



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

Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the quarter ended 31 October 2010

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year-to-date Ended	Preceding Year Corresponding Period Ended
		31.10.2010 RM'000	31.10.2009 RM'000	31.10.2010 RM'000	31.10.2009 RM'000
Revenue		5,303	3,188	5,303	3,188
Cost of sales		(3,793)	(3,149)	(3,793)	(3,149)
Gross profit		1,510	39	1,510	39
Other income		506	906	506	906
Selling and distribution expenses		(277)	(321)	(277)	(321)
Administrative expenses		(1,257)	(1,259)	(1,257)	(1,259)
Other Gain		9	(247)	9	(247)
Finance costs		(237)	(243)	(237)	(243)
Profit/(Loss) before tax		254	(1,125)	254	(1,125)
Income tax expenses	B5	-	-	-	-
Profit/(Loss) after taxation for the period		254	(1,125)	254	(1,125)
Other Comprehensive Income, Net Of Tax:					
Revaluation of property, plant and equipment		-	258	-	258
Total Comprehensive Income/(Loss)		254	(867)	254	(867)
Profit/(Loss) after taxation attributable to:					
Owners of the Company		254	(1,125)	254	(1,125)
Total Comprehensive Income/(Loss) attributable to:					
Owners of the Company		254	(867)	254	(867)
Earnings/(Loss) per share (in sen)					
Basic EPS/(LPS)	B13	0.62	(2.73)	0.62	(2.73)
Fully Diluted EPS	B13	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 July 2010 and the accompanying explanatory notes attached to the interim financial statements.





TAKASO RESOURCES BERHAD
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Condensed Consolidated Statement of Financial Position
As at 31 October 2010

	Note	As at 31.10. 2010 (Unaudited) RM'000	As at 31.07. 2010 (Audited) RM'000
ASSETS			
Non-Current Asset			
Property, plant and equipment		18,529	19,247
Current Assets			
Inventories		7,668	7,284
Trade and others receivables		4,213	4,811
Current tax assets		65	62
Cash and cash equivalents		184	503
		12,130	12,660
TOTAL ASSETS		30,659	31,907
EQUITY AND LIABILITIES			
Share Capital		41,188	41,188
Reserves		(27,847)	(28,101)
TOTAL EQUITY		13,341	13,087
Non-Current Liabilities			
Long-term bank borrowings	B9	1,121	1,353
Deferred Tax liabilities		115	115
		1,236	1,468
Current Liabilities			
Trade and other payables		5,898	7,054
Short-term borrowings	B9	10,184	10,298
		16,082	17,352
TOTAL LIABILITIES		17,318	18,820
TOTAL EQUITY AND LIABILITIES		30,659	31,907
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.32	0.32

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 July 2010 and the accompanying explanatory notes attached to the interim financial statements.





TAKASO RESOURCES BERHAD
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Condensed Consolidated Statement of Changes in Equity
For the quarter ended 31 October 2010

	Attributable to Owners of the Parent			Total Equity RM'000
	Share Capital RM'000	Revaluation Reserves RM'000	Accumulated Losses RM'000	
Balance as at 1 August 2010	41,188	2,891	(30,992)	13,087
Total comprehensive income for the period	-	-	254	254
Balance as at 31 October 2010	41,188	2,891	(30,738)	13,341
Balance as at 1 August 2009	41,188	2,633	(29,456)	14,365
Other comprehensive income for the period	-	258	-	258
Loss for the period	-	-	(1,125)	(1,125)
Balance as at 31 October 2009	41,188	2,891	(30,581)	13,498

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 July 2010 and the accompanying explanatory notes attached to the interim financial statements.





TAKASO RESOURCES BERHAD
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Condensed Consolidated Statement of Cash Flows
For the period ended 31 October 2010

	Current year-to-date 31.10.2010 RM'000	Preceding year corresponding period 31.10.2009 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before tax	254	(1,125)
Adjustments for:		
Non-cash items	149	961
Non-operating items	-	(885)
<i>Operating profit/(loss) before working capital changes</i>	403	(1,049)
Net Change in current assets	400	1,160
Net change in current liabilities	(1,292)	853
<i>Cash (used in)/generated from operations</i>	(489)	965
Tax Paid	(2)	16
<i>Net cash (used in)/generated from operating activities</i>	(491)	980
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(70)	(693)
Proceeds from disposal of property, plant and equipment	690	-
<i>Net cash generated from/(used) in investing activities</i>	620	(693)
Cash Flows From Financing Activities		
Interest paid	(237)	(243)
Advance from Directors	136	43
Repayment of borrowings	(413)	(292)
<i>Net cash used in financing activities</i>	(514)	(578)
<i>Net cash decrease in cash and cash equivalents</i>	(385)	(291)
<i>Cash and cash equivalents at beginning of the financial period</i>	(3,863)	(4,433)
<i>Cash and cash equivalents at end of the financial period</i>	(4,248)	(4,724)
Analysis of cash and cash equivalents:		
Cash and bank balances	184	67
Bank overdrafts	(4,432)	(4,791)
	(4,248)	(4,724)

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 2010 and the accompanying explanatory notes attached to the interim financial statements.





TAKASO RESOURCES BERHAD
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND THREE MONTHS ENDED 31 OCTOBER 2010

PART A
EXPLANATORY NOTES PURSUANT TO FRS 134

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 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 3 July 2010.

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 July 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations with effect from 1 August 2010.

FRS 7	Financial Instruments: Disclosures
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards
Amendment to FRS 2	Share-based payment
Amendment to FRS 3	Business Combinations
Amendment to FRS 5	Non-Current Assets Held for Sale and Discontinue Operations
Amendment to FRS 7	Financial Instruments Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 101	Presentation of Financial Statements
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 117	Lease
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistant
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements
Amendment to FRS 128	Investment in Associates
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendment to FRS 131	Interest in Joint Ventures
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 138	Intangible Assets
Amendment to FRS 140	Investment Properties
IC Interpretation 9	Reassessment of Embedded Derivative
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 Group and Treasury Share Transaction
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 The Limit on a Defined benefit Asset, Minimum Funding Requirements and their interaction
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-Cash Assets to Owners





TAKASO RESOURCES BERHAD
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PART A
EXPLANATORY NOTES PURSUANT TO FRS 134 (CONT'D)

1. Basis of Preparation (Cont'd)

The adoption of the above new FRSs, Amendments to FRSs and IC Interpretations did not have significant impact on the Group's financial statements except as follows:-

FRS 101: Presentation of Financial Statements

FRS 101 requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. FRS 101 does not have any impact on the Group's financial position or results.

FRS 117: Leases

Prior to the adoption of the Amendments to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid lease payments on the statement of financial position.

Upon adoption of the Amendments to FRS 117, the classification of a leasehold land as finance lease or operating lease is based on the extent to which risks and rewards incident to ownership lie.

The Group has determined that all leasehold lands of the Group are in substances as finance lease and has reclassified its leasehold land from prepaid lease payments to property, plant and equipment.

The effects of the classification on the consolidated statement of financial position as at 31 July 2010 are as follows:

	AS Previously reported RM'000	Effects on adoption of FRS 117 RM''000	As restated RM'000
Property, plant and equipment	17,829	1,418	19,247
Prepaid lease payment	1,418	(1,418)	-
	19,247	-	19,247

2. Status of Audit Qualifications

The audited financial statements of the Group for the financial year ended 31 July 2010 was not subject to any audit qualification.

3. Seasonality or Cyclicity 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.





TAKASO RESOURCES BERHAD
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PART A
EXPLANATORY NOTES PURSUANT TO FRS 134 (CONT'D)

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

There we no issuance, cancellation, repurchases, resale and repayments of debt and equity securities during the financial year-to-date.

7. Dividend

No dividend is paid for in the current financial quarter.

8. 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 31 October 2010: -

31 October 2010	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
External Sales	4,048	1,255	-	-	5,303
Segment Results (EBITA)	1,052	(80)	(15)	(66)	891
Finance Cost	(236)	(1)	-	-	(237)
Depreciation and amortisation	(400)	(3)	-	3	(400)
Consolidated Profit Before Tax					254
ASSETS					
<i>Segment assets/ Consolidated total assets</i>	34,730	2,178	8,638	(14,886)	30,659
LIABILITIES					
<i>Segment Liabilities/ Consolidated total liabilities</i>	16,781	3,947	113	(3,523)	17,318
OTHER INFORMATION					
<i>Capital Expenditure</i>	70	-	-	-	70
<i>Depreciation and amortisation</i>	400	3	-	(3)	400
<i>Other Non Cash Expenses</i>	-	-	-	-	-





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

8. Segment Information (Cont'd)

31 October 2009	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
External Sales	2,663	525	-	-	3,188
Segment Results (EBITA)	(607)	(3)	(11)	196	(425)
Finance Cost	(243)	-	-	-	(243)
Depreciation and amortisation	(459)	(3)	-	5	(457)
Consolidated Loss Before Tax					(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

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 2010 RM'000	31st OCT 2009 RM'000	31st OCT 2010 RM'000	31st OCT 2009 RM'000	31st OCT 2010 RM'000	31st OCT 2009 RM'000
Malaysia	1,457	1,105	30,659	33,193	70	693
Other Asian Countries	3,222	1,558	-	-	-	-
European Countries	455	381	-	-	-	-
African Countries	169	-	-	-	-	-
Others	-	144	-	-	-	-
Total	5,303	3,188	30,659	33,193	70	693





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

9. Valuation of Property, Plant and Equipment

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

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

On 15 December 2010 the Company entered into a Sale and Purchase Agreement with Pavilion Retail Sdn Bhd (Company No. 901666-K), an unrelated third party, to dispose its entire equity interest in LSR Technology Sdn Bhd, a wholly-owned subsidiary of Takaso Resources Berhad for a cash consideration of RM275,262.

The consideration was arrived at on a “wiling buyer-willing seller” basis after taking into consideration the audited net assets of LSR as at 31 July 2010 of RM275,262. There is no material financial impact for the disposal. Pursuant to the disposal, LSR ceased to be a subsidiary company of the Group.

11. Changes in the Composition of the Group

LSR Technology Sdn Bhd, a wholly owned subsidiary of Takaso Resources Berhad ceased to be subsidiary of the Group with effect from 15 December 2010.

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 31.10.2010 RM'000	As at 31.07.2010 RM'000
Corporate guarantees issued to financial institutions for credit facilities granted to a subsidiary company	11,408	11,734
	=====	=====

13. Capital Commitments

The Group has no capital commitments current quarter under review.





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

14. Significant Inter Company and Related Party Transactions

	Group	
	As at	As at
	31.10.2010	31.10.2009
	RM'000	RM'000
Sales by Takaso Rubber Products Sdn Bhd to:-		
Takaso Marketing Sdn Bhd	888	190
Japlo Healthcare Sdn Bhd	12	44
Sales by Takaso Marketing Sdn Bhd to:-		
Japlo Healthcare Sdn Bhd	7	10
Sales by LSR Technology Sdn Bhd:-		
Takaso Rubber Products Sdn Bhd	53	22

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

	Individual Quarter		Cumulative Period	
	31.10.2010 RM'000	31.10.2009 RM'000	31.10.2010 RM'000	31.10.2009 RM'000
Revenue	5,303	3,188	5,303	3,188
Profit/ (loss) before tax	254	(1,125)	254	(1,125)

The Group recorded a growth in turnover of 66% for the 3 months ended 31 October 2010 as compared to the corresponding 3 months ended 31 October 2009.

The overall growth was attributed mainly to the increase both in baby products and condoms. Profit before tax for the 3 months ended 31 October 2010 was significantly higher as compare to the 3 months in the preceding period mainly due to successful distribution network that in place for the current quarter.

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

	Individual Quarter	
	31.10.2010 RM'000	31.07.2010 RM'000
Revenue	5,303	4,742
Profit/ (loss) before tax	254	(648)

For the quarter ended 31 October 2010, the Group recorded an increase of 11.8% to RM 5.30 million as compared to RM 4.74 million in the preceding quarter. This is mainly due to increase in export sales from customers who delaying their order since the last quarter.

3. Current Year Prospects

The Group is facing challenges from exporters' countries on the stringent control on importing baby products and contraceptive condoms into their respective countries. The management of the Group is providing technical advice to assist the current overseas customers who face challenges on their own countries to obtain certification and licenses to import the Group's products.

Having the awareness and knowledge of international standards compliances, the Group will continue to penetrate into emerging market and pursue to develop new products for both the local and overseas markets.

4. Variances Between Actual Profit and Forecast Profit

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





TAKASO RESOURCES BERHAD
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PART B

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

5. Tax Expense

The effective tax rate of the Group for the period is lower than the statutory rate due to the utilization of double deduction tax incentives for the eligible expenses and tax losses brought forward.

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.

9. Borrowings and Debt Securities

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

	As at 31.10.2010 RM'000
Current liabilities	
- Bankers' acceptances	4,843
- Bank overdrafts	4,432
- Hire Purchase payables	24
- Term loan	884

	10,184

Non-current liabilities	
- Hire Purchase payables	-
- Term loan	1,121

	1,121

Total Borrowings	11,305
	=====

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.





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PART B

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

10. Derivative financial instruments

There were no derivative financial instruments as at the reporting date.

11. Material Litigation

There was no pending material litigation since the last period ended 31 July 2010 and up to 27th December 2010

12. Dividend

There is no dividend being declared for the current quarter.

13. Earnings/(Loss) Per Share

	Individual Quarter		Cumulative Period	
	Current year quarter 31.10.2010 RM'000	Preceding year corresponding quarter 31.10.2009 RM'000	Current year-to-date 31.10.2010 RM'000	Preceding year corresponding period 31.10.2009 RM'000
a) Basic earnings per share				
Net profit/(loss) for the period	254	(1,125)	254	(1,125)
Weighted average number of ordinary shares in issue	41,188	41,188	41,188	41,188
Basic earnings/(loss) per share (sen)	0.62	(2.73)	0.62	(2.73)

The fully diluted earnings per share is not disclosed as the effects on the assumed exercised of the share options under warrants is anti-dilutive.

14. 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 27 December 2010.

