



**DENKO INDUSTRIAL CORPORATION BERHAD**  
(190155-M)  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED  
31 DECEMBER 2015**

**DENKO INDUSTRIAL CORPORATION BERHAD (190155-M)**  
**Incorporated in Malaysia**

**INTERIM FINANCIAL STATEMENTS**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

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**DENKO INDUSTRIAL CORPORATION BERHAD (Company No.: 190155-M)**  
**(Incorporated In Malaysia)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME  
 FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

	<b>INDIVIDUAL QUARTER 3 months ended 31st December</b>		<b>CUMULATIVE QUARTER 9 months ended 31st December</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	24,740	18,794	68,994	57,319
Cost Of Sales	(19,668)	(16,105)	(57,445)	(49,894)
Gross Profit	5,072	2,689	11,549	7,425
Other Income	47	213	1,268	532
Marketing and Distribution Costs	(1,175)	(1,150)	(3,625)	(3,047)
Administration Expenses	(2,468)	(1,287)	(6,081)	(3,630)
Other Operating Expenses	2	(11)	(265)	(66)
Profit From Operations	1,478	454	2,846	1,214
Finance Costs	(237)	(260)	(713)	(745)
Profit Before Tax	1,241	194	2,133	469
Taxation	(408)	(252)	(328)	(200)
Profit net of Tax for the period	833	(58)	1,805	269
<b>Other comprehensive income</b>				
Foreign Currency Translation Differences	(24)	7	(59)	7
Total comprehensive (expenses)/income for the period, net of tax	809	(51)	1,747	276
<b>Profit / (loss) per ordinary share attributable to equity holders of the parent</b>	833	(58)	1,805	269
<b>Total comprehensive income / (loss) attributable to equity holders of the parent</b>	809	(51)	1,747	276
Basic, profit / (loss) per ordinary share (sen)	0.80	(0.05)	1.73	0.26
Fully diluted profit per ordinary share (sen)	-	-	-	-

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to this Interim Financial Statements.

**DENKO INDUSTRIAL CORPORATION BERHAD (Company No.: 190155-M)**  
**(Incorporated In Malaysia)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

	Note	As at 31.12.2015 (Unaudited)	As at 31.03.2015 (Audited)
<b>RM'000</b>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	52,703	54,281
<b>Current assets</b>			
Inventories		18,858	15,103
Trade and other receivables		29,401	23,783
Current tax asset		171	183
Cash and bank balances		2,319	2,335
Current assets classified as held for sale		5,500	5,500
Total current assets		56,249	46,904
<b>TOTAL ASSETS</b>		<b>108,952</b>	<b>101,185</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		41,788	41,788
Reserves		19,683	19,522
Accumulated losses		(6,259)	(8,063)
Total Equity		55,212	53,247
<b>Non current liabilities</b>			
Long term borrowings	24	5,843	2,953
Deferred tax liabilities		6,141	6,141
Total non-current liabilities		11,984	9,094
<b>Current Liabilities</b>			
Trade and other payables		24,681	17,382
Current Tax Liabilities		200	-
Amount owing to Directors		7,572	8,307
Short term borrowings	24	8,048	13,155
Liability attributable to current assets classified as held for sale	24	1,255	-
Total current liabilities		41,756	38,844
<b>TOTAL LIABILITIES</b>		<b>53,740</b>	<b>47,938</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>108,952</b>	<b>101,185</b>
<b>Net assets per share attributable to equity holders of the parents (RM)</b>		<b>0.5285</b>	<b>0.5097</b>

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to this Interim Financial Statements.

**DENKO INDUSTRIAL CORPORATION BERHAD (Company No.: 190155-M)**  
**(Incorporated In Malaysia)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

	Attributable to equity holders of the parent					
	----- Non-distributable -----					
	Share Capital	Share Premium	Revaluation Reserves	Foreign Exchange Translation Reserves	Accumulated Losses	Total
	RM'000					
<b>At 1 APRIL 2015</b>	41,788	1,566	17,959	(3)	(8,063)	53,247
Profit after tax for the period	-	-	-	-	1,805	1,805
Other comprehensive income for the period						
- Foreign currency translation	-	-	-	160	-	160
Total comprehensive Income for the period	-	-	-	160	1,805	1,965
<b>At 31 DECEMBER 2015</b>	41,788	1,566	17,959	157	(6,258)	55,212
<b>At 1 APRIL 2014</b>	41,788	1,566	3,855	-	(10,908)	36,301
Profit after tax for the period	-	-	-	-	269	269
Other comprehensive income for the period						
- Foreign currency translation	-	-	-	7	-	7
Total comprehensive income for the period	-	-	-	7	269	276
<b>At 31 DECEMBER 2014</b>	41,788	1,566	3,855	7	(10,639)	36,577

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to this Interim Financial Statements.

**DENKO INDUSTRIAL CORPORATION BERHAD (Company No.: 190155-M)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

	Note	9 months to	
		31.12.2015	31.12.2014
		(Unaudited)	
		RM'000	
<b>1. Cash flow from operating activities</b>			
<b>Profit before tax</b>		2,133	469
<i>Adjustment for investing and financing items not involving movement of cash and cash equivalent</i>			
Reversal of impairment for trade and other receivables		(243)	(14)
Bad debts written off		243	-
Depreciation		3,220	3,970
Gain on disposal of property, plant and equipment		(42)	(28)
Interest expense		713	745
Interest income		(10)	-
Increase in provision for slow moving stocks		819	42
Unrealised gain / (loss) on foreign exchange		60	(198)
<b>Operating profit before working capital changes</b>		<b>6,893</b>	<b>4,986</b>
Net change in inventories		(4,574)	(3,239)
Net change in trade and other receivables		(5,618)	(2,148)
Net change in trade and other payables		7,400	528
<b>Cash generated from operations</b>		<b>4,101</b>	<b>127</b>
Interest paid		(443)	(450)
Income tax paid		(488)	(212)
Income tax refund		372	1,013
<b>Net cash from operating activities</b>		<b>3,542</b>	<b>478</b>

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to this Interim Financial Statements.

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**DENKO INDUSTRIAL CORPORATION BERHAD (Company No.: 190155-M)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

	Note	9 months to	
		31.12.2015	31.12.2014
		(Unaudited)	
		RM'000	
<b>2. Cash flow from investing activities</b>			
Purchase of property, plant and equipment		(1,642)	(308)
Interest received		10	-
Proceeds from disposal of property, plant and equipment		42	32
<b>Net cash used in investing activities</b>		<b>(1,590)</b>	<b>(276)</b>
<b>3. Cash flow from financing activities</b>			
Net change in amount due to directors		(735)	1,151
(Repayment) / Drawdown in bill payable and banker acceptance		(1,138)	259
Repayment of term loans		(4,545)	(807)
Drawdown of term loan		4,900	-
Repayment of hire purchase creditors		(516)	(449)
Drawdown of hire purchase creditors		300	159
Interest paid		(270)	(295)
<b>Net cash (used in) / from financing activities</b>		<b>(2,004)</b>	<b>18</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(52)</b>	<b>220</b>
Cash and cash equivalents as at beginning of financial period 1st April		1,821	(215)
Cash and cash equivalents as at end of financial period 31st December*		1,769	5
<i>*Cash and cash equivalents at the end of the financial period comprise the following:</i>			
Cash and bank balances		2,319	460
Bank overdrafts	24	(550)	(455)
		1,769	5

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to this Interim Financial Statements.

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**DENKO INDUSTRIAL CORPORATION BERHAD (190155-M)**  
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**PART A**

**SELECTED EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS (FRSs)  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

**(1) Basis of Preparation**

During the current financial year, the Group has adopted the following applicable new accounting standards and interpretations (including the consequential amendments, if any):-

**MFRSs and IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

IC Interpretation 21 Levies

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

The Group has not applied in advance the following applicable accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	01 January 2018
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities - Applying the Consolidation Exception	01 January 2016
Amendments to MFRS 101: Presentation of Financial Statements - Disclosure Initiative	01 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	01 January 2016
Amendments to MFRS 119: Defined Benefit Plans - Employee Contributions	01 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	01 January 2016
Annual Improvements to MFRSs 2010 - 2012 Cycle	01 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	01 July 2014
Annual Improvements to MFRSs 2012 - 2014 Cycle	01 January 2016

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

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**PART A**

**SELECTED EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS (FRSs) 134  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

**(2) Changes in Accounting Policies**

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted and disclosed in the Audited Financial Statements for the year ended 31 March 2015.

**(3) Auditors' Report on Preceding Annual Financial Statements**

The Auditors' Report on the Audited Financial Statements for the year ended 31 March 2015 was not qualified.

**(4) Segmental Reporting**

The Group's operations comprise the business segments in Malaysia and Indonesia as below:

The Malaysian operations comprise the following business segments:

- (i) Manufacturing
- (ii) Trading (Consumer Goods)
- (iii) Management services
- (iv) Investment holding

All inter segment transactions within the Group have been entered and established on terms and conditions that are not materially different from that entered with unrelated parties.

Revenue and Results by Geographical Segments were as follows:

<b>Q3-FY16</b>	<b>Malaysia</b>	<b>Indonesia</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>			
<b>Revenue</b>				
Sales to external customer	24,740	-	-	24,740
Inter-segment sales	-	-	-	-
	24,740	-	-	24,740
<b>Segment results</b>	1,513	(35)	-	1,478
Finance Cost				(237)
Profit Before Tax				1,241
				1,241
<b>Q2-FY16</b>	<b>Malaysia</b>	<b>Indonesia</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>			
<b>Revenue</b>				
Sales to external customer	21,539	-	-	21,539
Inter-segment sales	50	-	(50)	-
	21,589	-	(50)	21,539
<b>Segment results</b>	1,236	(287)	-	949
Finance Cost				(217)
Profit Before Tax				732
				732

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**PART A**

**SELECTED EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS (FRSs) 134  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

**(4) Segmental Reporting (Continued)**

Q3-FY15	Malaysia	Indonesia	Elimination	Consolidated
	<b>RM'000</b>			
<b>Revenue</b>				
Sales to external customer	18,794	-	-	18,794
Inter-segment sales	313	-	(313)	-
	19,107	-	(313)	18,794
<b>Segment results</b>	454	-	-	454
Finance Cost				(260)
Profit Before Tax				194

**(5) Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows**

There was no items of unusual nature and amounts affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

**(6) Nature and Amount of Changes in Estimates**

The Company has not issued any Estimates for the current quarter under review or in the prior financial year.

**(7) Comments about Seasonal or Cyclical Factors**

Other than the Trading (Consumer Goods) Division where sales peaks in the 3rd quarter or 4th quarter of each financial year (depending on when Chinese New Year is celebrated in each calendar year) as customers stock up for the traditional Christmas, Year End and Chinese New Year celebrations, the business operations of the Group's performance were not significantly affected by any seasonal and cyclical factors.

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**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

**(8) Property, Plant and Equipment ('PPE')**

	<b>9 months ended</b>	
	<b>31st December</b>	
	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>	
	<b>RM'000</b>	
PPE at 1st April	54,281	44,383
Additions	1,642	122
Depreciation and Amortization	(3,220)	(2,696)
PPE at 31st December	52,703	41,809

**(9) Inventory Write Offs**

There was no inventory write offs during the current quarter (Q3-FY15: RM Nil).

**(10) Dividend Paid**

No dividend was paid during the current quarter.

**(11) Valuation of Property, Plant and Equipment**

Land and buildings were brought forward, without amendment from the financial statements for the year ended 31 March 2015.

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**SELECTED EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS (FRSs) 134  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

**(12) Debt and Equity Securities**

The Group did not undertake any other issuance and/or repayment of debt and equity securities, share cancellations, shares buy back and resale of treasury shares during the current quarter.

**(13) Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter.

**(14) Capital Commitments**

Details of capital expenditure in respect of purchase of property, plant and equipment are:

	<b>As at 31.12.2015 (Unaudited) RM'000</b>
- Authorised but not contracted	6,854
- Contracted but not provided	81

**(15) Changes in Contingent Liabilities and Contingent Assets**

	<b>As at 31.12.2015 (Unaudited) RM'000</b>
<b>Contingent liability</b> Corporate guarantees provided to financial institutions for credit facilities granted to subsidiaries	14,737

**(16) Material Subsequent Events**

There were no material events subsequent to the end of the current quarter.

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**PART A**  
**SELECTED EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS (FRSs) 134**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

**(17) Profit for the period**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended		9 months ended	
		31st December			
		2015	2014	2015	2014
		(Unaudited)		(Unaudited)	
		RM'000			
(i)	Interest Income	10	-	10	-
(ii)	Other income including investment income	334	55	609	222
(iii)	Interest expense	(237)	(259)	(713)	(745)
(iv)	Depreciation	(1,060)	(1,274)	(3,220)	(3,970)
(v)	(Provision) / Reversal of provision for receivables / (Bad Debts written off)	-	(37)	1	14
(vi)	Increase in Provision for slow moving inventories and Stocks written off	(389)	(245)	(819)	(42)
(vii)	(Loss) / Gain on disposal of quoted or unquoted investment or properties	-	(3)	42	28
(viii)	Foreign exchange (Loss) / gain	(196)	188	278	202

Other than the above items, there were no gains or losses on derivatives and exceptional items during the current quarter.

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**PART B**  
**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS**  
**OF BURSA MALAYSIA FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

**(18) Review of Current Quarter Performance**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>31st December</b>			
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
<b><u>Segment Revenue</u></b>	<b>RM'000</b>			
Manufacturing	23,505	17,056	64,707	50,333
Trading (Consumer Goods)	1,235	1,738	4,337	6,986
Sub-Total (Operating Entities)	24,740	18,794	69,044	57,319
Management services – (Note1)	-	313	-	950
Total revenue including inter-segment sales	24,740	19,107	69,044	58,269
Elimination of inter-segment transactions	-	(313)	(50)	(950)
Total Revenue	24,740	18,794	68,994	57,319
<b><u>Segment Results</u></b>				
Manufacturing	1,678	351	3,199	799
Trading (Consumer Goods)	(276)	(146)	(670)	(575)
Sub-Total (Operating Entities)	1,402	205	2,529	224
Management services	(1)	269	(9)	821
Investment holding	(160)	(280)	(387)	(576)
Total Profit before taxation including inter-segment Profit/(Loss)	1,241	194	2,133	469
Profit Before Taxation	1,241	194	2,133	469

*Note 1: This Division only provides services to members of Denko Group.*

**PART B**  
**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS**  
**OF BURSA MALAYSIA FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

**Current Quarter vs Prior Year Same Quarter 3 months Comparison**

**(a) Revenue**

The Group's revenue increased by 5.9 million (+32%) in the current quarter under review to RM24.7 million (Q3-FY15: RM18.8 million).

**(i) Manufacturing Division**

The Revenue increased was mainly attributed by Manufacturing Division in which both Plastic Parts Sub Segment and Tooling Sub Segment recorded Revenue rebound of RM3.8 million (+25%) and RM2.7 million (+158%) respectively in the current quarter compared to Q3-FY15.

Revenue from Plastic Parts Sub Segment leaped to 19.1 million (Q3-FY15: RM15.3 million) mainly due to new projects awarded from existing customers. Revenue from Tooling Sub Segment rebound to RM4.4 million (Q3-FY15: RM1.7 million) mainly due to additional new customers and new toolings fabricated for existing major customers.

**(ii) Trading (Consumer Goods) Division**

The increased Revenue in Manufacturing Division was knock off by Revenue Reduction in Trading (Consumer Goods) Division by RM500,000 (-29%). This Division recorded Revenue of RM1.2 million in the current quarter (Q3-FY15:RM1.7 million). The lower Revenue mainly due to product rationalization and clearing of low-demand products at lower selling price.

**(b) Profit/(Loss) Before Taxation**

The Group had registered an increase in Net Profit before Tax by RM1 million (+540%) to RM1.2 million (Q3-FY15: RM194,000). The better performance was entirely contributed by Manufacturing Division whereas Trading Division continue recorded losses.

**(i) Manufacturing Division**

This Division achieved a favorable variance of RM1.33 million in Net Profit Before Tax to RM1.68 million (Q3-FY15: RM350,000) thanks to the higher Revenue recorded in the current quarter.

Tooling Sub Segment from Malaysia Subsidiary was the key driver for the growth in Net Profit Before Tax. As tool fabrication is a higher margin business, the higher contribution to Revenue from this sub segment in the current quarter resulted higher average Gross Margin for the Division.

**(ii) Trading (Consumer Goods) Division**

Losses for this Division was widen by RM130,000 (+89%) to RM276,000 (Q3-FY15: Loss RM146,000) mainly attributed to lower Revenue to absorb fixed overhead.

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**PART B**  
**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS**  
**OF BURSA MALAYSIA FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

**(19) Comparison with Immediate Preceding Quarter's Results**

	<b>INDIVIDUAL QUARTER</b>	
	<b>3 months ended</b>	
	<b>31.12.2015</b>	<b>30.09.2015</b>
	<b>(Unaudited)</b>	
	<b>RM'000</b>	
<b><u>Segment Revenue</u></b>		
Manufacturing	23,505	20,056
Trading (Consumer Goods)	1,235	1,533
Total revenue including inter-segment sales	24,740	21,589
Elimination of inter-segment transactions	-	(50)
<b>Total revenue</b>	<b>24,740</b>	<b>21,539</b>
<b><u>Segment Results</u></b>		
Manufacturing	1,678	1,263
Trading (Consumer Goods)	(276)	(412)
Sub-Total (Operating Entities)	1,402	851
Management services	(1)	(4)
Investment holdings	(160)	(115)
<b>Profit before taxation</b>	<b>1,241</b>	<b>732</b>

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**PART B**  
**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS**  
**OF BURSA MALAYSIA FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

**Current Quarter vs Previous Quarter 3 months comparison**

**(a) Revenue**

The Group had favorably registered a RM3.2 million Revenue growth (+15%) for the current quarter to RM24.7 million (Q2-FY16: RM21.5 million). Higher Revenue from Manufacturing Division was off set by lower Revenue in Trading (Consumer Goods) Division. The combination Revenue was explained as below:

**(i) Manufacturing Division**

The RM3.5 million (+17%) increase in Revenue recorded by this Division to RM23.5 million (Q2-FY16: RM20 million) was mainly contributed by the RM3.6 million tool fabrication orders that were commenced in previous quarters but were completed and recognised as Revenue in the current quarter.

**(ii) Trading (Consumer Goods) Division**

Revenue from this Division decrease by RM300,000 (-20%) to RM1.2 million (Q2-FY16: RM1.5 million). Aggressive clearing stocks activities was continue from the previous quarter to clear the old stocks on hand and many items were sold at lower price that had adversely impact the Revenue and performance.

**(b) Profit Before Taxation**

The Group reported better Profit Before Taxation of RM500,000 to RM1.2 million (Q2-FY16: RM700,000) thanks to the positive contribution by Manufacturing Division.

**(i) Manufacturing Division**

**Table 1 - Reconciliation of Operating Profit/(Loss) Before Taxation**

	Q3-FY16	Q2-FY16	Variances
	RM'000		
<b>Profit Before Taxation</b>	<b>1,678</b>	<b>1,263</b>	<b>415</b>
Losses from Indonesian subsidiary	35	280	(245)
<b>Adjustment for Non Operating Item</b>			
Non Operating Inter-co Expense	90	90	-
Unrealised Foreign Exchange (Gain)/Loss	314	(339)	653
Sub-total	404	(249)	653
<b>Adjusted Profit from Operations</b>	<b>2,117</b>	<b>1,294</b>	<b>823</b>

Table 1 shows the Group's underlying manufacturing business in Malaysia registered an positive movement of RM823,000 in Adjusted Profit before Tax to RM2.1 million (Q2-FY16: RM1.3 million).

The awesome results was mainly resulted from higher Revenue contributed by Tooling Sub Segment in which tooling generated higher margin compared to plastic parts.

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**Current Quarter vs Previous Quarter 3 months comparison**

**(b) Profit Before Taxation**

**(ii) Trading (Consumer Goods) Division**

Losses from this Division narrowed by RM136,000 to RM276,000 (Q2-FY16: Loss RM412,000). The better result was mainly due to improved logistic and warehouse management which introduced since last quarter was bear fruit this quarter.

**(20) Current Year Prospects**

The Group continue the growth in Revenue and Profitability in FY 2016. The two major drivers are the increased recognition of new tooling fabricated and higher Revenue from Plastic Parts Sub Segment that enable the group to harness the economies of scale as to absorb the increasing operating overhead.

**(i) Manufacturing Division**

With the increasing new orders and products diversifying, and further backed by management's efforts in improving productivity and cost cutting strategy, the Board is confident this division will be able to sustain the steady growth in term of Revenue and Profitability.

**(ii) Trading (Consumer Goods) Division**

The reshuffling activities in this Division by restructuring the organization team and rationalizing the stocks at warehouse since the last quarter had bear fruit in this quarter, the management will continue the effort in improving marketing strategy and cost saving measures to turn around the division's performance. The Board will only expect the Division to be able to turn around in the next Financial Year.

In summary, the Board expects the Manufacturing Division to end the Financial Year on a positive result while the Trading Division is expected to be in a loss situation.

**(21) Profit Forecast and Profit Guarantee**

The profit forecast and guarantee is not applicable for the current quarter under review.

**(22) Taxation**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>31st December</b>		<b>31st December</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>RM'000</b>		<b>RM'000</b>	
In respect of current period				
-Malaysian income tax	408	252	328	200
-Deferred tax	-	-	-	-
	408	252	328	200

**(23) Status of Corporate Proposals**

There were no Corporate Proposals in the current quarter.

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**(24) Group Borrowings**

Details of the unaudited Group borrowings as at 31 December 2015 are as follows:

Type of borrowing	Short term	Long term	Total
	Secured		
	RM'000		
Bank Overdraft	550	-	550
Bills Payable and Bankers Acceptance	7,820	-	7,820
Revolving Credit	-	-	-
Hire Purchase Creditors	575	1,301	1,876
Term Loans	358	4,542	4,900
<b>TOTAL</b>	<b>9,303</b>	<b>5,843</b>	<b>15,146</b>

**Drawdown and Repayment Schedule**

	Bank Overdraft	Bills Payable and Bankers Acceptance	Revolving Credit	Hire Purchase Creditors	Term Loans	Total
	RM'000					
As at beginning of period 1 April 2015	514	8,958	2,000	2,092	2,545	16,109
Drawdown	36	8,244	-	300	4,900	13,480
Repayment	-	(9,382)	(2,000)	(516)	(2,545)	(14,443)
As at end of period 31 December 2015	550	7,820	-	1,876	4,900	15,146

**(25) Material Litigation**

There were no new development or additional material litigation reported in this current quarter.

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**(26) Dividend Payable**

No interim dividend has been recommended for the current quarter.

**(27) Basic Profit/(Loss) Per Ordinary Share**

The basic profit/(loss) per ordinary share of the Group are calculated by dividing the net profit/(loss) for the current period attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares in issue during the period.

		INDIVIDUAL QUARTER 3 months ended 31-Dec		CUMULATIVE QUARTERS 9 months ended 31-Dec	
		2015	2014	2015	2014
		(Unaudited)		(Unaudited)	(Audited)
Profit / (loss) attributable to ordinary equity holders of the parent	RM	832,185	(51,145)	1,804,219	275,855
Weighted average number of ordinary shares in issue		104,468,851	104,468,851	104,468,851	104,468,851
Basic profit/(loss) per share for period (sen):	RM	<b>0.80</b>	<b>(0.05)</b>	<b>1.73</b>	<b>0.26</b>

**(28) Fully Diluted Profit/(Loss) Per Ordinary Share**

Fully diluted profit/(loss) per ordinary share for the current quarter is not presented as the Company does not have any outstanding share options or other potentially dilutive financial instruments currently on issue.

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**(29) Disclosure on Retained Earnings Realised and Unrealised Profit and Losses**

	<b>As at 31.12.2015 (Unaudited) RM'000</b>
Total Accumulated Losses of the Group	
- Realised	(1)
- Unrealised	6,260
Total Group Accumulated Losses as per Consolidated Unaudited Financial Statements	6,259

**(30) Authorised for Issue**

These Interim Financial Statements were authorised for issue by the Board of Directors in accordance with a resolution passed on 22nd February 2016.

**BY ORDER OF THE BOARD**

**Woo Min Fong (MAICSA 0532413)**

**Wong Chee Yin (MAICSA 7023530)**

Company Secretaries