



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

*Condensed Consolidated Statement of Comprehensive Income (Unaudited)*  
*For the quarter ended 30 April 2015*

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter Ended 30.04.2015 RM'000	Preceding Year Corresponding Quarter Ended 30.04.2014 RM'000	Current Year-to-date Ended 30.04.2015 RM'000	Preceding Year Corresponding Period Ended 30.04.2014 RM'000
Revenue		11,896	8,779	30,412	29,618
Cost of sales		(10,787)	(7,180)	(25,813)	(25,125)
Gross profit		1,109	1,599	4,599	4,493
Other income		39	248	703	612
Selling and distribution expenses		(385)	(251)	(851)	(805)
Administrative expenses		(2,501)	(2,197)	(6,963)	(6,541)
Other expenses		(105)	(119)	(303)	(245)
Finance costs		(60)	(110)	(190)	(352)
Loss before tax		(1,903)	(830)	(3,005)	(2,838)
Income tax expenses	B5	(6)	(10)	(104)	(98)
<b>Loss after taxation for the period</b>		<b>(1,909)</b>	<b>(840)</b>	<b>(3,109)</b>	<b>(2,936)</b>
<b>Other Comprehensive Expenses, Net of Tax:</b>					
Foreign currency translation		(22)	(12)	289	(9)
<b>Total Comprehensive Expenses</b>	B12	<b>(1,931)</b>	<b>(852)</b>	<b>(2,820)</b>	<b>(2,945)</b>
<b>Loss after taxation attributable to: Owners of the Company</b>		<b>(1,909)</b>	<b>(840)</b>	<b>(3,109)</b>	<b>(2,936)</b>
<b>Total Comprehensive Expenses attributable to: Owners of the Company</b>	B12	<b>(1,931)</b>	<b>(852)</b>	<b>(2,820)</b>	<b>(2,945)</b>
Loss per share ("LPS") (in sen)					
Basic LPS	B11	(0.94)	(0.52)	(1.67)	(1.87)
Fully Diluted LPS	B11	(0.88)	N/A	(1.55)	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 30 April 2015*

	Note	As at 30.04.2015 (Unaudited) RM'000	As at 31.07.2014 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		25,004	22,132
Investment property		2,005	2,036
		<b>27,009</b>	<b>24,168</b>
<b>Current Assets</b>			
Inventories		5,320	7,132
Trade and others receivables		20,578	11,952
Current tax assets		42	102
Cash and cash equivalents		10,081	7,056
		<b>36,021</b>	<b>26,242</b>
<b>TOTAL ASSETS</b>		<b>63,030</b>	<b>50,410</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		51,075	40,187
Reserves		2,275	(1,102)
<b>TOTAL EQUITY</b>		<b>53,350</b>	<b>39,085</b>
<b>Non-Current Liabilities</b>			
Long-term bank borrowings	B8	1,180	1,312
Deferred tax liabilities		258	258
		<b>1,438</b>	<b>1,570</b>
<b>Current Liabilities</b>			
Trade and other payables		5,900	6,510
Short-term borrowings	B8	2,232	3,188
Tax payable		110	57
		<b>8,242</b>	<b>9,755</b>
<b>TOTAL LIABILITIES</b>		<b>9,680</b>	<b>11,325</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>63,030</b>	<b>50,410</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>		<b>0.26</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 30 April 2015*

	<----- 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	-	-	-	-	-	(3,109)	(3,109)
Other comprehensive expenses for the period, net of tax							
- Foreign currency translation	-	-	-	289	-	-	289
Total comprehensive expenses for the period	-	-	-	289	-	(3,109)	(2,820)
Transaction with owners of the Company:							
Issuance of ordinary share pursuant to:							
- exercise of SIS	2,489	-	-	-	-	-	2,489
- exercise of Warrant B	3,924	-	1,570	-	-	-	5,494
- private placement	4,475	-	4,627	-	-	-	9,102
Transfer of share premium for SIS exercised	-	-	864	-	(864)	-	-
Balance as at 30 April 2015	51,075	4,576	11,669	193	-	(14,163)	53,350

*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 30 April 2015 (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	-	-	-	-	-	(2,936)	(2,936)
Other comprehensive expenses for the year, net of tax							
- Foreign currency translation	-	-	-	(9)	-	-	(9)
Total comprehensive expenses for the period	-	-	-	(9)	-	(2,936)	(2,945)
Transaction with owners of the Company:							
- Share-based compensation pursuant to SIS	-	-	-	-	187	-	187
- Issuance of ordinary share pursuant to exercise of SIS	3,002	-	-	-	-	-	3,002
Balance as at 30 April 2014	40,187	4,576	3,885	28	1,587	(8,043)	42,220

*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 30 April 2015*

	<b>Current Year-to-date Ended 30.04.2015 RM'000</b>	<b>Preceding Year Corresponding Period Ended 30.04.2014 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
<b>Loss before tax</b>	<b>(3,005)</b>	<b>(2,838)</b>
Adjustments for:		
Non-cash items	1,399	1,399
Non-operating items	131	196
<i>Operating loss before working capital changes</i>	<b>(1,475)</b>	<b>(1,243)</b>
Net change in current assets	(6,503)	(3,213)
Net change in current liabilities	(839)	96
<i>Cash used in operations</i>	<b>(8,817)</b>	<b>(4,360)</b>
Tax refund	61	4
Tax paid	(52)	(120)
<i>Net cash used in operating activities</i>	<b>(8,808)</b>	<b>(4,476)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(3,774)	(2,159)
Proceeds from disposal of equipment	-	8
Interest income	59	195
<i>Net cash used in investing activities</i>	<b>(3,715)</b>	<b>(1,956)</b>
<b>Cash Flows From Financing Activities</b>		
Interest paid	(191)	(352)
Proceeds from issuance of ordinary shares pursuant to:		
- SIS, net of expenses	2,489	3,002
- exercised of warrants	5,494	-
- private placement, net of expenses	9,102	-
Repayment to directors	(206)	(575)
Repayment of borrowings	(187)	(2,025)
Repayment of hire purchase payable	(166)	(120)
<i>Net cash generated from/(used in) financing activities</i>	<b>16,335</b>	<b>(70)</b>
<i>Net cash increased/(decreased) in cash and cash equivalents</i>	<b>3,812</b>	<b>(6,502)</b>
<i>Effects of exchange rate changes on cash and cash equivalents</i>	<b>65</b>	<b>9</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>8,158</b>	<b>7,013</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 30 April 2015 (Cont'd)*

	<b>Current Year-to-date Ended 30. 04.2015 RM'000</b>	<b>Preceding Year Corresponding Period Ended 30.04.2014 RM'000</b>
<b>Analysis of cash and cash equivalents:</b>		
Cash and bank balances	10,081	9,948
Bank overdrafts	(1,923)	(2,935)
	<b>8,158</b>	<b>7,013</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 NINE MONTHS ENDED 30 APRIL 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.





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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, 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 30 April 2015: -

<b>30 APRIL 2015</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	3,152	9,339	-	(595)	11,896
Segment Results (EBITDA)	(173)	(503)	(570)	(136)	(1,382)
Finance Cost	(44)	(6)	(10)	-	(60)
Depreciation and Amortisation	(358)	(88)	(15)	-	(461)
<b>Consolidated Loss Before Tax</b>					<b>(1,903)</b>
<b>ASSETS</b>					
Segment Assets	30,146	22,091	69,434	(58,683)	62,988
<b>LIABILITIES</b>					
Segment Liabilities	15,186	23,600	7,676	(37,040)	9,422
<b>OTHER INFORMATION</b>					
Capital Expenditure	26	2	1,566	-	1,594
Depreciation and Amortisation	358	88	15	-	461
Other Non Cash Expenses	-	-	-	-	-





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

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

<b>30 APRIL 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	3,056	6,441	-	(718)	8,779
Segment Results (EBITDA)	70	(168)	(154)	(10)	(262)
Finance Cost	(97)	(4)	(9)	-	(110)
Depreciation and Amortisation	(384)	(63)	(11)	-	(458)
<b>Consolidated Loss Before Tax</b>					<b>(830)</b>
<b>ASSETS</b>					
Segment Assets	39,888	16,346	45,875	(47,286)	54,823
<b>LIABILITIES</b>					
Segment Liabilities	25,976	18,050	808	(32,255)	12,579
<b>OTHER INFORMATION</b>					
Capital Expenditure	99	332	-	-	431
Depreciation and Amortisation	384	63	11	-	458
Other Non Cash Expenses	-	-	-	-	-

**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>30 APRIL 2015 RM'000</b>	<b>30 APRIL 2014 RM'000</b>	<b>30 APRIL 2015 RM'000</b>	<b>30 APRIL 2014 RM'000</b>	<b>30 APRIL 2015 RM'000</b>	<b>30 APRIL 2014 RM'000</b>
Malaysia	6,154	4,021	48,261	49,601	28	152
Other Asian Countries	5,487	4,494	14,727	5,222	1,566	279
European Countries	52	264	-	-	-	-
African Countries	132	-	-	-	-	-
Others	71	-	-	-	-	-
<b>Total</b>	<b>11,896</b>	<b>8,779</b>	<b>62,988</b>	<b>54,823</b>	<b>1,594</b>	<b>431</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 24 June 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 6 May 2015, the Company acquired 70 ordinary shares of RM1.00 each, representing 70% of the total issued and paid up share capital of Takaso Development (Kuantan) Sdn Bhd (“TDKSB”) for a cash consideration of RM70.00, a company incorporated in Malaysia which currently dormant and the intended principal activities are property development and construction of residential and commercial properties. Consequently, TDKSB became a 70% owned subsidiary of the Company.
- (b) On 1 June 2015, TDKSB, has entered into a conditional Joint Venture Agreement (“JVA”) with SSPP Development Sdn Bhd in relation to a proposed mixed development on a parcel of land in Bandar Kuantan, Kuantan, Pahang.

#### **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 24 June 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 30.04.2015 RM'000</b>	<b>As at 30.04.2014 RM'000</b>
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to a subsidiary	1,923	4,570
- to a supplier for purchases made by a subsidiary	240	106
	<hr/>	<hr/>

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>30.04.2015</b>	<b>30.04.2014</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	1,846	2,177
Japlo Healthcare Sdn Bhd	5	8
<b>Sales by Takaso Marketing Sdn Bhd to:-</b>		
Takaso Rubber Products Sdn Bhd	1	4
Japlo Healthcare Sdn Bhd	19	24
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	52	48
Purchases from a company in which a director has a substantial financial interest	584	1,036

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	
	30.04.2015 RM'000	30.04.2014 RM'000	30.04.2015 RM'000	30.04.2014 RM'000
Revenue	11,896	8,779	30,412	29,618
Loss before tax	(1,903)	(830)	(3,005)	(2,838)

Revenue analysis

For the current quarter and cumulative period under review, the Group's revenue increased by 35.51% and 2.68% respectively compared to the corresponding quarter and cumulative period ended 30 April 2014.

The increased in the Group's revenue for the current quarter are mainly due to the increase in trading sales in computer accessories and electrical and mechanical products compared to the corresponding quarter ended 30 April 2014.

For the cumulative period under review, the increased in the Group's revenue was contributed mainly by the trading subsidiaries of RM4.8 million compared to corresponding cumulative period ended 30 April 2014. However, this substantial improvement in revenue had been negated due to slow down in CRT glass business as compared to corresponding cumulative period ended 30 April 2014.

Loss before tax analysis

The Group's loss before tax for the current quarter and cumulative period under review has increased by 129.28% and 5.88% respectively compared to the corresponding quarter and cumulative period ended 30 April 2014.

The Group's loss before tax for the current quarter has been increased by RM1.1 million despite higher revenue achieved as compared to corresponding quarter ended 30 April 2014 were mainly due to set up cost incurred by the a new subsidiary, Takaso Land Sdn Bhd of RM0.12 million and sales for slow moving business such as trading of general consumables and computer accessories is unable cover the fixed cost incurred. Professional fees incurred for the Group's corporate proposal and measure taken to clear off ageing stock on consumable products is also a contributing factor for the loss incurred.

For the cumulative period under review, the increased the Group's loss before tax by RM0.2 million as compared to corresponding cumulative period ended 30 April 2014 were mainly due to set up cost incurred by the a new subsidiary as mentioned above.





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**PART B**

**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 RM0.2 million in the current quarter and reduced by RM4.0 million in cumulative period under review compared to the previous corresponding quarter and cumulative period ended 30 April 2014. The reduced in revenue for cumulative period is mainly due to slow down in the recycling CRT glass business.

Trading Segment

The revenue has increased by approximately RM2.9 million and RM4.8 million respectively for the current quarter and cumulative period under review compared to the previous corresponding quarter and cumulative period ended 30 April 2014. The increase in revenue is mainly due to the increase in trading sales of industrial cable support system and electrical and mechanical products.

**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>30.04.2015</b>	<b>31.01.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	11,896	7,611
Loss before tax	(1,903)	(736)

The Group's recorded a higher loss before tax for the current quarter compared to the preceding quarter despite a higher revenue has been achieved. This is mainly due to the gain on realised forex of RM0.18 million and bad debts recovered of RM0.19 million in the preceding quarter has lower the losses incurred in the preceding quarter. Professional fees incurred for the Group's corporate proposal and measure taken to clear off ageing stock on consumable products is also a contributing factor for the loss incurred.





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## **PART B**

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

#### **3. Current Year Prospects**

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.

Currently, the Group had been awarded a construction contract and also entered into a conditional joint venture agreement in relation to a proposed mixed development on a parcel of land in the city of Kuantan. These projects will be able to deliver long term sustainable shareholders' value.

The Management is aggressively taking steps to negotiate and sourcing few new business opportunities in relate to property development activities, aims to strengthen the Group's foothold on the construction and property development sector in order to contribute positive prospects for the Group.

Notwithstanding the Group's intention to diversify into the construction and property development sector, the Group will continue to focus on the existing businesses. Nevertheless, the Group will from time to time review the business of our Group strategically, and where appropriate, implement the necessary changes to the corporate structure of our Group with a view to strengthen and grow our Group's business. Management expects that the current financial year to be an extreme challenging year.

#### **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 24 June 2015, being the last practicable date from the date of the issue of this report.

**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	Proposed Utilisation	Actual Utilisation As At 30.04.2015	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 <sup>^</sup>	6,210	Within 6 months
Estimated expenses in relation to the Proposed Private Placement	85	99*	Within 1 month
	9,200	6,309	

Notes:

<sup>^</sup> 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.





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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 30.04.2015 RM'000</b>
Secured:	
Current liabilities	
- Bank overdrafts	1,923
- Term loan	69
	<hr/> 1,992
Non-current liabilities	
- Term loan	627
	<hr/> 627
Unsecured:	
Current liabilities	
- Hire purchase payable	240
	<hr/> 240
Non-current liabilities	
- Hire purchase payable	553
	<hr/> 553
Total Borrowings	<hr/> <b>3,412</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 30.04.2015 RM'000</b>
Ringgit Malaysia	2,873
Singapore Dollar	455
Thai Bath	84
Total Borrowings	<hr/> <b>3,412</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 24 June 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**

	Individual Quarter		Cumulative Period	
	Current Year Quarter Ended 30.04.2015 RM'000	Preceding Year Corresponding Quarter Ended 30.04.2014 RM'000	Current year-to-date Ended 30.04.2015 RM'000	Preceding Year Corresponding Period Ended 30.04.2014 RM'000
<b>(a) Basic loss per share</b>				
Net loss for the year	(1,909)	(840)	(3,109)	(2,936)
Weighted average number of ordinary shares in issue ('000)	203,522	160,784	185,778	156,594
Basic loss per share (sen)	(0.94)	(0.52)	(1.67)	(1.87)
<b>(b) Fully diluted loss per share</b>				
Net loss for the year	(1,909)	-	(3,109)	-
Weighted average number of ordinary shares in issue ('000)	203,522	-	185,778	-
Effects of dilution:				
Warrants ('000)	14,357	-	14,346	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	217,879	-	200,124	-
Fully diluted loss per share (sen)	(0.88)	N/A	(1.55)	N/A

The fully diluted earnings per share for the preceding year corresponding quarter ended 30 April 2014 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**

	Group	
	Current Year Quarter Ended 30.04.2015 RM'000	Current Year-to-date Ended 30.04.2015 RM'000
Interest income	20	59
Other income	152	574
Interest expense	60	190
Depreciation and amortisation	461	1,399
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 loss/(gain)	133	(70)
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 30.04.2015 RM'000	As at 31.07.2014 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(29,139)	(26,092)
- Unrealised	(258)	(260)
	(29,397)	(26,352)
Less: Consolidation adjustments	15,234	15,298
	(14,163)	(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  
 26 June 2015

