



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

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

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter Ended 31.10.2014 RM'000	Preceding Year Corresponding Quarter Ended 31.10.2013 RM'000	Current Year-to-date Ended 31.10.2014 RM'000	Preceding Year Corresponding Period Ended 31.10.2013 RM'000
Revenue		10,905	11,574	10,905	11,574
Cost of sales		(9,046)	(10,119)	(9,046)	(10,119)
Gross profit		1,859	1,455	1,859	1,455
Other income		157	139	157	139
Selling and distribution expenses		(252)	(282)	(252)	(282)
Administrative expenses		(1,969)	(2,070)	(1,969)	(2,070)
Other expenses		(92)	(44)	(92)	(44)
Finance costs		(69)	(114)	(69)	(114)
Loss before tax		(366)	(916)	(366)	(916)
Income tax expenses	B5	(47)	(55)	(47)	(55)
<b>Loss after taxation for the year</b>		<b>(413)</b>	<b>(971)</b>	<b>(413)</b>	<b>(971)</b>
<b>Other Comprehensive Expenses, Net of Tax:</b>					
Foreign currency translation		31	(3)	31	(3)
<b>Total Comprehensive Expenses</b>	B12	<b>(382)</b>	<b>(974)</b>	<b>(382)</b>	<b>(974)</b>
<b>Loss after taxation attributable to: Owners of the Company</b>		<b>(413)</b>	<b>(971)</b>	<b>(413)</b>	<b>(971)</b>
<b>Total Comprehensive Expenses attributable to: Owners of the Company</b>	B12	<b>(382)</b>	<b>(974)</b>	<b>(382)</b>	<b>(974)</b>
Loss per share ("LPS") (in sen)					
Basic LPS	B11	(0.25)	(0.65)	(0.25)	(0.65)
Fully Diluted LPS	B11	(0.22)	N/A	(0.22)	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 2014 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 October 2014*

	Note	As at 31.10.2014 (Unaudited) RM'000	As at 31.07.2013 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		22,227	22,132
Investment property		2,026	2,036
		<b>24,253</b>	<b>24,168</b>
<b>Current Assets</b>			
Inventories		7,035	7,132
Trade and others receivables		15,100	11,952
Current tax assets		106	102
Cash and cash equivalents		6,495	7,056
		<b>28,736</b>	<b>26,242</b>
<b>TOTAL ASSETS</b>		<b>52,989</b>	<b>50,410</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		43,620	40,187
Reserves		(1,107)	(1,102)
<b>TOTAL EQUITY</b>		<b>42,513</b>	<b>39,085</b>
<b>Non-Current Liabilities</b>			
Long-term bank borrowings	B8	1,240	1,312
Deferred tax liabilities		258	258
		<b>1,498</b>	<b>1,570</b>
<b>Current Liabilities</b>			
Trade and other payables		6,519	6,510
Short-term borrowings	B8	2,355	3,188
Tax payable		104	57
		<b>8,978</b>	<b>9,755</b>
<b>TOTAL LIABILITIES</b>		<b>10,476</b>	<b>11,325</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>52,989</b>	<b>50,410</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>		<b>0.24</b>	<b>0.24</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 2014 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 October 2014*

	<----- Non-distributable ----->					Distributable	Total Equity RM'000
	Share Capital RM'000	Warrants Reserve RM'000	Share Premium RM'000	Foreign Exchange Translation Reserve RM'000	Share Issuance Scheme Reserve RM'000	Accumulated Losses RM'000	
Balance as at 1 August 2014	40,187	4,576	4,608	(96)	864	(11,054)	39,085
Loss after taxation for the period	-	-	-	-	-	(413)	(413)
Other comprehensive expenses for the period, net of tax							
- Foreign currency translation	-	-	-	31	-	-	31
Total comprehensive expenses for the period	-	-	-	31	-	(413)	(382)
Transaction with owners of the Company:							
- Issuance of ordinary share pursuant to:							
- exercise of SIS	2,489	-	-	-	-	-	2,489
- exercise of Warrant B	944	-	377	-	-	-	1,321
Transfer of share premium for SIS exercised	-	-	864	-	(864)	-	-
Balance as at 31 October 2014	43,620	4,576	5,849	(65)	-	(11,467)	42,513

*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 2014 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 October 2014 (Cont'd)*

	<----- Non-distributable ----->					Distributable	
	Share Capital RM'000	Warrants Reserve RM'000	Share Premium RM'000	Foreign Exchange Translation Reserve RM'000	Share Issuance Scheme Reserve RM'000	Accumulated Losses RM'000	Total Equity 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	-	-	-	-	-	(971)	(971)
Other comprehensive expenses for the year, net of tax - Foreign currency translation	-	-	-	(3)	-	-	(3)
Total comprehensive expenses for the period	-	-	-	(3)	-	(971)	(974)
Transaction with owners of the Company: -Share-based compensation pursuant to SIS	-	-	-	-	187	-	187
Balance as at 31 October 2013	37,185	4,576	3,885	34	1,587	(6,078)	41,189

*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 2014 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 year ended 31 October 2014*

	<b>Current Year-to-date Ended 31.10.2014 RM'000</b>	<b>Preceding Year Corresponding Period Ended 31.10.2013 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
<b>Loss before tax</b>	<b>(366)</b>	<b>(916)</b>
Adjustments for:		
Non-cash items	464	525
Non-operating items	44	58
<i>Operating profit/(loss) before working capital changes</i>	<b>142</b>	<b>(333)</b>
Net change in current assets	(3,027)	(3,054)
Net change in current liabilities	(21)	(527)
<i>Cash used in operations</i>	<b>(2,906)</b>	<b>(3,914)</b>
Tax paid	(4)	(28)
<i>Net cash used in operating activities</i>	<b>(2,910)</b>	<b>(3,942)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(515)	(1,313)
Interest income	25	52
<i>Net cash used in investing activities</i>	<b>(490)</b>	<b>(1,261)</b>
<b>Cash Flows From Financing Activities</b>		
Repayment to directors	-	(16)
Interest paid	(69)	(111)
Proceeds from issuance of ordinary shares pursuant to:		
-SIS, net of expenses	2,489	-
-Exercised of warrants	1,321	-
Repayment of borrowings	(153)	(156)
Repayment of hire purchase payable	(51)	(38)
<i>Net cash generated from/(used in) financing activities</i>	<b>3,537</b>	<b>(321)</b>
<i>Net cash increased/(decreased) in cash and cash equivalents</i>	<b>137</b>	<b>(5,524)</b>
<i>Effects of exchange rate changes on cash and cash equivalents</i>	<b>4</b>	<b>(3)</b>
<i>Cash and cash equivalents at beginning of the financial year</i>	<b>4,281</b>	<b>13,506</b>
<i>Cash and cash equivalents at end of the financial year</i>	<b>4,422</b>	<b>7,979</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 2014 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 year ended 31 October 2014 (Cont'd)*

	<b>Current Year-to-date Ended 31.10.2014 RM'000</b>	<b>Preceding Year Corresponding Period Ended 31.10.2013 RM'000</b>
<b>Analysis of cash and cash equivalents:</b>		
Cash and bank balances	6,495	11,462
Bank overdrafts	(2,073)	(3,483)
	<b>4,422</b>	<b>7,979</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 2014 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 THREE MONTHS ENDED 31 OCTOBER 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 2014.

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 July 2014, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations with effect from 1 August 2014.

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)**

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of the above accounting standards and interpretations (including consequential amendments, if any) 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 2014 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 1 October 2014, there are allotments of a total of 9,956,600 new ordinary shares of RM0.25 each at an exercise price of RM0.25 each per share for cash pursuant to the Company's SIS.

On 13 October 2014, 16 October 2014, 21 October 2014, 24 October 2014 and 29 October 2014, there are allotments of a total of 3,774,000 new ordinary shares of RM0.25 each at an exercise price of RM0.35 each per share for cash pursuant to the conversion of Warrant B by warrant holders of the Company.

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.







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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 October 2014: -

<b>31 OCTOBER 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>
<b>External Sales</b>	3,433	8,177	-	(705)	10,905
<b>Segment Results (EBITDA)</b>	360	63	(275)	19	167
<b>Finance Cost</b>	(8)	(7)	(54)	-	(69)
<b>Depreciation and Amortisation</b>	(374)	(80)	(10)	-	(464)
<b>Consolidated Loss Before Tax</b>					<b>(366)</b>
<b>ASSETS</b>					
<i>Segment Assets</i>	30,614	16,137	51,475	(45,343)	52,883
<b>LIABILITIES</b>					
<i>Segment Liabilities</i>	15,151	16,933	1,865	(23,731)	10,218
<b>OTHER INFORMATION</b>					
<i>Capital Expenditure</i>	-	263	254	-	517
<i>Depreciation and Amortisation</i>	374	80	10	-	464
<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 OCTOBER 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	6,608	5,743	-	(777)	11,574
Segment Results (EBITDA)	(32)	(233)	(205)	5	(465)
Finance Cost	(107)	(3)	(3)	-	(113)
Depreciation and Amortisation	(292)	(46)	-	-	(338)
<b>Consolidated Loss Before Tax</b>					<b>(916)</b>
<b>ASSETS</b>					
<i>Segment Assets</i>	39,713	16,276	43,386	(43,472)	55,903
<b>LIABILITIES</b>					
<i>Segment Liabilities</i>	25,153	17,626	856	(29,007)	14,628
<b>OTHER INFORMATION</b>					
<i>Capital Expenditure</i>	26	46	2,067	-	2,139
<i>Depreciation and Amortisation</i>	292	46	-	-	338
<i>Other Non Cash Expenses</i>	105	82	-	-	187

**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 OCTOBER 2014 RM'000</b>	<b>31 OCTOBER 2013 RM'000</b>	<b>31 OCTOBER 2014 RM'000</b>	<b>31 OCTOBER 2013 RM'000</b>	<b>31 OCTOBER 2014 RM'000</b>	<b>31 OCTOBER 2013 RM'000</b>
Malaysia	4,904	7,032	43,195	51,526	263	2,095
Other Asian Countries	5,347	4,181	9,688	4,377	254	44
European Countries	-	-	-	-	-	-
African Countries	431	291	-	-	-	-
Others	223	70	-	-	-	-
<b>Total</b>	<b>10,905</b>	<b>11,574</b>	<b>52,883</b>	<b>55,903</b>	<b>517</b>	<b>2,139</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**

Save from the following, there were no material events subsequent to the end of the current quarter as at 15 December 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;-

- (a) on 4 November 2014, 10 November 2014, 18 November 2014, 24 November 2014 and 10 December 2014, there are allotment of a total of 5,425,300 new ordinary shares of RM0.25 each at an exercise price of RM0.35 each per share for cash pursuant to the conversion of Warrant B by warrant holders of the Company;
- (b) Takaso Industries Pte Ltd has on 4 November 2014 subscribed for 510,000 ordinary shares of US Dollar ("USD") 1.00, representing 51% of the total issued and paid-up capital of Takaso Indonesia Global Manufacturing ("TIGM") for a total consideration of USD510,000 which equivalent to RM1,695,750. TIGM issued and paid-up capital are USD1,000,000. TIGM is presently dormant and is intended for the manufacturing, marketing and trading of rubber and plastic products especially baby products;
- (c) on 24 November 2014, the Company acquired 2 ordinary shares, representing 100% of the total issued and paid up share capital of Takaso Land Sdn. Bhd. ("TLSB"), a company incorporated in Malaysia which currently dormant and the intended principal activities are investment in properties, construction of residential and commercial properties and property development for a total cash consideration of RM2.00. Consequently, TLSB became a wholly-owned subsidiary of the Company;
- (d) on 3 December 2014, on behalf of the Board, TA Securities has announced that the Board has fixed the issue price for the placement of 17,900,000 new TRB shares to be issued under the Proposed Private Placement at RM0.514 per placement share. On 9 December 2014, the Proposed Private Placement has been completed following the listing of and quotation for 17,900,000 new TRB shares on the Main Market of Bursa Securities.

**11. Changes in the Composition of the Group**

There were no other changes in the composition of the Group in the current period under review.





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

**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 15 December 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 31.10.2014 RM'000</b>	<b>As at 31.10.2013 RM'000</b>
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to a subsidiary	2,073	6,955
- to a supplier for purchases made by a subsidiary	143	478

There were no contingent assets since the last annual balance sheet as at 31 July 2014.

**13. Capital Commitments**

The Group has no capital commitments in the 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**

	<b>Group</b>	
	<b>Current</b>	<b>Preceding</b>
	<b>Year-to-</b>	<b>Year</b>
	<b>date</b>	<b>Corresponding</b>
	<b>Ended</b>	<b>Period Ended</b>
	<b>31.10.2014</b>	<b>31.10.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Inter Company Transactions</u></b>		
<b>Sales by Takaso Rubber Products Sdn Bhd to:-</b>		
Takaso Marketing Sdn Bhd	695	755
Japlo Healthcare Sdn Bhd	4	5
<b>Sales by Takaso Marketing Sdn Bhd to:-</b>		
Takaso Rubber Products Sdn Bhd	-	1
Japlo Healthcare Sdn Bhd	6	10
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	16	16
Purchases from a company in which a director has a substantial financial interest	106	193

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

	Individual Quarter		Cumulative Period	
	31.10.2014 RM'000	31.10.2013 RM'000	31.10.2014 RM'000	31.10.2013 RM'000
Revenue	10,905	11,574	10,905	11,574
Loss before tax	(366)	(916)	(366)	(916)

For the current quarter and cumulative period under review, the Group's revenue and loss before tax registered a reduction of 5.78% and 60.04% respectively compared with the corresponding quarter and cumulative period ended 31 October 2013. The decreased in revenue for the current quarter is mainly due to slow down in the recycling cathode ray tube ("CRT") glass business as compared to the corresponding quarter ended 31 October 2013.

The reduction in loss before taxation for the current quarter and cumulative period under review is mainly due to improved sales from a manufacturing subsidiary. Contributing factor also include share-based compensation cost of RM187,000 for options under Share Issuance Scheme granted on 24 October 2013 which has affected the results of the corresponding quarter and cumulative period ended 31 October 2013.

Further Analysis by Segments

Manufacturing Segment

The revenue has reduced by approximately RM3.1 million the current quarter and cumulative period under review compared to the previous corresponding quarter and cumulative period ended 31 October 2013. The reduced in revenue is mainly due to slow down in the recycling CRT glass.

Trading Segment

For the current quarter and cumulative period under review, the Group's trading revenue increased by approximately RM2.4 million compared to the corresponding quarter and cumulative period ended 31 October 2013. The increase in revenue is mainly due to the increase in trading sales of computer accessories and industrial cable support system and electrical and mechanical products.





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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>31.10.2014</b>	<b>31.07.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	10,905	7,944
Loss before tax	(366)	(2,897)

The Group's loss before tax for the current quarter has reduced significantly compared to the preceding quarter due to one-off expenses of impairment of plant and equipment and goodwill of approximately RM1.0 million and RM0.4 million respectively incurred in the preceding quarter. Improved sales from a manufacturing subsidiary are also a contributing factor for the improved results for the current quarter.

**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**

There were no corporate proposals announced but not completed as at the date 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 31.10.2014	Revised time frame for utilisation of proceeds
	RM'000	RM'000	
To be utilised as follows:			
Working capital			
- Overseas expansion	6,500	3,227	
- Operating expenses	11,312	11,032	
- New business investment	9,500	9,500	
	27,312	23,759	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	29,639	

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.







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

**7. Utilisation Of Proceeds (Cont'd)**

Private Placement

The Proposed Private Placement has been completed on 9 December 2014 following the listing of and quotation for 17,900,000 new TRB shares on the Main Market of Bursa Securities.

Description	Proposed Utilisation	Actual Utilisation As At 31.10.2014	Expected time frame for utilisation of proceeds from the date of listing of the placement shares
	RM'000	RM'000	
To be utilised as follows:			
Partial repayment of bank borrowings	9,115	-	Within 6 months
Estimated expenses in relation to the Proposed Private Placement	85	-	Within 1 month
	9,200	-	





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**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 31.10.2014 RM'000</b>
Secured:	
Current liabilities	
- Bankers' acceptances	-
- Bank overdrafts	2,073
- Term loan	71
	<hr/> 2,144 <hr/>
Non-current liabilities	
- Term loan	659
	<hr/> 659 <hr/>
Unsecured:	
Current liabilities	
- Hire purchase payable	211
	<hr/> 211 <hr/>
Non-current liabilities	
- Hire purchase payable	581
	<hr/> 581 <hr/>
<b>Total Borrowings</b>	<hr/> <b>3,595</b> <hr/>

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 31.10.2014 RM'000</b>
Ringgit Malaysia	3,114
Singapore Dollar	481
<b>Total Borrowings</b>	<hr/> <b>3,595</b> <hr/>





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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 15 December 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
	31.10.2014	Quarter Ended	Ended	Period Ended
	RM'000	31.10.2013	31.10.2014	31.10.2013
		RM'000	RM'000	RM'000
<b>(a) Basic loss per share</b>				
Net loss for the year	(413)	(971)	(413)	(971)
Weighted average number of ordinary shares in issue ('000)	164,559	148,744	164,559	148,744
Basic loss per share (sen)	(0.25)	(0.65)	(0.25)	(0.65)
<b>(b) Fully diluted loss per share</b>				
Net loss for the year	(413)	-	(413)	-
Weighted average number of ordinary shares in issue ('000)	164,559	-	164,559	-
Effects of dilution:				
Warrants ('000)	27,208	-	27,208	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	191,767	-	191,767	-
Fully diluted loss per share (sen)	(0.22)	N/A	(0.22)	N/A

The fully diluted earnings per share for the preceding year corresponding quarter ended 31 October 2013 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 31.10.2014 RM'000</b>	<b>Current Year-to-date Ended 31.10.2014 RM'000</b>
Interest income	25	25
Other income	105	105
Interest expense	69	69
Depreciation and amortisation	464	464
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)	27	27
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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**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 31.10.2014 RM'000	As at 31.07.2014 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(26,473)	(26,092)
- Unrealised	(258)	(260)
	(26,731)	(26,352)
Less: Consolidation adjustments	15,264	15,298
	(11,467)	(11,054)

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  
 16 December 2014

