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If you are in any doubt as to the course of action to take, you should consult your stockbroker, solicitor, accountant, bank manager or other professional adviser immediately.

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# ***DESTINI***

**DESTINI BERHAD**

[Registration No. 200301030845 (633265-K)]  
(Incorporated in Malaysia)

## **CIRCULAR TO SHAREHOLDERS**

### **IN RELATION TO**

**PROPOSED PRIVATE PLACEMENT OF UP TO 231,046,059 NEW ORDINARY SHARES IN DESTINI BERHAD (“DESTINI” OR THE “COMPANY”), 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**

**AND**

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



**AFFIN HWANG**  
CAPITAL

**AFFIN HWANG INVESTMENT BANK BERHAD**

**[Registration No. 197301000792 (14389-U)]**

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice convening the Extraordinary General Meeting (“EGM”) of the Company to be held at Mauna Lani A, 1<sup>st</sup> Floor, Holiday Inn Kuala Lumpur Glenmarie, 1 Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Monday, 11 November 2019 at 10.00 a.m. or any adjournment thereof, together with the Form of Proxy are enclosed in this Circular.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/her behalf. In such event, the Form of Proxy should be completed, signed and lodged at the Company’s Share Registrar’s office at 149, Jalan Aminuddin Baki, Taman Tun Dr Ismail, 60000 Kuala Lumpur, not less than 48 hours before the time set for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Saturday, 9 November 2019 at 10.00 a.m.

Date and time of the EGM : Monday, 11 November 2019 at 10.00 a.m.

This Circular is dated 25 October 2019

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## DEFINITIONS

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Except where the context otherwise requires, the following terms and abbreviations shall apply throughout the Circular:

Act	: Companies Act 2016
Affin Group	: Affin Bank Berhad (the holding company of Affin Hwang IB) and its related and associated companies
Affin Hwang IB	: Affin Hwang Investment Bank Berhad
Announcement	: Announcement dated 12 September 2019 in relation to the Proposed Private Placement
Board	: Board of Directors of Destini
Bursa Securities	: Bursa Malaysia Securities Berhad
Circular	: This circular to shareholders of Destini dated 25 October 2019 in relation to the Proposed Private Placement
Destini or the Company	: Destini Berhad
Destini Group or Group	: Destini and its subsidiaries, collectively
Destini Share(s) or Share(s)	: Ordinary share(s) in Destini
EGM	: Extraordinary General Meeting
EPS	: Earnings per Share
FPE	: Financial period ended
FYE	: Financial year ended/ ending, as the case may be
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 30 September 2019, being the latest practicable date prior to the printing of this Circular
NA	: Net assets
Placement Share(s)	: Up to 231,046,059 new Destini Shares to be issued pursuant to the Proposed Private Placement
Proposed Private Placement	: Proposed private placement of up to 231,046,059 Placement Shares, 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
Record of Depositors	: A record of depositors established by Bursa Depository under the rules of the depository
RM and sen	: Ringgit Malaysia and sen respectively
VWAP	: Volume weighted average market price

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**DEFINITIONS (CONT'D)**

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References to “we”, “us”, “our” and “ourselves” are to our Company, and where the context otherwise requires, our subsidiaries. All references to “you” are to our shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time or date in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Any discrepancy in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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# ***DESTINI***

## **DESTINI BERHAD**

[Registration No. 200301030845 (633265-K)]  
(Incorporated in Malaysia)

### **Registered Office:**

No. 10 Jalan Jurunilai U1/20  
Hicom Glenmarie Industrial Park  
40150 Shah Alam  
Selangor Darul Ehsan

25 October 2019

### **Board of Directors:**

Tan Sri Dato' Sri Rodzali bin Daud (*Independent & Non-Executive Chairman*)  
Dato' Rozabil @ Rozamujib bin Abdul Rahman (*President & Group Chief Executive Officer*)  
Mohd Shihabuddin bin Mukhtar (*Non-Independent & Non-Executive Director*)  
Dato' Che Sulaiman bin Shapie (*Independent & Non-Executive Director*)  
Professor Datin Dr Suzana bt Sulaiman @ Mohd Suleiman (*Independent & Non-Executive Director*)  
Abdul Rahman bin Mohamed Rejab (*Executive Director*)  
Ismail bin Mustaffa (*Executive Director*)

**To: The shareholders of the Company**

Dear Sir/Madam,

### **PROPOSED PRIVATE PLACEMENT**

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#### **1. INTRODUCTION**

On 12 September 2019, Affin Hwang IB had, on behalf of the Board, announced that the Company proposed to undertake the Proposed Private Placement.

On 13 September 2019, Affin Hwang IB had, on behalf of the Board, announced that the listing application in relation to the Proposed Private Placement had been submitted to Bursa Securities.

On 11 October 2019, Affin Hwang IB had, on behalf of the Board, announced that Bursa Securities, had vide its letter dated 10 October 2019, approved the listing of and quotation for up to 231,046,059 Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities, subject to the conditions as set out in Section 8 of this Circular.

The details of the Proposed Private Placement are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR TOGETHER WITH THE APPENDIX IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED PRIVATE PLACEMENT TOGETHER WITH THE RECOMMENDATION OF THE BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS TOGETHER WITH THE APPENDIX OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

## 2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

### 2.1 Placement size

As at the LPD, the issued share capital of Destini is RM382,806,871 comprising 1,155,230,299 Destini Shares.

In conjunction with the Proposed Private Placement, the Company has undertaken not to purchase any of its Shares pursuant to the share buy-back mandate that was approved by the Company's shareholders at the last Annual General Meeting from the date of the Announcement until the completion of the Proposed Private Placement. As at the LPD, Destini does not have any treasury shares.

Based on the total number of issued shares of Destini as at the LPD of 1,155,230,299 Destini Shares, the Proposed Private Placement will entail an issuance of up to 231,046,059 Placement Shares, representing approximately up to 20% of the total number of issued shares in Destini.

The actual number of Placement Shares to be issued pursuant to the Proposed Private Placement will depend on the total number of issued shares of Destini on a date to be determined later and after the approvals, as set out in Section 8 of this Circular, have been obtained.

The Proposed Private Placement will result in a dilution to the existing shareholders' shareholdings in Destini. For illustrative purposes, assuming that up to 231,046,059 Placement Shares are issued pursuant to the Proposed Private Placement, the existing shareholders' shareholdings will be as follows upon completion of the Proposed Private Placement:

	Assumed no. of Shares held	%
As at the LPD and prior to the Proposed Private Placement	115,523,030	<sup>(i)</sup> 10.00
After the Proposed Private Placement	115,523,030	<sup>(ii)</sup> 8.33

Notes:

- (i) Calculated based on the issued share capital of 1,155,230,299 Shares as at the LPD.
- (ii) Calculated based on the issued share capital of 1,386,276,358 Shares after the completion of the Proposed Private Placement.

## 2.2 Basis of determining the issue price of the Placement Shares

The issue price for each tranche of the Placement Shares shall be determined and announced by the Board at a later date after the receipt of all requisite approvals for the Proposed Private Placement ("**Price-Fixing Date(s)**").

The issue price of the Placement Shares will be determined after taking into consideration, the historical price movement of Destini Shares, the prevailing market conditions and the 5-day VWAP of Destini Shares immediately preceding the Price-Fixing Date. The Placement Shares will be issued at a price of not more than 10% discount to the 5-day VWAP of Destini Shares immediately preceding the Price-Fixing Date.

For illustrative purposes only, the Placement Shares are assumed to be issued at RM0.195 each, representing the 5-day VWAP of Destini Shares up to and including the LPD of RM0.195 per Destini Share.

## 2.3 Placement arrangement

The Placement Shares will be placed out to third party investor(s) to be identified at a later date, where such investor(s) shall be person(s) or party(ies) who/which qualify under Schedules 6 and 7 of the Capital Markets and Services Act 2007.

In accordance with Paragraph 6.04(c) of the Listing Requirements, the Placement Shares will not be placed out to the following parties:

- (i) a Director, major shareholder or chief executive of the listed issuer or a holding company of listed issuer ("**Interested Person**");
- (ii) a person connected with the Interested Person; or
- (iii) nominee corporation, unless the names of the ultimate beneficiaries are disclosed.

The Proposed Private Placement may be implemented in tranches within 6 months from the date of approval from Bursa Securities for the Proposed Private Placement or any extended period as may be approved by Bursa Securities. As such, the implementation of the Proposed Private Placement could potentially be in multiple tranches with several Price-Fixing Dates. This will provide the Company with flexibility to procure interested investors, taking into consideration market conditions and to optimise the proceeds to be raised.

The details of investor(s) and the number of Placement Shares to be placed to each investor will be submitted to Bursa Securities before the listing of the Placement Shares pursuant to Paragraph 6.15 of the Listing Requirements.

## 2.4 Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Destini Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid by the Company for which the entitlement date precedes the date of allotment and issuance of the Placement Shares.

## 2.5 Listing of and quotation for the Placement Shares

Bursa Securities had vide its letter dated 10 October 2019, approved the listing of and quotation for up to 231,046,059 Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities, subject to the conditions as set out in Section 8 of this Circular.

### 3. UTILISATION OF PROCEEDS

Based on the indicative issue price of RM0.195 per Placement Share, the Proposed Private Placement is expected to raise gross proceeds of up to approximately RM45.05 million. The proceeds to be raised from the Proposed Private Placement are expected to be utilised by Destini Group in the following manner:

Utilisation purposes	RM	%	Expected timeframe for the utilisation*
Repayment of bank borrowings <sup>(i)</sup>	21,000,000	46.61	Within 2 months
Working capital <sup>(ii)</sup> :			
- Existing project <sup>(a)</sup>	22,000,000	48.83	Within 6 months
- New projects <sup>(b)</sup>	1,000,000	2.22	Within 24 months
- General requirements <sup>(c)</sup>	773,982	1.72	Within 24 months
Estimated expenses in relation to the Proposed Private Placement <sup>(iii)</sup>	280,000	0.62	Within 1 month
<b>Total estimated proceeds</b>	<b>45,053,982</b>	<b>100.00</b>	

Notes:

\* From the date of completion of the Proposed Private Placement.

(i) As at the LPD, the Group's total bank borrowings amounted to RM134.88 million. The bank borrowings were mainly used for project financing and working capital. The proposed repayment of RM21.00 million represents approximately 15.57% of the Group's total bank borrowings as at the LPD and is expected to result in interest savings of approximately RM1.55 million per annum based on a weighted average interest rate of 7.38% per annum.

The proposed repayment which includes repayment of up to RM10.86 million of the outstanding bank borrowings to Affin Hwang IB, represents approximately 24.10% of the total gross proceeds to be raised. The bank borrowings extended by Affin Hwang IB will mature on 25 May 2020. The remaining proposed repayment of bank borrowings amounting to RM10.14 million will not be used to repay the outstanding credit facilities granted by Affin Group (including Affin Hwang IB).

The total proceeds raised if allocated and utilised towards the repayment of bank borrowings above will result in the Group having a lower gearing level of 0.21 times. This would in turn allow the Group to have greater flexibility in sourcing for funding alternatives in the future, if required.

(ii)(a) The proceeds will be allocated to part finance the Group's existing project as follows:

Project	Date of award	Contract value	Purpose
Supply, delivery, testing and commissioning of three units of 80-meter offshore patrol vessels to the Malaysian Maritime Enforcement Agency	January 2017	RM733.00 million, of which approximately RM275.00 million remains to be billed	RM22.00 million will be utilised entirely for the ongoing cost of production of the offshore patrol vessels

(ii)(b) As at the LPD, the Company has not identified any new projects to be undertaken. The new project(s) are expected to be largely complementary or similar to the existing business of the Group. The Company will make the requisite announcement pursuant to the Listing Requirements, if required, as and when the new business project(s) are identified and details of the same are finalised. In the event the approval of shareholders is required pursuant to the Listing Requirements, such approval will be sought accordingly.



- (ii)(c) *The proceeds for general requirements are additional funds available to the Group and will be utilised to finance the day-to-day operations of the Group as and when the need arises. This includes, among others, payment to trade creditors, staff-related costs such as salaries, bonuses, statutory contributions and welfare expenses and general administrative and operating expenses such as rental, utilities, telephone and sundry expenses.*

*The actual allocation and breakdown of the proceeds to be utilised for new projects and/or each component of general requirements as disclosed above cannot be determined at this juncture and will be dependent on the type of projects to be undertaken, funding requirements and cash flow position of the Group at the time of utilisation.*

- (iii) *The estimated expenses for the Proposed Private Placement consist of professional fees, fees payable to authorities, printing cost, expenses relating to convening of EGM, advertisement as well as other miscellaneous expenses to be incurred. Any variation to the estimated expenses for the Proposed Private Placement will be adjusted to or from the working capital requirements.*

The actual gross proceeds to be raised from the Proposed Private Placement will depend on the issue price and the actual number of Placement Shares to be issued.

The proceeds will be utilised as follows in the event of any shortfall in the actual proceeds to be raised from the Proposed Private Placement:

- (i) firstly, for the estimated expenses; and
- (ii) subsequently, the balance will be proportionately utilised for the other purposes as set out in the table above.

Conversely, any surplus in the actual proceeds to be raised from the Proposed Private Placement will be used for the working capital requirements as illustrated in Note (ii)(c) above.

Pending utilisation of the proceeds from the Proposed Private Placement for the abovementioned purposes, the proceeds will be placed in deposits with financial institutions or short-term money market instruments, as the Board may deem fit. Any interest income earned from such deposits or instruments will be utilised as additional working capital for the Group.

#### **4. RATIONALE OF THE PROPOSED PRIVATE PLACEMENT**

The Group's cash and cash equivalents (net of cash/ fixed deposits pledged with licensed banks) for the past 3 FYE 31 December 2016 to 31 December 2018 and 6-month FPE 30 June 2019 are RM52.36 million, RM10.90 million, RM29.58 million and RM6.46 million, respectively. The Group has been using its internally generated funds and bank borrowings to fund the capital expenditure and other related costs of its existing projects. The proceeds raised from the Proposed Private Placement will provide additional funds for the Group to continue to fund those projects, which are generally capital intensive in nature.

In addition to the above, the Board believes that the private placement of up to 20% of the total number of issued Shares in Destini, which will raise up to approximately RM45.05 million will improve the Group's overall cash position and provide the requisite funds for the Company to use for the purposes as set out in Section 3 of this Circular.

After due consideration of the various methods of fund raising, the Board is of the opinion that the Proposed Private Placement is the most appropriate avenue of fund raising as the Proposed Private Placement:

- (i) enables the Group to raise additional funds without having to incur interest expense or service principal repayment as compared to conventional bank borrowings. This would allow the Company to preserve cash flow for reinvestment and/or operational purposes for further growth;

- (ii) is an expeditious way of raising funds from the capital market as opposed to other forms of fund raising such as rights issue, which is comparatively more time consuming and costly; and
- (iii) enables the Company to strengthen its equity base which in turn may potentially increase the liquidity and marketability of Destini Shares.

## 5. INDUSTRY OUTLOOK AND PROSPECTS

### 5.1 Outlook on the Malaysian economy

The Malaysian economy grew at a stronger pace of 4.9% in the second quarter of 2019. Gross domestic product registered a higher growth of 4.9% in the second quarter of 2019 (1Q 2019: 4.5%), supported by continued expansion in domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.0% (1Q 2019: 1.1%).

Domestic demand expanded by 4.6% in the second quarter (1Q 2019: 4.4%), supported by firm household spending and slightly higher private investment.

Private consumption expanded by 7.8% (1Q 2019: 7.6%), supported by continued income growth and festive spending during the quarter. Selected Government measures, such as the special Aidilfitri assistance and Bantuan Sara Hidup, also provided some lift to overall household spending.

After a strong growth in the first quarter of 2019 (6.3%), public consumption expanded marginally by 0.3%, due to lower spending on supplies and services.

Growth in gross fixed capital formation (GFCF) registered a smaller contraction of 0.6% (1Q 2019: -3.5%), driven by a slightly higher private investment growth amid a continued decline in public investment. By type of assets, investments in structures turned around to register a positive growth of 1.2% (1Q 2019: -1.3%), reflecting some improvement in the residential property segment. Capital expenditure on machinery and equipment recorded a smaller decline of 4.2% (1Q 2019: -7.4%), following higher spending on information and communications technology (ICT).

Private investment expanded at a faster pace of 1.8% (1Q 2019: 0.4%), supported by increased capital spending in the services and manufacturing sectors. Nonetheless, uncertainty surrounding global trade tensions and prevailing weaknesses in the broad property segment continued to weigh on the investment growth performance.

Public investment registered a smaller contraction of 9.0% (1Q 2019: -13.2%), mainly reflecting higher fixed asset spending by the Federal Government which partially offset the continued weak investment by public corporations.

Growth of the Malaysian economy continued to improve, mainly supported by the recovery from commodity-related shocks experienced last year. While the recovery from supply shocks is expected to continue into the second half of the year, the slower global growth amid ongoing trade tensions would continue to weigh on growth. In this environment, economic growth is projected to remain supported mainly by private sector activity. Household spending will continue to be driven by stable labour market conditions, while investment activity will be supported by capacity expansion in key sectors such as manufacturing and services.

The baseline projection, therefore, remains within the range of 4.3% - 4.8%. Nonetheless, the outlook is subject to downside risks from lingering uncertainties in the global and domestic environment, worsening trade tensions and extended weakness in commodity-related sectors. Positive conclusion to ongoing trade negotiations would pose as an upside risk.

*(Source: BNM Quarterly Bulletin: Economic and Financial Developments in Malaysian Economy in the 2<sup>nd</sup> Quarter of 2019, Bank Negara Malaysia)*

## 5.2 Outlook of the Aviation, Marine, Land Systems and Oil & Gas Industry in Malaysia

The aerospace industry including design and manufacturing of aircraft components; system integration; as well as maintenance, repair and overhaul activities; is expected to benefit from rising orders for aircraft in the Asia Pacific Region.

(Source: *Economic Outlook 2019, Ministry of Finance*)

As at 31 December 2018, there are 31 ground handling licence (“**GHL**”) holders that operate within three ground handling services sub-segments. Based on the latest audited financial data in 2018, the GHL holders reported RM1.7 billion in revenue (2017: RM1.5 billion) (see table below). In terms of profitability, the ground handling services segment reported an average operating profit margin of 7.4% in 2018 (2017: 1.0%). Ground handling is the least concentrated market compared to scheduled passenger services, non-scheduled services, and aerodrome operation markets. However, the market concentration of the ground handling services segment differs according to sub-segments where the catering services is the most concentrated sub-segment with a Herfindahl-Hirschman Index (“**HHI**”) of 0.6757.

Market Structure of GHL Market, 2018:

**Table 9: Market Structure of GHL Market, 2018**

Type of Business	No. of Licence Holders	HHI	2018 Revenue (RM mn)	2018 Operating Profit Margin (%)
Catering	3	0.6757	333.1	-2.7
General Ground Handling	20	0.4631	1308.3	10.2
Refuelling	8	0.5080	37.2	1.4
<b>TOTAL</b>	<b>31</b>		<b>1,678.6</b>	<b>7.4</b>

The general ground handling sub-segment conducts 10 types of services. A general ground handler may provide multiple services within the list shown in the table below:

No.	Ground Handling Service
1	Ground administration and supervision
2	Passenger handling
3	Freight and mail handling (documentations handling)
4	Aircraft services
5	Aircraft maintenance
6	Flight operations and crew administration
7	Surface transport
8	Baggage handling
9	Freight and mail handling (physical handling)
10	Ramp handling

(Source: *Waypoint: Outlook of the Malaysian Aviation Industry, Malaysian Aviation Commission Malaysia*)

The Shipbuilding and Ship Repair (“**SBSR**”) Industry has been identified as one of the strategic industries in terms of employment generation, industry capacity and technological capability. Capabilities of the local shipbuilding and ship repair industry in Malaysia involves designing; building and constructing; repairing and maintaining; converting and upgrading of vessels as well as manufacturing of marine equipment. In terms of shipbuilding, Malaysia has the capability of building vessels up to 30,000 deadweight tonnage. Most of the registered shipyards across the country specialise in building small to medium sized vessels (less than 120 meters in length). These include offshore support vessels, ferries, tugs, barges, fishing vessels and patrol crafts. Malaysia is currently ranked 24th in the list of largest shipbuilding countries.

Currently, there are 31 shipyards in Peninsular and 68 in East Malaysia, whereby these shipyards are well clustered on both sides of the nation. Under the Malaysian SBSR Industry Strategic Plan 2020, the industry aims to generate RM6.35 billion of gross national income and provide 55,000 employment opportunities by 2020. In 2018, the industry exported RM1.29 billion worth of marine products and accessories of ships, boats and floating structures which include light vessel, dredger, floating dock and cargo ship. That is an increase from RM1.07 billion compared to 2017. Two expansion projects were approved in the SBSR industry, with total investments amounting to RM33 million in 2018. These projects undertaken by wholly Malaysian-owned companies are expected to create 51 new jobs.

*(Source: MITI Report 2018, Ministry of International Trade and Industry Malaysia)*

As at the LPD, the Ministry of Defence Malaysia has requested for the following tenders for the marine-related industry:

- (i) supply of maritime operation helicopters for the Royal Malaysian Navy which was open for tender on 6 September 2019;
- (ii) supply and delivery of replacement parts and provision of maintenance services for life jackets for the Royal Malaysian Navy which was open for tender on 10 September 2019;
- (iii) supply and delivery of two-person foldable canoes which was open for tender on 18 September 2019;
- (iv) supply and delivery of medium assault crafts which was open for tender on 18 September 2019; and
- (v) Multimodal Transport Operator Service for the supply and delivery of 30mm x 173mm target practice aluminum cartridge cased bullets and 30mm x 173mm target practice tracer aluminum cartridge cased bullets for the Royal Malaysian Navy which was open for tender on 27 September 2019.

*(Source: Ministry of Defence Malaysia)*

The mining sector decreased 1% (year-on-year) during the first half of 2018 on account of lower output of liquefied natural gas (“LNG”) following unplanned supply outages. For 2018, the sector is expected to decline 0.6% following lower production of natural gas due to supply disruptions in Kebabangan and Kinabalu fields in Sabah. Nevertheless, the crude oil and condensates subsector is projected to grow in line with stable global demand. Though the United States of America sanction has reduced Iran’s exports, the recovery in Libya’s production and anticipation of higher supply from Saudi Arabia are expected to stabilise crude oil prices in 2018.

Value added of the mining sector is expected to rebound 0.7% in 2019 driven by recovery in the production of natural gas following resumption of operation in Kebabangan and Kinabalu fields as well as expectation of new production from Bakong and Larak fields in the second half of 2019. In addition, stronger demand from domestic petrochemical industry and new contracts secured including from Japan for electricity generation is expected to support the growth of this sector. Furthermore, innovative and flexible operational solutions such as LNG break bulk services via ship-to-ship by PETRONAS have increased demand from Asian region. Meanwhile, crude oil and condensates subsector is forecast to decline due to production constraints in Sabah Gumusut Kakap and Malikai fields.

*(Source: Economic Outlook 2019, Ministry of Finance)*

Decommissioning is a rapidly developing market sector in the oil and gas business, with major potential and risks. It is a commitment to ensure proper decommissioning efforts to minimise impact to our environment.

The key business driver for decommissioning is cost management where opportunities to capture value span from late-life asset management to final decommissioning through collaboration, innovative technology and reuse/ repurpose opportunities.

*(Source: PETRONAS Activity Outlook 2019 - 2021, PETRONAS)*

### **5.3 Prospects of Destini**

Destini Group operates in 4 major industries, namely aviation, marine, oil & gas and land systems, and each of these industries are affected by various changes in the operational, political and economic landscapes and challenges. In view of this, Destini has been increasing its strategic focus on developing and growing its commercial business segment to ensure a balanced portfolio for the Group while continuing to strengthen and improve its presence and capabilities in the Government segment in the past years. Such strategy has resulted in approximately 46.00% of the Group's order book of RM1.22 billion as at the LPD to be made up of commercial businesses.

Within the marine manufacturing segment, the Government has expressed its commitment to enhance the nation's maritime border security and this would entail the procurement of additional maritime assets to patrol and secure Malaysia's borders as shown in the tenders requested by the Ministry of Defence Malaysia as set out in Section 5.2 of this Circular. Destini Group is well poised and possesses the necessary track record and expertise to fulfil these requirements. In addition, Destini Group also has positioned itself to bid for the fabrication of both paramilitary and commercial vessels within the region.

The Group is also expanding its manufacturing capabilities to tender boats for the passenger cruise industry apart from its current lifeboat contracts for the oil & gas and marine industries. In addition, the Group anticipates that it could also potentially benefit from providing lifeboat maintenance, repair and overhaul ("**MRO**") services due to the regulatory requirements in the passenger cruise industry where ship owners are required to improve their maintenance standards on lifeboats.

Furthermore, the Group's existing contracts for the provision of MRO services to the Royal Malaysian Air Force, Royal Malaysian Navy and Royal Malaysia Police are expected to provide a stable stream of recurring income to the Group.

Despite the volatile oil & gas prices and headwinds within the industry, Destini Group will continue to focus on its core expertise, namely tubular handling services and oil field decommissioning. Notwithstanding this, the Group is also constantly exploring strategic partnerships with industry experts to further enhance its capabilities.

Additionally, in an effort to strengthen its foothold in the land systems industry, namely rail business, Destini, via its wholly-owned subsidiary, Destini Rail Sdn Bhd, had on 2 May 2019 entered into a joint venture and shareholders agreement with various parties to formalise their collaboration in undertaking rail-related projects covering engineering solutions and services, civil works, rolling stock, system and track works and maintenance services in Malaysia and the region.

Moving forward, Destini will continue to pursue sustainable growth strategies (including diversifying its range of services and products within its core expertise) for its 4 main businesses and enhance shareholders value.

*(Source: Management of Destini)*

## 6. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

### 6.1 Issued share capital

For illustrative purposes, the pro forma effects of the Proposed Private Placement on the issued share capital of Destini as at the LPD are as follows:

	No. of Shares	RM
Share capital as at the LPD	1,155,230,299	382,806,871
Shares to be issued pursuant to the Proposed Private Placement <sup>(i)</sup>	231,046,059	45,053,982
<b>Enlarged issued share capital</b>	<b>1,386,276,358</b>	<b>427,860,853</b>

Note:

(i) Assuming all the Placement Shares are issued at an indicative issue price of RM0.195 each.

### 6.2 NA per Share and gearing

For illustrative purposes, the pro forma effects of the Proposed Private Placement on the NA, NA per Share and gearing of Destini Group based on the latest audited consolidated financial statements of Destini as at 31 December 2018 are as follows:

	Audited as at 31 December 2018 (RM)	After the Proposed Private Placement (RM)
Share capital	382,806,871	<sup>(i)</sup> 427,860,853
Foreign currency translation reserve	12,357,852	12,357,852
Retained earnings	111,859,274	<sup>(ii)</sup> 111,579,274
<b>Equity attributable to the owners of the parent</b>	<b>507,023,997</b>	<b>551,797,979</b>
No. of Shares in issue	1,155,230,299	1,386,276,358
<b>NA per Share (RM)</b>	<b>0.44</b>	<b>0.40</b>
Total borrowings (RM)	136,101,594	<sup>(iii)</sup> 115,101,594
<b>Gearing ratio (times)</b>	<b>0.27</b>	<b>0.21</b>

Notes:

(i) Assuming all the Placement Shares are issued at an indicative issue price of RM0.195 each.

(ii) After deducting estimated expenses of approximately RM280,000 for the Proposed Private Placement.

(iii) After the repayment of bank borrowings amounting to RM21,000,000 from the proceeds raised, further details are set out in Section 3 of this Circular.

### 6.3

#### Earnings and EPS

The Proposed Private Placement is not expected to have any immediate material effect on the earnings of the Group for the FYE 31 December 2019, save for the potential dilution in the EPS of the Group as a result of the increase in the number of Shares in issue arising from the Proposed Private Placement. Nevertheless, the utilisation of the proceeds from the Proposed Private Placement is expected to contribute positively to the future earnings of the Group.

### 6.4

#### Substantial shareholders' shareholdings

The pro forma effects of the Proposed Private Placement on the substantial shareholders' shareholdings of Destini based on the Company's Record of Depositors as at the LPD are as follows:

	As at the LPD			After the Proposed Private Placement		
	Direct		Indirect	Direct		Indirect
	No. of Shares	%		No. of Shares	%	No. of Shares
BPH Capital Sdn Bhd	95,244,212	8.24	-	95,244,212	6.87	-
Dato' Rozabil @ Rozamujib Abdul Rahman	83,126,500	7.20	(i)230,210,445	83,126,500	6.00	(ii)230,210,445
Aroma Teraju Sdn Bhd <sup>(i)</sup>	200,000,000	17.31	-	200,000,000	14.43	-
Utarasama Marine Sdn Bhd	96,000,333	8.31	-	96,000,333	6.93	-
MTD Capital Bhd	64,000,000	5.54	-	64,000,000	4.62	-
Lim Nyuk Sang @ Freddy Lim	65,137,466	5.64	(iii)2,500,000	65,137,466	4.70	(iii)2,500,000
						0.18

Notes:

- (i) The ultimate shareholder of Aroma Teraju Sdn Bhd is the Ministry of Finance Malaysia.
- (ii) Deemed interested under Section 8 of the Act by virtue of his shareholdings in BPH Capital Sdn Bhd, Utarasama Marine Sdn Bhd, R Capital Sdn Bhd and Mazer Sdn Bhd.
- (iii) Deemed interested under Section 8 of the Act by virtue of his shareholdings in Santraprise Sdn Bhd.

### 6.5

#### Convertible securities

As at the LPD, the Company does not have any convertible securities.

## 7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Destini Shares traded on Bursa Securities for the past 12 months up to the LPD are as follows:

	Low (RM)	High (RM)
<b>2018</b>		
October	0.21	0.31
November	0.19	0.26
December	0.12	0.25
<b>2019</b>		
January	0.20	0.28
February	0.20	0.26
March	0.21	0.36
April	0.27	0.34
May	0.24	0.32
June	0.24	0.28
July	0.25	0.29
August	0.22	0.26
September	0.19	0.22

Last transacted price of Destini Shares as at 11 September 2019 (being the day prior to the date of the Announcement) 0.22

Last transacted market price on 24 October 2019 (being the latest practicable date prior to the printing of this Circular) 0.22

(Source: Bloomberg)

## 8. APPROVALS REQUIRED

The Proposed Private Placement is subject to the following approvals being obtained:

- (i) Bursa Securities for the listing of and quotation for up to 231,046,059 Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities.

The approval from Bursa Securities for the abovementioned was obtained vide Bursa Securities' letter dated 10 October 2019, subject to the following conditions:

No.	Conditions	Status of compliance
(1)	Destini and Affin Hwang IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;	Noted.
(2)	Destini and Affin Hwang IB to inform Bursa Securities upon the completion of the Proposed Private Placement;	To be complied.



No.	Conditions	Status of compliance
(3)	Destini to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed;	To be complied.
(4)	Destini to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed Private Placement; and	To be complied.
(5)	Destini to furnish to Bursa Securities with details of the places in accordance with Paragraph 6.15 of the Listing Requirements as soon as practicable before the listing of the new shares to be issued pursuant to the Proposed Private Placement.	To be complied.

- (ii) shareholders of Destini at an EGM to be convened; and
- (iii) any other relevant authorities/parties, if required.

## 9. INTER-CONDITIONALITY

The Proposed Private Placement is not conditional or inter-conditional upon any other corporate proposal undertaken or to be undertaken by the Company.

## 10. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders of Destini and/or persons connected with them has any interest, either direct or indirect, in the Proposed Private Placement.

## 11. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after taking into consideration all aspects of the Proposed Private Placement, including but not limited to the rationale and the effects of the Proposed Private Placement, is of the opinion that the Proposed Private Placement is in the best interest of the Company.

Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Private Placement to be tabled at the forthcoming EGM of the Company.

## 12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Private Placement is expected to be completed by the 4<sup>th</sup> quarter of 2019.

## 13. CORPORATE EXERCISE ANNOUNCED BUT NOT YET COMPLETED

Save for the Proposed Private Placement, there is no other outstanding corporate exercise, which has been announced but pending completion as at the LPD.

**14. EGM**

The EGM, notice of which is enclosed in this Circular, will be held at Mauna Lani A, 1<sup>st</sup> Floor, Holiday Inn Kuala Lumpur Glenmarie, 1 Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Monday, 11 November 2019 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Private Placement.

If you are unable to attend and vote in person at the EGM, please complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible and in any event so as to arrive at the Company's Share Registrar's office at 149, Jalan Aminuddin Baki, Taman Tun Dr Ismail, 60000 Kuala Lumpur, not less than 48 hours before the time fixed for the EGM or any adjournment thereof.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

**15. FURTHER INFORMATION**

Shareholders are requested to refer to the attached appendix for further information.

Yours faithfully,  
For and on behalf of the Board of  
**DESTINI BERHAD**

**DATO' ROZABIL @ ROZAMUJIB BIN ABDUL RAHMAN**  
President & Group Chief Executive Officer

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**FURTHER INFORMATION**


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**1. RESPONSIBILITY STATEMENT**

The Board has seen and approved the contents of this Circular, and they collectively and individually, accept full responsibility for the accuracy of the information given in this Circular. The Board confirms that after making all reasonable enquires and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading.

**2. CONSENT AND DECLARATION OF CONFLICT IN INTEREST**

Affin Hwang IB, being the Principal Adviser and Placement Agent for the Proposed Private Placement, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Affin Hwang IB hereby declares that there is no situation of conflict of interest that exists or is likely to exist in relation to the role of Affin Hwang IB as the Principal Adviser and Placement Agent to the Company in relation to the Proposed Private Placement.

Affin Group form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and fund management and credit transaction services businesses. Affin Group has engaged and may in the future, engage in transaction with and perform services for the Company and/or the Company's affiliates, in addition to the roles set out in this Circular. In addition, in the ordinary course of business, any member of Affin Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of Destini Group, the Company's shareholders, the Company's affiliates and/or any other entity or person, hold long or short positions in securities issued by the Company and/or the Company's affiliates, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of any members of Destini Group and/or the Company's affiliates.

As at the LPD, Affin Group has in the ordinary course of its business extended credit facilities / services to Destini Group and its shareholders. Affin Group may also in the future extend credit facilities/ services to Destini Group, its directors and its shareholders. As at the LPD, Destini Group has outstanding credit facilities of approximately RM20.48 million with Affin Group (including Affin Hwang IB).

Affin Hwang IB is of the view that the aforementioned extension of credit facilities does not result in a conflict of interest situation in relation to its capacity as the Principal Adviser and Placement Agent for the Proposed Private Placement as the outstanding amount of the credit facilities extended is not material compared to the latest audited NA of Affin Group as at 31 December 2018 of RM8.67 billion. Further, Affin Hwang IB has considered the factors involved and believes its objective and independence as the Principal Adviser and Placement Agent to the Company in relation to the Proposed Private Placement are maintained at all times notwithstanding the aforementioned roles and services performed as these are mitigated by the following:

- (i) the businesses of Affin Group generally act independently of each other, and accordingly, there may be situations where parts of Affin Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of the Destini Group. Nonetheless, Affin Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese Walls between different business divisions;
- (ii) the said credit facilities / services, where relevant, have been extended by Affin Group in its ordinary course of business;

**FURTHER INFORMATION (CONT'D)**

- (iii) the conduct of Affin Group in its banking business is strictly regulated by the Financial Services Act 2013, the Islamic Financial Services Act 2013, the Capital Markets and Services Act 2007 and Affin Group's own internal controls and checks; and
- (iv) save for the fees to be received by Affin Hwang IB as the Principal Adviser and Placement Agent to the Company for the Proposed Private Placement and the proposed repayment of up to RM10.86 million of outstanding bank borrowings to Affin Hwang IB as detailed in Section 3 of this Circular, there is no other direct interest to be derived by Affin Hwang IB in relation to the Proposed Private Placement.

Accordingly, the Board has been fully informed and is aware of the roles of Affin Hwang IB mentioned above and is agreeable to the role of Affin Hwang IB as the Principal Adviser and Placement Agent to the Company in relation to the Proposed Private Placement.

**3. MATERIAL LITIGATION**

As at the LPD, Destini Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings pending or threatened against the Destini Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of Destini Group.

**4. MATERIAL COMMITMENTS**

As at the LPD, the Board is not aware of any other material commitments incurred or known to be incurred by the Destini Group, which upon becoming enforceable may have a material effect on the financial position or business of Destini Group.

**5. CONTINGENT LIABILITIES**

Save as disclosed below, as at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Destini Group, which upon becoming enforceable may have a material effect on the business or financial position of the Group:

	RM'000
<b>Unsecured</b>	
Corporate guarantee given to licensed banks for banking facilities granted to subsidiaries	140,453

**6. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM of the Company, at the Registered Office of the Company at No. 10 Jalan Jurunilai U1/20, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan:

- (i) Constitution of Destini;
- (ii) the audited consolidated financial statements of Destini for the past 2 FYE 31 December 2017 and 31 December 2018 and the latest unaudited quarterly results of Destini for the 6-month FPE 30 June 2019; and
- (iii) the letter of consent referred to in Section 2 of this Appendix.

# **DESTINI**

## **DESTINI BERHAD**

[Registration No. 200301030845 (633265-K)]  
(Incorporated in Malaysia)

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of Destini Berhad ("**Destini**" or "**Company**") will be held at Mauna Lani A, 1<sup>st</sup> Floor, Holiday Inn Kuala Lumpur Glenmarie, 1 Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Monday, 11 November 2019, at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution, with or without modifications:

#### **ORDINARY RESOLUTION**

**PROPOSED 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 ("PROPOSED PRIVATE PLACEMENT")**

**"THAT** subject to the approval of all relevant authorities and/or parties being obtained (where required), approval be and is hereby given to the Board of Directors of Destini ("**Board**") to allot and issue up to 231,046,059 new ordinary shares in Destini ("**Destini Share(s)**") ("**Placement Share(s)**"), representing up to 20% of the total number of issued shares in Destini.

**THAT** approval be and is hereby given to the Board to determine the issue price for each tranche of the Placement Shares at a price of not more than 10% discount to the 5-day volume weighted average market price of Destini Shares immediately preceding the price-fixing date.

**THAT** the Placement Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Destini Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid by the Company for which the entitlement date precedes the date of allotment and issuance of the Placement Shares.

**THAT** the Board be and is hereby authorised to utilise the proceeds from the Proposed Private Placement for the purposes set out in the circular to the shareholders dated 25 October 2019 ("**Circular**"), and the Board be authorised with full powers to vary the manner and/or purpose of the utilisation of such proceeds in such manner as the Board shall in its absolute discretion deem fit, necessary, expedient and/or appropriate and in the best interest of the Company, subject to the approvals of relevant authorities (where required) being obtained.

**AND THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and things and execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangement as may be necessary to give effect and complete the Proposed Private Placement and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Board may deem necessary in the best interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise, and give full effect and to complete the Proposed Private Placement."

**BY ORDER OF THE BOARD**

**Tan Tong Lang (MAICSA 7045482)**

**Thien Lee Mee (LS0009760)**

Company Secretaries

Kuala Lumpur

25 October 2019

*Notes:*

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his/ her stead. A proxy may but need not be a member of the Company.*
2. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/ she specifies the proportions of his/ her shareholdings to be represented by each proxy.*
3. *Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/ her attorney duly authorised in writing, or if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.*
5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's Registrar's office at 149, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting or any adjourned meeting, as the case may be.*
6. *For the purpose of determining a member who shall be entitled to attend the Extraordinary General Meeting of, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 5 November 2019. Only members whose name appears on the Record of Depositors as at 5 November 2019 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.*



## PROXY FORM

No. of ordinary shares	CDS account no. of authorised Nominee

I / We (Full Name in Block Letters) \_\_\_\_\_

NRIC No. / Passport No. / Company No. \_\_\_\_\_

of \_\_\_\_\_

being a member / members of **DESTINI BERHAD**, hereby appoint \_\_\_\_\_

NRIC No. / Passport No. \_\_\_\_\_

of \_\_\_\_\_

and / or \_\_\_\_\_

NRIC No. / Passport No. \_\_\_\_\_

of \_\_\_\_\_

or failing him / her, the Chairman of the meeting as my / our proxy to vote and act on my / our behalf at the Extraordinary General Meeting of Destini Berhad ("**Destini**" or "the **Company**") to be held at Mauna Lani A, 1<sup>st</sup> Floor, Holiday Inn Kuala Lumpur Glenmarie, 1 Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Monday, 11 November 2019 at 10.00 a.m. and at any adjournment thereof.

RESOLUTION	FOR	AGAINST
ORDINARY RESOLUTION - PROPOSED PRIVATE PLACEMENT		

(Please indicate with 'X' how you wish to cast your vote. In the absence of specific directions, the proxy may vote or abstain from voting on the resolution as he/she may think fit.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

Signature: \_\_\_\_\_  
(If shareholder is a corporation, this form should be executed under seal)

The proportions of my/our holdings to be represented by my/or proxies are as follows:

**First Proxy**

No. of Shares: .....

Percentage: .....%

**Second Proxy**

No. of Shares: .....

Percentage: .....%

**Notes:**

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his/ her stead. A proxy may but need not be a member of the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/ she specifies the proportions of his/ her shareholdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/ her attorney duly authorised in writing, or if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's Registrar's office at 149, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting or any adjourned meeting, as the case may be.
6. For the purpose of determining a member who shall be entitled to attend the Extraordinary General Meeting of, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 5 November 2019. Only members whose name appears on the Record of Depositors as at 5 November 2019 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.



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AFFIX  
STAMP

THE REGISTRAR OF

**DESTINI BERHAD** [Registration No. 200301030845 (633265-K)]  
Insurban Corporate Services Sdn Bhd [Registration No. 198101010136 (76260-W)]  
149, Jalan Aminuddin Baki  
Taman Tun Dr Ismail  
60000 Kuala Lumpur

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