



DESTINI BERHAD (Company No : 633265 K)

**SUMMARY OF KEY FINANCIAL INFORMATION**

FOR THE SECOND QUARTER ENDED 30 JUN 2014

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-Jun-14 RM ' 000	30-Jun-13 RM ' 000	30-Jun-14 RM ' 000	30-Jun-13 RM ' 000
1. Revenue	36,819	22,733	65,889	39,071
2. Profit before tax	1,736	1,554	6,107	4,746
3. Net Profit for the financial period	278	575	4,217	3,498
4. Profit after tax and non-controlling interest	1,232	514	4,316	2,926
5. Basic earnings per share (sen)	0.17	0.14	0.70	0.81
6. Net dividend per share ( sen )	-	-	-	-

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7. Net assets per share (sen)	37.87	26.48

**ADDITIONAL INFORMATION**

FOR THE SECOND QUARTER ENDED 30 JUN 2014

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-Jun-14 RM ' 000	30-Jun-13 RM ' 000	30-Jun-14 RM ' 000	30-Jun-13 RM ' 000
1. Profit from operations	7,634	1,887	12,342	5,176
2. Gross interest income	39	31	41	31
3. Gross interest expense	(164)	(58)	(549)	(170)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30-Jun-14 (Unaudited) RM'000	As at 31-Dec-13 (Audited) RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant & equipment	62,491	28,089
Land use rights	3,031	1,610
Investment in Associates	753	683
Intangible Assets	108,703	41,408
Investment in quoted share	7,479	2,467
Other investments	130	120
	<u>182,587</u>	<u>74,377</u>
<b>CURRENT ASSETS</b>		
Inventories	9,991	8,686
Trade receivables	70,397	50,381
Other receivables and deposits	26,065	17,625
Tax recoverable	1,324	1,027
Deposit with licensed bank	10,243	5,200
Cash and bank balances	20,097	9,855
	<u>138,117</u>	<u>92,774</u>
<b>TOTAL ASSETS</b>	<u><b>320,704</b></u>	<u><b>167,151</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL</b>		
	79,457	49,339
<b>SHARE PREMIUM</b>		
	123,515	32,606
<b>TRANSLATION RESERVE</b>		
	1,653	2,157
<b>SHARE-BASED PAYMENT RESERVES</b>		
	5,639	0
<b>RETAINED PROFITS</b>		
	24,154	19,838
<i>Equity attributable to owners of the parent</i>	<u>234,418</u>	<u>103,940</u>
<b>NON-CONTROLLING INTEREST</b>		
	8,689	6,920
<i>Total Equity</i>	<u>243,107</u>	<u>110,860</u>
<b>LONG TERM LIABILITIES</b>		
Deferred taxation	4,501	1,180
Hire purchase payables	905	1,022
Bank borrowings	9,894	10,505
	<u>15,300</u>	<u>12,707</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	25,177	22,696
Other payables and accruals	24,191	13,514
Hire purchase payables	410	217
Bank Overdraft	670	783
Bank borrowings	6,775	2,972
Tax Payable	5,074	3,402
	<u>62,297</u>	<u>43,584</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>320,704</b></u>	<u><b>167,151</b></u>
<b>Net assets per share attributable to owners of the parent ( sen )</b>	<b>37.87</b>	<b>26.48</b>
Weighted average number of ordinary shares ('000 units)	618,963	392,551
Enlarged number of ordinary shares in issue ('000 units)	794,575	493,390

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 2013 and the accompanying explanatory notes to the quarterly report.



DESTINI BERHAD (Company No : 633265 K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 JUN 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER	INDIVIDUAL QUARTER	CUMULATIVE QUARTER	CUMULATIVE QUARTER
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-Jun-14 RM'000	30-Jun-13 RM'000	30-Jun-14 RM'000	30-Jun-13 RM'000
Revenue	36,819	22,733	65,889	39,071
Cost of sale	(19,822)	(14,922)	(37,003)	(24,651)
<b>Gross profit</b>	<b>16,997</b>	<b>7,811</b>	<b>28,886</b>	<b>14,420</b>
Other income	3,607	258	5,766	1,851
Administrative expenses	(11,879)	(5,968)	(20,802)	(10,677)
Depreciation	(1,091)	(214)	(1,508)	(418)
Profit from operations	7,634	1,887	12,342	5,176
Share-based payment expenses	(5,755)	-	(5,755)	-
Finance cost	(164)	(58)	(549)	(170)
Share of result of associates	21	(275)	69	(260)
Profit before tax	<b>1,736</b>	<b>1,554</b>	<b>6,107</b>	<b>4,746</b>
Taxation	(1,458)	(979)	(1,890)	(1,248)
<b>Net profit for the financial period</b>	<b>278</b>	<b>575</b>	<b>4,217</b>	<b>3,498</b>
<b>Other comprehensive income</b>				
- Exchange Translation differences	(158)	170	(504)	252
<b>Other comprehensive income for the financial period</b>	<b>(158)</b>	<b>170</b>	<b>(504)</b>	<b>252</b>
<b>Total comprehensive income for the financial period</b>	<b>120</b>	<b>745</b>	<b>3,713</b>	<b>3,750</b>
<b>Net Profit for the financial period attributable to:</b>				
Owners of the parent	1,232	514	4,316	2,926
Non-controlling interests	(954)	61	(99)	572
	<b>278</b>	<b>575</b>	<b>4,217</b>	<b>3,498</b>
<b>Total comprehensive income for the financial period attributable to:</b>				
Owners of the parent	1,074	684	3,812	3,178
Non-controlling interests	(954)	61	(99)	572
	<b>120</b>	<b>745</b>	<b>3,713</b>	<b>3,750</b>
<b>Earnings per share attributable to owners of the parent:</b>				
- basic (sen)	0.17	0.14	0.70	0.81
- diluted (sen)	0.16	N/A	0.67	N/A
Weighted average number of ordinary shares ('000 units)	743,169	363,000	618,963	359,536
Enlarged number of ordinary shares in issue ('000 units)	794,575	363,000	794,575	363,000

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 2013 and the accompanying explanatory notes to the quarterly report.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 JUN 2014**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	AS AT END OF CURRENT PERIOD (Unaudited) 30-Jun-14 RM' 000	AS AT END OF PRECEDING YEAR (Audited) 31-Dec-13 RM' 000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	7,976	14,004
Adjustments for:-		
Depreciation of property , plant & equipment	1,507	1,826
Property, plant equipment written off	-	12
Share of results of associate	(69)	496
Impairment loss on trade receivables	-	93
Reversal of impairment loss on trade receivables	-	(1,550)
Impairment (Gain)/ loss on other investment	(5,011)	97
Amortization of intangible	-	755
Interest income	(41)	(116)
Interest expenses	549	703
Share-based payment expenses	5,755	-
Operating profit before working capital changes	<b>10,666</b>	<b>16,320</b>
Inventories	(1,364)	(3,390)
Receivable	(18,119)	(25,746)
Payable	(2,984)	12,323
Cash used in operations	<b>(11,801)</b>	<b>(493)</b>
Tax paid	(219)	(814)
Interest received	41	116
Interest paid	(549)	(703)
Net cash used in operating activities	<b>(12,528)</b>	<b>(1,894)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in others	(10)	(10)
Investment in quoted shares	-	(2,564)
Purchase of property, plant and equipment	(19,882)	(17,339)
Addition of intangible assets	-	(2,533)
Net Cash inflow/(outflow) from acquisition of subsidiaries	8,590	1,405
Net cash used in investing activities	<b>(11,302)</b>	<b>(21,041)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares pursuant to private placement	43,200	9,900
Share issuance expenses	(2,615)	(2,183)
Repayment of borrowings	(104)	(644)
Loan drawdown	(674)	10,991
Decrease/(Increase) in fixed deposits pledge to licensed banks	(5,043)	(566)
Repayment of hire purchase payable	(74)	(122)
Net cash generated from financing activities	<b>34,690</b>	<b>17,376</b>
<b>CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD</b>	<b>10,860</b>	<b>(5,559)</b>
<b>EFFECT OF EXCHANGE RATE FLUCTUATIONS</b>	<b>(504)</b>	<b>2,192</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>11,914</b>	<b>15,281</b>
<b>CASH AND CASH EQUIVALENTS END OF PERIOD</b>	<b>22,270</b>	<b>11,914</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER COMPRISE OF:</b>		
Deposit with licensed bank	10,243	5,200
Cash and bank balances	20,097	9,855
Bank overdraft	(670)	(784)
	<b>29,670</b>	<b>14,271</b>
Deposit with licensed bank (pledge)	(7,400)	(2,357)
	<b>22,270</b>	<b>11,914</b>

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 2013 and the accompanying explanatory notes to the quarterly report.

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
 FOR THE SECOND QUARTER ENDED 30 JUN 2014

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Share Capital RM '000	Share Premium RM '000	Foreign Currency Translation Reserves RM '000	Share-Based Payment Reserves RM '000	(Accumulated Loss)/ Retained Profits RM '000	Total RM '000	Non-controlling Interest RM '000	Total Equity RM '000
<b>As at 1 January 2013</b>	33,000	2,111	(35)	-	11,623	46,699	4,265	50,964
Foreign currency translation difference, representing total other comprehensive income for the period	-	-	2,192	-	-	2,192	-	2,192
Net Profit/(loss) for the period	-	-	-	-	8,215	8,215	2,655	10,870
Total comprehensive income for the year	-	-	2,192	-	8,215	10,407	2,655	13,062
<b>Transactions with owner:</b>								
Private placement	3,300	6,600	-	-	-	9,900	-	9,900
Issuance of new share	13,039	26,078	-	-	-	39,117	-	39,117
Share issuance expenses	-	(2,183)	-	-	-	(2,183)	-	(2,183)
	16,339	30,495	-	-	-	46,834	-	46,834
<b>As at 31 December 2013 (Audited)</b>	<b>49,339</b>	<b>32,606</b>	<b>2,157</b>	<b>-</b>	<b>19,838</b>	<b>103,940</b>	<b>6,920</b>	<b>110,860</b>

	Share Capital RM '000	Share Premium RM '000	Foreign Currency Translation Reserves RM '000	Share-Based Payment Reserves RM '000	Retained Profits RM '000	Total RM '000	Non-controlling Interest RM '000	Total Equity RM '000
<b>As at 1 January 2014</b>	49,339	32,606	2,157	-	19,838	103,940	6,920	110,860
Foreign currency translation difference, representing total other comprehensive income for the period	-	-	(504)	-	-	(504)	-	(504)
Profit for the period	-	-	-	-	4,316	4,316	(99)	4,217
Total comprehensive income for the year	-	-	(504)	-	4,316	3,812	(99)	3,713
<b>Transactions with owner:</b>								
Private placement	7,200	36,000	-	-	-	43,200	-	43,200
Issuance of new share	22,857	57,143	-	-	-	80,000	-	80,000
Share issuance expenses	-	(2,614)	-	-	-	(2,614)	-	(2,614)
Share-based payment granted under ESOS	-	-	-	5,755	-	5,755	-	5,755
Issuance of ordinary shares pursuant to ESOS	61	264	-	-	-	325	-	325
Transfer from Share-based payment upon exercise of ESOS	-	116	-	(116)	-	-	-	-
Non-controlling interests arising from the acquisition of subsidiary	-	-	-	-	-	-	1,868	1,868
	30,118	90,909	-	5,639	-	126,666	1,868	128,534
<b>As at 30 June 2014</b>	<b>79,457</b>	<b>123,515</b>	<b>1,653</b>	<b>5,639</b>	<b>24,154</b>	<b>234,418</b>	<b>8,689</b>	<b>243,107</b>

1) The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2013 and the accompanying explanatory notes to the quarterly report.

## A1. Significant Accounting Policies

The interim financial report is unaudited and has been prepared in compliance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2013, 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 2013.

The financial statements of the Group has been prepared on the historical cost convention except as disclosed in the notes to the financial statements and in compliance with MFRS, IFRS and the Companies Act, 1965 in Malaysia.

During the financial period, the Group has adopted the following applicable new Malaysia Financial Reporting Standards (“MFRSs”), revised MFRSs, Issues Committee (“IC”) Interpretations and amendments to MFRSs, issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for the current financial period:-

Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119 (2011)	Employee Benefits
MFRS 127 (2011)	Separate Financial Statements
MFRS 128 (2011)	Investments in Associates and Joint Ventures
MFRS 3	Business Combinations (IFRS 3 issued by IASB in March 2004)
MFRS 127	Consolidated and Separate Financial Statements (IAS 27 revised by IASB in December 2003)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to MFRS 1	Government Loans
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRSs 10, 11 and 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRSs contained in the document entitled “Annual Improvements 2009 – 2011 Cycle”	

Adoption of the above MFRSs, IC Interpretations, Amendments to MFRSs and Amendments to IC Interpretations did not have any significant effect on the financial statements of the Group

**A1. Significant Accounting Policies (Cont'd)**

The Group has not adopted earlier the following new MFRSs, and Amendments to MFRSs, which have been issued as at the date of authorisation of these financial statements and will be effective for the financial periods as stated below:-

		Effective date for financial periods <u>beginning on or after</u>
MFRS 9 (IFRS 9 as issued by IASB in November 2009)	Financial Instruments	1 January 2015
MFRS 9 (IFRS 9 as issued by IASB in October 2010)	Financial Instruments	1 January 2015

**A2. Audit Report**

The annual financial statement of the Company for the year ended 31 December 2013 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:



**Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Jun 2014**
**A6. Issuance or Repayment of Debt or Equity Securities (Cont'd)**

	No. of shares Issued and fully paid up ordinary shares of RM0.10 each	Share Capital	Share Premium	Share-based payment Reserves	Total
	'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2014	493,390	49,339	32,606	-	81,945
Private Placement	72,000	7,200	36,000	-	43,200
Issuance of new shares	228,571	22,857	57,143	-	80,000
Share-based payment expenses	-	-	-	5,755	5,755
Issuance of new - shares ESOS	614	61	264	-	325
Transfer from share-based payment upon exercise ESOS	-	-	116	(116)	-
Share issuance expenses	-	-	(2,614)	-	(2,614)
As at 31 Jun 2014	794,575	79,457	123,515	5,639	208,611

**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		6 months ended	
	30.06.14	30.06.14	30.06.14	30.06.14
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
- Services and trading	33,990	15,766	52,943	24,901
- Manufacturing	2,829	6,967	12,946	14,170
Elimination of inter-segment	-	-	-	-
Total	36,819	22,733	65,889	39,071
Segment result				
- Services and trading	940	443	4,042	2,285
- Manufacturing	(662)	132	226	1,213
Profit after tax	278	575	4,217	3,498

## Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Jun 2014

**A8. Segmental Analysis (Cont'd)**

## b) Analysis by Geographical Area

	Current Quarter			
	3 months ended 30 Jun 2014			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	29,002	7,817	-	36,819
Inter segment	-	-	-	-
Total	29,001	7,817	-	36,819

	Preceding Quarter			
	3 months ended 30 Jun 2013			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	15,766	6,967	-	22,733
Inter segment	-	-	-	-
Total	9,134	8,631	(1,427)	16,338

	Cumulative Quarter			
	6 months ended 30 Jun 2014			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	44,884	21,005	-	65,889
Inter segment	-	-	-	-
Total	44,884	21,005	-	65,889

	Preceding Cumulative Quarter			
	6 months ended 30 Jun 2013			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sale	24,901	14,170	-	39,071
Inter segment	-	-	-	-
Total	24,901	14,170	-	39,071

Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Jun 2014

	30 Jun 2014			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	223,696	97,008	-	320,704
Segment liabilities	48,761	28,835	-	77,596
Depreciation	1,291	216	-	1,507
	30 Jun 2013			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
Segment Assets	46,313	38,973	1,009	86,295
Segment liabilities	5,365	17,361	(1,009)	21,717
Depreciation	362	56	-	418

**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:

- i) Destini Berhad at its Extraordinary General Meeting held on 10 February 2014 approved all the resolutions as follows:
  - 1) Proposed acquisition by Destini of the entire issued and paid up share capital of Samudra Oil Services Sdn Bhd from the Vendor for a purchase consideration of RM80,000,000 to be fully satisfied via the issuance of 228,571,428 new Destini Shares at an issue price of RM0.35 per Destini Share.
  - 2) Proposed establishment of an employees' share option scheme ("ESOS") of up to 15% of the issued and paid-up share capital of the Company and proposed allocation of ESOS Option to the Directors of Destini.
  - 3) Proposed increase in the authorised share capital of Destini from RM100,000,000 comprising 1,000,000,000 Destini Shares to RM150,000,000 comprising 1,500,000,000 Destini Shares;
  - 4) Proposed amendments to the memorandum and articles of association of Destini.
- ii) On 5 March 2014, Destini Berhad entered into a Share Purchase and Subscription Agreement ("SSA") with Mah Sook Hing ("Vendor") and Green Pluslink Sdn Bhd ("GPSB") for the acquisition of 2,500,000 ordinary shares of RM1.00 each in GPSB from the Vendor for a total purchase consideration of RM1,700,000.00 and to subscribe for additional 200,000 new ordinary shares of RM1.00 each in GPSB at the subscription price of RM2,400,000.00 which to be satisfied entirely via cash.

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**Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Jun 2014**

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- iii) Destini Prima Sdn Bhd, a wholly-owned subsidiary of Destini, had on 31 March 2014, accepted a letter of award from Ministry of Defence Malaysia for the appointment as one of the panel to supply the spare parts for “Non-Proprietary” aircraft for the Royal Malaysian Air Force for a total contract sum of RM98.85 million for the period of three (3) years (“the Contract”).
- iv) On 3 April 2014, 228,571,428 Destini Shares issued to KSTB to satisfy the purchase consideration for the Acquisition were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad ,marking the completion of the Acquisition.
- v) On 18 April 2014, Destini Berhad announced that the company had offered and granted options to eligible persons to subscribe for new ordinary shares of RM0.10 each in the Company (“Options”) under the Employees’ Share Option Scheme of the Company (“ESOS”).
- vi) On 9 May 2014, Destini Bhd announced that the Company proposes to undertake a private placement of up to 10% of the issued and paid-up share capital of Destini at issue price of RM0.60 for each new ordinary share of RM0.10 each in Destini for 72,000,000 Placement Shares. This exercise was completed following the listing of 72,000,000 new ordinary shares of RM0.10 each in Destini issued pursuant to the Private Placement on the Main Market of Bursa Malaysia Securities Berhad on 29 May 2014.

**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:

- i) The acquisition of 2,700,000 ordinary shares of RM1.00 each in Green Pluslink Sdn Bhd from the Vendor for a total purchase consideration of RM4,100,000.00 was completed on 4 June 2014
- ii) Destini Berhad announced that, Destini had, on 6 June 2014, entered into a Heads of Agreement in relation to the proposed acquisition of the remaining 500,000 ordinary shares in Vanguard , representing 49% of the issued and paid-up share capital of Vanguard Composite Engineering Pte Ltd with Ng Tuck Whye at the indicative purchase consideration of RM26.00 million to be satisfied entirely via the issuance of 40,000,000 new ordinary shares of RM0.10 each in Destini at an issue price of RM0.65 each.
- iii) Samudra Oil Services Sdn Bhd, a wholly-owned subsidiary of Destini, had on 23 May 2014, accepted a letter of award from Lundin Malaysia B.V. (“Lundin”) for the provision of Hammer services and equipment for Lundin drilling campaign for a

Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Jun 2014

primary duration of two (2) years plus one (1) year extension option (“the Contract”). The contract is to provide Hammer services and equipment for Lundin drilling campaign which does not carry any contract sum. The Contract is based on work order to be provided by Lundin as and when they need the services to be performed by Samudra Oil Services Sdn Bhd.

**A13. Contingent Liabilities or Assets**

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

	<b>Year to Date 30-Jun-14 RM ‘000</b>	<b>Year to Date 31-Dec-13 RM ‘000</b>
Banker’s guarantees in favour of the local authorities for the purpose of development projects		
- Secured	7,400	3,777

**A14. Capital Commitments**

	<b>Year to Date 30-Jun-14 RM ‘000</b>	<b>Year to Date 31-Dec-13 RM ‘000</b>
Approved and contracted for :		
- Acquisition of Subsidiaries	-	-

**A15. Significant related party transactions**

There were no significant related party transactions occurred during the financial quarter ended 30 Jun 2014.

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

**B1. Review of Performance**

The Group recorded revenue of RM65.89 million and profit before tax of RM4.22 million compare to revenue of RM39.07 million and a profit before tax of RM3.50million for the preceding year corresponding period.

Higher revenue and profit before tax as compared to the preceding quarter mainly due to the higher trading sale and revenue from new subsidiaries namely Samudra Oil Sdn Bhd and Green Plus Sdn Bhd. The profit increased on lower percentage compared to increase in revenue due to the Group absorbing the impact of the share-based payment expenses.

**B2. Review of Current Quarter against Preceding Quarter**

The Group recorded revenue of RM36.82 million and profit before tax of RM0.28 million compare to revenue of RM22.73 million and a profit before tax of RM0.57million for the preceding year corresponding period.

Higher revenue and profit before tax as compared to the preceding quarter mainly due to the higher trading sale and revenue from new subsidiaries namely Samudra Oil Sdn Bhd and Green Plus Sdn Bhd. The profit decreased compared preceding quarter due to the Group absorbing the impact of the share-based payment expenses.

**B2. Commentary on Prospects for the Next Financial Quarter**

With the Group diversified it activity into Oil and Gas industry via acquisition of Samudra Oil Sdn Bhd and 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 2014 will be satisfactory.

**B3. Profit Forecast and Profit Guarantee**

The Group did not announce any profit forecast nor profit guarantee for the current financial period.

**B4. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Jun-14 RM '000	30-Jun-13 RM '000	30-Jun-14 RM '000	30-Jun-13 RM '000
Current taxation	(1,458)	(979)	(1,890)	(1,248)

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**B6. Corporate Proposals**

There was no other corporate proposals announce but not yet completed as at the date of this quarterly report, other than disclosed as follow:

- i) Destini Berhad announced that, Destini had, on 6 June 2014, entered into a Heads of Agreement in relation to the proposed acquisition of the remaining 500,000 ordinary shares in Vanguard , representing 49% of the issued and paid-up share capital of Vanguard Composite Engineering Pte Ltd with Ng Tuck Whye at the indicative purchase consideration of RM26.00 million to be satisfied entirely via the issuance of 40,000,000 new ordinary shares of RM0.10 each in Destini at an issue price of RM0.65 each.

**B7. Group Borrowings and Debt Securities**

Group borrowings were as follows:

**B7.1 Short Term Borrowings**

<u>Secured</u>	<b>30-Jun-14 RM '000</b>	<b>30-Jun-13 RM '000</b>
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase Payables	410	89
Overdraft	670	-
Bank Borrowing	4,717	-
<i>Denominated in Singapore Dollar (SGD):</i>		
Hire Purchase Payables	-	-
Bank Borrowing	247	-
<i>Denominated in Chinese Renminbi (CNY):</i>		
Term Loans	1,811	1,811
<b>Total</b>	<b>7,855</b>	<b>1,900</b>

**B7.2 Long Term Borrowings**

<u>Secured</u>	<b>30-Jun-14 RM '000</b>	<b>30-Jun-13 RM '000</b>
<i>Denominated in Ringgit Malaysia:</i>		
Hire Purchase Payables	905	562
Term Loan	9,724	-
<i>Denominated in Singapore Dollar (SGD):</i>		
Bank Borrowing	169	-
<b>Total</b>	<b>10,799</b>	<b>562</b>

Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Jun 2014

**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**

	<b>Individual quarter 30-Jun-14 RM '000</b>	<b>Year to date 30-Jun-14 RM '000</b>
<b>Profit for the period is arrived at after charging/(crediting):-</b>		
Depreciation of property, plant and equipment	1,090	1,507
Share-based payment expenses	5,755	5,755
Impairment gain on other investment	(3,114)	(5011)

**B11. Earnings Per Share**

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Quarter 30-June-14</b>	<b>Preceding Year Corresponding Quarter 30-June-13</b>	<b>Current Year To Date 30-Jun-14</b>	<b>Preceding Year Corresponding Period 30-Jun-13</b>
Attributable to owners of parent ( RM'000 )	<b>1,232</b>	<b>514</b>	<b>4,316</b>	<b>2,926</b>
Weighted average number of ordinary shares ('000) in issue	<b>743,169</b>	<b>363,000</b>	<b>618,962</b>	<b>359,336</b>
Basic earnings per share (sen)	<b>0.17</b>	<b>0.14</b>	<b>0.70</b>	<b>0.81</b>



Quarterly Unaudited Results Of The Group For The Financial Period Ended 30 Jun 2014

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30-June-14	Preceding Year Corresponding Quarter 30-June-13	Current Year To Date 30-Jun-14	Preceding Year Corresponding Period 30-Jun-13
Attributable to owners of parent ( RM'000 )	1,232	514	4,316	2,926
Weighted average number of ordinary shares ('000) in issue	743,169	363,000	618,962	359,336
Effect of dilution : share options (ESOS)	27,491	-	27,491	-
Adjusted weighted average number of ordinary shares in issue and Issuable('000)	770,660	-	646,454	-
Diluted earnings per share (sen)	0.16	N/A	0.67	N/A

**B12. Disclosure of Realised and unrealised profit**

	Year to Date 31-Jun-13 RM'000	Year to Date 31- Dec- 13 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	(9,621)	(20,091)
Less : consolidation adjustments	33,775	39,929
Total retained profits	24,154	19,838

**BY ORDER OF THE BOARD**

**DATO' ROZABIL ABDUL RAHMAN**  
Managing Director