



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

*Condensed Consolidated Statement of Comprehensive Income (Unaudited)*  
*For the quarter ended 31 July 2015*

		<b>Individual Quarter</b>		<b>Cumulative Period</b>	
		<b>Current Year</b>	<b>Preceding Year</b>	<b>Current</b>	<b>Preceding Year</b>
		<b>Quarter</b>	<b>Corresponding</b>	<b>Year-to-date</b>	<b>Corresponding</b>
		<b>Ended</b>	<b>Quarter Ended</b>	<b>Ended</b>	<b>Period Ended</b>
		<b>31.07.2015</b>	<b>31.07.2014</b>	<b>31.07.2015</b>	<b>31.07.2014</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue		6,351	7,944	36,763	37,562
Cost of sales		(5,271)	(6,834)	(31,084)	(31,959)
Gross profit		1,080	1,110	5,679	5,603
Other income		55	198	758	810
Selling and distribution expenses		(231)	(294)	(1,082)	(1,099)
Administrative expenses		(2,006)	(2,253)	(8,969)	(8,794)
Other expenses		(3,776)	(1,563)	(4,079)	(1,808)
Finance costs		(77)	(95)	(267)	(447)
Loss before tax		(4,955)	(2,897)	(7,960)	(5,735)
Income tax expenses	B5	72	(114)	(32)	(212)
<b>Loss after taxation for the year</b>		<b>(4,883)</b>	<b>(3,011)</b>	<b>(7,992)</b>	<b>(5,947)</b>
<b>Other Comprehensive Expenses, Net of Tax:</b>					
Foreign currency translation		55	(124)	344	(133)
<b>Total Comprehensive Expenses</b>	B12	<b>(4,828)</b>	<b>(3,135)</b>	<b>(7,648)</b>	<b>(6,080)</b>

*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)  
(Incorporated in Malaysia)

*Condensed Consolidated Statement of Comprehensive Income (Unaudited)*  
*For the quarter ended 31 July 2015(Cont'd)*

		<b>Individual Quarter</b>		<b>Cumulative Period</b>	
		<b>Current Year</b>	<b>Preceding Year</b>	<b>Current</b>	<b>Preceding Year</b>
		<b>Quarter</b>	<b>Corresponding</b>	<b>Year-to-date</b>	<b>Corresponding</b>
		<b>Ended</b>	<b>Quarter Ended</b>	<b>Ended</b>	<b>Period Ended</b>
		<b>31.07.2015</b>	<b>31.07.2014</b>	<b>31.07.2015</b>	<b>31.07.2014</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Loss after taxation attributable to:</b>					
Owners of the Company		(4,882)	(3,011)	(7,991)	(5,947)
Non-Controlling Interests		(1)	-	(1)	-
		<hr/>	<hr/>	<hr/>	<hr/>
		(4,883)	(3,011)	(7,992)	(5,947)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Comprehensive Expenses attributable to:</b>					
Owners of the Company	B12	(4,827)	(3,135)	(7,647)	(6,080)
Non-Controlling Interests		(1)	-	(1)	-
		<hr/>	<hr/>	<hr/>	<hr/>
		(4,828)	(3,135)	(7,648)	(6,080)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Loss per share ("LPS")</b>					
<b>(in sen)</b>					
Basic LPS	B11	(2.39)	(1.87)	(4.20)	(3.77)
		<hr/>	<hr/>	<hr/>	<hr/>
Fully Diluted LPS	B11	N/A	N/A	N/A	N/A
		<hr/>	<hr/>	<hr/>	<hr/>

*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 July 2015*

	Note	As at 31.07.2015 (Unaudited) RM'000	As at 31.07.2014 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		22,862	22,132
Investment property		1,995	2,036
		<b>24,857</b>	<b>24,168</b>
<b>Current Assets</b>			
Property development cost		2,032	-
Inventories		5,580	7,132
Trade and others receivables		21,949	11,952
Current tax assets		30	102
Cash and cash equivalents		4,938	7,056
		<b>34,529</b>	<b>26,242</b>
<b>TOTAL ASSETS</b>		<b>59,386</b>	<b>50,410</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		51,075	40,187
Reserves		(2,553)	(1,102)
Shareholders' funds		48,522	39,085
Non-controlling interests		(1)	-
<b>TOTAL EQUITY</b>		<b>48,521</b>	<b>39,085</b>
<b>Non-Current Liabilities</b>			
Long-term bank borrowings	B8	1,128	1,312
Deferred tax liabilities		258	258
		<b>1,386</b>	<b>1,570</b>
<b>Current Liabilities</b>			
Trade and other payables		7,384	6,510
Short-term borrowings	B8	2,054	3,188
Tax payable		41	57
		<b>9,479</b>	<b>9,755</b>
<b>TOTAL LIABILITIES</b>		<b>10,865</b>	<b>11,325</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>59,386</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 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**  
(Company No: 440503-K)  
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*Condensed Consolidated Statement of Changes in Equity*  
*For the year ended 31 July 2015*

	<----- -Attributable to owners of the company - ----->								
	<----- -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 RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 August 2014	40,187	4,576	4,608	(96)	864	(11,054)	39,085	-	39,085
Loss after taxation for the year	-	-	-	-	-	(7,991)	(7,991)	(1)	(7,992)
Other comprehensive expenses for the year, net of tax									
- Foreign currency translation	-	-	-	344	-	-	344	-	344
Total comprehensive expenses for the year	-	-	-	344	-	(7,991)	(7,647)	(1)	(7,648)
Transaction with owners of the company:									
Issuance of ordinary share pursuant to:									
- exercise of SIS	2,489	-	-	-	-	-	2,489	-	2,489
- exercise of Warrant B	3,924	(1,273)	2,842	-	-	-	5,493	-	5,493
- private placement	4,475	-	4,627	-	-	-	9,102	-	9,102
Transfer of share premium for SIS exercised	-	-	864	-	(864)	-	-	-	-
Balance as at 31 July 2015	51,075	3,303	12,941	248	-	(19,045)	48,522	(1)	48,521

*The Condensed Consolidated Statement of Statement of Chaanges 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 July 2015 (Cont'd)*

	<-----Attributable to owners of the company----->								
	<-----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 RM'000	Non- Controlling Interests 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	-	41,976
Loss after taxation for the year	-	-	-	-	-	(5,947)	(5,947)	-	(5,947)
Other comprehensive expenses for the year, net of tax									
- Foreign currency translation	-	-	-	(133)	-	-	(133)	-	(133)
Total comprehensive expenses for the year	-	-	-	(133)	-	(5,947)	(6,080)	-	(6,080)
Transaction with owners of the Company:									
- Share-based compensation pursuant to SIS	-	-	-	-	187	-	187	-	187
- Issuance of ordinary share pursuant to exercise of SIS	3,002	-	-	-	-	-	3,002	-	3,002
Transfer of share premium for SIS exercised	-	-	723	-	(723)	-	-	-	-
Balance as at 31 July 2014	40,187	4,576	4,608	(96)	864	(11,054)	39,085	-	39,085

*The Condensed Consolidated Statement of 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 July 2015*

	<b>Current Year-to-date Ended 31.07.2015 RM'000</b>	<b>Preceding Year Corresponding Period Ended 31.07.2014 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
<b>Loss before tax</b>	<b>(7,960)</b>	<b>(5,735)</b>
Adjustments for:		
Non-cash items	5,285	3,474
Non-operating items	194	196
<i>Operating loss before working capital changes</i>	<b>(2,481)</b>	<b>(2,065)</b>
Net change in current assets	(10,641)	(1,088)
Net change in current liabilities	427	(446)
<i>Cash used in operations</i>	<b>(12,695)</b>	<b>(3,599)</b>
Tax refund	73	4
Tax paid	(53)	(135)
<i>Net cash used in operating activities</i>	<b>(12,675)</b>	<b>(3,730)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of investment property	-	(1,267)
Purchase of property, plant and equipment	(5,205)	(3,569)
Proceeds from disposal of equipment	446	8
Interest income	73	229
<i>Net cash used in investing activities</i>	<b>(4,686)</b>	<b>(4,599)</b>
<b>Cash Flows From Financing Activities</b>		
Interest paid	(267)	(447)
Proceeds from issuance of ordinary shares pursuant to:		
- SIS, net of expenses	2,489	3,001
- exercised of warrants	5,493	-
- private placement, net of expenses	9,102	-
Repayment to directors	(196)	142
Repayment of borrowings	(201)	(3,429)
Repayment of hire purchase payable	(224)	(162)
<i>Net cash generated from/(used in) financing activities</i>	<b>16,196</b>	<b>(895)</b>
<i>Net cash decrease in cash and cash equivalents</i>	<b>(1,165)</b>	<b>(9,224)</b>
<i>Effects of exchange rate changes on cash and cash equivalents</i>	<b>70</b>	<b>(2)</b>
<i>Cash and cash equivalents at beginning of the financial year</i>	<b>4,281</b>	<b>13,507</b>
<i>Cash and cash equivalents at end of the financial year</i>	<b>3,186</b>	<b>4,281</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 July 2015 (Cont'd)*

	<b>Current Year-to-date Ended 31. 07.2015 RM'000</b>	<b>Preceding Year Corresponding Period Ended 31.07.2014 RM'000</b>
<b>Analysis of cash and cash equivalents:</b>		
Cash and bank balances	<b>4,938</b>	<b>7,056</b>
Bank overdrafts	<b>(1,752)</b>	<b>(2,775)</b>
	<b>3,186</b>	<b>4,281</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 TWELVE MONTHS  
ENDED 31 JULY 2015**

**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.

**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.



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

**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, 29 October 2014, 4 November 2014, 10 November 2014, 18 November 2014, 24 November 2014, 10 December 2014, 17 December 2014, 29 December 2014, 8 January 2015, 29 January 2015, 5 February 2015, 6 February 2015, 10 February 2015, 12 February 2015, 16 February 2015, 20 April 2015 and 30 April 2015, there are allotments of a total of 15,697,400 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.

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.

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 July 2015: -

<b>31 July 2015</b>	<b>Manufacturing RM'000</b>	<b>Trading RM'000</b>	<b>Construction RM'000</b>	<b>Property Development RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidation RM'000</b>
External Sales	2,597	4,652	-	-	-	(898)	6,351
Segment Results (EBITDA)	(5,861)	(891)	(187)	(7)	(6,030)	8,590	(4,386)
Finance Cost	(43)	(22)	-	-	(12)	-	(77)
Depreciation and Amortisation	(358)	(106)	-	-	(28)	-	(492)
<b>Consolidated Loss Before Tax</b>							<b>(4,955)</b>
<b>ASSETS</b>							
Segment Assets	24,590	9,038	1,020	7,035	63,546	(45,873)	59,356
<b>LIABILITIES</b>							
Segment Liabilities	15,893	11,499	1,362	7,042	7,700	(32,930)	10,566
<b>OTHER INFORMATION</b>							
Capital Expenditure	18	1	1	-	1,309	-	1,329
Depreciation and Amortisation	358	106	-	-	28	-	492
Other Non Cash Expenses	2,883	661			-	-	3,544



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

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

<b>31 July 2014</b>	<b>Manufacturing RM'000</b>	<b>Trading RM'000</b>	<b>Construction RM'000</b>	<b>Property Development RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidation RM'000</b>
External Sales	2,236	6,495	-	-	-	(787)	7,944
Segment Results (EBITDA)	(1,611)	(20)	-	-	(257)	(447)	(2,335)
Finance Cost	(79)	(7)	-	-	(9)	-	(95)
Depreciation and Amortisation	(381)	(75)	-	-	(11)	-	(467)
<b>Consolidated Loss Before Tax</b>							<b>(2,897)</b>
<b>ASSETS</b>							
Segment Assets	38,727	15,847	-	-	45,602	(49,868)	50,308
<b>LIABILITIES</b>							
Segment Liabilities	18,396	16,365	-	-	811	(24,505)	11,067
<b>OTHER INFORMATION</b>							
Capital Expenditure	2,572	100	-	-	-	-	2,672
Depreciation and Amortisation	381	75	-	-	11	-	467
Other Non Cash Expenses	1,000	144	-	-	-	407	1,551

**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 JULY 2015 RM'000</b>	<b>31 July 2014 RM'000</b>	<b>31 JULY 2015 RM'000</b>	<b>31 JULY 2014 RM'000</b>	<b>31 JULY 2015 RM'000</b>	<b>30 JULY 2014 RM'000</b>
Malaysia	1,781	3,268	44,177	41,608	355	81
Other Asian Countries	4,355	4,516	15,179	8,700	974	2,591
European Countries	-	26	-	-	-	-
African Countries	21	67	-	-	-	-
Others	194	67	-	-	-	-
<b>Total</b>	<b>6,351</b>	<b>7,944</b>	<b>59,356</b>	<b>50,308</b>	<b>1,329</b>	<b>2,672</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 from the following, there were no material events subsequent to the end of the current quarter as at 23 September 2015, 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 11 August 2015, 18 August 2015, 25 August 2015 and 14 September 2015, there are allotment of a total of 1,323,000 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;
- (b) On 13 August 2015, Tristar City Sdn Bhd, a wholly-owned subsidiary of TRB had entered into a conditional Sale and Purchase Agreement with Mega Irama Enigma Sdn Bhd, to acquire a piece of leasehold land held under Pajakan Negeri No. Hakmilik 2176, Lot No.475, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka for a purchase consideration of RM9,316,165; and
- (c) On 11 September 2015, TRB had entered into a Share Sale Agreement with Mr Cheah Kim Tee and Puan Norhalimah Binti Rahim to dispose its 100% equity stake in capital of the wholly-owned subsidiary, Benchmark Vista Sdn Bhd (“BVSB”), representing 1,000,000 ordinary shares of RM1.00 each for a cash consideration of RM655,000. Upon the completion of this disposal, BVSB shall cease to be a subsidiary of TRB.

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

Save from the following, there were no other changes in the composition of the group in the current period under review:

- (a) On 6 May 2015, the Company acquired 70 ordinary shares, representing 70% of the total issued and paid up share capital of Takaso Development (Kuantan) Sdn. Bhd. (“TDKSB”), a company incorporated in Malaysia which currently dormant and the intended principal activities are construction of residential and commercial properties and property development for a total cash consideration of RM70.00. Consequently, TDKSB became a 70% owned subsidiary of the Company; and
- (b) On 21 July 2015, the Company acquired 2 ordinary shares of RM1.00 each, representing 100% of the total issued and paid up share capital of Tristar City Sdn Bhd (“TCSB”) for a cash consideration of RM2.00, a company incorporated in Malaysia which currently dormant and the intended principal activities are property development, property investment and general trading. Consequently, TCSB became a 100% owned subsidiary of the Company.



**TAKASO RESOURCES BERHAD**  
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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 23 September 2015, 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>31.07.2015</b>	<b>31.07.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees extended:		
- to financial institutions for credit facilities granted		
to a subsidiary	1,752	3,022
- to a supplier for purchases made by a subsidiary	-	97

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

**13. Capital Commitments**

Save from the following, there were no capital commitments in the current quarter under review:

	<b>As at</b>
	<b>31.07.2015</b>
	<b>RM'000</b>
Contracted but not provided for:	
Acquisition of company	2,000
	2,000



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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-date</b>	<b>Year</b>
	<b>Ended</b>	<b>Corresponding</b>
	<b>31.07.2015</b>	<b>Period Ended</b>
	<b>RM'000</b>	<b>31.07.2014</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	2,704	2,955
Japlo Healthcare Sdn Bhd	6	9
<b>Sales by Takaso Marketing Sdn Bhd to:-</b>		
Takaso Rubber Products Sdn Bhd	35	4
Japlo Healthcare Sdn Bhd	25	32
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	62	65
Purchases from a company in which a director has a substantial financial interest	930	1,340

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**

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>31.07.2015</b>	<b>31.07.2014</b>	<b>31.07.2015</b>	<b>31.07.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	6,351	7,944	36,763	37,562
Loss before tax	(4,955)	(2,897)	(7,960)	(5,735)

Revenue analysis

For the current quarter and cumulative period under review, the Group's revenue decreased by 20.05% and 2.13% respectively compared to the corresponding quarter and cumulative period ended 31 July 2014.

The decrease in the Group's revenue for the current quarter are mainly due to the slow down in computer accessories business compared to the corresponding quarter ended 31 July 2014.

For the cumulative period under review, the decreased in the Group's revenue were mainly due to slow down in CRT glass business and trading in consumable products as compared to corresponding cumulative period ended 31 July 2014, despite improvement in revenue achieved by electrical & mechanical products and computer accessories.

Loss before tax analysis

The Group's loss before tax for the current quarter and cumulative period under review has increased by 71.04% and 38.80% respectively compared to corresponding quarter and cumulative period ended 31 July 2014.

The increase was mainly due to additional impairment loss on plant and machinery of RM1.5 million and impairment loss on receivables of RM0.82 million during the current quarter and cumulative period under review compared with the corresponding quarter and cumulative period ended 31 July 2014.



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

**1. Detailed Analysis of the Performance of all Operating Segments (Cont'd)**

Further Analysis by Segments

Manufacturing Segment

The revenue has increased by approximately RM0.28 million in the current quarter and reduced by RM3.68 million in cumulative period under review compared to the previous corresponding quarter and cumulative period ended 31 July 2014. The reduce in revenue for cumulative period is mainly due to slow down in the recycling CRT glass business.

Trading Segment

The revenue has decreased by approximately RM1.87 million in the current quarter and increased by RM2.88 million respectively for the current quarter and cumulative period under review compared to the previous corresponding quarter and cumulative period ended 31 July 2014.

The reduce in revenue for the current quarter were mainly due to the decrease in trading sales of computer accessories whilst the improvement in revenue for the cumulative period were mainly due to increase in sale of computer accessories and additional product range in electrical & mechanical business.

**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>31.07.2015</b>	<b>30.04.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	6,351	11,896
Loss before tax	(4,955)	(1,903)

The Group's recorded a higher loss before tax for the current quarter compared to the preceding quarter. The increased loss before tax of approximately RM3.05 million is mainly due to the impairment loss on plant and machinery and receivables of RM2.52 million and RM0.82 million, respectively.



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

**3. Current Year Prospects**

The Group has been facing challenges in its core business of manufacturing and marketing of condoms and baby products, in view of rising raw material prices and operational costs for the past few years. Taking cognisance of this, the Group has made efforts to improve our financial performance and position which include, among others, the Group's acceptance of a construction contract which led to our Group's diversification of business to include the construction business. At the same time of maintaining on the existing business undertakings, the Group has also expanded its initial foray in the construction business to include the property development business as well.

The following are the plans to be undertaken by the Group to strengthen our financial performance and position in the medium and long term, the Group

- (a) had entered into a conditional joint venture agreement to undertake a proposed mixed development project in Kuantan;
- (b) had accepted a conditional Letter of Offer with the intention to acquire 51% equity interest in company to undertake a proposed residential or mixed development project at Jalan Yap Kwan Seng, Kuala Lumpur; and
- (c) had entered into a conditional Sale and Purchase Agreement to acquire the Melaka Land to be developed into a mixed development project.

Notwithstanding the secured construction works and those announced proposal in relate to development projects, the Group is also making efforts to source and negotiate for new opportunities for the future construction and property development business.

With those efforts undertaken by the Group, our management is of the opinion that the prospects of the Group are expected to be positive in the future.

**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 statutory tax rate due to tax payable is only applicable for certain profitable subsidiaries.



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

**6. Status of Corporate Proposals**

Save from the following, there were no corporate proposals announced but not completed as at 23 September 2015, being the last practicable date from the date of the issue of this report.

- (a) Takaso Development (Kuantan) Sdn Bhd had on 1 June 2015 entered into a joint venture agreement with SSPP Development Sdn Bhd to undertake a proposed mixed development project in Kuantan;
- (b) TRB had on 30 July 2015 accepted a conditional Letter of Offer issued by Makok Intl Sdn Bhd ("MISB") with the intention to acquire 51% equity interest in Masbe Coffee Sdn Bhd from MISB at an offer price of RM5.00 million;
- (c) Tristar City Sdn Bhd had on 13 August 2015 entered into the conditional Sale and Purchase Agreement with Mega Irama Enigma Sdn Bhd to acquire a Melaka Land for a cash consideration of RM9,316,165. The Melaka Land is expected to be developed into a mixed development project;

The Board of Directors of TRB had on 21 August 2015 announced that the Company is proposing to change its name from "Takaso Resources Berhad" to "O&C Resources Berhad" ("Proposed Change of Name"). A notice has been circulated to TRB's shareholders on 4 September 2015 in respect of the Proposed Change of Name and to seek for shareholders' approval at the Extraordinary General Meetings to be convened on 28 September 2015.

- (d) On 19 August 2015, the Group has announced to propose undertake the following:
  - Proposed renounceable rights issue of up to 735,074,052 new irredeemable convertible preference share of RM0.05 each in TRB ("ICPS") on the basis of three (3) ICPS for every one (1) existing ordinary share of RM0.25 each in TRB ("TRB share") held, together with up to 73,507,405 free detachable warrants ("Warrants") on the basis of one (1) Warrants for every ten (10) ICPS subscribed at an entitlement date to be determined later;
  - Proposed diversification of the business of TRB and its subsidiaries to include property development business;
  - Proposed increase in the authorized share capital of TRB from RM100,000,000 comprising 400,000,000 TRB shares to RM500,000,000 comprising 1,600,000,000 TRB shares and 2,000,000,000 ICPS; and
  - Proposed amendments to the Memorandum and Articles of Association of TRB to facilitate the issuance of the ICPS pursuant to the Proposed Rights Issue of ICPS with Warrants and the Proposed Increase in Authorised Share Capital.

The listing application has been submitted to Bursa Securities on 7 September 2015.

- (e) On 11 September 2015, TRB had entered into a Share Sale Agreement with Mr Cheah Kim Tee and Puan Norhalimah Binti Rahim to dispose its 100% equity stake in capital of the wholly-owned subsidiary, Benchmark Vista Sdn Bhd, representing 1,000,000 ordinary shares of RM1.00 each for a cash consideration of RM655,000.



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

**7. Utilisation Of Proceeds**

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	Revised Proposed Utilisation ^	Actual Utilisation As At 31.07.2015	Revised 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	6,242	6,228	8 June 2015
Estimated expenses in relation to the Proposed Private Placement	85	99*	8 January 2015
Property development project	2,873	2,873	4 September 2015
	9,200	9,200	

Notes:

^ On 5 June 2015, the Board of the Company has resolved to re-allocate approximately RM2.87 million from its initial proposed utilisation for partial repayment of bank borrowings to fund for the Joint Venture Agreement's capital commitment for Takaso Development (Kuantan) Sdn. Bhd. ("TDKSB") within 3 months in order to reduce its reliance on bank borrowings.

□ The additional of estimated expenses in relation to the Private Placement of RM14,000 to be set-off against the partial repayment of bank borrowings.

The proceeds had been fully utilised in the current quarter under review.



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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 31.07.2015 RM'000</b>
Secured:	
Current liabilities	
- Bank overdrafts	1,752
- Term loan	68
	<hr/> 1,820
Non-current liabilities	
- Term loan	614
	<hr/> 614
Unsecured:	
Current liabilities	
- Hire purchase payable	234
	<hr/> 234
Non-current liabilities	
- Hire purchase payable	514
	<hr/> 514
Total Borrowings	<hr/> <b>3,182</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 31.07.2015 RM'000</b>
Ringgit Malaysia	2,660
Singapore Dollar	442
Thai Baht	80
Total Borrowings	<hr/> <b>3,182</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 23 September 2015, 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**

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current</b>	<b>Preceding Year</b>
	<b>Quarter Ended</b>	<b>Corresponding</b>	<b>year-to-date</b>	<b>Corresponding</b>
	<b>31.07.2015</b>	<b>Quarter Ended</b>	<b>Ended</b>	<b>Period Ended</b>
	<b>RM'000</b>	<b>31.07.2014</b>	<b>31.07.2015</b>	<b>31.07.2014</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(a) Basic loss per share</b>				
Net loss for the year	(4,882)	(3,011)	(7,991)	(5,947)
Weighted average number of ordinary shares in issue ('000)	204,302	160,748	190,447	157,623
Basic loss per share (sen)	(2.39)	(1.87)	(4.20)	(3.77)

The fully diluted loss per share is not disclosed as the effects on the assumed exercised of the share options under warrants and SIS are 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</b>	<b>Current</b>
	<b>Quarter Ended</b>	<b>Year-to-date</b>
	<b>31.07.2015</b>	<b>31.07.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income	14	73
Other income	41	685
Interest expense	77	267
Depreciation and amortisation	492	1,891
Provision for and write off of receivables	819	819
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	2,525	2,525
Foreign exchange loss/(gain)	(12)	(82)
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 31.07.2015 RM'000	As at 31.07.2014 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(42,829)	(26,092)
- Unrealised	(151)	(260)
	(42,980)	(26,352)
Less: Consolidation adjustments	23,935	15,298
	(19,045)	(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

Ong Kah Hoe  
Executive Director  
28 September 2015