



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

*Condensed Consolidated Statement of Comprehensive Income (Unaudited)*  
*For the quarter ended 31 January 2011*

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter Ended 31.01.2011 RM'000	Preceding Year Corresponding Quarter Ended 31.01.2010 RM'000	Current Year-to-date Ended 31.01.2011 RM'000	Preceding Year Corresponding Period Ended 31.01.2010 RM'000
Revenue		4,471	5,646	9,774	8,834
Cost of sales		(2,795)	(4,337)	(6,588)	(7,486)
Gross profit		1,676	1,309	3,186	1,348
Other income		60	81	567	987
Selling and distribution expenses		(244)	(141)	(521)	(462)
Administrative expenses		(1,117)	(773)	(2,375)	(2,032)
Other expenses		(51)	(23)	(42)	(270)
Finance costs		(229)	(236)	(466)	(479)
Profit/(Loss) before tax		95	217	349	(908)
Income tax expenses	B5	-	-	-	-
<b>Profit/(Loss) after taxation for the period</b>		95	217	349	(908)
<b>Other Comprehensive Income, Net Of Tax:</b>					
Revaluation of property, plant and equipment		-	-	-	258
<b>Total Comprehensive Income/(Loss)</b>		95	217	349	(650)
<b>Profit/(Loss) after taxation attributable to:</b>					
Owners of the Company		95	217	349	(908)
<b>Total Comprehensive Income/(Loss) attributable to:</b>					
Owners of the Company		95	217	349	(650)
Earnings/(Loss) per share (in sen)					
Basic EPS/(LPS)	B13	0.23	0.53	0.85	(2.21)
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 January 2011*

	Note	As at 31.01. 2011 (Unaudited) RM'000	As at 31.07. 2010 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-Current Asset</b>			
Property, plant and equipment		17,696	19,247
<b>Current Assets</b>			
Inventories		8,342	7,284
Trade and others receivables		4,119	4,811
Current tax assets		37	62
Cash and cash equivalents		115	503
		<b>12,613</b>	<b>12,660</b>
<b>TOTAL ASSETS</b>		<b>30,309</b>	<b>31,907</b>
<b>EQUITY AND LIABILITIES</b>			
Share Capital		41,188	41,188
Reserves		(27,752)	(28,101)
<b>TOTAL EQUITY</b>		<b>13,436</b>	<b>13,087</b>
<b>Non-Current Liabilities</b>			
Long-term bank borrowings	B9	855	1,353
Deferred tax liabilities		115	115
		<b>970</b>	<b>1,468</b>
<b>Current Liabilities</b>			
Trade and other payables		6,247	7,054
Short-term borrowings	B9	9,656	10,298
		<b>15,903</b>	<b>17,352</b>
<b>TOTAL LIABILITIES</b>		<b>16,873</b>	<b>18,820</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>30,309</b>	<b>31,907</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>		<b>0.33</b>	<b>0.32</b>

*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 January 2011*

	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	-	-	349	349
<b>Balance as at 31 January 2011</b>	<b>41,188</b>	<b>2,891</b>	<b>(30,643)</b>	<b>13,436</b>
Balance as at 1 August 2009	41,188	2,633	(29,456)	14,365
Total comprehensive income for the period	-	258	(908)	(650)
<b>Balance as at 31 January 2010</b>	<b>41,188</b>	<b>2,891</b>	<b>(30,364)</b>	<b>13,715</b>

*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 January 2011*

	<b>Current Year-to-date Ended 31.01.2011 RM'000</b>	<b>Preceding Year Corresponding Period Ended 31.01.2010 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
<b>Profit/(Loss) before tax</b>	<b>349</b>	<b>(908)</b>
Adjustments for:		
Non-cash items	957	1,660
Non-operating items	(22)	(885)
<i>Operating profit/(loss) before working capital changes</i>	<b>1,284</b>	<b>(133)</b>
Net change in current assets	(179)	1,456
Net change in current liabilities	(895)	634
<i>Cash generated from operations</i>	<b>210</b>	<b>1,957</b>
Tax refund	25	16
<i>Net cash generated from operating activities</i>	<b>235</b>	<b>1,973</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(70)	(695)
Proceeds from disposal of property, plant and equipment	690	-
Proceeds from disposal of a subsidiary	275	-
<i>Net cash generated from/(used in) investing activities</i>	<b>895</b>	<b>(695)</b>
<b>Cash Flows From Financing Activities</b>		
Interest paid	(466)	(479)
Advance from Directors	87	(43)
Repayment of borrowings	(1,542)	(977)
<i>Net cash used in financing activities</i>	<b>(1,921)</b>	<b>(1,499)</b>
<i>Net cash decrease in cash and cash equivalents</i>	<b>(791)</b>	<b>(221)</b>
<i>Cash and cash equivalents at beginning of the financial period</i>	<b>(3,863)</b>	<b>(4,433)</b>
<i>Cash and cash equivalents at end of the financial period</i>	<b>(4,654)</b>	<b>(4,654)</b>
<b>Analysis of cash and cash equivalents:</b>		
Cash and bank balances	115	67
Bank overdrafts	(4,769)	(4,721)
	<b>(4,654)</b>	<b>(4,654)</b>

*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 SIX MONTHS ENDED 31 JANUARY 2011**

**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 31 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:

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





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

**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 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 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 quarter.





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**PART A**

**EXPLANATORY NOTES PURSUANT TO FRS 134 (CONT'D)**

**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 January 2011: -

<b>31 January 2011</b>	<b>Manufacturing RM'000</b>	<b>Trading RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidation RM'000</b>
<b>External Sales</b>	3,292	1,179	-	-	4,471
<b>Segment Results (EBITA)</b>	1,065	(26)	(222)	86	903
<b>Finance Cost</b>	(229)	-	-	-	(229)
<b>Depreciation and Amortisation</b>	(573)	(3)	-	(3)	(579)
<b>Consolidated Profit Before Tax</b>					<b>95</b>
<b>ASSETS</b>					
<i>Segment Assets/ Consolidated Total Assets</i>	34,413	2,367	8,398	(14,869)	30,309
<b>LIABILITIES</b>					
<i>Segment Liabilities/ Consolidated Total Liabilities</i>	16,446	4,102	95	(3,770)	16,873
<b>OTHER INFORMATION</b>					
<i>Capital Expenditure</i>	-	-	-	-	-
<i>Depreciation and Amortisation</i>	573	3	-	3	579
<i>Other Non Cash Expenses</i>	-	-	-	-	-







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

**8. Segment Information (Cont'd)**

<b>31 January 2010</b>	<b>Manufacturing RM'000</b>	<b>Trading RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidation RM'000</b>
External Sales	4,654	992	-	-	5,646
Segment Results (EBITA)	766	89	(66)	85	874
Finance Cost	(236)	-	-	-	(236)
Depreciation and Amortisation	(425)	(4)	-	8	(421)
<b>Consolidated Profit Before Tax</b>					<b>217</b>
<b>ASSETS</b>					
Segment Assets/ Consolidated Total Assets	37,898	1,671	20,731	(27,866)	32,434
<b>LIABILITIES</b>					
Segment Liabilities/ Consolidated Total Liabilities	30,691	6,256	587	(19,144)	18,390
<b>OTHER INFORMATION</b>					
Capital Expenditure	2	-	-	-	2
Amortisation	10	-	-	-	10
Depreciation	425	4	-	(8)	421
Other Non Cash Expenses	-	31	-	-	31

**GEOGRAPHICAL SEGMENT**

The following table provides an analysis of the Group's revenue, segment assets and capital expenditure by geographical segments:

	<b>Revenue by location of customers</b>		<b>Segments assets by location of assets</b>		<b>Capital expenditure by location of assets</b>	
	<b>31 January 2011 RM'000</b>	<b>31 January 2010 RM'000</b>	<b>31 January 2011 RM'000</b>	<b>31 January 2010 RM'000</b>	<b>31 January 2011 RM'000</b>	<b>31 January 2010 RM'000</b>
Malaysia	1,979	2,392	30,309	32,434	-	2
Other Asian Countries	1,759	1,923				
European Countries	389	925				
African Countries	271	181				
Others	73	225				
<b>Total</b>	<b>4,471</b>	<b>5,646</b>	<b>30,309</b>	<b>32,434</b>	<b>-</b>	<b>2</b>





**TAKASO RESOURCES BERHAD**  
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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 quarter under review.

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

Save as disclosed below, 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:-

On 28 January 2011, on behalf of the Board of Directors of the Company ("Board"), PM Securities Sdn Bhd ("PM Securities") announced that the Company is proposing to undertake the following:

- (i) proposed reduction of the par value of the existing ordinary shares of RM1.00 each in the Company to RM0.25 each ("**TRB Shares**") ("**Proposed Par Value Reduction**");
- (ii) proposed renounceable rights issue of up to 141,215,940 TRB Shares ("**Rights Shares**") on the basis of three (3) Rights Shares for every one (1) existing TRB Share held after the Proposed Par Value Reduction together with up to 84,729,564 free detachable new warrants ("**Warrants**") on the basis of three (3) Warrants for every five (5) Rights Shares subscribed by the entitled shareholders ("**Proposed Rights Issue of Shares with Warrants**");
- (iii) proposed increase in the authorised share capital of the Company from RM50,000,000 comprising 50,000,000 TRB Shares of RM1.00 each to RM100,000,000 comprising 400,000,000 TRB Shares of RM0.25 each after the Proposed Par Value Reduction ("**Proposed Increase In Authorised Share Capital**"); and
- (iv) proposed amendments to the Memorandum and Articles of Association of the Company ("**Proposed Amendments**").

(Collectively refer to as "**Proposals**").

The Proposals are inter-conditional with each other.

The Controller of Foreign Exchange (via BNM) had vide its letter dated 2 March 2011, approved the issuance by the Company of up to 84,729,564 free Warrants to its non-resident shareholders and/or their renouces pursuant to the Proposed Rights Issue of Shares with Warrants.





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

**10. Material Events Subsequent to the End of the Interim Period (Cont'd)**

Bursa Securities had vide its letter dated 16 March 2011, approve in-principle the following:

- (i) admission to the Official List and the listing of and quotation of up to 84,729,564 Warrants to be issued pursuant to the Proposed Rights Issue of Shares with Warrants;
- (ii) listing and quotation of up to 141,215,940 Right Shares of RM0.25 each to be issued pursuant to the Proposed Rights Issue of Shares with Warrants;
- (iii) listing and quotation of up to 84,729,564 new ordinary shares of RM0.25 each to be issued pursuant to the exercise of Warrants;
- (iv) listing and quotation of up to 6,500,000 additional Warrants 2003/2013 to be issued arising from the adjustment pursuant to the Proposed Rights Issue of Shares with Warrants; and
- (v) listing of and quotation of up to 6,500,000 new ordinary shares of RM0.25 each to be issued pursuant to the exercise of additional Warrants 2003/2013.

The approval by Bursa Securities which was obtained vide its letter dated 16 March 2011, is subject to the following conditions:-

	<b>Conditions imposed</b>	<b>Status of compliance</b>
(a)	Takaso and PM Securities must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Rights Issue of Shares with Warrants;	To be met
(b)	Takaso and PM Securities to inform Bursa Securities upon completion of the Proposed Rights Issue of Shares with Warrants;	To be met
(c)	Takaso to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue of Shares with Warrants is completed; and	To be met
(d)	Takaso to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants and Warrants 2003/2013 as at the end of each quarter together with a details computation of listing fees payable.	To be met





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

**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 date, 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 issue of this quarterly 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:-

	<b>Company</b>	
	<b>As at</b>	<b>As at</b>
	<b>31.01.2011</b>	<b>31.01.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees extended to financial institutions for credit facilities granted to a subsidiary	10,638	13,056

There were no contingent assets since the last annual balance sheet as at 31 July 2010.

**13. Capital Commitments**

The Group has no capital commitments current quarter under review.





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

**14. Significant Inter Company and Related Party Transactions**

	<b>Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>31.01.2011</b>	<b>31.01.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Sales by Takaso Rubber Products Sdn Bhd to:-</b>		
Takaso Marketing Sdn Bhd	1,673	688
Japlo Healthcare Sdn Bhd	26	59
<b>Sales by Takaso Marketing Sdn Bhd to:-</b>		
Japlo Healthcare Sdn Bhd	11	17
<b>Sales by LSR Technology Sdn Bhd:-</b>		
Takaso Rubber Products Sdn Bhd	74	38

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. On 15 December 2010, LSR Technology ceased to be the wholly own subsidiary.





**TAKASO RESOURCES BERHAD**  
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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	
	31.01.2011 RM'000	31.01.2010 RM'000	31.01.2011 RM'000	31.01.2010 RM'000
Revenue	4,471	5,646	9,774	8,834
Profit/(loss) before tax	95	217	349	(908)

For the current quarter under review, the revenue and profit before tax registered a reduction of 20.8% and 56.2%, respectively compare with the corresponding quarter in 31 January 2010. The slow in revenue was due to the persistently high raw material costs and strengthening of Ringgit against the Group's major trading currency such as U.S Dollar and Euro.

The revenue has registered an increase of 10.6% for the current financial period to date compared to the previous financial period mainly due to the increased in both baby products and condoms. Profit before tax has increased significantly mainly due to successful distribution network that in place for the current financial period.

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

	Individual Quarter	
	31.01.2011 RM'000	31.10.2010 RM'000
Revenue	4,471	5,303
Profit before tax	95	254

For the quarter ended 31 January 2011, the Group recorded a decrease of 15.7% to RM 4.471 million as compared to RM 5.303 million in the preceding quarter. This is mainly due to the increasing of raw material cost especially natural latex and plastic resins. The softening demand on the affected products that mainly due to price revision to the high side has aggravated the negative effect.

**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.





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## **PART B**

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

#### **3. Current Year Prospects (Cont'd)**

The headwinds on the persistently high raw material costs and the strengthening of Ringgit against major trading currencies such as the U.S Dollar and Euro is foreseen to be persistent.

The Board and Management will strive to achieve a satisfactory performance under the circumstances.

#### **4. Variances Between Actual Profit and Forecast Profit**

There was no profit forecast or guarantee made public for the financial period under review.

#### **5. Tax Expense**

The effective tax rate of the Group for the current quarter and financial year-to-date under review is lower than the statutory rate due to the utilisation 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 current quarter and financial year-to-date 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 quarter and financial year-to-date.

#### **8. Status of Corporate Proposals**

Please refer to Note A10 for the status of corporate proposals.





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**PART B**

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

**9. Borrowings and Debt Securities**

The Group's borrowings as at the end of the reporting period are as follows: -

	As at 31.01.2011 RM'000
Secured:	
Current liabilities	
- Bankers' acceptances	4,000
- Bank overdrafts	4,769
- Hire Purchase payables	3
- Term loan	884
	9,656
Non-current liabilities	
- Hire Purchase payables	-
- Term loan	855
	855
Total Borrowings	10,511

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.

The Group's borrowings and other facilities are denoted in local currency. The Group does not have foreign borrowings and debt securities as at 31 January 2011.







**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)**

**10. Derivative financial instruments**

There were no derivative financial instruments as at 21 March 2011, being the last practicable date from the date of issue of this quarterly report.

**11. Material Litigation**

Since the last annual balance sheet date, there was no pending material litigation as at 21 March 2011, being the last practicable date from the date of issue of this quarterly report.

**12. Dividend**

No dividend has been proposed for the financial period under review.

**13. Earnings/(Loss) Per Share**

	Individual Quarter		Cumulative Period	
	Current Year Quarter Ended 31.01.2011 RM'000	Preceding Year Corresponding Quarter Ended 31.01.2010 RM'000	Current year-to-date Ended 31.01.2011 RM'000	Preceding Year Corresponding Period Ended 31.01.2010 RM'000
<b>Basic earnings per share</b>				
Net profit/(loss) for the period	95	217	349	(908)
Weighted average number of ordinary shares in issue	41,188	41,188	41,188	41,188
Basic earnings/(loss) per share (sen)	0.23	0.53	0.85	(2.21)

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.





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

**14. Disclosure of Realised and Unrealised Profits/Losses**

The Group's realised and unrealised accumulated losses disclosure is as follows:-

	As at 31.01.2011 RM'000	As at 31.10.2010 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(30,528)	(30,623)
- Unrealised	(115)	(115)
	(30,643)	(30,738)
Less: Consolidation adjustments	-	-
	(30,643)	(30,738)

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The comparative figures as at the previous financial year are not required in the first financial year of complying with Realised and Unrealised Profits/Losses Disclosure.

**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 March 2011.

