

CONDENSED CONSOLIDATED INCOME STATEMENT
Quarterly Report on the Results for the second (2nd) Quarter Ended 31 May 2008

(The results have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31.05.2008 RM'000	Preceding Year Corresponding Quarter Ended 31.05.2007 RM'000	Current Year-to-date Ended 31.05.2008 RM'000	Preceding Year-to-date Ended 31.05.2007 RM'000
Revenue	7,291	6,040	15,004	9,758
Cost of sales	(4,578)	(3,618)	(9,150)	(5,848)
Gross profit	2,713	2,422	5,854	3,910
Other operating income	73	161	99	214
Research and development cost	(97)	(129)	(194)	(221)
Distribution costs	(57)	(42)	(110)	(69)
Administrative expenses	(1,565)	(1,369)	(3,358)	(2,514)
Profit from operation	1,067	1,043	2,291	1,320
Finance costs	(43)	(26)	(89)	(63)
Profit before taxation	1,024	1,017	2,202	1,257
Taxation	(10)	(108)	(74)	(129)
Profit attributable to equity holders of the Company	1,014	909	2,128	1,128

Earnings per share (sen):-

Basic earnings per share (sen)	0.62	0.57	1.31	0.80
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 November 2007, and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MAY 2008
Quarterly Report on the Results for the second (2nd) Quarter Ended 31 May 2008

	(Unaudited) As at 31.05.2008 RM'000	(Audited) As at 30.11.2007 RM'000
Non-current assets		
Property, plant and equipment	10,161	9,273
Other investments	90	90
	<u>10,251</u>	<u>9,363</u>
Current assets		
Inventories	8,801	10,276
Receivables, deposits and prepayments	12,943	9,633
Tax Recoverable	103	115
Fixed deposits with licensed banks	1,405	5,540
Cash and cash equivalents	7,209	1,966
	<u>30,461</u>	<u>27,530</u>
Current liabilities		
Payables and accruals	7,271	4,199
Hire purchase payables	284	323
Bank borrowings	417	550
Taxation	117	120
	<u>8,089</u>	<u>5,192</u>
Net current assets	<u>22,372</u>	<u>22,338</u>
	<u>32,623</u>	<u>31,701</u>
Equity		
Share capital	16,300	16,300
Share premium	5,883	5,883
Retained profits	8,673	7,450
Total equity	<u>30,856</u>	<u>29,633</u>
Non-current liabilities		
Hire purchase payables	250	390
Term loan	1,500	1,661
Deferred taxation	17	17
	<u>1,767</u>	<u>2,068</u>
	<u>32,623</u>	<u>31,701</u>
Net assets per share attributable to ordinary equity holders of the Company(RM)	0.19	0.18

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 November 2007, and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Quarterly Report on the Results for the second (2nd) Quarter Ended 31 May 2008

(The results have not been audited)

	Attributable to equity holders of the Company				Total Equity
	Share capital	Non-distributable		Distributable	
		Share premium	Reserve on consolidation	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 December 2006	12,300	0	2,298	1,113	15,711
Net profit for the financial period	0	0	0	1,128	1,128
Public issues of shares	4,000	7,200	0	0	11,200
Listing expenses	0	(1,153)	0	0	(1,153)
Effect of adoption of FRS 3	0	0	(2,298)	2,298	0
At 31 May 2007	16,300	6,047	0	4,539	26,886
At 1 December 2007	16,300	5,883	0	7,450	29,633
Net profit for the financial period	0	0	0	2,128	2,128
Provision for dividend in respect of the financial year ended 30 November 2007	0	0	0	(905)	(905)
At 31 May 2008	16,300	5,883	-	8,673	30,856

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 November 2007, and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
Quarterly Report on the Results for the second (2nd) Quarter Ended 31 May 2008

(The results have not been audited)

	Quarter ended	
	31.05.2008	31.05.2007
	RM'000	RM'000
Cash flow from operating activities		
Profit before taxation	2,202	1,257
Adjustments for:-		
Allowance for doubtful debt no longer required	0	(54)
Depreciation	489	365
Gain on disposal of property, plant and equipment	0	(35)
Property, plant and equipment written off	0	2
Interest expense	86	63
Interest income	(65)	(75)
Operating profit before working capital changes	2,712	1,523
Inventories	1,475	(83)
Receivables, deposits and prepayments	(3,310)	(635)
Payables and accruals	2,167	663
	3,044	1,468
Interest paid	(86)	(63)
Tax paid	(25)	(142)
Interest received	65	75
Net cash flows from operating activities	2,998	1,338
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	0	35
Purchase of property, plant and equipment	(1,377)	(3,796)
Net cash flows from investing activities	(1,377)	(3,761)
Cash flows from financing activities		
Proceeds from issuance of shares	0	11,200
Listing expenses	0	(1,153)
Withdrawal of fixed deposits pledged	3,310	
Proceeds from term loans	0	2,100
Repayment of term loans	(294)	(99)
Net repayment of bankers acceptances	0	(423)
Repayment of hire purchase payables	(179)	(30)
Net cash flows from financing activities	2,837	11,595
Net increase in cash and cash equivalents	4,458	9,172
Cash and cash equivalents at beginning of the financial period	3,956	35
Cash and cash equivalents at end of the financial period (Note a)	8,414	9,207

CONDENSED CONSOLIDATED CASH FLOW STATEMENT**Quarterly Report on the Results for the second (2nd) Quarter Ended 31 May 2008**

(The results have not been audited)

	Quarter ended	
	31.05.2008	31.05.2007
	RM'000	RM'000
(a) Cash and cash equivalents at the end of the financial period comprise the following:-		
-fixed deposits with licensed banks	1,205	5,613
-short-term deposit	5,774	3,013
-cash and bank balances	1,435	581
	<u>8,414</u>	<u>9,207</u>

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 30 November 2007, and the accompanying explanatory notes attached to the interim financial statements.

**Part A – Explanatory Notes Pursuant to Financial Reporting Standard (FRS) 134-
Interim Financial Reporting**

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with FRS 134: Interim Financial Reporting and Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad for the MESDAQ Market.

The interim financial statements should be read in conjunction with audited financial statements of the Group for the financial year ended 30 November 2007 and the explanatory notes attached to the interim financial statements which provide an explanation of events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since the financial year ended 30 November 2007.

The significant accounting policies and methods of computation adopted by the Company and its subsidiaries in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 November 2007.

2. Auditor's Report on Preceding Annual Financial Statements

The auditors' report on the financial statements of the Company and its subsidiaries for the financial year ended 30 November 2007 was not subject to any qualification.

3. Seasonal or Cyclical factors

There were no major seasonal or cyclical factors affecting the results of the Group for the current quarter under review.

4. Unusual Items due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter.

5. Material Changes in Estimates

There were no changes in estimates of amounts which have a material effect in the current quarter results under review.

6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and other repayments of debt and equity securities during current quarter.

**Part A – Explanatory Notes Pursuant to Financial Reporting Standard (FRS) 134-
Interim Financial Reporting (Continued)**

7. Dividends Paid

No dividend was paid during current quarter ended 31 May 2008.

8. Segmental Information

No segmental analysis is prepared as the business of the Group is principally carried out in Malaysia and operates within one business segment i.e. the provision of electro hydraulic automation system & solution and its related products and services.

9. Valuation of Property, Plant and Equipment

The Group did not revalue any of its assets from previous audited financial statements for the financial year ended 30 November 2007.

10. Changes in Composition of the Group

There was no change in the composition of the Group during the current quarter under review.

11. Contingent Assets or Liabilities

Details of contingent liabilities as at 21 July 2008 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report) are as follows:

	As at 21.07.08	As at 30.11.07
	RM'000	RM'000
Corporate guarantees extended to financial institutions for banking facilities granted to a subsidiary company	7,464	7,464

There are no contingent assets since the last annual balance sheet as at 30 November 2007.

12. Capital Commitment

	As at 31.05.08
	RM'000
Contracted but not provided for - Property, plant and equipment	1,158

13. Material Events Subsequent to the End of the Interim Reporting Period

There are no material events subsequent to the end of the current quarter under review.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad

1. Review of Performance**Current Year Quarter versus Preceding Year Corresponding Quarter**

For the current quarter ended 31 May 2008, the Group recorded a turnover of RM7.291 million as compared to the same quarter of previous year of RM6.04 million. This was mainly due to progress billings for on-going projects secured last year.

The profit before taxation (“PBT”) slightly increased to RM1.024 million as compared to RM1.017 million in the same quarter of previous year. However, the PBT margin has decreased from 16.84% to 14.04%, as a result of increasing price in raw materials.

Current Year to Date versus Preceding Year to Date

For the current year to date ended 31 May 2008, the Group recorded revenue of RM15.004 million, which represents an increase of 53.8% as compared to the preceding year to date ended 31 May 2007 of RM9.758 million. The increase in revenue was mainly due to additional contracts secured from the marine sector last year for which billings have been made during the current financial year.

Meanwhile, for the current year to date ended 31 May 2008, the Group recorded a PBT of RM2.202 million, which represents an increase of 75.2% as compared to the preceding year to date ended 31 May 2007 of RM1.26 million.

2. Variation of Results against Preceding Quarter

	Quarter ended 31.05.2008 RM'000	Quarter ended 29.02.2008 RM'000
Revenue	7,291	7,713
Profit before tax	1,024	1,178

The Group generated revenue of RM7.291 million in the current quarter under review. This represents a decrease of approximately RM422,000 or 5.47% from the revenue of RM7.713 million recorded in the preceding quarter. The decreased of revenue was mainly due to the lower sales recorded in embedded hydraulic parts and components segment. As a result of the decreased in revenue and lower gross profit margin due to the higher raw material cost, the PBT as compared to the immediate preceding quarter ended 28 February 2008 has decreased by RM154,000.

3. Commentary on Prospects

The Board is currently reviewing the entire business structure of the Group and is expecting certain consolidation and restructuring of its business activities to be carried out in order to maximize the Group’s resources to face the challenging business environment this year.

In addition to the realignment of business, the Board is optimistic that the Group’s operational results for the current financial year will be satisfactory, barring any unforeseen circumstances.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad (Continued)

4. Actual Profit against Profit Forecast

There was no profit forecast or guarantee made public for the financial year under review.

5. Income Tax Expense

	Current Quarter Ended		Cumulative Quarter Ended	
	31.05.2008	31.05.2007	31.05.2008	31.05.2007
	RM'000	RM'000	RM'000	RM'000
Current tax	10	108	64	129

The effective tax rate of the Group for the current quarter under review of approximately 26.02% is lower than the statutory tax rate of 27% mainly due to the following:-

- a) The Company has been granted Multimedia Super Corridor (“MSC”) status by the government on 25 July 2005. One of the financial incentives awarded to the Company under the MSC status is Pioneer Status in which the statutory income is exempted from tax for a period of five years. Extension for a further period of five years will be subject to the approval of Multimedia Development Corporation;
- b) Tejari Technologies Berhad’s wholly-owned subsidiary, Tejari Sdn. Bhd. has been granted Pioneer Status by the Ministry of International Trade and Industry in which the statutory income is exempted from tax for a period of five years from 1 June 2005;
- c) The enactment of the 20% income tax rate on first chargeable income of RM500,000 in relation to the subsidiary companies; and
- d) Losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries.

6. Sales of Unquoted Investments and Properties

There were no disposals of unquoted investments and properties during the current quarter under review.

7. Quoted Securities

There were no purchases or disposals of quoted securities during the current quarter under review. The Group did not hold any investments in quoted securities as at 31 May 2008.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad (Continued)

8. Corporate Proposals
(a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 21 July 2008, being the latest practicable date not earlier than seven (7) days from the date of issue of this quarterly report.

(b) Status of utilization of proceeds from Public Issue

The gross proceeds from the public issue of RM11,200,000 have been/ will be utilized in the following manner:-

Purpose	Proposed Utilization RM'000	Actual Utilization As at 31.05.08 RM'000	Intended timeframe for utilization	Deviation		Remark
				RM'000	%	
Expansion of factory building	2,650	1,528	18 months from listing			
Research & Development expenditure	1,240	753	36 months from listing			
Repayment of bank borrowings	1,300	1,300	6 months from listing			See * below
Purchase of machinery and equipment	1,860	1,250	24 months from listing			
Sales and marketing expenditure	1,000	1,000	12 months from listing			
Working capital	1,800	1,836	24 months from listing	36	2.0	See # below
Estimated listing expenses	1,350	1,314	6 months from listing	(36)	(2.7)	See # below
Total	11,200	8,981				

Notes:-

* Total repayment of bank borrowing was RM1.366 million. The additional repayment of RM66,000 was from Group's internally generated fund.

The unused portion of listing expenses is allocated to working capital

Date of listing is 9 March 2007

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad (Continued)

9. Borrowings and Debt Securities

The Group's borrowings are as follows

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total outstanding RM'000
<u>Secured</u>			
Hire purchase	284	250	534
Term loan	417	1,500	1,917
Total	<u>701</u>	<u>1,750</u>	<u>2,451</u>

The bank borrowings are secured and covered by the following:-

- legal charge over the Group's freehold land and buildings;
- fixed deposit with licensed bank;
- corporate guarantee by the Company.

The bank borrowings and other facilities are denoted in local currency. The Group does not have any foreign borrowings and debt securities as at the date of this announcement.

10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 21 July 2008, being the latest practicable date not earlier than seven (7) days from the date of issue of this quarterly report.

11. Changes in Material Litigation

Neither the Company nor any of its subsidiary companies were engaged in any litigation or arbitration, either as plaintiff or defendant, which had a material effect on the financial position of the Company or any of its subsidiaries and the Board of Directors was not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries as at 21 July 2008, being the latest practicable date not earlier than seven (7) days from the date of issue of this quarterly report.

12. Dividend

The shareholder of Tejari had at the Company's 3rd Annual General Meeting held on 22 May 2008, approved a final dividend of 7.5% or 0.75 sen per share, less 26% of income tax on 163,000,000 ordinary shares in respect of the financial year ended 30 November 2007. The Company had on 5 May 2008 announced that the Book Closure Date has been set on 10 July 2008 and that the payment date will be 6 August 2008.

13. Earnings per Share

Basic earnings per share is calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Current Quarter Ended		Cumulative Quarter Ended	
	31.05.2008	31.05.2007	31.05.2008	31.05.2007
	RM'000	RM'000	RM'000	RM'000
Profit for the year	1,014	909	2,128	1,128
Weighted average number of ordinary shares of RM0.10 in issue	163,000	159,522	163,000	141,462
Basic earnings per share (sen)	0.62	0.57	1.31	0.80

Diluted earnings per share was not computed as the Company did not have any convertible financial instruments as at 31 May 2008.

14. Authorisation for Issue

These unaudited interim financial statements were authorised for release by the Company in accordance with a resolution of the Directors on 25 July 2008.