



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

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

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter Ended 31.07.2011 RM'000	Preceding Year Corresponding Quarter Ended 31.07.2010 RM'000	Current Year-to-date Ended 31.07.2011 RM'000	Preceding Year Corresponding Period Ended 31.07.2010 RM'000
Revenue		3,651	4,742	16,844	19,045
Cost of sales		(4,402)	(3,775)	(13,948)	(15,018)
Gross (loss) profit		(751)	967	2,896	4,027
Other income		1,047	344	1,670	1,369
Selling and distribution expenses		(390)	(216)	(1,137)	(948)
Administrative expenses		(957)	(1,158)	(4,300)	(4,358)
Other expenses		(280)	(338)	(322)	(672)
Finance costs		(302)	(247)	(970)	(954)
Loss before tax		(1,633)	(648)	(2,163)	(1,536)
Income tax expenses	B5	-	-	-	-
Loss after taxation for the period		(1,633)	(648)	(2,163)	(1,536)
Other Comprehensive Income, Net Of Tax:					
Revaluation of property, plant and equipment		-	-	-	258
Total Comprehensive Loss		(1,633)	(648)	(2,163)	(1,278)
Loss after taxation attributable to:					
Owners of the Company		(1,633)	(648)	(2,163)	(1,536)
Total Comprehensive Loss attributable to:					
Owners of the Company		(1,633)	(648)	(2,163)	(1,278)
(Loss)/Earnings per share ("LPS/EPS") (in sen)					
Basic LPS	B13	(3.96)	(1.57)	(5.25)	(3.73)
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
 (Company No: 440503-K)
 (Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position
As at 31 July 2011

	Note	As at 31.07.2011 (Unaudited) RM'000	As at 31.07. 2010 (Audited) RM'000
ASSETS			
Non-Current Asset			
Property, plant and equipment		17,446	19,247
Current Assets			
Inventories		5,690	7,284
Trade and others receivables		4,040	4,811
Current tax assets		37	62
Cash and cash equivalents		624	503
		10,391	12,660
TOTAL ASSETS		27,837	31,907
EQUITY AND LIABILITIES			
Equity			
Share Capital		10,297	41,188
Reserves		627	(28,101)
TOTAL EQUITY		10,924	13,087
Non-Current Liabilities			
Long-term bank borrowings	B9	1,323	1,353
Deferred tax liabilities		115	115
		1,438	1,468
Current Liabilities			
Trade and other payables		6,703	7,054
Short-term borrowings	B9	8,772	10,298
		15,475	17,352
TOTAL LIABILITIES		16,913	18,820
TOTAL EQUITY AND LIABILITIES		27,837	31,907
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.27	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
 (Company No: 440503-K)
 (Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity
For the quarter ended 31 July 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	-	-	(2,163)	(2,163)
Capital reduction	(30,891)	-	30,891	-
Balance as at 31 July 2011	10,297	2,891	(2,264)	10,924
Balance as at 1 August 2009	41,188	2,633	(29,456)	14,365
Total comprehensive income for the period	-	258	(1,536)	(1,278)
Balance as at 31 July 2010	41,188	2,891	(30,992)	13,087

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
(Company No: 440503-K)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Cash Flows
For the period ended 31 July 2011

	Current Year-to-date Ended 31.07.2011 RM'000	Preceding Year Corresponding Period Ended 31.07.2010 RM'000
Cash Flows From Operating Activities		
Loss before tax	(2,163)	(1,536)
Adjustments for:		
Non-cash items	1,201	1,310
Non-operating items	948	766
<i>Operating profit before working capital changes</i>	(14)	540
Net change in current assets	2,180	1,382
Net change in current liabilities	(787)	1,823
<i>Cash generated from operations</i>	1,379	3,745
Tax refund/(paid)	25	(10)
<i>Net cash generated from operating activities</i>	1,404	3,735
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(157)	(858)
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>	808	(858)
Cash Flows From Financing Activities		
Interest paid	(970)	(766)
Advance from Directors	434	481
Repayment of borrowings	(1,630)	(2,022)
<i>Net cash used in financing activities</i>	(2,166)	(2,307)
<i>Net cash decrease in cash and cash equivalents</i>	46	570
<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>	(3,817)	(3,863)
Analysis of cash and cash equivalents:		
Cash and bank balances	624	503
Bank overdrafts	(4,441)	(4,366)
	(3,817)	(3,863)

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
 (Company No: 440503-K)
 (Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND TWELVE MONTHS ENDED 31 JULY 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
 (Company No: 440503-K)
 (Incorporated in Malaysia)

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





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

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

The High Court of Malaya in Kuala Lumpur ("the Court") had on 13 July 2011 granted an order to the Company confirming the proposed par value reduction pursuant to Section 64 of the Companies Act, 1965.

On 22 July 2011, the sealed order of the Court has been lodged with the Companies Commission of Malaysia for the proposed par value reduction to take effect.

Save for the disclosure above, 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.





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

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 July 2011: -

31 July 2011	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
External Sales	2,479	1,172	-	-	3,651
Segment Results (EBITDA)	(1,262)	(349)	-	381	(1,230)
Finance Cost	(302)	-	-	-	(302)
Depreciation and Amortisation	(98)	(3)	-	-	(101)
Consolidated Loss Before Tax					(1,633)
ASSETS					
Segment Assets/ Consolidated Total Assets	31,543	2,508	8,814	(15,028)	27,837
LIABILITIES					
Segment Liabilities/ Consolidated Total Liabilities	15,744	4,467	513	(3,811)	16,913
OTHER INFORMATION					
Capital Expenditure	9	-	-	-	9
Depreciation and Amortisation	98	3	-	-	101
Other Non Cash Expenses	302	-	-	-	302





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

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

8. Segment Information (Cont'd)

31 JULY 2010	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
External Sales	3,021	1,721	-	-	4,742
Segment Results (EBITDA)	(256)	251	(36)	108	67
Finance Cost	(246)	(1)	-	-	(247)
Depreciation and Amortisation	(459)	(5)	-	(4)	(468)
Consolidated Loss Before Tax					(648)
ASSETS					
Segment Assets/ Consolidated Total Assets	35,710	2,113	8,638	(14,554)	31,907
LIABILITIES					
Segment Liabilities/ Consolidated Total Liabilities	18,293	3,810	100	(3,383)	18,820
OTHER INFORMATION					
Capital Expenditure	27	1	-	(21)	7
Amortisation	17	-	-	-	17
Depreciation	459	5	-	4	468
Other Non Cash Expenses	(1,001)	184	-	-	(817)

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	
	31 JULY 2011 RM'000	31 JULY 2010 RM'000	31 JULY 2011 RM'000	31 JULY 2010 RM'000	31 JULY 2011 RM'000	31 JULY 2010 RM'000
Malaysia	1,774	1,378	27,837	31,907	9	7
Other Asian Countries	1,239	2,245	-	-	-	-
European Countries	234	514	-	-	-	-
African Countries	259	340	-	-	-	-
Others	145	265	-	-	-	-
Total	3,651	4,742	28,837	31,907	9	7





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

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

There were no material events subsequent to the end of the current quarter as at 26 September 2011, 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 current period under review.

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 26 September 2011, 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:-

	Company	
	As at	As at
	31.07.2011	31.07.2010
	RM'000	RM'000
Corporate guarantees extended to financial institutions for credit facilities granted to a subsidiary	10,096	11,733

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
 (Company No: 440503-K)
 (Incorporated in Malaysia)

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

14. Significant Inter Company and Related Party Transactions

	Group	
	As at	As at
	31.07.2011	30.07.2010
	RM'000	RM'000
Sales by Takaso Rubber Products Sdn Bhd to:-		
Takaso Marketing Sdn Bhd	3,284	2,410
Japlo Healthcare Sdn Bhd	36	125
 Sales by Takaso Marketing Sdn Bhd to:-		
Japlo Healthcare Sdn Bhd	22	36
 Sales by LSR Technology Sdn Bhd:-		
Takaso Rubber Products Sdn Bhd	74	181

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
 (Company No: 440503-K)
 (Incorporated in Malaysia)

PART B

EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS

1. Review of Performance

	Individual Quarter		Cumulative Period	
	31.07.2011 RM'000	31.07.2010 RM'000	31.07.2011 RM'000	31.07.2010 RM'000
Revenue	3,651	4,742	16,844	19,045
Loss before tax	(1,633)	(648)	(2,163)	(1,536)

For the current quarter under review, the Group's revenue and profit before tax registered a reduction of 23% and 152% respectively compared with the corresponding quarter ended 31 July 2010. The decreased in revenue is mainly arose from the reduced sales to Middle East due to its current crisis that lead to an unstable economy. Our customers from Europe have also reduced its order quantity in order for them to minimise their risk in currency deficiency which resulted from their economic crises.

The cost structure of the products in terms of our fixed overheads has imposed challenges to the management due to the decreased in revenue as explained above. Higher cost of production due to the continuously increased in material cost and shortage of labour which resulted in higher rate of overtime has affected the margin of our cost of goods manufactured. This has increased our loss before tax compared to the corresponding quarter ended 31 July 2010.

For the cumulative period under review, the Group's revenue and profit before tax registered a reduction of 11.55% and 40.8% respectively compared with the corresponding cumulative period ended 31 July 2010. The reduced in revenue and the increased loss before tax is due to the reason mentioned above.

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

	Individual Quarter	
	31.07.2011 RM'000	30.04.2011 RM'000
Revenue	3,651	3,419
Loss before tax	(1,633)	(878)

The Group recorded a loss before tax for the both current quarter and the corresponding quarter due to decrease in revenue as mentioned above. Both quarters period revenue are unable to cover the fixed operating overheads during the current quarter and hence resulted in a loss. In addition, there is impairment in trade receivables of approximately RM0.3 million in the current quarter.





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

PART B

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

3. Current Year Prospects

Inflation is expected to trend upward due to the effects of quantitative easing in the U.S geopolitical tensions in the Middle East and North Africa, and on the reconstruction of Japan. In addition, the sovereign debts issue continues to affect parts of the Eurozone with repercussion on the global economy.

The Group being the export oriented with major distributors in the Middle East and Europe will be facing more challenges on the increase pricing and affecting the competitiveness in the global markets. The Group is exploring further new territory such as Thailand to avoid highly dependent on Middle Eastern and European Countries. The Group had entered in a Memorandum of Understanding with Yakin Hakikat (Thailand) Ltd.Part. in order to secure an exclusive distribution in Thailand.

In Malaysia, domestic demand likely to be strong due to supportive government policy measurement. However the rising energy cost and higher food prices are likely to affect the Group's cost of production and the Group has received indication on the continuing increasing packaging material prices from suppliers.

The Management will be facing more new challenges in our next financial year on maintaining the margin and to ensure the products stay competitive in the markets.

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.





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

PART B

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

8. Status of Corporate Proposals

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.

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.





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

PART B

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

8. Status of Corporate Proposals (Cont'd)

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

	Conditions imposed	Status of compliance
(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;	Complied
(b)	Takaso and PM Securities to inform Bursa Securities upon completion of the Proposed Rights Issue of Shares with Warrants;	Complied
(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	Complied
(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

On 28 April 2011, Takaso shareholders had, in an Extraordinary General Meeting held on this date, approved the Proposals.

The Controller of Foreign Exchange (via BNM) had also vide its letter dated 16 June 2011, approved the issuance by the Company of up to additional 6,500,000 existing warrants to its non-resident shareholders and/or their renounces consequent to the Proposed Rights Issue of Shares with Warrants.

The High Court of Malaya in Kuala Lumpur ("the Court") had on 13 July 2011 granted an order to the Company confirming the Proposed Par Value Reduction pursuant to Section 64 of the Companies Act, 1965.

On 22 July 2011, the sealed order of the Court has been lodged with the Companies Commission of Malaysia for the Proposed Par Value Reduction to take effect.

On 26 July 2011, PM Securities had, on behalf of the Board has fixed the issue price of the Rights Shares at RM0.35 per Rights Shares and the exercise price of the Warrants at RM0.35 per Warrant.

On even date, PM Securities also on behalf of the Board announced that the Entitlement Date has been fixed on 10 August 2011 at 5.00 p.m. and the other important relevant dates for the Renounceable Rights Issue of Shares with Warrants.





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

PART B

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

8. Status of Corporate Proposals (Cont'd)

On 10 August 2011, PM Securities on behalf of the Board announced that the abridged prospectus in relation to the Rights Issue of Shares with Warrants has been duly registered with the Securities Commission and lodged with the Registrar of Companies.

On 26 August 2011, PM Securities on behalf of the Board announced that at the closing of acceptance, excess application and payment for the Rights Issue of Shares with Warrants as at 5.00 p.m. on 25 August 2011, the Company received total valid acceptances and excess applications for 94,033,811 Rights Shares together with 56,420,286 Warrants. This represents a subscription rate of approximately 76.10% over the total of 123,563,964 Rights Shares together with 74,138,378 Warrants available for subscription under the Rights Issue of Shares with Warrants. As such, the minimum subscription level of 55,460,150 Rights Shares and 33,276,090 Warrants has been met

On 13 September 2011, PM Securities on behalf of the Board announced that the Rights Issue of Shares with Warrants has been completed following the listing of and quotation for 94,033,811 Rights Shares together with 56,420,285 Warrants on the Main Market of Bursa Securities.

Utilisation Of Proceeds From Rights Issue

Description	Proposed Utilisation	Actual Utilisation As At 31.07.2011	Expected time frame for utilisation of proceeds from the date of listing of the Rights Shares
	RM'000	RM'000	
To be utilised as follows:			
Working capital			
- Overseas expansion	6,500	-	
- Operating expenses	11,312	-	
- New business investment	9,500	-	
	27,312	-	Within 24 months
Capital expenditure	3,000	-	Within 24 months
Repayment of borrowings	2,000	-	Within 6 months
Estimated expenses in relation to the Proposals	600	-	Within 2 weeks
	32,912	-	





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

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 31.07.2011 RM'000
Secured:	
Current liabilities	
- Bankers' acceptances	3,995
- Bank overdrafts	4,441
- Term loan	336
	8,772
Non-current liabilities	
- Term loan	1,323
	1,323
Total Borrowings	10,095

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 July 2011.





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

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 26 September 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 26 September 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. Loss Per Share

	Individual Quarter		Cumulative Period	
	Current Year Quarter Ended 31.07.2011 RM'000	Preceding Year Corresponding Quarter Ended 31.07.2010 RM'000	Current year-to-date Ended 31.07.2011 RM'000	Preceding Year Corresponding Period Ended 31.07.2010 RM'000
Basic loss per share				
Net loss for the period	(1,633)	(648)	(2,163)	(1,536)
Weighted average number of ordinary shares in issue	41,188	41,188	41,188	41,188
Basic loss per share (sen)	(3.96)	(1.57)	(5.25)	(3.73)

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.





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

PART B

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 31.07.2011 RM'000	As at 31.07.2010 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(2,149)	(30,877)
- Unrealised	(115)	(115)
	(2,264)	(30,992)
Less: Consolidation adjustments	-	-
	(2,264)	(30,992)

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.

By order of the Board
 Takaso Resources Berhad

Tee Tze Chern, JP
 Executive Chairman
 30 September 2011

