



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

**INTERIM FINANCIAL STATEMENTS
FOR THE FORTH QUARTER ENDED
31 MARCH 2016**

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

INTERIM FINANCIAL STATEMENTS
FOR THE FORTH QUARTER ENDED 31 MARCH 2016

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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 FORTH QUARTER ENDED 31 MARCH 2016**

	INDIVIDUAL QUARTER 3 months ended 31st March		CUMULATIVE QUARTER 12 months ended 31st March	
	2016	2015	2016	2015
	(Unaudited)		(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Revenue	23,710	22,758	92,704	80,077
Cost Of Sales	(19,610)	(18,802)	(77,055)	(68,696)
Gross Profit	4,100	3,956	15,649	11,381
Other Income	(13)	1,620	1,254	2,153
Marketing and Distribution Costs	(1,008)	(974)	(4,634)	(4,022)
Administration Expenses	(1,114)	(1,800)	(7,196)	(5,430)
Other Operating Expenses	(1,181)	(720)	(1,446)	(786)
Profit From Operations	784	2,082	3,627	3,296
Finance Costs	(232)	(206)	(944)	(950)
Profit Before Tax	552	1,876	2,683	2,346
Taxation	959	700	631	499
Profit net of Tax for the period	1,511	2,576	3,314	2,845
Other comprehensive income				
Revaluation of land and building	-	14,104	-	14,104
Foreign Currency Translation Differences	(141)	(10)	(199)	(3)
Total comprehensive income for the period, net of tax	1,371	16,670	3,116	16,946
Profit per ordinary share attributable to equity holders of the parent	1,511	2,576	3,314	2,845
Total comprehensive income attributable to equity holders of the parent	1,371	16,670	3,116	16,946
Basic, profit per ordinary share (sen)	1.45	2.47	3.17	2.72
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 FORTH QUARTER ENDED 31 MARCH 2016

	Note	As at 31.03.2016 (Unaudited)	As at 31.03.2015 (Audited)
RM'000			
ASSETS			
Non-current assets			
Property, plant and equipment	11	51,982	54,281
Current assets			
Inventories		19,479	15,103
Trade and other receivables		24,247	23,783
Current tax asset		149	183
Cash and bank balances		4,607	2,335
Current assets classified as held for sale		5,500	5,500
Total current assets		53,982	46,904
TOTAL ASSETS		105,964	101,185
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		41,788	41,788
Reserves		19,324	19,522
Accumulated losses		(4,749)	(8,063)
Total Equity		56,363	53,247
Non current liabilities			
Long term borrowings	24	5,525	2,953
Deferred tax liabilities		5,031	6,141
Total non-current liabilities		10,556	9,094
Current Liabilities			
Trade and other payables		26,361	17,382
Current Tax Liabilities		184	-
Amount owing to Directors		2,241	8,307
Short term borrowings	24	10,259	13,155
Total current liabilities		39,045	38,844
TOTAL LIABILITIES		49,601	47,938
TOTAL EQUITY AND LIABILITIES		105,964	101,185
Net assets per share attributable to equity holders of the parents (RM)		0.5395	0.5097

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 FORTH QUARTER ENDED 31 MARCH 2016

	Attributable to equity holders of the parent					
	----- Non-distributable -----					
	Share Capital	Share Premium	Revaluation Reserves	Translation Reserves	Accumulated Losses	Total
	RM'000					
At 1 APRIL 2015	41,788	1,566	17,959	(3)	(8,063)	53,247
Profit after tax for the period	-	-	-	-	3,314	3,314
Other comprehensive income for the period						
- Foreign currency translation	-	-	-	(199)	-	(199)
Total comprehensive Income for the period	-	-	-		3,314	3,116
At 31 MARCH 2016	41,788	1,566	17,959	(202)	(4,749)	56,363

At 1 APRIL 2014	41,788	1,566	3,855	-	(10,908)	36,301
Profit after tax for the period	-	-	-	-	2,845	2,845
Other comprehensive income for the period						
- Revaluation of Properties	-	-	14,104	-	-	14,104
- Foreign currency translation	-	-	-	(3)	-	(3)
Total comprehensive income for the period	-	-	14,104	(3)	2,845	16,946
At 31 MARCH 2015	41,788	1,566	17,959	(3)	(8,063)	53,247

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 CASH FLOWS
FOR THE FORTH QUARTER ENDED 31 MARCH 2016

	Note	12 months to	
		31.03.2016	31.03.2015
		(Unaudited)	(Audited)
		RM'000	
1. Cash flow from operating activities			
Profit before tax		2,683	2,346
<i>Adjustment for investing and financing items not involving movement of cash and cash equivalent</i>			
Impairment for trade and other receivables		834	217
Reversal of impairment losses on trade receivables		(1)	
Bad debts written off		-	22
Depreciation		4,574	5,168
Impairment losses on property plant and equipment		51	343
Gain on disposal of property, plant and equipment		(30)	(28)
Interest expense		944	934
Interest income		(10)	(4)
Inventory written off		319	116
Reversal of impairment losses on freehold land and buildings		-	(629)
Reversal of inventory written off		-	(881)
Increase in provision for slow moving stocks		241	-
Unrealised loss / (gain) on foreign exchange		597	(208)
Operating profit before working capital changes		10,203	7,396
Net change in inventories		(4,936)	(1,891)
Net change in trade and other receivables		(1,296)	(7,880)
Net change in trade and other payables		8,383	2,469
Cash generated from operations		12,354	94
Interest paid		(612)	(934)
Income tax paid		(726)	(393)
Income tax refund		466	1,124
Net cash from / (used in) operating activities		11,481	(109)

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 FORTH QUARTER ENDED 31 MARCH 2016

	Note	12 months to	
		31.03.2016	31.03.2015
		(Unaudited)	(Audited)
2. Cash flow from investing activities		RM'000	
Purchase of property, plant and equipment		(2,613)	(2,619)
Interest received		10	4
Proceeds from disposal of property, plant and equipment		317	32
Net cash used in investing activities		(2,485)	(2,583)
3. Cash flow from financing activities			
Net change in amount due to directors		(6,066)	6,350
Repayment in bill payable and banker acceptance		(1,638)	(121)
Repayment of term loans		(2,608)	(1,040)
Drawdown of term loan		5,000	-
Repayment of hire purchase creditors		(939)	(458)
Drawdown of hire purchase creditors		373	-
Interest paid		(332)	-
Net cash (used in) / from financing activities		(6,210)	4,731
Net decrease in cash and cash equivalents		2,786	2,039
Cash and cash equivalents as at beginning of financial period 1st April		1,821	(215)
Effect on foreign exchange translation		(199)	(3)
Cash and cash equivalents as at end of financial period 31st March*		4,607	1,821
<i>*Cash and cash equivalents at the end of the financial period comprise the following:</i>			
Cash and bank balances		4,607	2,335
Bank overdrafts	24	-	(514)
		4,607	1,821

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 MALAYSIAN FINANCIAL REPORTING
STANDARDS (MFRSs) 134**

FOR THE FORTH QUARTER ENDED 31 MARCH 2016

(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 (Including The Consequential Amendments)

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of the above accounting standards (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 accounting standards (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:-

MFRSs (Including The Consequential Amendments)

Effective Date

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

01 January 2018

MFRS 16 Leases

01 January 2019

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 107: Disclosure Initiative

01 January 2017

Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

01 January 2017

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

01 January 2016

Annual Improvements to MFRSs 2012 – 2014 Cycle

01 January 2016

The adoption of the above accounting standards (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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DENKO INDUSTRIAL CORPORATION BERHAD (190155-M)
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PART A

SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRSs) 134

FOR THE FORTH QUARTER ENDED 31 MARCH 2016

(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:

Q4-FY16	Malaysia	Indonesia	Elimination	Consolidated
	RM'000			
Revenue				
Sales to external customer	23,710	-	-	23,710
Inter-segment sales	409	-	(409)	-
	<u>24,120</u>	<u>-</u>	<u>(409)</u>	<u>23,710</u>
Segment results	859	(75)	-	784
Finance Cost				(232)
Profit Before Tax				<u>552</u>
Q3-FY16	Malaysia	Indonesia	Elimination	Consolidated
	RM'000			
Revenue				
Sales to external customer	24,740	-	-	24,740
Inter-segment sales	-	-	-	-
	<u>24,740</u>	<u>-</u>	<u>-</u>	<u>24,740</u>
Segment results	1,513	(35)	-	1,478
Finance Cost				(237)
Profit Before Tax				<u>1,241</u>

PART A
SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS
(MFRSs) 134
FOR THE FORTH QUARTER ENDED 31 MARCH 2016

(4) Segmental Reporting (Continued)

Q4-FY15	Malaysia	Indonesia	Elimination	Consolidated
	RM'000			
Revenue				
Sales to external customer	22,761	-	-	22,761
Inter-segment sales	325	-	(328)	(3)
	<u>23,086</u>	<u>-</u>	<u>(328)</u>	<u>22,758</u>
Segment results	2,279	(197)	-	2,082
Finance Cost				(206)
Profit Before Tax				<u>1,876</u>

(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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PART A
SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS
(MFRSs) 134
FOR THE FORTH QUARTER ENDED 31 MARCH 2016

(8) Property, Plant and Equipment (“PPE”)

	12 months ended 31st March	
	2016	2015
	(Unaudited)	(Audited)
	RM'000	
PPE at 1st April	54,281	44,383
Additions	2,614	3,290
Disposals	(287)	(4)
Revaluation Surplus	-	17,624
Impairment	(51)	(343)
Depreciation and Amortization	(4,574)	(5,169)
Reclassified to Asset held for sale	-	(5,500)
PPE at 31st March	51,982	54,281

(9) Inventory Write Offs

The inventory write offs during the current quarter amounted to RM319,000 (Q4-FY15: RM 116,000).

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

**SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARDS (MFRSs) 134
FOR THE FORTH QUARTER ENDED 31 MARCH 2016**

(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:

	As at 31.03.2016 (Unaudited) RM'000
- Authorised but not contracted	1,934
- Contracted but not provided	543

(15) Changes in Contingent Liabilities and Contingent Assets

	As at 31.03.2016 (Unaudited) RM'000
Contingent liability Corporate guarantees provided to financial institutions for credit facilities granted to subsidiaries	15,582

(16) Material Subsequent Events

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

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DENKO INDUSTRIAL CORPORATION BERHAD (190155-M)
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PART A
SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS
(MFRSs) 134
FOR THE FORTH QUARTER ENDED 31 MARCH 2016

(17) Profit for the period

		INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		3 months ended		12 months ended	
		31st March			
		2016	2015	2016	2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		RM'000			
(i)	Interest Income	0	4	10	4
(ii)	Other income including investment income	337	658	946	880
(iii)	Interest expense	(232)	(206)	(944)	(951)
(iv)	Depreciation	(1,356)	(1,199)	(4,574)	(5,169)
(v)	(Provision) / Reversal of provision for receivables / (Bad Debts written off)	(834)	(253)	(833)	(239)
(vi)	Increase in Provision for slow moving inventories and Stocks written off	258	807	(560)	765
(vii)	(Loss) / Gain on disposal of quoted or unquoted investment or properties	(12)	-	30	28
(viii)	Foreign exchange (Loss) / gain	(635)	206	(357)	408

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

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DENKO INDUSTRIAL CORPORATION BERHAD (190155-M)
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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 MARCH 2016

(18) Review of Current Quarter Performance

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	3 months ended		12 months ended	
	31st March			
	2016	2015	2016	2015
(Unaudited)		(Unaudited)	(Audited)	
RM'000				
<u>Segment Revenue</u>				
Manufacturing	23,074	20,637	87,781	70,970
Trading (Consumer Goods)	1,046	2,124	5,383	9,110
Sub-Total (Operating Entities)	24,120	22,761	93,164	80,080
Management services – (Note1)	-	325	-	1,275
Total revenue including inter-segment sales	24,120	23,086	93,164	81,355
Elimination of inter-segment transactions	(409)	(328)	(460)	(1,278)
Total Revenue	23,710	22,758	92,704	80,077
<u>Segment Results</u>				
Manufacturing	1,972	2,302	5,169	3,101
Trading (Consumer Goods)	(1,562)	(1,450)	(2,232)	(2,025)
Sub-Total (Operating Entities)	410	852	2,937	1,076
Management services	(1)	283	(10)	1,104
Investment holding	(119)	(254)	(506)	(830)
Total Profit before taxation including inter-segment Profit/(Loss)	289	881	2,421	1,350
Elimination of inter-segment transactions	262	996	262	996
Profit Before Taxation	552	1,877	2,683	2,346

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

DENKO INDUSTRIAL CORPORATION BERHAD (190155-M)
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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 MARCH 2016

Current Quarter vs Prior Year Same Quarter 3 months Comparison

(a) Revenue

The Group's revenue increased by approximately RM952,000 (+4%) in the current quarter under review to RM23.7 million (Q4-FY15: RM22.7 million).

(i) Manufacturing Division

This Division was the main driver to the Revenue increase during the current quarter by recorded an increase of RM2.4 million (+12%) to RM23 million (Q4-FY15: RM20.6 million), mainly attributed by Tooling Sub Segment with higher sales recognized amounted to RM2.4 million in the current quarter.

(ii) Trading (Consumer Goods) Division

This Division recorded a significant decrease of RM1 million (-51%) in Revenue to RM1 million (Q4-FY15: RM2 million) which was mainly resulted from lower sales and huge returns from previous years' sales that were booked in the current quarter.

(b) Profit/(Loss) Before Taxation

In the current quarter, the Group's Net Profit before Taxation decreased by RM1.3 million (-70%) to RM550,000 (Q4-FY15: RM1.8 million). The adverse variances were partly resulted from one off transaction which could be further explained according to Division, as below:

(i) Manufacturing Division

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

	Q4-FY16	Q4-FY15	Variances
	RM'000		
Profit Before Taxation	1,972	2,302	(330)
Losses from Indonesian subsidiary	75	197	(122)
Adjustment for One Off transaction:			
Non Operating Inter-co Expense	90	90	-
Provision of Impairment of Trade Debtors	-	231	(231)
Revaluation surplus on Land and Building	-	(629)	629
Impairment of assets	51	343	(292)
Reversal of accrued staff cost	(1,051)	(700)	(351)
Unrealised Foreign Exchange (Gain)/Loss	536	(10)	546
Sub-total	(374)	(675)	301
Adjusted Profit from Operations	1,673	1,824	(151)

Table 1 shows the Group's underlying manufacturing business in Malaysia recorded a adverse movement in Profit Before Tax of approximately RM150,000 (-8%) to RM1.7 million in the current quarter. (Q4-FY15: RM1.8 million)

PART B
EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA FOR THE THIRD QUARTER ENDED 31 MARCH 2016

Current Quarter vs Prior Year Same Quarter 3 months Comparison

(b) Profit/(Loss) Before Taxation

(ii) Trading (Consumer Goods) Division

Table 2 - Reconciliation of Operating Profit/(Loss) Before Taxation

	Q4-FY16	Q4-FY15	Variances
	RM'000		
Profit Before Taxation	(1,562)	(1,450)	(112)
Adjustment for One Off transaction:			
Non Operating Inter-co Income	(90)	(90)	-
Written off obsolete stocks	319	83	236
Impairment of brand name	-	996	(996)
Impairment of Trade debtor	834	-	834
Bad debt written off - Trade Debtors	-	22	(22)
Sub-total	1,063	1,011	52
Adjusted Profit from Operations	(500)	(439)	(61)

Table 2 shows the Division's Adjusted Losses from Operations for the current quarter widened by RM61,000 to RM500,000 (Q4-FY15: RM439,000).

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DENKO INDUSTRIAL CORPORATION BERHAD (190155-M)
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PART B
EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA FOR THE FORTH QUARTER ENDED 31 MARCH 2016

(19) Comparison with Immediate Preceding Quarter's Results

	INDIVIDUAL QUARTER	
	3 months ended	
	31.03.2016	31.12.2015
	(Unaudited)	
<u>Segment Revenue</u>	RM'000	
Manufacturing	23,074	23,505
Trading (Consumer Goods)	1,046	1,235
Total revenue including inter-segment sales	24,120	24,740
Elimination of inter-segment transactions	(409)	-
Total revenue	23,710	24,740
<u>Segment Results</u>		
Manufacturing	1,971	1,678
Trading (Consumer Goods)	(1,562)	(276)
Sub-Total (Operating Entities)	409	1,402
Management services	(1)	(1)
Investment holdings	(119)	(160)
Profit before taxation	552	1,241

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DENKO INDUSTRIAL CORPORATION BERHAD (190155-M)
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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 MARCH 2016

Current Quarter vs Previous Quarter 3 months comparison

(a) **Revenue**

The Group registered a reduction of RM1 million in Revenue (-4%) for the current quarter to RM23.7 million (Q3-FY16: RM24.7 million). Both Manufacturing and Trading Division recorded lower Revenue in the current quarter.

(i) **Manufacturing Division**

The RM430,000 (-2%) decrease in Revenue recorded by this Division to RM23.1 million (Q3-FY16: RM23.5 million) was mainly resulted from the lower Revenue in Plastic Parts Division.

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

Revenue from this Division decreased by RM200,000 (-15%) to RM1 million (Q3-FY16: RM1.2 million) mainly resulted from the customers' return for the previous months' sales.

(b) **Profit Before Taxation**

The Group reported a reduction in Profit Before Taxation of RM687,000 to RM554,000 (Q3-FY16: RM1.2 million). The adverse variances were partly resulted from one off transaction which could be further explained according to Division, as below:

(i) **Manufacturing Division**

Table 3 - Reconciliation of Operating Profit/(Loss) Before Taxation

	Q4-FY16	Q3-FY16	Variances
	RM'000		
Profit Before Taxation	1,971	1,678	293
Losses from Indonesian subsidiary	75	35	40
Adjustment for Non Operating Item			
Non Operating Inter-co Expense	90	90	-
Impairment of assets	51	-	51
Reversal of accrued staff cost	(1,051)	-	(1,051)
Unrealised Foreign Exchange (Gain)/Loss	536	314	222
Sub-total	(374)	404	(778)
Adjusted Profit from Operations	1,672	2,117	(445)

Table 3 shows the Group's underlying manufacturing business in Malaysia registered an adverse movement of RM400,000 in Adjusted Profit before Tax to RM1.7 million (Q3-FY16: RM2.1 million) mainly attributed to lower output in Tooling Sub Segment.

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PART B
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OF BURSA MALAYSIA FOR THE THIRD QUARTER ENDED 31 MARCH 2016

Current Quarter vs Previous Quarter 3 months comparison

(b) Profit Before Taxation

(ii) Trading (Consumer Goods) Division

Losses from this Division widen by RM1.3 million to RM1.6 million (Q3-FY16: Loss RM276,000) mainly due to written off a huge amount of obsolete stocks amounted RM400,000 and impairment of trade debtor of RM800,000 in the current quarter.

(20) Current Year Prospects

The Group had a very awesome results during the financial year ended 31st March 2016 thanks to the major contribution from its Plastic Parts and Tooling segments in Malaysia. Group Revenue recorded a favorable increase of RM12 million (+15%) to RM92 million (FY15: RM80 million) and this resulted a RM 300,000 increase (+ 13%) in Profit Before tax to RM2.6 million (FY15: RM2.3million).

(i) Manufacturing Division

Tooling Sub Segment in Malaysia is the primary driver for the Revenue and Profit growth in this Division with the significant increase in projects awarded during the financial year.

(ii) Trading (Consumer Goods) Division

This Division continue to be loss making despite aggressive efforts and resources had been allocated during the Financial Year. External factors e.g: introduction of Good and Service tax; and the economy downturn had badly impact the orders and thus resulted poor Revenue and Performance in this Division.

In Summary, the Board is confident that the Manufacturing Division in Malaysia will sustain both its stable and commendable Revenue and Profits in the coming Financial year.

(21) Profit Forecast and Profit Guarantee

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

(22) Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	3 months ended		12 months ended	
	31st March		31st March	
	2016	2015	2016	2015
	(Unaudited)		(Unaudited)	(Audited)
	RM'000		RM'000	
In respect of current period				
-Malaysian income tax	150	97	478	(499)
-Deferred tax	(1,109)	(797)	(1,109)	-
	(959)	(700)	(631)	(499)

(23) Status of Corporate Proposals

There were no Corporate Proposals in the current quarter.

PART B
EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA FOR THE THIRD QUARTER ENDED 31 MARCH 2016

(24) Group Borrowings

Details of the unaudited Group borrowings as at 31 March 2016 are as follows:

Type of borrowing	Short term	Long term	Total
	Secured		
	RM'000		
Bank Overdraft	-	-	-
Bills Payable and Bankers Acceptance	7,320	-	7,320
Revolving Credit	2,000	-	2,000
Hire Purchase Creditors	593	933	1,526
Term Loans	345	4,592	4,937
TOTAL	10,258	5,525	15,783

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	(514)	-	2,000	373	5,000	6,859
Repayment	-	(1,638)	(2,000)	(939)	(2,608)	(7,185)
As at end of period 31 March 2016	-	7,320	2,000	1,526	4,937	15,783

(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-Mar		CUMULATIVE QUARTERS 12 months ended 31-Mar	
		2016	2015	2016	2015
		(Unaudited)		(Unaudited)	(Audited)
Profit attributable to ordinary equity holders of the parent	RM	1,509,241	2,826,155	3,313,460	2,844,877
Weighted average number of ordinary shares in issue		104,468,851	104,468,851	104,468,851	104,468,851
Basic profit per share for period (sen):	RM	1.44	2.71	3.17	2.72

(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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PART B
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OF BURSA MALAYSIA FOR THE THIRD QUARTER ENDED 31 MARCH 2016

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

	As at 31.03.2016 (Unaudited) RM'000
Total Accumulated Losses of the Group	
- Realised	(872)
- Unrealised	5,621
Total Group Accumulated Losses as per Consolidated Unaudited Financial Statements	4,749

(30) Authorised for Issue

These Interim Financial Statements were authorised for issue by the Board of Directors in accordance with a resolution passed on 31st May 2016.

BY ORDER OF THE BOARD
Woo Min Fong (MAICSA 0532413)
Wong Chee Yin (MAICSA 7023530)
Company Secretaries