



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

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR 3 MONTHS PERIOD ENDED 31st OCT 2009

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Financial Year Quarter Ended 31.10.2009 RM'000	Preceding Financial Year Corresponding Quarter Ended 31.10.2008 RM'000	Current Financial Year To date Ended 31.10.2009 RM'000	Preceding Financial Year Corresponding Period Ended 31.10.2008 RM'000
Revenue	3,188	4,770	3,188	4,770
Cost of sales	(3,149)	(4,092)	(3,149)	(4,092)
Gross profit	39	678	39	678
Other income	906	24	906	24
Distribution costs	(321)	(233)	(321)	(233)
Administrative expenses	(1,259)	(1,111)	(1,259)	(1,111)
Other expenses	(247)	(11)	(385)	(11)
Loss from operations	(882)	(653)	(882)	(653)
Finance costs	(243)	(295)	(243)	(295)
Loss before tax	(1,125)	(948)	(1,125)	(948)
Taxation	0	0	0	0
Loss for the period	(1,125)	(948)	(1,125)	(948)
Attributable to:				
Equity holders of the parent company	(1,125)	(948)	(1,125)	(948)
Loss per share (sen)				
Basic (sen) (Based on weighted average 41,187,988 ordinary Shares)	2.73	2.26	2.73	2.26
Fully Diluted (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)	N/A	N/A	N/A	N/A

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the financial year ended 31 July 2009





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

	As at End of Current Quarter 31.10.2009 (Unaudited) RM'000	As at Preceding Financial Year End 31.07.2009 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	18,983	17,774
Prepaid lease payments for land	1,696	1,459
	-----	-----
Total non-current assets	20,679	19,233
	-----	-----
Current assets		
Inventories	8,387	8,084
Trade and other receivables	4,023	5,486
Current tax asset	37	53
Cash and cash equivalents	67	55
	-----	-----
Total current assets	12,514	13,678
	-----	-----
Total assets	33,193	32,911
	=====	=====
Equity and Liabilities		
Equity attributable to equity holders of the Company		
Share capital	41,188	41,188
Reserves	(27,362)	(26,822)
	-----	-----
TOTAL EQUITY	13,826	14,366
	=====	=====
LIABILITIES		
Non-current liabilities		
Borrowings	2,099	2,318
	-----	-----
	2,099	2,318
	-----	-----
Current liabilities		
Trade and other payables	5,560	4,750
Borrowings	11,708	11,477
	-----	-----
	17,268	16,227
	-----	-----
TOTAL LIABILITIES	19,367	18,545
	-----	-----
TOTAL EQUITY AND LIABILITIES	33,193	32,911
	=====	=====
Net Tangible Asset (RM)	0.34	0.35

The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the financial year ended 31 July 2009





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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE 3 MONTHS PERIOD ENDED 31st OCT 2009

	Share Capital	Non-Distributable Reserves	Accumulated losses	Total
	RM'000	RM'000	RM'000	RM'000
For the period ended 31 Oct 2009				
At 1 August 2009	41,188	2,633	(29,456)	14,365
Revaluation		586		586
Net loss for the period			(1,125)	(1,125)
At 31 Oct 2009	41,188	3,219	(30,581)	13,826
	=====	=====	=====	=====
For the period ended 31 Oct 2008				
At 1 August 2008	41,188	2,633	(26,978)	16,843
Net loss for the period			(948)	(948)
At 31 Oct 2008	41,188	2,633	(27,926)	15,895
	=====	=====	=====	=====

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 2009





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

	As at 31 st Oct 2009 (Unaudited) RM'000	As at 31 st July 2009 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax :	(1,125)	(2,583)
Adjustments for :		
Allowance for doubtful debts	-	561
Allowance for doubtful debts no longer required	-	(10)
Amortisation of prepaid lease payments for land	4	36
Depreciation of property, plant and equipment	453	2,037
Interest expenses	243	1,120
Impairment loss on property, plant and equipment	261	-
Gain on asset revaluation	(885)	-
	-----	-----
OPERATING (LOSS)/PROFIT BEFORE WORKING CAPITAL CHANGES	(1,049)	1,161
Changes in working capital:		
Decrease/(Increase) in inventories	(303)	1,686
Decrease in trade and other receivables	1,463	462
Increase in trade and other payables	853	30
	-----	-----
Cash generated from operations	965	3,339
Tax (paid)/refund	16	(9)
	-----	-----
NET CASH GENERATED FROM OPERATING ACTIVITIES	980	3,330
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(693)	(87)
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	(693)	(87)
	-----	-----





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CASH FLOWS FROM FINANCING ACTIVITIES

Interest paid	(243)	(1,120)
Repayment to Directors	43	17
Repayment of hire purchase creditors	(13)	(90)
Net repayment of bankers' acceptances	(98)	(1,416)
Repayment of term loan	(181)	(584)

NET CASH USED IN FINANCING ACTIVITIES

(578) (3,193)

NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS

(291) 50

CASH AND CASH EQUIVALENTS BROUGHT FORWARD

(4,433) (4,483)

CASH AND CASH EQUIVALENTS CARRIED FORWARD

(4,724) (4,433)

CASH AND CASH EQUIVALENTS COMPRISE: -

Cash & bank balances	67	55
Bank overdrafts	(4,791)	(4,488)
	(4,724)	(4,433)

The Unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the financial year ended 31 July 2009





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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 Main Market Listing Requirements, and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 July 2009.

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 2009.

2. Changes in Accounting Policy

The significant accounting policies adopted by the Group in this interim financial statement is FRS 8 the disclosure of the operating segment.

The requirements of this Standard are based on the information about the component of the entity that management uses to make decisions about operating matters. This Standard requires identification of operating segment on the basis of internal reports that are regularly review by the entity’s chief operating decision maker in order to allocate resources to the segment and assess its performance.

The Standard also require the amount reported for each operating segment item to be the measure reported to the chief operating decision maker for the purpose of allocation resources to the segment and assessing its performance. Segment on formation for prior years that is reported as comparative information for the initial year of application would be restated to conform to the requirement of this Standard.

The adoption of this Standard does not result in significant change in the Group’s accounting policies and will only impact the form and content of disclosures presented in the financial statements.

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 financial quarter.





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8. **Segment Information**

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

31 st Oct 2009	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
External Sales	2,663	525	-	-	3,188
Inter-Segment Sales	245	10	-	(255)	-
Total Revenue	2,908	535	-	(255)	3,188
Segment Results	(1,066)	(6)	(11)	201	(882)
Finance Cost	(243)	(0)			(243)
Loss Before Tax	(1,309)	(6)	(11)	201	(1,125)
ASSETS					
<i>Segment assets/ Consolidated total assets</i>	38,572	1,301	20,732	(27,412)	33,193
LIABILITIES					
<i>Segment Liabilities/ Consolidated total liabilities</i>	31,544	5,979	522	(18,678)	19,367
OTHER INFORMATION					
<i>Capital Expenditure</i>	693				693
<i>Amortisation</i>	4				4
<i>Depreciation</i>	455	3		(5)	453
<i>Other Non Cash Expenses</i>	261				261

31 st Oct 2008	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
External Sales	4,131	639	-	-	4,770
Inter-Segment Sales	365	4	-	(369)	-
Total Revenue	4,496	643	-	(369)	4,770
Segment Results	(453)	(214)	(30)	44	(653)
Finance Cost	(295)	-	-	-	(295)
Loss Before Tax	(748)	(214)	(30)	44	(948)
ASSETS					
<i>Segment assets/ Consolidated total assets</i>	42,003	1,937	23,356	(30,221)	37,075
LIABILITIES					
<i>Segment Liabilities/ Consolidated total liabilities</i>	33,340	6,073	329	(18,561)	21,181





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OTHER INFORMATION					
<i>Capital Expenditure</i>	20				20
<i>Amortisation</i>	9				9
<i>Depreciation</i>	538	4			542
<i>Other Non Cash Expenses</i>		11			11

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	
	31st Oct 2009 RM'000	31st Oct 2008 RM'000	31st Oct 2009 RM'000	31st Oct 2008 RM'000	31st Oct 2009 RM'000	31st Oct 2008 RM'000
Malaysia	1,105	819	32,677	37,075	693	20
Other Asian Countries	1,558	3,274	-	-	-	-
European Countries	381	617	-	-	-	-
African Countries	-	33	-	-	-	-
Others	144	27	-	-	-	-
Total	3,188	4,770	32,677	37,075	693	20

9. Valuation of Property, Plant and Equipment

The land and buildings have been revalued on 28th September 2009.

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.





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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	As at
	31.10.2009	31.07.2009
	RM'000	RM'000
Corporate guarantees issued to financial institutions for credit facilities granted to a subsidiary company	13,881	14,248
	=====	=====

13. Capital Commitments

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

14. Significant Inter Company and Related Party Transactions

	Group	
	As at	As at
	31.10.2009	31.10.2008
	RM'000	RM'000
Sales by Takaso Rubber Products Sdn Bhd to :-		
Takaso Marketing Sdn Bhd	190	301
Japlo Healthcare Sdn Bhd	33	44
Sales by Takaso Marketing Sdn Bhd to: -		
Japlo Healthcare Sdn Bhd	10	4
Sales by LSR Technology Sdn Bhd to: -		
Takaso Rubber Products Sdn Bhd	22	20
	=====	=====

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. Review of Performance

For the current quarter under review, the Group recorded a turnover of RM3.19 million and loss before tax of RM1.125 million as compared to turnover of RM4.77 million and loss at RM948, 000 for the corresponding quarter at the previous financial year.

The reduction in revenue for the current quarter mainly derived from the Asian Countries due to the festive holidays that taken place for the month of September 09 and October 09. However, revenue for Malaysia market has increase by 35% due to the launching of the new JAPLO Infant formula and new products range.

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 RM1.125 million for the current quarter against loss before tax of RM1.11 million in the preceding quarter as at 31st July 2009. The reduction in revenue was mainly due the lower demand from the distributors of Asian countries.

3. Current Year Prospects

In December 2009, the Group has entered into a distributor agreement with Kotra Pharma (M) Sdn Bhd. Kotra Pharma (M) Sdn Bhd is a subsidiary company of Kotra Pharma Industries Bhd listed in Bursa Malaysia Main Market.

Barring unforeseen circumstances the management is believe the appointment of new distributor will improve the current domestic market distribution network.

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.

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 31.10.2009 RM'000
Current liabilities	
- Bankers' acceptances	5,970
- Bank overdrafts	4,791
- Hire Purchase payables	52
- Term loan	895

	11,708

Non-current liabilities	
- Hire Purchase payables	25
- Term loan	2,074

	2,099

Total Borrowings	13,807 =====

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 statements of the Company for the preceding financial year ended 31 July 2009 was not subject to any qualification.

14. Loss Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Financial Year Quarter Ended 31.10.2009	Preceding Financial Year Corresponding Quarter Ended 31.10.2008	Current Financial Year To date Ended 31.10.2009	Preceding Financial Year Corresponding Period Ended 31.10.2008
Net loss for the period attributable to shareholders of the Company (RM'000)	(1,125)	(948)	(1,125)	(948)
Based on weighted average number of ordinary shares ('000):				
- For Basic loss per share (sen)	2.73	2.26	2.73	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 21st December 2009.

