



TAKASO RESOURCES BERHAD
(Company No: 440503-K)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR 6 MONTHS PERIOD ENDED 31 JANUARY 2009

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Financial Year Quarter Ended 31.01.2009 RM'000	Preceding Financial Year Corresponding Quarter Ended 31.01.2008 RM'000	Current Financial Year To date Ended 31.01.2009 RM'000	Preceding Financial Year Corresponding Period Ended 31.01.2008 RM'000
Revenue	6,270	5,645	11,040	11,897
Cost of sales	(4,684)	(4,662)	(8,776)	(9,164)
Gross profit	1,586	983	2,264	2,733
Other income	52	510	76	715
Distribution costs	(562)	(373)	(795)	(769)
Administrative expenses	(1,214)	(1,551)	(2,326)	(3,040)
Other expenses	(33)	(39)	(44)	(54)
Loss from operations	(172)	(470)	(825)	(415)
Finance costs	(297)	(333)	(592)	(653)
Loss before tax	(469)	(803)	(1,417)	(1,068)
Income tax expense	0	0	0	0
Loss for the period	(469)	(803)	(1,417)	(1,068)
Attributable to:				
Equity holders of the parent	(469)	(803)	(1,417)	(1,068)
Loss per share (sen)				
Basic (sen)	(1.14)	(1.95)	(3.44)	(2.59)
(Based on weighted average 41,187,988 ordinary Shares)	=====	=====	=====	=====
Fully Diluted	N/A	N/A	N/A	N/A
(The fully diluted loss per share is not disclosed as the effects on the assumed exercise of the share options under warrants are anti-dilutive)	=====	=====	=====	=====

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the financial year ended 31 July 2008





TAKASO RESOURCES BERHAD
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CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)
AS AT 31 JANUARY 2009

	As at End of Current Quarter 31.01.2009 (Unaudited) RM'000	As at Preceding Financial Year End 31.07.2008 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	18,787	19,723
Prepaid lease payments for land	1,478	1,496
	-----	-----
Total non-current assets	20,264	21,219
	-----	-----
Current assets		
Inventories	9,317	9,769
Trade and other receivable	5,718	6,499
Current tax asset	37	44
Cash and cash equivalents	106	82
	-----	-----
Total current assets	15,178	16,394
	-----	-----
Total assets	35,442	37,613
	=====	=====
Equity and Liabilities		
Equity attributable to equity holders of the Company		
Share Capital	41,188	41,188
Reserves	(25,762)	(24,345)
	-----	-----
TOTAL EQUITY	15,426	16,843
	=====	=====
LIABILITIES		
Non-current liabilities		
Borrowings	3,248	3,271
Deferred tax liabilities	106	106
	-----	-----
	3,354	3,377
	-----	-----
Current liabilities		
Trade and other payables	4,401	4,703
Borrowings	12,262	12,690
	-----	-----
	16,663	17,393
	-----	-----
TOTAL LIABILITIES	20,017	20,770
	-----	-----
TOTAL EQUITY AND LIABILITIES	35,442	37,613
	=====	=====
Net Tangible Asset (RM)	0.37	0.41

The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the financial year ended 31 July 2008





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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE 6 MONTHS PERIOD ENDED 31 JANUARY 2009

	Share Capital	Non- Distributable Reserves	Accumulated losses	Total
	RM'000	RM'000	RM'000	RM'000
For the period ended 31 January 2008				
At 1 August 2008	41,188	2,633	(26,978)	16,843
Net loss for the period			(1,417)	(1,417)
At 31 January 2009	41,188	2,633	(28,395)	15,426
	=====	=====	=====	=====
For the period ended 31 January 2008				
At 1 August 2007	41,188	2,633	(26,047)	17,774
Net loss for the period			(1,068)	(1,068)
At 31 January 2008	41,188	2,633	(27,115)	16,706
	=====	=====	=====	=====

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 July 2008





TAKASO RESOURCES BERHAD
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED 31 JANUARY 2009

	As at 31st January 2009 (Unaudited) RM '000	As at 31st July 2008 (Audited) RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax :	(1,417)	(709)
Adjustments for :		
Allowance for doubtful debts	0	741
Allowance for doubtful debts no longer required	0	(481)
Allowance for slow moving inventories no longer required	(186)	(55)
Amortisation of prepaid lease payments for land	18	36
Bad debts written off	0	14
Depreciation of property, plant and equipment	981	2,387
Gain on disposal of property, plant and equipment	0	(8)
Interest expenses	592	1,014
Property, plant and equipment written off	0	195
	-----	-----
OPERATING (LOSS)/ PROFIT BEFORE WORKING CAPITAL CHANGES	(11)	3,134
Changes in working capital:		
Decrease in inventories	638	641
Decrease in trade and other receivables	781	403
Decrease in trade and other payables	(276)	(2,284)
	-----	-----
Cash generated from operations	1,133	1,894
Tax refund	7	196
	-----	-----
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,140	2,090
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(45)	(257)
Proceeds from disposal of property, plant and equipment	0	82
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	(45)	(175)
	-----	-----





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CASH FLOWS FROM FINANCING ACTIVITIES

Interest paid	(592)	(1,014)
Repayment to Directors	(26)	(6)
Repayment of hire purchase creditors	(62)	(171)
Net repayment of bankers' acceptance	(556)	(408)
Repayment of term loan	(210)	(430)

NET CASH USED IN FINANCING ACTIVITIES

(1,446) (2,029)

NET DECREASE IN CASH AND CASH EQUIVALENTS

(351) (114)

CASH AND CASH EQUIVALENTS BROUGHT FORWARD

(4,482) (4,368)

CASH AND CASH EQUIVALENTS CARRIED FORWARD

(4,834) (4,482)

CASH AND CASH EQUIVALENTS COMPRISE: -

Cash & bank balances	106	82
Bank overdraft	(4,940)	(4,564)
	(4,834)	(4,482)

The Unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the financial year ended 31 July 2008





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PART A

Explanatory Notes Pursuant to FRS 134 “Interim Financial Reporting”

1. Basis of Preparation

The interim financial report is un-audited and has been prepared in compliance with FRS 134: “Interim Financial Reporting” and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements, and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 July 2008.

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted for the annual financial statements for the financial year ended 31 July 2008.

2. Changes in Accounting Policy

The accounting policies adopted by the Group are consistent with those of the audited financial statements for the year ended 31 July 2008.

FRS 139 Financial instruments: Recognition and Measurement

The MASB has issued FRS139 Financial Instrument: Recognition and Measurement and will be effective in Malaysia for annual periods beginning 1st January 2010. The Company has not adopted FRS139 and by virtue of the exemption in paragraph 103AB of FRS139, the impact of applying FRS139 on its financial statements upon first adoption of this standard as required by paragraph

3. Seasonality or Cyclically of Operations

There were no material seasonal or cyclical factors that have affected the financial performance of the Group. However, the demand of the Group’s products is generally dependent on consumer demand of baby products and medical contraceptive condoms.

4. Unusual Items

Save for the information disclosed in this interim financial report, there are no unusual items affecting assets, liabilities, equity, net income, or cash flows.

5. Changes in Estimates

There were no significant changes in the estimates of amounts reported during this quarter and in prior quarters or prior financial year that have a material effect in the current financial quarter.

6. Issuances, Cancellation, Repurchases, Resale & Repayments Of Debts And Equity Securities

- (a) During the quarter under review, there was:-
- (i) no buyback of shares;
 - (ii) no resale of treasury shares; and
 - (iii) no cancellation of treasury shares.

7. Dividend

No dividend is paid for the current quarter.





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8. Segment Revenue and Segment Result

The following is an analysis of the revenue and result of the Group by segment of its operating activities for the current quarter ended 31 January 2009: -

	Manufacturing of condoms & Baby products and moulds RM'000	Trading & retailing in Baby Apparels, infant milk formula & toiletry RM'000	Eliminations RM'000	Consolidated RM'000
External sales	5,682	588	0	6,270
Inter-segment sales	365	4	(369)	0
Total revenue	6,047	592	(369)	6,270
Segment result	(69)	(147)	44	(172)
Finance costs				(297)
Loss before Tax				(469)

9. Valuation of Property, Plant and Equipment

The valuation of land and buildings has been brought forward, without amendment from the previous annual report.

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

There were no material events subsequent to the end of the current quarter at the date of this report, being the last practicable date from the date of the issue of this report that are expected to have an operational or financial impact on the Group.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group in the financial period under review.

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

Since the last annual balance sheet, there were no material changes in contingent liabilities for the Group as at the date of this report, being the last practicable date from the date of the issue of this 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 31.01.2009 RM'000	As at 31.07.2008 RM'000
Corporate guarantees issued to financial institutions for credit facilities granted to a subsidiary company	15,513 =====	15,736 =====





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13. Capital Commitments

The Group has no capital commitments at the date of this report.

14. Significant Related Party Transactions

	Group	
	As at 31.01.2009 RM'000	As at 31.01.2008 RM'000
Sales by Takaso Rubber Products Sdn Bhd to :-		
Takaso Marketing Sdn Bhd	517	587
Japlo Healthcare Sdn Bhd	69	(8)
Sales by Takaso Marketing Sdn Bhd to: -		
Japlo Healthcare Sdn Bhd	9	62
Sales by LSR Technology Sdn Bhd to: -		
Takaso Rubber Products Sdn Bhd	144	464
	=====	=====





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PART B

Explanatory Notes Pursuant to paragraph 9.22 of the Bursa Listing Requirements

1. Review of Performance.

For the current quarter under review, the Group recorded a turnover of RM6. 270 million and loss before tax at RM469, 000 as compared to turnover of RM5.645 million and loss before tax at RM803, 000 for the corresponding quarter in the previous financial year.

Under the current quarter revenue from both domestic and export market has increase as compare with the previous quarter. Majority of increase are from the export markets due to the introduction of our new products range in the two major Trade Fairs.

On 11-14th Sept 2008, the Company has participated the trade show for Kids First years organized by KIND + JUGEND in Cologne, Germany. On 16-19th October 2008, Venus 12 International Fair in Berlin, Germany to meet international buyers especially for contraceptive condoms.

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

The Group reported a net loss of RM469, 000 for the current quarter against net loss of RM803, 000 in the preceding quarter as at 31st January 2008. The current gross profit margin has improved as compare with the previous preceding quarter that recorded a lower margin of 17.42%. The higher margin is mainly contributed from the new range of products designs especially from condoms division.

Under the current cumulative quarter the Group has registered a loss before tax of RM1.417 million representing 13% over the revenue generated. However in comparing with the preceding financial year corresponding period ended 31st Jan 2008, the revenue has reduced. The reduction is mainly derived from the decrease in the Baby Products Division namely infant formula and baby diapers.

The cumulative quarterly loss result has increase due to the loss carried forward from the first quarter. The current quarter losses have narrow to RM469, 000. The gentle recovery has prompted the management to take a more pro-active marketing strategy and focus to improve the financial results of the Company.

3. Current Year Prospects

In order to improve the profitability the management has taken pro-active marketing strategy to participate in international trade fairs. The management has confirmed two international standards trade fairs in this coming quarter namely ‘Mothers, Babies, Children Minus One Plus Fourteen Products’ in Turkey and ‘CMEF Spring Shenzheng, China 2009’.

The Group will continue to appoint new distributors and to secure the market by enhancing the branding and new business model to improve its financial position.

The domestic market revenue has been regularized after the price adjustments are in place. The Group will look into the revamp of the JAPLO Infant Formula and JAPLO Baby Diapers. The management is undergoing negotiating new distribution terms and condition that targeted to be in place by the end of the financial year.

As far as export markets are concerned, with the continue strengthening of US currency, the Group will engaged in promoting contraceptive condoms and baby products by participating in government trade mission to obtained reliable alliances across the international trade.

4. Variances Between Actual Profit and Forecast Profit

Not applicable as the Company has not provided any profit forecast in any public document.

5. Tax Expense





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There is no tax charge for the current quarter as the group is in a tax loss position.

6. Profits/ (Losses) on sale of unquoted investments and/or properties respectively for the current quarter and financial year-to-date.

There was no disposal of unquoted investment and properties for the quarter under review.

7. Purchase or disposal of quoted securities other than securities in existing subsidiaries and associated companies

The Group and the Company did not purchase or dispose of any quoted securities for the current financial period to date.

8. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

9. Borrowings and Debt Securities

Group's borrowings and debt securities as at the end of the reporting period are as follows: -

	As at 31.01.2009 RM'000
Current liabilities	
- Bankers' acceptance	6,928
- Bank overdraft	4,940
- Hire Purchase payables	53
- Term loan	340

	12,261
Non-current liabilities	
- Hire Purchase payables	63
- Term loan	3,185

Total Borrowings	15,509 =====

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.

10. Financial Instruments with Off Balance Sheet Risk

The Group does not have any financial instrument with off balance sheet risk.

11. Material Litigation

There is no pending material litigation at the date of this report.

12. Dividend

There is no dividend being declared for the current quarter.

13. Auditor's Report on Preceding Annual Financial Statements





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The audited financial statement of the Company for the preceding financial year ended 31 July 2008 was not subject to any qualification.





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14. Loss Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Financial Year Quarter Ended 31.01.2009	Preceding Financial Year Corresponding Quarter Ended 31.01.2008	Current Financial Year To date Ended 31.01.2009	Preceding Financial Year Corresponding Period Ended 31.01.2008
Net loss for the period attributable to shareholders of the Company (RM'000)	(469)	(803)	(1,417)	(1,068)
Based on weighted average number of ordinary shares ('000):				
- For Basic loss per share (sen)	(1.14)	(1.95)	(3.44)	(2.59)
Adjustment for share options				
- For Diluted loss per share (The fully diluted loss per share is not disclosed as the effects on the assumed exercised of the share options under warrants are anti-dilutive)	n/a	n/a	n/a	n/a

15. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors dated 23rd March 2009.

