



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

*Condensed Consolidated Statement of Comprehensive Income (Unaudited)*  
*For the quarter ended 31 January 2014*

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter Ended 31.01.2014 RM'000	Preceding Year Corresponding Quarter Ended 31.01.2013 RM'000	Current Year-to-date Ended 31.01.2014 RM'000	Preceding Year Corresponding Period Ended 31.01.2013 RM'000
Revenue		9,265	16,263	20,839	27,848
Cost of sales		(7,826)	(14,807)	(17,945)	(24,063)
Gross profit		1,439	1,456	2,894	3,785
Other income		225	175	364	334
Selling and distribution expenses		(271)	(294)	(553)	(597)
Administrative expenses		(2,289)	(1,833)	(4,359)	(3,392)
Other expenses		(68)	(1,515)	(112)	(1,761)
Finance costs		(128)	(133)	(242)	(278)
Loss before tax		(1,092)	(2,144)	(2,008)	(1,909)
Income tax expenses	B5	(33)	(21)	(88)	(83)
<b>Loss after taxation for the period</b>		<b>(1,125)</b>	<b>(2,165)</b>	<b>(2,096)</b>	<b>(1,992)</b>
<b>Other Comprehensive Expenses, Net of Tax:</b>					
Foreign currency translation		6	(1)	3	(37)
<b>Total Comprehensive Expenses</b>	B12	<b>(1,119)</b>	<b>(2,166)</b>	<b>(2,093)</b>	<b>(2,029)</b>
<b>Loss after taxation attributable to: Owners of the Company</b>		<b>(1,125)</b>	<b>(2,165)</b>	<b>(2,096)</b>	<b>(1,992)</b>
<b>Total Comprehensive Expenses attributable to: Owners of the Company</b>	B12	<b>(1,119)</b>	<b>(2,166)</b>	<b>(2,093)</b>	<b>(2,029)</b>
Loss per share ("LPS") (in sen)					
Basic LPS	B11	(0.70)	(1.46)	(1.36)	(1.34)
Fully Diluted LPS	B11	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 2013 and the accompanying explanatory notes attached to the interim financial statements.*





**TAKASO RESOURCES BERHAD**  
 (Company No: 440503-K)  
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*Condensed Consolidated Statement of Financial Position*  
*As at 31 January 2014*

	Note	As at 31.01.2014 (Unaudited) RM'000	As at 31.07.2013 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		23,049	20,961
Goodwill		407	407
		<b>23,456</b>	<b>21,368</b>
<b>Current Assets</b>			
Inventories		6,242	6,693
Trade and others receivables		15,854	11,533
Current tax assets		28	29
Cash and cash equivalents		12,529	16,038
		<b>34,653</b>	<b>34,293</b>
<b>TOTAL ASSETS</b>		<b>58,109</b>	<b>55,661</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		40,187	37,185
Reserves		2,885	4,791
<b>TOTAL EQUITY</b>		<b>43,072</b>	<b>41,976</b>
<b>Non-Current Liabilities</b>			
Long-term bank borrowings	B8	1,186	527
Deferred tax liabilities		115	115
		<b>1,301</b>	<b>642</b>
<b>Current Liabilities</b>			
Trade and other payables		6,720	6,807
Short-term borrowings	B8	6,935	6,190
Tax payable		81	46
		<b>13,736</b>	<b>13,043</b>
<b>TOTAL LIABILITIES</b>		<b>15,037</b>	<b>13,685</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>58,109</b>	<b>55,661</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>		<b>0.27</b>	<b>0.28</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 2013 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 year period ended 31 January 2014*

	<----- Non-distributable ----->					Distributable		Total Equity RM'000
	Share Capital RM'000	Warrants Reserve RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Share Issuance Scheme Reserve RM'000	Accumulated Losses RM'000	
Balance as at 1 August 2013	37,185	4,576	3,885	-	37	1,400	(5,107)	41,976
Loss after taxation for the period	-	-	-	-	-	-	(2,096)	(2,096)
Other comprehensive expenses for the period, net of tax - Foreign currency translation	-	-	-	-	3	-	-	3
Total comprehensive expenses for the period	-	-	-	-	3	-	(2,096)	(2,093)
Transaction with owners of the Company: -Share-based compensation pursuant to SIS -Issuance of ordinary share pursuant to exercise of SIS	-	-	-	-	-	187	-	187
	3,002	-	-	-	-	-	-	3,002
Balance as at 31 January 2014	40,187	4,576	3,885	-	40	1,587	(7,203)	43,072

*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 2013 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 year ended 31 January 2014 (Cont'd)*

	<----- Non-distributable ----->					Distributable		Total Equity RM'000
	Share Capital RM'000	Warrants Reserve RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Share Issuance Scheme Reserve RM'000	Accumulated Losses RM'000	
Balance as at 1 August 2012	37,185	4,576	3,885	2,891	53	-	(4,391)	44,199
Effects of transition to MFRS 1	-	-	-	(2,891)	-	-	2,891	-
At 1 August 2012, restated	37,185	4,576	3,885	-	53	-	(1,500)	44,199
Profit after taxation for the period	-	-	-	-	-	-	(1,992)	(1,992)
Other comprehensive expenses for the period, net of tax - Foreign currency translation	-	-	-	-	(37)	-	-	(37)
Total comprehensive expenses for the period	-	-	-	-	(37)	-	(1,992)	(2,029)
Transaction with owners of the Company:- Share-based compensation pursuant to SIS	-	-	-	-	-	1,400	-	1,400
Balance as at 31 January 2013	37,185	4,576	3,885	-	16	1,400	(3,492)	43,570

*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 2013 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 2014*

	<b>Current Year-to-date Ended 31.01.2014 RM'000</b>	<b>Preceding Year Corresponding Period Ended 31.01.2013 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
<b>Loss before tax</b>	<b>(2,008)</b>	<b>(1,909)</b>
Adjustments for:		
Non-cash items	942	2,112
Non-operating items	117	339
<i>Operating (loss)/profit before working capital changes</i>	<b>(949)</b>	<b>542</b>
Net change in current assets	(3,781)	(1,640)
Net change in current liabilities	397	653
<i>Cash used in operations</i>	<b>(4,333)</b>	<b>(445)</b>
Tax refund	5	-
Tax paid	(56)	(101)
<i>Net cash used in operating activities</i>	<b>(4,384)</b>	<b>(546)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(2,040)	(147)
Proceeds from disposal of equipment	-	2
Interest income	126	106
<i>Net cash used in investing activities</i>	<b>(1,914)</b>	<b>(39)</b>
<b>Cash Flows From Financing Activities</b>		
Interest paid	(242)	(278)
Proceeds from issuance of ordinary shares pursuant to SIS, net of expenses	3,002	-
Repayment to directors	(575)	(14)
Repayment of borrowings	(353)	(744)
Repayment of hire purchase payable	(77)	(48)
<i>Net cash generated from/(used) in financing activities</i>	<b>1,755</b>	<b>(1,084)</b>
<i>Net cash decreased in cash and cash equivalents</i>	<b>(4,543)</b>	<b>(1,669)</b>
<i>Effects of exchange rate changes on cash and cash equivalents</i>	<b>35</b>	<b>6</b>
<i>Cash and cash equivalents at beginning of the financial period</i>	<b>13,506</b>	<b>12,786</b>
<i>Cash and cash equivalents at end of the financial period</i>	<b>8,998</b>	<b>11,123</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 2013 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 2014 (Cont'd)*

	Current Year-to-date Ended 31.01.2014 RM'000	Preceding Year Corresponding Period Ended 31.01.2013 RM'000
<b>Analysis of cash and cash equivalents:</b>		
Cash and bank balances	12,529	14,846
Bank overdrafts	(3,531)	(3,723)
	<b>8,998</b>	<b>11,123</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 2013 and the accompanying explanatory notes attached to the interim financial statements.*





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## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND SIX MONTHS ENDED 31 JANUARY 2014**

### **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 2013.

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 July 2013, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations with effect from 1 August 2013.

During the current financial period, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

#### **MFRSs and IC Interpretations (Including The Consequential Amendments)**

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 (Revised) Employee Benefits

MFRS 127 Separate Financial Statements

MFRS 128 Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to MFRSs 2009 – 2011 Cycle

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

#### **2. Status of Audit Qualifications**

The audited financial statements of the Group for the financial year ended 31 July 2013 was not subject to any audit qualification.





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

**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.

**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**

On 24 October 2013, the Company had granted 11,611,000 share options pursuant to the Share Issuance Scheme ("SIS") with an exercise price of RM0.25 per new ordinary shares to eligible employees and directors of the Company and its subsidiaries. The SIS Options will expire on 29 August 2017.

Save for the above, there were 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**  
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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 2014: -

<b>31 JANUARY 2014</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	3,944	6,046	-	(725)	9,265
Segment Results (EBITDA)	(180)	(88)	(271)	24	(515)
Finance Cost	(115)	(3)	(10)	-	(128)
Depreciation and Amortisation	(386)	(53)	(10)	-	(449)
<b>Consolidated Loss Before Tax</b>					<b>(1,092)</b>
<b>ASSETS</b>					
<i>Segment Assets</i>	40,276	16,493	46,065	(44,753)	58,081
<b>LIABILITIES</b>					
<i>Segment Liabilities</i>	25,891	17,949	824	(29,742)	14,922
<b>OTHER INFORMATION</b>					
<i>Capital Expenditure</i>	472	260	-	-	732
<i>Depreciation and Amortisation</i>	386	53	10	-	449
<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)**

<b>31 JANUARY 2013</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	6,083	11,070	-	(890)	16,263
Segment Results (EBITDA)	23	(43)	(202)	(1,427)	(1,649)
Finance Cost	(128)	(5)	-	-	(133)
Depreciation and Amortisation	(333)	(29)	-	-	(362)
<b>Consolidated Loss Before Tax</b>					<b>(2,144)</b>
<b>ASSETS</b>					
<i>Segment Assets</i>	36,728	23,500	42,618	(44,665)	58,181
<b>LIABILITIES</b>					
<i>Segment Liabilities</i>	20,814	24,697	65	(31,052)	14,524
<b>OTHER INFORMATION</b>					
<i>Capital Expenditure</i>	30	58	-	-	88
<i>Depreciation and Amortisation</i>	333	29	-	-	362
<i>Other Non Cash Expenses</i>	-	-	1,400	-	1,400

**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 2014 RM'000</b>	<b>31 JANUARY 2013 RM'000</b>	<b>31 JANUARY 2014 RM'000</b>	<b>31 JANUARY 2013 RM'000</b>	<b>31 JANUARY 2014 RM'000</b>	<b>31 JANUARY 2013 RM'000</b>
Malaysia	4,069	12,751	52,309	55,171	559	85
Other Asian Countries	4,965	3,278	5,772	3,010	173	3
European Countries	-	23	-	-	-	-
African Countries	-	153	-	-	-	-
Others	231	58	-	-	-	-
<b>Total</b>	<b>9,265</b>	<b>16,263</b>	<b>58,081</b>	<b>58,181</b>	<b>732</b>	<b>88</b>





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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**

There were no material events subsequent to the end of the current quarter as at 26 March 2014, 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**

On 27 November 2013, the Company subscribed for 200,000 ordinary shares, representing 100% of the total issued and paid-up share capital of Takaso SC (Thailand) Limited ("TSC") for a total consideration of THB20,000,000.00. TSC is presently dormant and is intended for the distribution and marketing of rubber related products and manufacturing and marketing of food business.

Save for the above, there were no other 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 March 2014, 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>31.01.2014</b>	<b>31.01.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to a subsidiary	6,823	7,605
- to a supplier for purchases made by a subsidiary	208	272
	6,823	7,877

There were no contingent assets since the last annual balance sheet as at 31 July 2013.





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

**13. Capital Commitments**

The Group has no capital commitments in the current quarter under review.

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

	<b>Group</b>	
	<b>Current Year-to- date Ended 31.01.2014 RM'000</b>	<b>Preceding Year Corresponding Period Ended 31.01.2013 RM'000</b>
<b><u>Inter Company Transactions</u></b>		
<b>Sales by Takaso Rubber Products Sdn Bhd to:-</b>		
Takaso Marketing Sdn Bhd	1,470	1,710
Japlo Healthcare Sdn Bhd	7	7
<b>Sales by Takaso Marketing Sdn Bhd to:-</b>		
Takaso Rubber Products Sdn Bhd	1	4
Japlo Healthcare Sdn Bhd	19	18
Takaso International Sdn Bhd	6	-
<b><u>Related Parties Transactions</u></b>		
Professional services rendered by a company in which a director has a substantial financial interest	32	29
Rental paid to a company in which a director sibling has a substantial financial interest	67	67
Purchases from a company in which a director has a substantial financial interest	684	-
Sales to related parties	614	1,132

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.





**TAKASO RESOURCES BERHAD**  
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**PART B**

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

**1. Detailed Analysis of the Performance of all Operating Segments**

	Individual Quarter		Cumulative Period	
	31.01.2014 RM'000	31.01.2013 RM'000	31.01.2014 RM'000	31.01.2013 RM'000
Revenue	9,265	16,263	20,839	27,848
Loss before tax	(1,092)	(2,144)	(2,008)	(1,909)

For the current quarter and cumulative period under review, the Group's revenue decreased by 43.03% and 25.17% respectively compared to the corresponding quarter and cumulative period ended 31 January 2013. The decreased in revenue is mainly due to the reduced sales in a manufacturing and a trading subsidiary. The reduced sales for the two period is due to reduced trading sales in computer accessories and reduced in order from some big customers in Middle East and African countries due to their unstable market condition.

The Group's loss before tax for the current quarter has reduced by 49.07% compared to the corresponding quarter ended 31 January 2013 whereas an increased of 5.19% in the loss before tax for the current cumulative period compared to the corresponding cumulative period ended 31 January 2013. The reduced in loss before tax for the current quarter is mainly due to share-based compensation of approximately RM1.4 million pursuant to the SIS granted on 23 January 2013. Despite the huge share-based compensation of approximately RM1.4 million incurred in the previous corresponding cumulative period, the loss before tax for the current cumulative period has been increased due to reduced in sales mentioned above which unable to cover their fixed operating costs.

Further Analysis by Segments

Manufacturing Segment

The revenue has reduced by RM2.0 million and RM1.7 million respectively for the current quarter and cumulative period under review compared to the previous corresponding quarter and cumulative period ended 31 January 2013. The reduced in revenue is mainly from a subsidiary due to reduced in order from some big customers in Middle East and African due to their unstable market condition.

Trading Segment

The increased in sales of approximately RM1.4 million and RM2.7 million respectively for the current quarter and cumulative quarter by a foreign subsidiary has been set off against the sales from the other trading subsidiary due to decreased in trading sales of computer accessories. This contributed to the Group's trading revenue drop by approximately RM5.0 million and RM5.3 million respectively for the current quarter and cumulative period under review as compared to the corresponding quarter and cumulative period ended 31 January 2013. The increased in the foreign subsidiary sales is due to the increased in order from the existing customers.





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**PART B**

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

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

	<b>Individual Quarter</b>	
	<b>31.01.2014</b>	<b>31.10.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	9,265	11,574
Loss before tax	(1,092)	(916)

The Group recorded a loss before tax for both the current quarter and the preceding quarter due to the decrease in revenue as mentioned above. The reduced revenue is unable to cover the fixed operating overheads for the two period and hence resulted in a loss. .

**3. Current Year Prospects**

The Group being export orientated with major distributors based in the Middle East and Europe, continue to foresee a challenging outlook despite the respective political and debt crisis of the two continents is recovering. The situation in these two continents has not recovered to the expectation. The customers are buying smaller quantities to reduce their business risk.

However, steps have already been started to reduce the dependency on these two major markets by venturing into Asian countries where the market is more stable where trades rules and regulation are more matured. There is also plan to increase its products varieties to leverage the Group's market risk coupled with some diversified business to enable to Group turn profitable with sustainable growth

Management expects that the current financial year to be an extreme challenging year as the Group is continuously making its best effort to improve its current operation and identifying suitable new business to ventures.

**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 higher than statutory tax rate due to tax payable for certain profitable subsidiaries.





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**PART B**

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

**6. Status of Corporate Proposals**

On 28 November 2013, on behalf of the Board, TA Securities Holdings Berhad (“TA Securities”) has announced that the Company proposed to undertake a private placement of up to ten percent (10%) of the Company’s issued and paid up share capital to investors to be identified later (“Proposed Private Placement”).

Save for the above, there were no corporate proposals announced but not completed as at 26 March 2014, being the last practicable date from the date of the issue of this report.

**7. Utilisation Of Proceeds**

Rights Issue

On 13 September 2011, PM Securities Sdn Bhd 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.

Description	Proposed Utilisation	Actual Utilisation As At 31.01.2014	Revised time frame for utilisation of proceeds
	RM'000	RM'000	
To be utilised as follows:			
Working capital			
- Overseas expansion	6,500	689	
- Operating expenses	11,312	11,032	
- New business investment	9,500	9,500	
	27,312	21,221	12 March 2015
Capital expenditure	3,000	3,000	12 September 2013
Repayment of borrowings	2,000	2,000	12 March 2012
Estimated expenses in relation to the Proposals	600	880	26 September 2011
	32,912	27,101	

On 10 September 2013, the Company has announced that the Board of Directors has resolved and approved to extend the timeframe for the utilisation of the balance of proceeds arising from the Rights Issue of Shares with Warrants for another eighteen (18) months until 12 March 2015, in order to allow sufficient time for the Company to implement the overseas expansion.





**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. Borrowings and Debt Securities**

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

	<b>As at 31.01.2014 RM'000</b>
Secured:	
Current liabilities	
- Bankers' acceptances	3,182
- Bank overdrafts	3,531
- Term loan	66
	<hr/> 6,779
Non-current liabilities	
- Term loan	713
	<hr/> 713
Unsecured:	
Current liabilities	
- Hire purchase payable	156
	<hr/> 156
Non-current liabilities	
- Hire purchase payable	473
	<hr/> 473
Total Borrowings	<hr/> <b>8,121</b>

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 currency exposure profile of the Group's borrowings and other facilities are as follows:

	<b>As at 31.01.2014 RM'000</b>
Ringgit Malaysia	7,882
Singapore Dollar	239
Total Borrowings	<hr/> <b>8,121</b>







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

**9. Material Litigation**

Since the date of the last annual statement of financial position, there was no pending material litigation as at 26 March 2014, being the last practicable date from the date of issue of this quarterly report.

**10. Dividend**

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

**11. Loss Per Share**

	Individual Quarter		Cumulative Period	
	Current Year	Preceding Year	Current	Preceding Year
	Quarter Ended	Corresponding	year-to-date	Corresponding
	31.01.2014	Quarter Ended	Ended	Period Ended
	RM'000	31.01.2013	31.01.2014	31.01.2013
		RM'000	RM'000	RM'000
<b>(a) Basic loss per share</b>				
Net loss for the year	(1,125)	(2,165)	(2,096)	(1,992)
Weighted average number of ordinary shares in issue ('000)	160,391	148,744	154,567	148,744
Basic loss per share (sen)	(0.70)	(1.46)	(1.36)	(1.34)

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)**

**12. Notes to the Statement of Comprehensive Income**

	<b>Group</b>	
	<b>Current Year Quarter Ended 31.01.2014 RM'000</b>	<b>Current Year-to-date Ended 31.01.2014 RM'000</b>
Interest income	78	126
Other income	-	6
Interest expense	128	242
Depreciation and amortisation	449	787
Provision for and write off of receivables	N/A	N/A
Provision for and write off of inventories	N/A	N/A
Gain or loss on disposal of quoted or unquoted investments or properties	N/A	N/A
Impairment of assets	N/A	N/A
Foreign exchange gain/(loss)	15	5
Gain or loss on derivatives	N/A	N/A
Exceptional items	N/A	N/A

**13. Fair Value Changes for Financial Liabilities**

There were no gains/losses arising from fair value changes for financial liabilities for the current quarter and financial year-to-date under review.





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**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 31.01.2014 RM'000	As at 31.07.2013 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(18,975)	(19,543)
- Unrealised	(116)	(116)
	(19,091)	(19,659)
Less: Consolidation adjustments	11,888	14,552
	(7,203)	(5,107)

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  
 27 March 2014

