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

DESTINI

SUMMARY OF KEY FINANCIAL INFORMATION

FOR THE FIRST QUARTER ENDED 31 MAR 2020

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Mar-20 RM ' 000	31-Mar-19 RM ' 000	31-Mar-20 RM ' 000	31-Mar-19 RM ' 000
1. Revenue	34,047	84,491	34,047	84,491
2. Profit/(Loss) before tax	(11,740)	1,552	(11,740)	1,552
3. Net Profit/(Loss) for the financial period	(11,747)	441	(11,747)	441
4. Profit/(Loss) after tax and non-controlling interest	(11,795)	636	(11,795)	636
5. Basic earnings per share (Sen)	(0.98)	0.06	(0.98)	0.06
6. Net dividend per share (Sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7. Net assets per share (RM)	0.2120	0.2230

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

ADDITIONAL INFORMATION

FOR THE FIRST QUARTER ENDED 31 MAR 2020

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Mar-20 RM ' 000	31-Mar-19 RM ' 000	31-Mar-20 RM ' 000	31-Mar-19 RM ' 000
1. Profit/(Loss) from operations	(11,052)	1,888	(11,052)	1,888
2. Gross interest income	2	23	2	23
3. Gross interest expense	(688)	(336)	(688)	(336)

DESTINI

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MAR 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31-Mar-20 (Unaudited) RM'000	As at 31-Dec-19 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	85,727	88,509
Right of use assets	37,862	38,459
Intangible Assets	107,044	107,044
Investment in quoted share	430	430
Investment in jointly control entity	-	-
Other Receivable	4,927	4,927
Other investments	320	320
	236,310	**239,689**
CURRENT ASSETS		
Inventories	13,534	13,494
Contract assets	15,904	17,513
Trade receivables	209,292	210,803
Other receivables and deposits	71,072	68,697
Amount due from joint venture	6,748	6,748
Tax recoverable	2,001	1,943
Deposit with licensed bank	16,823	16,823
Cash and bank balances	25,936	9,659
	361,310	345,680
TOTAL ASSETS	**597,620**	**585,369**
EQUITY AND LIABILITIES		
SHARE CAPITAL	398,037	388,237
TRANSLATION RESERVE	5,641	5,543
RETAINED PROFITS	(147,879)	(136,084)
Equity attributable to owners of the parent	**255,799**	**257,696**
NON-CONTROLLING INTEREST	(2,095)	(2,143)
Total Equity	**253,704**	**255,553**
NON-CURRENT LIABILITIES		
Preferences shares	394	394
Deferred taxation	2,959	2,828
Lease liabilities	13,319	14,619
Bank borrowings	9,773	10,173
Retirement benefits	-	-
	26,445	**28,014**
CURRENT LIABILITIES		
Contract liabilities	5,997	6,245
Trade payables	96,495	81,738
Other payables and accruals	83,008	79,742
Lease liabilities	4,990	6,798
Bank borrowings	103,009	104,575
Redeemable preference shares	1,351	1,351
Tax Payable	22,621	21,353
	317,471	**301,802**
TOTAL EQUITY AND LIABILITIES	**597,620**	**585,369**
Net assets per share attributable to owners of the parent (RM)	**0.2120**	**0.2230**
Weighted average number of ordinary shares ('000 units)	1,206,604	1,155,367
Enlarged number of ordinary shares in issue ('000 units)	1,230,230	1,180,230
	-	-

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 2019 and the accompanying explanatory notes to the quarterly report.

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MAR 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 31-Mar-20 RM'000	INDIVIDUAL QUARTER PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-19 RM'000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 31-Mar-20 RM'000	CUMULATIVE QUARTER PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-19 RM'000
Revenue	**34,047**	**84,491**	**34,047**	**84,491**
Cost of sale	(24,448)	(59,367)	(24,448)	(59,367)
Gross profit	**9,599**	**25,124**	**9,599**	**25,124**
Other income	290	226	290	226
Administrative expenses	(18,157)	(21,641)	(18,157)	(21,641)
Depreciation	(2,784)	(1,821)	(2,784)	(1,821)
Profit from operations	(11,052)	1,888	(11,052)	1,888
Finance cost	(688)	(336)	(688)	(336)
Impairment of goodwill and assets	-	-	-	-
Share of result of associates/JV	-	-	-	-
Profit/(Loss) before tax	**(11,740)**	**1,552**	**(11,740)**	**1,552**
Taxation	(7)	(1,111)	(7)	(1,111)
Net profit/(Loss) for the financial period	**(11,747)**	**441**	**(11,747)**	**441**
Other comprehensive income				
- Exchange Translation differences	**98**	**(195)**	**98**	**(195)**
Other comprehensive income for the financial period	**98**	**(195)**	**98**	**(195)**
Total comprehensive income for the financial period	**(11,649)**	**246**	**(11,649)**	**246**
Net Profit/(Loss) for the financial period attributable to:				
Owners of the parent	(11,795)	636	(11,795)	636
Non-controlling interests	48	(195)	48	(195)
	(11,747)	**441**	**(11,747)**	**441**
Total comprehensive income/(loss) for the financial period attributable to:				
Owners of the parent	(11,697)	291	(11,697)	291
Non-controlling interests	48	(45)	48	(45)
	(11,649)	**246**	**(11,649)**	**246**
Earnings per share attributable to owners of the parent:				
- basic (Sen)	(0.98)	0.06	(0.98)	0.06
Weighted average number of ordinary shares ('000 units)	1,206,604	1,155,230	1,206,604	1,155,230
Enlarged number of ordinary shares in issue ('000 units)	1,230,230	1,155,230	1,230,230	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 2019 and the accompanying explanatory notes to the quarterly report.

DESTINI

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MAR 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	AS AT END OF CURRENT PERIOD (Unaudited) 31-Mar-20 RM' 000	AS AT END OF PRECEDING YEAR (Audited) 31-Dec-19 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**(11,740)**	**(251,244)**
Adjustments for:-		
Amortization of intangible	-	2,125
Amortization of land use right	-	-
Bad debts written off	-	182
Depreciation of property,plant and equipment	2,785	12,508
Depreciation of right-of-use assets	597	7,473
Fair value adjustment on investment in securities (quoted share)	-	(355)
Gain on disposal of property, plant and equipment	-	(134)
Intangible assets written off	-	4,673
Impairment loss on trade receivable	-	42,468
Impairment loss on other receivable	-	17,018
Impairment loss on intengible assets	-	91,682
Impairment loss on property,plant and equipment	-	1,998
Impairment loss on right of use	-	11
Interest expense	688	23,248
Interest Income	(2)	(505)
Inventories written off	-	13
Reversal of impairment of trade receivable	-	(1,312)
Share of (profit)/loss in investment in a associate company	-	185
Unrealized Foreign Exchange (Gain)/ Loss	-	198
Operating profit before working capital changes	**(7,672)**	**(49,768)**
Inventories	(40)	(1,845)
Receivables	864	32,030
Payable	11,899	5,009
Contract assets/liabilties	1,537	50,726
Cash used in operations	**6,588**	**36,152**
Tax paid	(250)	(2,975)
Tax refund	-	96
Interest paid	(688)	(23,248)
Interest received	2	505
Net cash used in operating activities	**5,652**	**10,530**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property,plant and equipment	-	(17,554)
Proceeds from disposal of property,plants and equipment	-	3,741
Proceeds from disposal quoted shares	-	1,061
Additional of intangible assets	-	(785)
Net cash used in investing activities	-	(13,537)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	-	4,310
Repayment of term loan	4,252	(22,931)
Repayment of finance lease liabilities	(2,531)	(7,013)
Changes in LC or credit of TR	-	(3,058)
Proceeds private placement	9,800	5,430
Decreased/(Increased) in Fixed Deposit pledge to licensed banks	266	9,548
Net cash generated from financing activities	**11,787**	**(13,714)**
CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	17,439	(16,721)
EFFECT OF EXCHANGE RATE FLUCTUATIONS	98	(7,724)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5,137	29,582
CASH AND CASH EQUIVALENTS END OF PERIOD	**22,674**	**5,137**
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER COMPRISE OF:		
Deposit with licensed bank	16,823	16,823
Cash and bank balances	26,233	9,658
Bank overdraft	(297)	(1,259)
	42,759	**25,222**
Deposit with licensed bank (pledge)	(20,085)	(20,085)
Cash at bank pledged with license bank	-	-
	22,674	**5,137**
	-	-

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 2019 and the accompanying explanatory notes to the quarterly report.

DESTINI

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MAR 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital 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
Effect of adopting MFRS16	-		(120)	(120)	-	(120)
	382,807	12,358	111,739	506,904	(453)	506,451
Net profit for the financial year	-	-	(247,823)	(247,823)	(1,712)	(249,535)
Exchanges translation differences for foreign operations	-	(6,815)	-	(6,815)	22	(6,793)
Total comprehensive income for the financial year	-	(6,815)	(247,823)	(254,638)	(1,690)	(256,328)
Transactions with owner:						
					-	
Issue of ordinary shares: Private placement	5,430	-	-	5,430		5,430
Total transaction with owners	5,430	-	-	5,430	-	5,430
At 31 December 2019 (Audited)	388,237	5,543	(136,084)	257,696	(2,143)	255,553
	-	-	-	-	-	-

	Share Capital 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 2020	388,237	5,543	(136,084)	257,696	(2,143)	255,553
Effect of adopting MFRS16	-	-	-	-	-	-
	388,237	5,543	(136,084)	257,696	(2,143)	255,553
Net profit for the financial year	-	-	(11,795)	(11,795)	48	(11,747)
Exchanges translation differences for foreign operations	-	98	-	98	-	98
Total comprehensive income for the financial year	-	98	(11,795)	(11,697)	48	(11,649)
Transactions with owner:						
					-	
Issue of ordinary shares: Private placement	9,800	-	-	9,800		9,800
Total transaction with owners	9,800	-	-	9,800	-	9,800
At 31 March 20 (Unaudited)	398,037	5,641	(147,879)	255,799	(2,095)	253,704
	-	-	-	-	-	-

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 2019, 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 2019.

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, 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 2019 except for the adoption of the following with effect from 1 January 2020:

Amendments to MFRS 3	Business Combination - Definition of a Business
Amendments to MFRS 7, MFRS 9 and MFRS 139	Financial Instruments - Interest Rate, Benchmark Reform
Amendments to MFRS 101	Presentation of Financial Statements - Definition of Material
Amendments to MFRS 10	Accounting Policies, Changes in Accounting Estimates and Errors - 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.

A2. Audit Report

The annual financial statement of the Company for the year ended 31 December 2019 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 2020	1,180,230	388,237	388,237
Issue of ordinary shares:			
- Private placement	50,000	9,800	9,800
As at 31 Mar 2020	1,230,230	398,037	398,037

A7. Dividend Paid

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

A8. Segmental Analysis

a) Analysis of Segmental Revenue and Result

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 Mar 20	31 Mar 19	31 Mar 20	31 Mar 19
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
- Services and trading	34,047	84,491	34,047	84,491
- Construction				
Elimination of inter-segment	-	-	-	-
Total	34,047	84,491	34,047	84,491
Segment result				
- Services and trading	(11,747)	441	(11,747)	441
- Construction	-	-	-	-
Profit after tax	(11,747)	441	(11,747)	441

b) Analysis by Geographical Area

	Current Quarter			
	3 months ended 31 Mar 2020			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	21,656	12,391	-	34,047
Inter segment	-	-	-	-
Total	21,656	12,391	-	34,047

	Preceding 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

	Cumulative Quarter			
	3 months ended 31 Mar 2020			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	21,656	12,391	-	34,047
Inter segment	-	-	-	-
Total	21,656	12,391	-	34,047

	Preceding 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

	31 Mar 2020			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	469,496	123,197	-	592,693
Segment liabilities	302,010	36,979	-	338,989
Depreciation	1,820	963	-	2,783
	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

A9. Valuation of property, plant and equipment

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

A10. Significant Events As At the Financial Period

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

1. Destini Armada Pte Ltd (DAPL) , a wholly-owned subsidiary of Destini had on 18 February 2020, entered into a conditional share sale agreement with PT Berkah Sadaya Adikarya for the acquisition of 4,999 ordinary shares in PT Muara Badak Perkasa (PT MBP), representing approximately 99.9% equity interest in PT MBP for a purchase consideration of SGD4,000,000 to be satisfied entirely via the issuance and allotment of 4,900,000 new DAPL Shares at an issue price of approximately SGD0.8163 per DAPL Share

In conjunction with the Proposed Acquisition, the Board proposes to undertake a diversification of the business activities of Destini and its subsidiaries to include the provision of jetty and/or port operations related services to mining companies.

Upon completion of the Proposed Acquisition, PT Berkah Sadaya Adikarya will emerge as the largest shareholder of DAPL, with a 55.0% equity interest in DAPL. Simultaneously, the equity interest of Destini in DAPL will be diluted from 100.0% to 45.0%.

2. DAPL had on 18 February 2020, entered into a heads of agreement with PT Bahtera Sentosa Bersama

3. Pursuant to Paragraph 9.33 (1)(a) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, Destini must, amongst others, submit the draft circular of the Proposals to Bursa Securities, not later than 2 months from the date of the announcement (i.e. by 18 April 2020).

   Bursa Securities had, vide its letter dated 20 April 2020 (which was received on 21 April 2020), resolved to grant an extension of time of 3 months up to 18 July 2020 to submit the draft Circular pursuant to Paragraph 9.33(1)(a) of the Listing Requirements.

4. DAPL has on 28 April 2020 entered into a supplemental agreement to the SSA with the Vendor to extend the CP Period from 21 May 2020 to 31 October 2020, Save for the aforementioned, all other terms of the SSA shall remain unchanged and continue to be in full force and effect.

A11. Changes in Composition of the Group

There are 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 Oil Services Sdn Bhd, a wholly-owned subsidiary of Destini, had on 22 April 2020 received a letter of award for the provision of tubular equipment and services for JX Nippon Oil & Gas Exploration (Malaysia) Limited's **("**NIPPON**")** drilling campaign.

A13. Contingent Liabilities or Assets

Except as disclosed below, there were no material contingent liabilities or assets during the financial quarter.

	Year to Date 31-Mar-20 RM '000	**Year to Date 31-Dec-19 RM '000**
Banker's guarantees in favour of the local authorities for the purpose of development projects		
- Secured	18,823	29,493

A14. Capital Commitments

	Year to Date 31-Mar-20 RM '000	Year to Date 31-Dec-19 RM '000
Approved and contracted for :	-	-

A15. Significant related party transactions

There were no significant related party transactions occurred during the financial quarter ended 31 Mar 2020.

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 2020, the Group's revenue decreased by 60% to RM34.05 million from RM84.49 million in the preceding year corresponding period. The main contributor to the decrease in revenue was due to reduced billings for the Group's aviation services, oil and gas and marine manufacturing sectors.

Additionally, the Group faced a challenging start of the year from weak client sentiment due to COVID-19. A majority of the world economy was disrupted from enforced quarantines, lockdowns and travel restrictions. Destini's marine manufacturing facility in Nantong, China had to pause its operations for three months to comply with the mandatory requirement of the Chinese Government to curb the spread of the pandemic.

Destini recorded a loss after tax and non-controlling interests of RM11.79 million as compared to RM0.64 million profit after tax and non-controlling interests reported in the preceding year's corresponding period. The drop in revenue resulted in margin compression which in turn was insufficient to cover the Group's overall administrative expenses.

B2. Review of Current Quarter against Preceding Quarter

The Group registered a revenue of RM34.05 million for the current quarter under review which represents a 55% decrease compared to a revenue of RM76.67 million in the preceding quarter.

The Group recorded loss after tax and non-controlling interests of RM11.79 million for the current quarter under review as compared to a loss after tax and non-controlling interests of RM235.44 million in the preceding quarter. Destini's losses narrowed in the current quarter as compared to the preceding quarter was mainly due to the provision and impairment on assets and goodwill, escalation in costs, and higher interest expenses recognized during the preceding quarter.

B3. Commentary on Prospects for the Next Financial Quarter

The COVID-19 pandemic had severely impacted global economies and created market turbulence, volatility in global crude oil prices and weak consumer sentiment. These uncertainties are expected to negatively impact all nations and businesses throughout the year 2020.

Foreseeing this, the Group has taken pre-emptive measures to be resilient in weathering the current challenging environment by focusing more in strengthening the Group's balance sheet and managing its cash flow prudently. Plans, controls, regular review and actions are taken to tighten capital expenditure, operating expenditure, and investment assessments and decisions towards optimising the Group's balance sheet, including its capital structure, where necessary.

The Group had also implemented cost cutting measures that includes a salary pay cut that took into effect in Apr 2020. The total estimate savings from this pay cut sums to RM3.52 mil per annum for local human capital cost.

Destini has not only implemented a series of cost cutting measure to ensure its sustainability. To ensure stable revenue stream, the Group will continuously bid on tenders that are available in the market. Currently the Group is further strengthening its portfolio to participate in tenders by the Government that is expected to be rolled out in the second half of FY2020.

The directors expect the Group's operating environment to remain challenging and competitive in FY2020.

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-20 RM '000	31-Mar-19 RM '000	31-Mar-20 RM '000	31-Mar-19 RM '000
Current taxation	**(7)**	**(1,111)**	**(7)**	**(1,111)**

B6. Corporate Proposals

The following are corporate proposals announced but not yet completed as at the date of this quarterly report.

1. The Company proposes to undertake a private placement of up to 231,046,059 new ordinary shares in Destini, representing up to 20% of the total number of issued shares in Destini to third party investor(s) to be identified at a later date and at an issue price to be determined later. The proposal was approved by Bursa Securities had vide its letter dated 10 October 2019 and the shareholders in Extraordinary General Meeting held on 11 November 2019.

2. 1st tranche of the Proposed Private Placement comprising 25,000,000 Placement Shares at RM0.2172 per Placement Share ("**Issue Price**"). The Issue Price represents the 5-day volume weighted average market price of Destini Shares up to and including 13 December 2019, being the last market day immediately preceding the Price-fixing Date, of RM0.2172 per Destini Share. The shares were listed on 30 Dec 2019. The status of the utilisation of proceeds from the 1st tranche of RM5.43 million is as follows:

3. 2nd tranche of the Proposed Private Placement comprising 50,000,000 Placement Shares at RM0.1960 per Placement Share ("**Issue Price**").The Issue Price represents the 5-day volume weighted average market price of Destini Shares up to and including 4 February 2020, being the last market day immediately preceding the Price-fixing Date, of RM0.1960 per Destini Share. The shares were listed on 13 Feb 2020. The status of the utilisation of proceeds from the 1st and 2nd tranches of RM15.23 million is as follows:

Utilisation purposes	**Proposed utilisation**	**Actual utilisation**	**Intended timeframe for the utilisation**	**Deviation overspent**	
	RM	**RM**		**RM**	**%**
Repayment of bank borrowings	21,000,000	7,511,800	Within 2 months	-	-
Working capital:					
- Existing project	22,000,000	7,438,200	Within 6 months	-	-
- New projects	1,000,000	-	Within 24 months	-	-
- General requirements	773,982	-	Within 24 months	-	-
Estimated expenses in relation to the Proposed Private Placement	280,000	280,000	Within 1 month	-	-
Total	**45,053,982**	**15,230,000**		-	-

4. Bursa Securities has approved the application for an extension of time until 9 October 2020 to complete the implementation of the Proposed Private Placement.

B7. Group Borrowings and Debt Securities

Group borrowings were as follows:

B7.1 Short Term Borrowings

Secured	**31-Mar-20 RM '000**	**31-Dec-19 RM '000**
Denominated in Ringgit Malaysia:		
Hire Purchase and Lease Payables	1,646	1,837
Bank Borrowing	79,518	83,038
Denominated in Singapore Dollar (SGD):		
Hire Purchase and Lease Payables	10,775	11,862
Overdraft	298	298
Bank Borrowing	15,495	14,071
Denominated in Chinese Renminbi (CNY):		
Term Loans	267	267
Total	**107,995**	**111,373**

B7.2 Long Term Borrowings

Secured	31-Mar-20 RM '000	31-Dec-19 RM '000
Denominated in Ringgit Malaysia:		
Hire Purchase and Lease Payables	4,600	740
Term Loan	17,223	22,915
Denominated in Singapore Dollar (SGD):		
Hire Purchase and Lease Payables	1,189	1,057
Bank Borrowing	80	80
Total	**23,092**	**24,792**

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-20 RM '000	Year to date 31-Dec-19 RM '000
Profit for the period is arrived at after charging/(crediting):-		
Depreciation of property, plant and equipment	2,784	12,192
Interest expense	688	17,305
Fair value adjustment on investment in securities	-	532

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-20	**Preceding Year Corresponding Quarter 31-Mar-19**	**Current Year To Date 31-Mar-20**	**Preceding Year Corresponding Quarter 31-Mar-19**
Attributable to owners of parent (RM'000)	**(11,795)**	**636**	**(11,795)**	**636**
Weighted average number of ordinary shares ('000) in issue	**1,206,604**	**1,155,230**	**1,206,604**	**1,155,230**
Basic earnings per share (Sen)	**(0.98)**	**0.06**	**(0.98)**	**0.06**

B12. Disclosure of realised and unrealised profit

	Year to Date 31-Mar-20 RM'000	Year to Date 31-Dec-19 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	(182.086)	(171,092)
Less : consolidation adjustments	34,207	35,008
Total retained profits	(147,879)	(136,084)

BY ORDER OF THE BOARD

DATO' ROZABIL ABDUL RAHMAN
President and Group Chief Executive Officer