



O&C Resources Berhad
(formerly known as Takaso Resources Berhad)
(Company No: 440503-K)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the financial quarter ended 30 April 2016

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.04.2016 RM'000	Preceding Year Quarter 30.04.2015 RM'000	Current Year To Date 30.04.2016 RM'000	Preceding Year To Date 30.04.2015 RM'000
Revenue		8,596	11,896	28,662	30,412
Cost of sales		(6,539)	(10,787)	(22,166)	(25,813)
Gross profit		2,057	1,109	6,496	4,599
Other income		70	39	1,656	703
Selling and distribution expenses		(264)	(385)	(1,096)	(851)
Administrative expenses		(3,110)	(2,606)	(7,398)	(7,266)
Finance costs		(252)	(60)	(427)	(190)
Loss before tax		(1,499)	(1,903)	(769)	(3,005)
Income tax expenses	B5	71	(6)	(95)	(104)
Loss after taxation for the financial period		(1,428)	(1,909)	(864)	(3,109)
Other Comprehensive Income/(Expenses), net of Tax:					
Foreign currency translation		266	(22)	414	289
Total Comprehensive Expenses	B12	(1,162)	(1,931)	(450)	(2,820)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 July 2015 and the accompanying explanatory notes attached to the interim financial statements.





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Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the financial quarter ended 30 April 2016 (Cont'd)

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.04.2016 RM'000	Preceding Year Quarter 30.04.2015 RM'000	Current Year To Date 30.04.2016 RM'000	Preceding Year To Date 30.04.2015 RM'000
Loss after taxation attributable to:					
Owners of the Company		(1,328)	(1,909)	(732)	(3,109)
Non-Controlling Interests		(100)	-	(132)	-
		<hr/>	<hr/>	<hr/>	<hr/>
		(1,428)	(1,909)	(864)	(3,109)
Total Comprehensive Expenses attributable to:					
Owners of the Company	B12	(1,062)	(1,931)	(318)	(2,820)
Non-Controlling Interests		(100)	-	(132)	-
		<hr/>	<hr/>	<hr/>	<hr/>
		(1,162)	(1,931)	(450)	(2,820)
Loss per share ("LPS") (in sen)					
Basic LPS	B11	(0.63)	(0.94)	(0.35)	(1.67)
Fully Diluted LPS	B11	(0.60)	(0.88)	(0.34)	(1.55)

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*Condensed Consolidated Statement of Financial Position
As at 30 April 2016*

	Note	As at 30.04.2016 (Unaudited) RM'000	As at 31.07.2015 (Audited) RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		23,505	22,861
Investment property		1,964	1,995
Goodwill		5,174	-
		30,643	24,856
Current Assets			
Property development cost		6,119	-
Inventories		5,333	5,580
Trade and others receivables		30,683	23,954
Current tax assets		30	30
Cash and cash equivalents		2,059	4,938
		44,224	34,502
TOTAL ASSETS		74,867	59,358
EQUITY AND LIABILITIES			
Share capital		52,996	51,075
Reserves		(2,101)	(2,552)
Shareholders' funds		50,895	48,523
Non-controlling interests		(296)	(1)
TOTAL EQUITY		50,599	48,522
Non-Current Liabilities			
Long-term bank borrowings	B8	1,543	1,124
Deferred tax liabilities		258	258
		1,801	1,382
Current Liabilities			
Trade and other payables		10,568	7,356
Short-term borrowings	B8	11,751	2,058
Current tax liabilities		148	40
		22,467	9,454
TOTAL LIABILITIES		24,268	10,836
TOTAL EQUITY AND LIABILITIES		74,867	59,358
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.22	0.24

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Condensed Consolidated Statement of Changes in Equity
For the financial period ended 30 April 2016

	<-----Attributable to owners of the company----->								
	<-----Non Distributable----->				Distributable				
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Share Issuance Scheme Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 August 2015	51,075	12,941	3,303	248	-	(19,044)	48,523	(1)	48,522
Loss after taxation for the period	-	-	-	-	-	(732)	(732)	(132)	(864)
Other comprehensive income for the period, net of tax									
- Foreign currency translation	-	-	-	414	-	-	414	-	414
Total comprehensive Income/(expenses) for the period	-	-	-	414	-	(732)	(318)	(132)	(450)
Transaction with owners of the company:									
Acquisition of subsidiary company	-	-	-	-	-	-	-	(163)	(163)
Issuance of ordinary share pursuant to:									
- exercise of SIS	-	-	-	-	-	-	-	-	-
- exercise of Warrant B	1,921	1,392	(623)	-	-	-	2,690	-	2,690
Balance as at 30 April 2016	52,996	14,333	2,680	662	-	(19,776)	50,895	(296)	50,599

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 July 2015 and the accompanying explanatory notes attached to the interim financial statements.





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Condensed Consolidated Statement of Changes in Equity
For the financial period ended 30 April 2015 (Cont'd)

	-----Attributable to owners of the company-----								
	<-----Non Distributable----->				Distributable				
	Share Capital RM'000	Share Premium RM'000	Warrants Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Share Issuance Scheme Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 August 2014	40,187	4,608	4,576	(96)	864	(11,054)	39,085	-	39,085
Loss after taxation for the period	-	-	-	-	-	(3,109)	(3,109)	-	(3,109)
Other comprehensive Income for the period, net of tax - Foreign currency translation	-	-	-	289	-	-	289	-	289
Total comprehensive Income/(expenses) for the period	-	-	-	289	-	(3,109)	(2,820)	-	(2,820)
Transaction with owners of the Company:									
Issuance of ordinary share pursuant to :									
-exercise of SIS	2,489	-	-	-	-	-	2,489	-	2,489
- exercise of Warrant B	3,924	1,570	-	-	-	-	5,494	-	5,494
- private placement	4,475	4,627	-	-	-	-	9,102	-	9,102
Transfer of share premium for SIS exercised	-	864	-	-	(864)	-	-	-	-
Balance as at 30 April 2015	51,075	11,669	4,576	193	-	(14,163)	53,350	-	53,350

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*Condensed Consolidated Statement of Changes in Equity
For the financial period ended 30 April 2016*

	Current Year to date 30.04.2016 RM'000	Preceding Year to date 30.04.2015 RM'000
Cash Flows From Operating Activities		
Loss before tax	(769)	(3,005)
Adjustments for:		
Non-cash items	(4,578)	1,399
Non-operating items	755	131
<i>Operating loss before working capital changes</i>	(4,592)	(1,475)
Net change in current assets	(2,385)	(6,503)
Net change in current liabilities	(7,127)	(1,046)
<i>Cash used in operations</i>	(14,104)	(9,024)
Tax refund	40	61
Tax paid	(29)	(52)
<i>Net cash used in operating activities</i>	(14,093)	(9,015)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(536)	(3,774)
Proceeds from disposal of equipment	38	-
Interest income	8	59
<i>Net cash used in investing activities</i>	(490)	(3,715)
Cash Flows From Financing Activities		
Interest paid	(427)	(190)
Proceeds from issuance of ordinary shares pursuant to:		
-SIS, net of expenses	-	2,489
- exercised of warrants	2,689	5,494
Private placements, net of expenses	-	9,102
Drawdown /(Repayment) of bank borrowings	9,949	(187)
Repayment of hire purchase payable	(232)	(166)
<i>Net cash generated from financing activities</i>	11,979	16,542
<i>Net cash (decreased) / increased in cash and cash equivalents</i>	(2,604)	3,812
<i>Effects of exchange rate changes on cash and cash equivalents</i>	35	65
<i>Cash and cash equivalents at beginning of the financial year</i>	3,221	4,281
<i>Cash and cash equivalents at end of the financial period</i>	652	8,158

The Condensed Consolidated Statement of Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 July 2015 and the accompanying explanatory notes attached to the interim financial statements.





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Condensed Consolidated Statement of Cash Flows
For the period ended 30 April 2016(Cont'd)

	Current Year To Date 30.04.2016 RM'000	Preceding Year To Date 30.04.2015 RM'000
Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	120	-
Cash and bank balances	1,939	10,081
Bank overdrafts	(1,287)	(1,923)
	<hr/>	<hr/>
	772	8,158
Less: Fixed deposit pledged to licensed banks	(120)	-
	<hr/>	<hr/>
	652	8,158
	<hr/>	<hr/>

The Condensed Consolidated Statement of Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 July 2015 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER





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PART A
EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Change of Name

The Company has changed its name from Takaso Resources Berhad to O&C Resources Berhad on 1 October 2015.

2. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 July 2015.

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted in the latest audited financial statements for the financial year ended 31 July 2015.

The adoption of the MFRSs and Amendments to MFRSs that came into effect after 1 August 2014 did not have any significant impact on the interim financial statements upon their initial application.

The following standards were issued by the Malaysian Accounting Standards Board but are not yet effective and have not been applied by the Group:

Effective for financial periods beginning on or after 1 January 2016

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 10 and MFRS 128 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011)	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure Initiative
Amendments to MFRS 116 And MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 127 (2011)	Equity Method in Separate Financial Statements
Annual Improvements to MFRSs 2012 – 2014 Cycle	

PART A





O&C Resources Berhad
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PART A
EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

9. Segment Information

The following is an analysis of the revenue and consolidated result of the Group by segment of its operating activities for the current quarter ended 30 April 2016: -

30 April 2016	Manufacturing RM'000	Trading RM'000	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
External Sales	2,848	5,563	930	-	-	(745)	8,596
Segment Results (EBITDA)	282	(504)	48	(1)	(849)	232	(792)
Finance Cost	(34)	(10)	-	(200)	(8)	-	(252)
Depreciation and Amortisation	(358)	(63)	-	-	(34)	-	(455)
Consolidated Loss Before Tax							(1,499)
ASSETS							
Segment Assets	21,005	10,544	2,559	22,407	67,663	(49,311)	74,867
LIABILITIES							
Segment Liabilities	12,773	12,445	2,910	23,016	10,705	(37,581)	24,268
OTHER INFORMATION							
Capital Expenditure	9	6	-	-	542	-	557
Depreciation and Amortisation	358	63	-	-	34	-	455
Other Non Cash Expenses/(Income)	-	-	-	-	-	-	-





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PART A
EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

9. Segment Information (Cont'd)

30 April 2015	Manufacturing RM'000	Trading RM'000	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
External Sales	3,152	9,339	-	-	-	(595)	11,896
Segment Results (EBITDA)	(173)	(503)	-	-	(570)	(136)	(1,382)
Finance Cost	(44)	(6)	-	-	(10)	-	(60)
Depreciation and Amortisation	(358)	(88)	-	-	(15)	-	(461)
Consolidated Loss Before Tax							(1,903)
ASSETS							
Segment Assets	30,146	22,091	-	-	69,434	(58,683)	62,988
LIABILITIES							
Segment Liabilities	15,816	23,600	-	-	7,676	(37,040)	9,422
OTHER INFORMATION							
Capital Expenditure	26	2	-	-	1,566	-	1,594
Depreciation and Amortisation	358	88	-	-	15	-	461
Other Non Cash Expenses/(Income)	-	-	-	-	-	-	-

GEOGRAPHICAL SEGMENT

The following table provides an analysis of the Group's revenue, segment assets and capital expenditure by geographical segments:

	Revenue by location of customers		Segments assets by location of assets		Capital expenditure by location of assets	
	30 APRIL 2016 RM'000	30 APRIL 2015 RM'000	30 APRIL 2016 RM'000	30 APRIL 2015 RM'000	30 APRIL 2016 RM'000	30 APRIL 2015 RM'000
Malaysia	2,037	6,154	57,390	48,261	214	28
Other Asian Countries	6,121	5,487	17,477	14,727	343	1,566
European Countries	22	52	-	-	-	-
African Countries	6	132	-	-	-	-
Others	410	71	-	-	-	-
Total	8,596	11,896	74,867	62,988	557	1,594





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PART A
EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

10. Valuation of Property, Plant and Equipment

There was no valuation of the property, plant and equipment in the current quarter under review.

11. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the reporting period up to 15 June 2016, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report, that have not been reflected in the financial statements for the current quarter ended 30 April 2016 except for the followings:

- (a) On 16 May 2016, the Company has announced that at the Extraordinary General Meeting (“EGM”) of the Company held on 16 May 2016, the Special and Ordinary Resolutions set out in the Notice of EGM dated 22 April 2016 in relation to the following were duly approved by the shareholders of the Company:-
- Proposed renounceable rights issue of up to 735,074,052 new irredeemable convertible preference share of RM0.05 each in O&C Resources Berhad (“OCR”) (this proposal refer to “ICPS”) on the basis of three (3) ICPS for every one (1) existing ordinary share of RM0.25 each in OCR (“OCR share”) held , together with up to 73,507,405 free detachable warrants (“Warrants”) on the basis of one (1) Warrants for every ten (10) ICPS subscribed at an entitlement date to be determined later;
 - Proposed diversification of the business of OCR and its subsidiaries to include property development business;
 - Proposed increase in the authorized share capital of OCR from RM100,000,000 comprising 400,000,000 OCR shares to RM500,000,000 comprising 1,600,000,000 OCR shares and 2,000,000,000 ICPS; and
 - Proposed amendments to the Memorandum and Articles of Association of OCR to facilitate the issuance of the ICPS pursuant to the Proposed Rights Issue of ICPS with Warrants and the Proposed Increase in Authorised Share Capital; and
- (b) On 2 October 2015, 4 February 2016 and 10 February 2016 in relation to the disposal of 200,000 units of ordinary shares of THB100 each in Takaso SC (Thailand) Limited (“TSC”), representing 100% interest in TSC, to Lay Hong Berhad (“LHB”).

On 13 May 2016, the Company had entered into a Supplemental Agreement (“SA”) with LHB, Ong Kah Hoe, Yong Mong Huay and Su Seong Yeen (collectively the “Vendors”) to amend specific clauses in the Shares Sale Agreement which was previously announced on 4 February 2016.

On 10 June 2016, the Disposal had been completed; thus, TSC shall cease to be a wholly-owned subsidiary of the Company effective from 10 June 2016.





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PART A
EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter ended 30 April 2016 except for additional 4,950 ordinary shares of RM1.00 each in the capital of Masbe Coffee Sdn Bhd (“MCSB”) subscribed by the Company for a cash consideration of RM4,950 on 15 April 2016. Following to the share subscription, the Company’s equity interest in MCSB stands at 50.01%.

13. Changes in Contingent Liabilities or Contingent Assets since the Last Annual Balance Sheet Date

Since the last annual balance sheet date, there were no material changes in contingent liabilities for the Group as at 15 June 2016, being the last practicable date from the date of issue of this quarterly report that are expected to have an operational or financial impact on the Group.

The changes in contingent liabilities of the Company are as follows:-

	Company	
	As at	As at
	30.04.2016	31.07.2015
	RM’000	RM’000
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to a subsidiary	1,245	1,993
- to a supplier for purchases made by a subsidiary	-	233
	1,245	2,226

There were no contingent assets since the last annual balance sheet as at 31 July 2015.

14. Capital Commitments

Save from the following, there were no capital commitments in the current quarter under review:

	As at	As at
	30.04.2016	31.7.2015
	RM’000	RM’000
Contracted but not provided for:		
Acquisition of a piece of development land	7,919	-
Acquisition of new subsidiaries	3,491	3,947
	11,410	3,947





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PART A
EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

15. Significant Inter Company and Related Party Transactions

	Group	
	Current Year To Date 30.04.2016 RM'000	Preceding Year To Date 30.04.2015 RM'000
<u>Inter Company Transactions</u>		
Sales by Takaso Rubber Products Sdn Bhd to:-		
Takaso Marketing Sdn Bhd	2,339	1,846
Japlo Healthcare Sdn Bhd	1	5
Sales by Takaso Marketing Sdn Bhd to:-		
Takaso Rubber Products Sdn Bhd	-	1
Japlo Healthcare Sdn Bhd	20	19
<u>Related Parties Transactions</u>		
Professional services rendered by a company in which a director has a substantial financial interest	-	52
Purchases from a company in which a director has a substantial financial interest	1,201	584
Sales to a company in which a director has a substantial financial interest	871	-
Project revenue recognized from a contract awarded by a company in which a director has a substantial financial interest	2,948	-

The Directors are of the opinion that all inter-segment transactions have been entered into the normal courses of business and are based on negotiated terms.





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PART B
EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS

1. Detailed Analysis of the Performance of all Operating Segments

	Individual Quarter		Cumulative Period	
	30.04.2016 RM'000	30.04.2015 RM'000	30.04.2016 RM'000	30.04.2015 RM'000
Revenue	8,596	11,896	28,662	30,412
Loss before tax	<u>(1,499)</u>	<u>(1,903)</u>	<u>(769)</u>	<u>(3,005)</u>

For the current quarter and cumulative period under review, the Group's revenue decreased by 27.75% and 5.75% respectively compared to the corresponding quarter and cumulative period ended 30 April 2015.

The decrease in revenue was mainly due to slow down in sales for trading of electrical & mechanical products and manufacturing of rubber products & baby products.

For the current quarter and cumulative period under review, the Group registered loss before tax of RM1.5 million and RM0.8 million respectively as compared to loss before tax of RM1.9 million and RM3.0 million in the corresponding quarter and cumulative period ended 30 April 2015. The improvement in loss before tax for the current quarter and cumulative period ended 30 April 2016 were mainly due to unrealised foreign exchange gain of RM0.2 million and RM1.0 million respectively. The improvement of gross profit in manufacturing of rubber products & baby products business and trading of electrical & mechanical products business also contributing for the better results in the current quarter and cumulative quarter under review.

Further Analysis by Segments

Manufacturing Segment

The revenue has decreased by approximately RM0.6 million in the current quarter under review compared to the previous corresponding quarter ended 30 April 2015. The decrease in revenue is mainly due to slow down in sales of rubber products and baby products.

Trading Segment

The revenue has decreased by approximately RM0.9 million in the current quarter under review compared to the corresponding quarter ended 30 April 2015. The decrease in revenue is mainly due to decrease in trading business of computer and automobile accessories.

Construction Segment

The revenue generated from this segment was a result of progressive of revenue recognition in the awarded construction contract amounting to RM0.9 million in the current quarter and cumulative period under review.





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PART B

EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS (CONT'D)

2. Comments on Material Changes in the Profit Before Tax for the Quarter Reported as Compared with the Preceding Quarter

	Individual Quarter	
	30.04.2016 RM'000	31.01.2016 RM'000
Revenue	8,596	9,525
(Loss)/profit before tax	(1,499)	171

The Group recorded loss before tax of RM1.499 million for the current quarter as compared to the immediate preceding quarter profit before tax of RM0.17 million.

The decrease in profit before tax of approximately RM1.67 million was mainly due lower revenue generated, higher administrative expenses incurred and lower unrealised foreign exchange gain recognised in the current quarter under review.

3. Current Year Prospects

The Group has been facing challenges in its core business of manufacturing and marketing of condoms and baby products, in view of rising raw material prices and operational costs for the past few years. Taking cognisance of this, the Group has made efforts to improve our financial performance and position which include, among others, the Group's acceptance of a construction contract which led to our Group's diversification of business to include the construction business. At the same time of maintaining on the existing business undertakings, the Group has also expanded its initial foray in the construction business to include the property development business as well.

The following are the plans to be undertaken by the Group to strengthen our financial performance and position in the medium and long term, the Group

- (a) had entered into a conditional joint venture agreement to undertake a proposed mixed development project in Kuantan;
- (b) had entered into a Share Sale Agreement to acquire 51% equity interest in Masbe Coffee Sdn. Bhd. ("MCSB") to facilitate to undertake a proposed residential or mixed development project at Jalan Yap Kwan Seng, Kuala Lumpur; subsequently, on 15 April 2016, the Company had subscribed for additional 4,950 ordinary shares of RM1.00 each in the capital of MCSB for a cash consideration of RM4,950.00. Following to the share subscription, the Company's equity interest in MCSB stands at 50.01%.





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PART B

EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS (CONT'D)

3. Current Year Prospects (Cont'd)

- (c) had entered into a conditional Sale and Purchase Agreement to acquire the Melaka Land to be developed into a mixed development project; and
- (d) had entered into a conditional Share Sale Agreement to acquire 50% equity interest in A.W. Impian Land Sdn. Bhd. to undertake a proposed residential development project on two lots of Kayu Ara lands.

Through efforts such as brand building and business development activities in future, we hope the market will be aware of the existence of a new niche construction and property player making waves in the Klang Valley.

Notwithstanding the secured construction works and those announced proposal in relate to development projects, the Group is also aggressively taking steps to source and negotiate for more new business opportunities for the future construction and property development sector.

With those efforts undertaken by the Group, our management is of the opinion that the prospects of the Group will improve in the future.

4. Variances Between Actual Profit and Forecast Profit

There was no profit forecast or guarantee made public for the financial period under review.

5. Tax Expense

The effective tax rate of the Group for the current quarter and financial year-to-date under review is lower than statutory tax rate due to tax payable is only applicable for certain profitable subsidiaries.

6. Status of Corporate Proposals

Save from the following, there were no corporate proposals announced but not completed as at 15 June 2016, being the last practicable date from the date of the issue of this report.

- (a) Takaso Development (Kuantan) Sdn Bhd had on 1 June 2015 entered into a joint venture agreement with SSPP Development Sdn Bhd to undertake a proposed mixed development project in Kuantan;
- (b) Tristar City Sdn Bhd had on 13 August 2015 entered into the conditional Sale and Purchase Agreement with Mega Irama Enigma Sdn Bhd to acquire a Melaka Land for a cash consideration of RM9,316,165. The Melaka Land is expected to be developed into a mixed development project;





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PART B

EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS (CONT'D)

6. Status of Corporate Proposals (Cont'd)

- (c) On 29 September 2015, the Company had entered into a conditional Share Sale Agreement to acquire 125,000 ordinary shares of RM1.00 each representing 50% of the issued and paid-up share capital of A.W. Impian Land Sdn. Bhd. from Tan Teck Ang and Chen Ling Wah for a cash consideration of RM6,000,000.00.

7. Utilisation Of Proceeds

There were no un-utilisation of proceeds in the current quarter under review.





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EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS (CONT'D)

8. Borrowings and Debt Securities

The Group's borrowings as at the end of the reporting period are as follows: -

	As at
	30.04.2016
	RM'000
Secured:	
Current liabilities	
- Bank overdrafts	1,287
- Term loan	10,017
	<hr/> 11,304
Non-current liabilities	
- Term loan	614
	<hr/> 614
Unsecured:	
Current liabilities	
- Hire purchase payable	447
	<hr/> 447
Non-current liabilities	
- Hire purchase payable	929
	<hr/> 929
Total Borrowings	<hr/> 13,294

The portion of borrowings that is repayable within one year is included in current liabilities. Whereas, the portion that is repayable after the next 12 months is included in long-term liabilities.

The currency exposure profile of the Group's borrowings and other facilities are as follows:

	As at
	30.04.2016
	RM'000
Ringgit Malaysia	12,604
Singapore Dollar	623
Thai Baht	67
Total Borrowings	<hr/> 13,294





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EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS (CONT'D)

9. Material Litigation

Since the date of the last annual statement of financial position, there was no pending material litigation as at 15 June 2016, being the last practicable date from the date of issue of this quarterly report.

10. Dividend

No dividend has been proposed for the financial period under review.

11. Loss Per Share

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.04.2016 RM'000	Preceding Year Quarter 30.04.2015 RM'000	Current Year To Date 30.04.2016 RM'000	Preceding Year Period 30.04.2015 RM'000
(a) Basic loss per share				
Net loss for the period	(1,328)	(1,909)	(732)	(3,109)
Weighted average number of ordinary shares in issue ('000)	210,380	203,522	207,234	185,778
Basic loss per share (sen)	(0.63)	(0.94)	(0.35)	(1.67)
(b) Fully diluted loss per share				
Net loss for the period	(1,328)	(1,909)	(732)	(3,109)
Weighted average number of ordinary shares in issue ('000)	210,380	203,522	207,234	185,778
Effects of dilution:				
Warrants ('000)	9,912	14,357	9,546	14,346
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	220,292	217,879	216,780	200,124
Fully diluted loss per share (sen)	(0.60)	(0.88)	(0.34)	(1.55)

The fully diluted loss per share for the preceding year corresponding quarter ended 30 April 2015 is not disclosed as the effects on the assumed exercised of the share options under warrants and SIS are anti-dilutive.





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EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS (CONT'D)

12. Notes to the Statement of Comprehensive Income

	Group	
	Current Year Quarter 30.04.2016 RM'000	Current Year to date 30.04.2016 RM'000
Interest income	-	(8)
Other income	(117)	(489)
Interest expense	34	427
Depreciation and amortisation	455	1,378
Gain or loss on disposal of property, plant and equipment	-	(27)
Foreign exchange loss/(gain)	274	(987)

13. Fair Value Changes for Financial Liabilities

There were no gains/losses arising from fair value changes for financial liabilities for the current quarter and financial year-to-date under review.





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EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS (CONT'D)

14. Disclosure of Realised and Unrealised Accumulated Losses

The Group's realised and unrealised accumulated losses disclosure is as follows:-

	As at 30.04.2016 RM'000	As at 31.07.2015 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(43,982)	(42,829)
- Unrealised	(1,245)	(151)
	<hr/>	<hr/>
	(45,227)	(42,980)
Less: Consolidation adjustments	25,451	23,936
	<hr/>	<hr/>
	(19,776)	(19,044)
	<hr/>	<hr/>

The determination of realised and unrealised profits/losses is compiled based on Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

By order of the Board
O&C Resources Berhad

Ong Kah Hoe
Executive Director
23 June 2016

