



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

**CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)**  
**FOR 12 MONTHS PERIOD ENDED 31<sup>ST</sup> JULY 2009**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Financial Year Quarter Ended 31.07.2009 RM'000	Preceding Financial Year Corresponding Quarter Ended 31.07.2008 RM'000	Current Financial Year To date Ended 31.07.2009 RM'000	Preceding Financial Year Corresponding Period Ended 31.07.2008 RM'000
<b>Revenue</b>	4,739	5,857	21,886	24,523
Cost of sales	(4,167)	(4,542)	(17,570)	(18,080)
Gross profit	572	1,315	4,316	6,443
Other income	165	720	236	1,138
Distribution costs	(638)	(635)	(1,333)	(1,669)
Administrative expenses	(514)	(317)	(4,057)	(4,354)
Other expenses	(545)	(984)	(625)	(1,055)
Profit/(Loss) from operations	(960)	99	(1,463)	503
Finance costs	(251)	(323)	(1,120)	(1,212)
<b>Loss before tax</b>	(1,211)	(224)	(2,583)	(709)
Taxation	106	(206)	106	(222)
<b>Loss for the period</b>	(1,105)	(430)	(2,477)	(931)
<b>Attributable to:</b>				
<b>Equity holders of the parent company</b>	(1,105)	(430)	(2,477)	(931)
<b>Loss per share (sen)</b>				
Basic (sen)	2.68	1.04	6.01	2.26
(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 31ST JULY 2009**

	<b>As at End of Current Quarter 31.07.2009 (Unaudited) RM'000</b>	<b>As at Preceding Financial Year End 31.07.2008 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	17,774	19,723
Prepaid lease payments for land	1,459	1,496
	-----	-----
Total non-current assets	19,233	21,219
	-----	-----
<b>Current assets</b>		
Inventories	8,084	9,769
Trade and other receivables	5,486	6,499
Current tax asset	53	44
Cash and cash equivalents	55	82
	-----	-----
Total current assets	13,678	16,394
	-----	-----
<b>Total assets</b>	<b>32,911</b>	<b>37,613</b>
	=====	=====
<b>Equity and Liabilities</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	41,188	41,188
Reserves	(26,822)	(24,345)
	-----	-----
<b>TOTAL EQUITY</b>	<b>14,366</b>	<b>16,843</b>
	=====	=====
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	2,318	3,271
Deferred tax liabilities	-	106
	-----	-----
	2,318	3,377
	-----	-----
<b>Current liabilities</b>		
Trade and other payables	4,750	4,703
Borrowings	11,477	12,690
	-----	-----
	16,227	17,393
	-----	-----
<b>TOTAL LIABILITIES</b>	<b>18,545</b>	<b>20,770</b>
	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32,911</b>	<b>37,613</b>
	=====	=====
Net Tangible Asset (RM)	0.35	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*





**TAKASO RESOURCES BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE 12 MONTHS PERIOD ENDED 31 JULY 2009**

	Share Capital	Non-Distributable Reserves	Accumulated losses	Total
	RM'000	RM'000	RM'000	RM'000
<b><i>For the period ended 31 July 2009</i></b>				
At 1 August 2008	41,188	2,746	(27,091)	16,843
Net loss for the period	-	-	(2,477)	(2,477)
At 31 July 2009	41,188	2,746	(29,568)	14,366
	=====	=====	=====	=====
<b><i>For the period ended 31 July 2008</i></b>				
At 1 August 2007	41,188	2,633	(26,047)	17,774
Transfer	-	113	(113)	-
Net loss for the period	-	-	(931)	(931)
At 31 July 2008	41,188	2,746	(27,091)	16,843
	=====	=====	=====	=====

*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 JULY 2009**

	As at 31 <sup>st</sup> July 2009 (Unaudited) RM'000	As at 31 <sup>st</sup> July 2008 (Audited) RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax :	(2,583)	(709)
Adjustments for :		
Allowance for doubtful debts	561	741
Allowance for doubtful debts no longer required	(10)	(481)
Allowance for slow moving inventories no longer required	-	(55)
Amortisation of prepaid lease payments for land	36	36
Bad debts written off	-	14
Depreciation of property, plant and equipment	2,037	2,387
Gain on disposal of property, plant and equipment	(0)	(8)
Interest expenses	1,120	1,014
Property, plant and equipment written off	-	195
	-----	-----
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,161</b>	<b>3,134</b>
Changes in working capital:		
Decrease in inventories	1,686	641
Decrease in trade and other receivables	462	403
Increase/(Decrease) in trade and other payables	30	(2,284)
	-----	-----
<b>Cash generated from operations</b>	<b>3,339</b>	<b>1,894</b>
Tax (paid)/refund	(9)	196
	-----	-----
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>3,330</b>	<b>2,090</b>
	-----	-----
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(87)	(257)
Proceeds from disposal of property, plant and equipment	0	82
	-----	-----
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(87)</b>	<b>(175)</b>
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**CASH FLOWS FROM FINANCING ACTIVITIES**

Interest paid	(1,120)	(1,014)
Repayment to Directors	17	(6)
Repayment of hire purchase creditors	(90)	(171)
Net repayment of bankers' acceptances	(1,416)	(408)
Repayment of term loan	(584)	(430)

**NET CASH USED IN FINANCING ACTIVITIES**

(3,193) (2,029)

**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS**

50 (114)

**CASH AND CASH EQUIVALENTS BROUGHT FORWARD**

(4,483) (4,369)

**CASH AND CASH EQUIVALENTS CARRIED FORWARD**

(4,433) (4,483)

**CASH AND CASH EQUIVALENTS COMPRISE: -**

Cash & bank balances	55	81
Bank overdraft	(4,488)	(4,564)
	(4,433)	(4,483)

*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 1<sup>st</sup> 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**

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 in 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 July 2009: -

	Manufacturing of condoms & Baby products and moulds RM'000	Trading & retailing in Baby Apparels, infant milk formula & toiletries RM'000	Eliminations RM'000	Consolidated RM'000
External sales	4,202	537	0	4,739
Inter-segment sales	360	9	(369)	0
Total revenue	4,561	547	(369)	4,739
Segment result	(1,059)	(314)	413	(960)
Finance costs				(251)
<b>Loss before Tax</b>				<b>(1,211)</b>

**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 31.07.2009 RM'000	As at 31.07.2008 RM'000
Corporate guarantees issued to financial institutions for credit facilities granted to a subsidiary company	14,248 =====	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	As at
	31.07.2009	31.07.2008
	RM'000	RM'000
Sales by Takaso Rubber Products Sdn Bhd to :-		
Takaso Marketing Sdn Bhd	1,042	1,021
Japlo Healthcare Sdn Bhd	117	(2)
Sales by Takaso Marketing Sdn Bhd to: -		
Japlo Healthcare Sdn Bhd	28	83
Sales by LSR Technology Sdn Bhd to: -		
Takaso Rubber Products Sdn Bhd	200	514
	=====	=====







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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 RM4.739 million and loss before tax of RM1.211 million as compared to turnover of RM5.857 million and loss at RM430, 000 for the corresponding quarter at the previous financial year.

The revenue for the current quarter is mainly derived from existing customers. The decrease in revenue is mainly due to lower sales in the Baby Products Division for the past 12 months.

**2. Comments on Material Changes in the Profit/(Loss) Before Tax for the Quarter Reported as Compared with the Preceding Quarter**

The Group reported a loss before tax of RM1.211 million for the current quarter against profit before tax of RM45,000 in the preceding quarter as at 30 April 2009. The reduction in revenue was mainly due the lower demand from the domestic market. The management will continue to formulate appropriate business plan and reviewing the performance of the distributor for current financial year in order to enhance the Group's turnover.

**3. Current Year Prospects**

It is the Group business plan to continue appointing new distributors and to secure the new market by enhancing the existing brands. The management is still undergoing negotiating with new potential distribution on Baby Products and Contraceptive Condoms.

The Group has successfully launched the improved JAPLO Infant Formula from Belgium to a distributor covering the regions of East and West Malaysia on July 2009. As far as export markets are concerned, with the continue strengthening of US currency, the Group will engage in promoting Baby products and Contraceptive condoms by participating in Malaysia's Government trade mission to obtain reliable alliances globally.

**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**

There is no tax charge for the current quarter as the group is in a tax loss position. However there is deferred tax asset of RM106,000 being recognised.

**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.





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**9. Borrowings and Debt Securities**

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

	As at 31.07.2009 RM'000
Current liabilities	
- Bankers' acceptances	6,068
- Bank overdrafts	4,488
- Hire Purchase payables	50
- Term loan	871
	-----
	11,477
	-----
Non-current liabilities	
- Hire Purchase payables	38
- Term loan	2,280
	-----
	2,318
	-----
Total Borrowings	13,795 =====

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.





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**13. Auditor’s Report on Preceding Annual Financial Statements**

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

**14. Loss Per Share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Financial Year Quarter Ended 31.07.2009	Preceding Financial Year Corresponding Quarter Ended 31.07.2008	Current Financial Year To date Ended 31.07.2009	Preceding Financial Year Corresponding Period Ended 31.07.2008
Net loss for the period attributable to shareholders of the Company (RM’000)	(1,105)	(430)	(2,477)	(931)
Based on weighted average number of ordinary shares (‘000):				
- For Basic loss per share (sen)	2.68	1.04	6.01	2.26
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 29<sup>th</sup> September 2009.

