

Company Name : Destini Berhad  
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# MoF courts Destini

Government said to be buying shares in defence contractor

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**PETALING JAYA:** The Government, through the Minister of Finance Inc (MoF Inc), is believed to have acquired a substantial stake in defence services provider and contractor Destini Bhd, a move that would raise the profile of the company.

Sources said the transaction was undertaken by an entity linked to MoF Inc and that it would emerge as a strategic shareholder in the company.

"The logic for the transaction will probably be disclosed when the announcement on the new shareholder is out," said a source.

A total of 200 million shares in Destini were crossed at 58 sen each on Friday in a series of direct deals worth RM116mil, *Bloomberg* data showed.

This is equal to a 24.8% stake in the company, which had in late last year expanded its business into the oil and gas (O&G) sector.

The off-market deals on Friday followed two large off-market transactions on Thursday where 67.83 million Destini shares, which is

equivalent to an 8.4% stake in the company, were also done at 58 sen each.

At Friday's closing price of 59 sen, the company had a market value of RM477mil.

It is not immediately clear whether the off-market transactions late last week involving Destini shares were all related. No information on the buyers or the sellers for the block of shares involved had been made available on Bursa Malaysia's website.

Disclosures on off-market transactions are

given up to two weeks to make an announcement.

Sources said that a special-purpose vehicle controlled by MoF Inc had acquired the block of shares last Friday from Harbour Asset Management and other investors. It is not known who the other investors are.

Destini's major shareholder Datuk Rozabil Abdul Rahman, flatly said he is not reducing his stake in the company.

"I am not selling my shares," Rozabil, who is also Destini managing director, told *StarBiz* when contacted yesterday.

He declined to comment on the recent off-market trades involving the shares in his company.

Sources said MoF Inc was taking a stake in Destini as Rozabil, who is also Pemuda Umno treasurer, owns the biggest block of shares in Destini, amounting to about 31.6% through private company BPH Capital Sdn Bhd.

Filings with Bursa showed Hong Kong-based Harbour Asset had a 11.4% stake in the company.

Destini, previously known as Satang Holdings Bhd, is generally a company that depends on contracts from the Government in relation to the defence industry. It also provides aircraft maintenance, repair and overhaul (MRO) services.

After Rozabil took over more than two years ago, the company branched out into the O&G sector via the RM80mil acquisition of Samudra Oil Services Sdn Bhd from Kejuruteraan Samudra Timur Bhd.

Its venture into the O&G industry, however, appeared to be ill-timed. At about US\$50 a barrel, the price of crude oil is half of what it was a year ago. However, Samudra Oil has long-term contracts to provide services to Petroleum Nasional Bhd.

Despite the unfavourable market conditions in the O&G market, net profit at Destini jumped three-fold to RM3.6mil in the second quarter ended June 30, up from RM1.2mil a year ago. Revenue rose to RM50.9mil from RM36.8mil previously.

The company attributed its improved performance to higher demand for its aircraft MRO business. However, it expects the operating condition for the rest of the year to remain "challenging and competitive".

Apart from the acquisition of Samudra Oil last year, Destini had in July announced that it was buying Everyday Success Sdn Bhd for RM90mil from paramilitary boat maker Destination Marine Services Sdn Bhd (DMS).

The acquisition, to be funded via cash and the issuance of 107 million new shares of 70 sen each, will allow the company to participate in a contract awarded to DMS by the Malaysian Maritime Enforcement Agency for the supply of six patrol boats worth RM381mil.

It is also expanding its MRO services with an agreement with AirAsia Bhd signed in July for the outsourcing of MRO services for the budget airline's fleet of aircraft.

Shares in Destini have escaped the brunt of the sell-off on Bursa, trading little changed so far this year, while the FTSE Bursa Malaysia KL Composite Index is down 8.4% over the same period.