



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

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR 9 MONTHS PERIOD ENDED 30th APRIL 2010

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Financial Year Quarter Ended 30.04.2010 RM'000	Preceding Financial Year Corresponding Quarter Ended 30.04.2009 RM'000	Current Financial Year To date Ended 30.04.2010 RM'000	Preceding Financial Year Corresponding Period Ended 30.04.2009 RM'000
Revenue	5,469	6,108	14,303	17,148
Cost of sales	(3,756)	(4,627)	(11,243)	(13,404)
Gross profit	1,713	1,481	3,060	3,744
Other income	37	0	1,025	71
Distribution costs	(270)	(200)	(732)	(995)
Administrative expenses	(1,170)	(923)	(3,200)	(3,243)
Other expenses	(63)	(36)	(334)	(80)
Profit/(Loss) from operations	247	322	(181)	(503)
Finance costs	(227)	(277)	(707)	(869)
Profit/(Loss) before tax	20	45	(888)	(1,372)
Taxation	0	0	0	0
Profit/(Loss) for the period	20	45	(888)	(1,372)
Attributable to:				
Equity holders of the parent company	20	45	(888)	(1,372)
Profit/(Loss) per share (sen)				
Basic (sen) (Based on weighted average 41,187,988 ordinary Shares)	0.05	0.11	(2.16)	(3.34)
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 30TH APRIL 2010

	As at End of Current Quarter 31.04.2010 (Unaudited) RM'000	As at Preceding Financial Year End 31.07.2009 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	18,230	17,774
Prepaid lease payments for land	1,675	1,459
	-----	-----
Total non-current assets	19,905	19,233
	-----	-----
Current assets		
Inventories	8,206	8,084
Trade and other receivables	4,944	5,486
Current tax asset	37	53
Cash and cash equivalents	89	55
	-----	-----
Total current assets	13,276	13,678
	-----	-----
Total assets	33,181	32,911
	=====	=====
Equity and Liabilities		
Equity attributable to equity holders of the Company		
Share capital	41,188	41,188
Reserves	(27,124)	(26,822)
	-----	-----
TOTAL EQUITY	14,064	14,366
	=====	=====
LIABILITIES		
Non-current liabilities		
Borrowings	1,821	2,318
	-----	-----
	1,821	2,318
	-----	-----
Current liabilities		
Trade and other payables	6,202	4,750
Borrowings	11,094	11,477
	-----	-----
	17,296	16,227
	-----	-----
TOTAL LIABILITIES	19,117	18,545
	-----	-----
TOTAL EQUITY AND LIABILITIES	33,181	32,911
	=====	=====
Net Tangible Asset (RM)	0.34	0.35

The Unaudited Condensed Consolidated Balance Sheet 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 9 MONTHS PERIOD ENDED 30TH APRIL 2010

	Share Capital	Non-Distributable Reserves	Accumulated losses	Total
	RM'000	RM'000	RM'000	RM'000
<i>For the period ended 30 APRIL 2010</i>				
At 1 August 2009	41,188	2,633	(29,455)	14,366
Revaluation		586		586
Net loss for the period			(888)	(888)
At 30 April 2010	41,188	3,219	(30,343)	14,064
	=====	=====	=====	=====
<i>For the period ended 30 APRIL 2009</i>				
At 1 August 2008	41,188	2,633	(26,978)	16,843
Net loss for the period			(1,372)	(1,372)
At 30 April 2009	41,188	2,633	(28,350)	15,471
	=====	=====	=====	=====

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 30TH APRIL 2010

	As at 30 th April 2010 (Unaudited) RM'000	As at 31 st July 2009 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax :	(888)	(2,583)
Adjustments for :		
Allowance for doubtful debts	57	561
Allowance for doubtful debts no longer required	-	(10)
Amortisation of prepaid lease payments for land	25	36
Depreciation of property, plant and equipment	1,301	2,037
Interest expenses	707	1,120
Impairment loss on property, plant and equipment	261	-
Gain on asset revaluation	(885)	-
	-----	-----
OPERATING (LOSS)/PROFIT BEFORE WORKING CAPITAL CHANGES	578	1,161
Changes in working capital:		
Decrease/(Increase) in inventories	(122)	1,686
Decrease in trade and other receivables	543	462
Increase in trade and other payables	867	30
	-----	-----
Cash generated from operations	1,866	3,339
Tax (paid)/refund	16	(9)
	-----	-----
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,882	3,330
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(845)	(87)
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	(845)	(87)
	-----	-----





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CASH FLOWS FROM FINANCING ACTIVITIES

Interest paid	(707)	(1,120)
Advances from Directors	585	17
Repayment of hire purchase creditors	(38)	(90)
Net repayment of bankers' acceptances	(831)	(1,416)
Repayment of term loan	(439)	(584)

NET CASH USED IN FINANCING ACTIVITIES

(1,430) (3,193)

NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS

(393) 50

CASH AND CASH EQUIVALENTS BROUGHT FORWARD

(4,433) (4,483)

CASH AND CASH EQUIVALENTS CARRIED FORWARD

(4,826) (4,433)

CASH AND CASH EQUIVALENTS COMPRISE: -

Cash & bank balances	89	55
Bank overdrafts	(4,915)	(4,488)
	(4,826)	(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 30th April 2010: -

30TH APRIL 2010	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
External Sales	4,256	1,213			5,469
Inter-Segment Sales	205	(7)		(198)	0
Total Revenue	4,461	1,206		(198)	5,469
Segment Results	108	173	(34)		247
Finance Cost	(227)				(227)
Inter Company Waiver	11,352	2,608	(11,512)	(2,448)	0
Profit Before Tax					20
ASSETS					
<i>Segment assets/ Consolidated total assets</i>	37,438	1,854	8,637	(14,748)	33,181
LIABILITIES					
<i>Segment Liabilities/ Consolidated total liabilities</i>	18,731	3,886	61	(3,561)	19,117
OTHER INFORMATION					
<i>Capital Expenditure</i>	156				156
<i>Amortisation</i>	10				10
<i>Depreciation</i>	450	2		(26)	426
<i>Other Non Cash Expenses</i>		25			25

30TH APRIL 2009	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
External Sales	5,551	557			6,108
Inter-Segment Sales	269	10		(279)	0
Total Revenue	5,820	567		(279)	6,108
Segment Results	419	(94)	(15)	12	322
Finance Cost	(277)	(1)			(277)
Profit Before Tax					45
ASSETS					
<i>Segment assets/ Consolidated total assets</i>	39,581	1,603	23,357	(30,175)	34,366
LIABILITIES					





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<i>Segment Liabilities/ Consolidated total liabilities</i>	31,188	3,447	441	(16,181)	18,895
OTHER INFORMATION					
<i>Capital Expenditure</i>		28			28
<i>Amortisation</i>	9				9
<i>Depreciation</i>	508	4			512
<i>Other Non Cash Expenses</i>	-	-			-

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	
	30th April 2010 RM'000	30th April 2009 RM'000	30th April 2010 RM'000	30th April 2009 RM'000	30th April 2010 RM'000	30th April 2009 RM'000
Malaysia	2,386	2,126	33,181	34,366	156	28
Other Asian Countries	2,602	2,517	-	-	-	-
European Countries	404	700	-	-	-	-
African Countries	77	402	-	-	-	-
Others	-	363	-	-	-	-
Total	5,469	6,108	33,181	34,366	156	28

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 30.04.2010 RM'000	As at 31.07.2009 RM'000
Corporate guarantees issued to financial institutions for credit facilities granted to a subsidiary company	12,940 =====	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
	30.04.2010 RM'000	30.04.209 RM'000
Sales by Takaso Rubber Products Sdn Bhd to:-		
Takaso Marketing Sdn Bhd	906	738
Japlo Healthcare Sdn Bhd	32	95
Sales by Takaso Marketing Sdn Bhd to:-		
Japlo Healthcare Sdn Bhd	10	18
Sales by LSR Technology Sdn Bhd:-		
Takaso Rubber Products Sdn Bhd	140	166

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 RM5.469 million and profit before tax of RM20 thousand as compared to turnover of RM6.108 million and gain at RM45 thousand for the corresponding quarter at the previous financial year.

The current revenue performance has shown consistent achievement in relation to the corresponding quarter. The revenues are contributed both from the export and domestic market at the consistent trend.

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

The Group reported a profit before tax of RM20 thousand for the current quarter against the profit before tax of RM217 thousand in the preceding quarter as in 31st January 2010.

During the current period under review the Group has increased the number of Sales Personnel to enhance on the local distribution network.

The management will continue to monitor on the current business model to further improve the Group performance.

3. Current Year Prospects

The Company had launched a new range of Premium Baby Products in Malaysia market under the name of "JAPLO NANE". These range was first launched in "Kind + Jurgend Fair" in Cologne, Germany in September 2009.

The management will continue to develop new products range in order to satisfy the market demand and penetrating to premium markets.

Takaso Marketing Sdn Bhd is now taking over the local market distribution's function soon after the termination of the Distribution Agreement with Kotra Pharma (M) Sdn Bhd on 11th February 2010.

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. Gain/ (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 30.04.2010 RM'000
Current liabilities	
- Bankers' acceptances	5,237
- Bank overdrafts	4,916
- Hire Purchase payables	45
- Term loan	896

	11,094

Non-current liabilities	
- Hire Purchase payables	5
- Term loan	1,816

	1,821

Total Borrowings	12,915 =====

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 since the last financial year and up to this report except for the following:

- a) On 7th April 2010, the subsidiary of the Group has served a Writ of Summons and Statement of Claim ("the Summon") on Kotra Pharma (M) Sdn Bhd ("KPM") a wholly own subsidiary of KOTRA INDUSTRIES BERHAD in relation to unpaid invoices for goods sold and delivered from Takaso Rubber Products Sdn Bhd (TRPSB) to KPM.

On 1st June 2010, a Defence and Counterclaim have been served on TRPSB and Mr Tee Tze Chern, the Managing Director of the Group in relation to purported advancement from KPM to TRPSB.

In the event TRPSB loses the litigation arising from the Summons, the amount payable by the Group are court costs, legal fees and the amount claim under the Summons, the quantum of which cannot be determined at the date of this quarterly report.

- b) On 20th May 2010, a Notice pursuant to Section 218 of the Companies Act, 1965 was served on Takaso Rubber Products Sdn Bhd ("TRPSB") , the wholly owned subsidiary of the Group, by Messrs HM Ooi Associates, Advocates & Solicitors acting for Sin Huat Press (Melaka) Sdn Bhd ("Sin Huat") demanding the purported outstanding sum of RM357,626.15 ("the Claim") in relation to goods and services supplied by Sin Huat to TRPSB.

On 11 June 2010, TRPSB and Sin Huat have arrived at a full and final settlement of the abovementioned dispute, whereby Sin Huat has covenanted that there shall be no further legal proceedings against TRB.





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12. Dividend

There is no dividend being declared for the current quarter.

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 30.04.2010	Preceding Financial Year Corresponding Quarter Ended 30.04.2009	Current Financial Year To date Ended 30.04.2010	Preceding Financial Year Corresponding Period Ended 30.04.2009
Net Profit/(Loss) for the period to shareholders of the Company (RM'000)	20	45	(888)	(1,372)
Based on weighted average number of ordinary shares ('000):				
- For Basic Profit/(Loss) per share (sen) Adjustment for share options	0.05	0.11	(2.16)	(3.34)
- For Diluted Profit/(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 21 June 2010.

