 42,057 | - | 359,157 |
| Depreciation | 2,790 | 211 | - | 3,001 |

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 Prima Sdn Bhd, a wholly-owned subsidiary of Destini, had on 4 January 2019, received a letter of extension dated 28 December 2018 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.
3. On 13 Mar 2019 Destini Berhad announced that, Destini Oil Services Sdn Bhd, a wholly-owned subsidiary of Destini, had on 4 December 2018 received a letter of award for the

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Mar 2019

provision for tubular handling, conductor installation and slot recovery equipment and services for PAC Operators' Drilling Program for Sarawak Shell Berhad

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 Rail Sdn Bhd , a wholly-owned subsidiary of the Company, had on 19 April 2019 incorporated a new wholly-owned subsidiary, DLP Rail Sdn Bhd. As a result, DLP Rail has become an indirect
2. Destini Rail Sdn. Bhd. had on 2 May 2019 entered into a Joint Venture and Shareholders Agreement with Lion Pacific Sdn. Bhd., and SVPR Consulting Services Sdn. Bhd. in respect of DLP Rail Sdn. Bhd.

The purpose of the Proposed Joint Venture is to formalise a collaboration between the Shareholders and to draw upon the skills, expertise, experience and capabilities of each other for the benefit of the JV Company, in undertaking the business of rail related projects in Malaysia and the region which, among others, include engineering solutions and services, civil works, rolling stock, system and track works, asset management and maintenance services for rail projects.

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-Mar-19 RM '000 | Year to Date 31-Dec-18 RM '000 |
|---|---|
| 29,493 | 29,493 |

A14. Capital Commitments

Approved and contracted for :

| Year to Date 31-Mar-19 RM '000 | Year to Date 31-Dec-18 RM '000 |
|---|---|
| - | - |

A15. Significant related party transactions

There were no significant related party transactions occurred during the financial quarter ended 31 Mar 2019.

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Mar 2019

Part B: Explanatory Notes Pursuant to Appendix 9B of The Listing Requirements Of The Bursa Malaysia Securities Berhad.**B1. Review of Performance**

For the financial period ended 31 Mar 2019, the Group's revenue decreased to RM84.49 million or 39% as compared to RM137.57 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 RM0.64 million' decreased by 92% as compared to RM7.75 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 RM84.49 million for the current quarter under review or more than 18% decrease compared to RM102.77million in the preceding quarter. The Group registered profit after tax and non-controlling interests of RM0.64 million for the current quarter under review as compared to profit after tax and non-controlling interests at RM1.56 million in the preceding quarter. Profit in current quarter decrease due to lower 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-Mar-19 RM '000 | 31-Mar-18 RM '000 | 31-Mar-19 RM '000 | 31-Mar-18 RM '000 |

| | | | | |
|------------------|---------|---------|---------|---------|
| Current taxation | (1,111) | (2,411) | (1,111) | (2,411) |
|------------------|---------|---------|---------|---------|

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Mar 2019

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-Mar-19 RM '000 | 31-Dec-18 RM '000 |
|---|------------------------------|------------------------------|
| <i>Denominated in Ringgit Malaysia:</i> | | |
| Hire Purchase Payables | 359 | 1,459 |
| Bank Borrowing | 4,723 | 4,117 |
| <i>Denominated in Singapore Dollar (SGD):</i> | | |
| Hire Purchase Payables | 101 | 309 |
| | 53 | 326 |
| Bank Borrowing | 9,072 | 10,023 |
| <i>Denominated in Chinese Renminbi (CNY):</i> | | |
| Term Loans | 2,131 | |
| | - | 2,107 |
| Total | 16,439 | 18,341 |

B7.2 Long Term Borrowings

| <u>Secured</u> | 31-Mar-19 RM '000 | 31-Dec-18 RM '000 |
|---|------------------------------|------------------------------|
| <i>Denominated in Ringgit Malaysia:</i> | | |
| Hire Purchase Payables | 835 | 767 |
| Term Loan | 115,889 | 125,886 |
| <i>Denominated in Singapore Dollar (SGD):</i> | | |
| Hire Purchase Payables | 306 | 905 |
| Bank Borrowing | 3,681 | 4,690 |
| Total | 120,711 | 132,248 |

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Mar 2019

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

| | Year to date 31-Mar-19 RM '000 | Year to date 31-Mar-18 RM '000 |
|---|---|---|
| Profit for the period is arrived at after charging/(crediting):- | | |
| Depreciation of property, plant and equipment | 1,821 | 3,001 |
| Interest expense | 338 | 1,054 |

B11. Earnings Per Share

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

| | Individual Quarter | | Cumulative Quarter | |
|--|--------------------------------------|---|---|---|
| | Current Quarter 31-Mar-19 | Preceding Year Corresponding Quarter 31-Mar-18 | Current Year To Date 31-Mar-19 | Preceding Year Corresponding Quarter 31-Mar-18 |
| Attributable to owners of parent (RM'000) | 636 | 7,748 | 636 | 7,748 |
| 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) | 0.06 | 0.67 | 0.06 | 0.67 |

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31 Mar 2019

B12. Disclosure of realised and unrealised profit

| | Year to Date 31-Mar-19 RM'000 | Year to Date 31-Dec-18 RM'000 |
|---|--|--|
| Total accumulated losses of the Company and its subsidiaries | | |
| - Realised | 65,455 | 65,001 |
| Less : consolidation adjustments | 47,040 | 48,039 |
| Total retained profits | <u>112,495</u> | <u>113,040</u> |

BY ORDER OF THE BOARD**DATO' ROZABIL ABDUL RAHMAN**
President and Group Chief Executive Officer