

CONDENSED CONSOLIDATED INCOME STATEMENT
Quarterly Report on the Results for the third (3rd) Quarter Ended 31 August 2009

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31.08.2009 RM'000	Preceding Year Corresponding Quarter Ended 31.08.2008 RM'000	Current Year-to-date Ended 31.08.2009 RM'000	Preceding Year-to-date Ended 31.08.2008 RM'000
Revenue	4,682	7,330	11,383	22,396
Cost of sales	(3,100)	(4,554)	(7,684)	(13,704)
Gross profit	1,582	2,776	3,699	8,692
Other operating income	164	5	198	42
Research and development cost	(64)	(113)	(275)	(307)
Distribution costs	(29)	(61)	(123)	(171)
Administrative expenses	(1,730)	(1,974)	(5,427)	(5,332)
(Loss)/Profit from operation	(77)	633	(1,928)	2,924
Finance costs	(31)	(35)	(98)	(124)
(Loss)/Profit before taxation	(108)	598	(2,026)	2,800
Taxation	(8)	(12)	(8)	(86)
(Loss)/Profit attributable to equity holders of the Company	(116)	586	(2,034)	2,714
(Loss)/Earnings per share (sen):-				
Basic (loss)/earnings per share (sen)	(0.07)	0.36	(1.25)	1.67
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 30 November 2008 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2009
Quarterly Report on the Results for the third (3rd) Quarter Ended 31 August 2009

	(Unaudited) As at 31.08.2009 RM'000	(Audited) As at 30.11.2008 RM'000
Non-current assets		
Property, plant and equipment	10,378	11,179
Investment Properties	538	0
Other Investment	38	0
	<hr/> 10,954	<hr/> 11,179
Current assets		
Inventories	8,534	9,144
Receivables, deposits and prepayments	5,770	7,495
Tax Recoverable	222	182
Fixed deposit pledged to a licensed bank	213	207
Cash and cash equivalents	9,109	9,143
	<hr/> 23,848	<hr/> 26,171
Current liabilities		
Payables and accruals	3,025	3,215
Hire purchase payables	234	292
Bank borrowings	300	280
Taxation	53	75
	<hr/> 3,612	<hr/> 3,862
Net current assets	20,236	22,309
	<hr/> 31,190	<hr/> 33,488
Equity		
Share capital	16,300	16,300
Share premium	5,883	5,883
Retained profits	7,576	9,610
Total equity	<hr/> 29,759	<hr/> 31,793
Non-current liabilities		
Hire purchase payables	291	299
Term loan	1,125	1,381
Deferred taxation	15	15
	<hr/> 1,431	<hr/> 1,695
	<hr/> 31,190	<hr/> 33,488
Net assets per share attributable to ordinary equity holders of the Company(RM)	0.18	0.20

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 November 2008 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 third (3rd) Quarter Ended 31 August 2009
 (The figures 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 2007	16,300	5,883	0	7,450	29,633
Net profit for the financial period	0	0	0	3,065	3,065
Dividend for the financial year ended 30 November 2007	0	0	0	(905)	(905)
At 30 November 2008	16,300	5,883	-	9,610	31,793
At 1 December 2008	16,300	5,883	0	9,610	31,793
Net loss for the financial period	0	0	0	(2,034)	(2,034)
At 31 August 2009	16,300	5,883	0	7,576	29,759

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 2008 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
Quarterly Report on the Results for the third (3rd) Quarter Ended 31 August 2009
 (The figures have not been audited)

	Cumulative quarter	
	Current	Preceding
	Year-to-date	Year-to-date
	RM'000	RM'000
Cash flow from operating activities		
(Loss)/Profit before taxation	(2,026)	2,800
Adjustments for:-		
Allowance for doubtful debts	29	0
Allowance for doubtful debts no longer required	(1)	0
Bad debts written off	7	0
Depreciation	734	786
Gain on disposal of property, plant and equipment	(110)	0
Interest expense	98	124
Interest income	(9)	(19)
Property, plant and equipment written off	26	0
Stock written off	281	0
Unrealised gain on foreign exchange	(8)	0
Operating (Loss)/profit before working capital changes	(979)	3,691
Inventories	329	1,099
Receivables, deposits and prepayments	1,690	(1,391)
Payables and accruals	(190)	903
	850	4,302
Interest paid	(98)	(124)
Interest received	9	19
Tax paid	(112)	(59)
Tax refund	42	0
Net cash flows from operating activities	691	4,138
Cash flows from investing activities		
Investment in unquoted securities	(38)	0
Proceeds from disposal of property, plant and equipment	285	0
Purchase of property, plant and equipment (Note a)	(272)	(2,559)
Net cash flows from investing activities	(25)	(2,559)
Cash flows from financing activities		
Change in fixed deposit pledge to a licensed bank	(6)	0
Repayment of hire purchase payables	(466)	(253)
Repayment of term loans	(236)	(479)
Withdrawal of fixed deposits pledged	0	3,310
Net cash flows from financing activities	(708)	2,578
Net (decrease)/ increase in cash and cash equivalents	(42)	4,157
Cash and cash equivalents at beginning of the financial period	9,143	3,956
Effect of foreign exchange rate changes	8	0
Cash and cash equivalents at end of the financial period (Note b)	9,109	8,113

CONDENSED CONSOLIDATED CASH FLOW STATEMENT**Quarterly Report on the Results for the third (3rd) Quarter Ended 31 August 2009 (Continued)****(The figures have not been audited)**

	Cumulative quarter	
	Current	Preceding
	Year-to-date	Year-to-date
	RM'000	RM'000
(a) Purchase of property, plant and equipment:		
- financed by hire purchase arrangements	400	0
- financed by cash	272	2,559
	<hr/>	<hr/>
	672	2,559
	<hr/>	<hr/>
(b) Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	4,249	200
Short term funds	1,548	6,392
Cash and bank balances	3,525	1,721
	<hr/>	<hr/>
	9,322	8,313
Less: Fixed deposits pledged to a licensed bank	(213)	(200)
	<hr/>	<hr/>
	9,109	8,113
	<hr/>	<hr/>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 November 2008 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 Ace Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with audited financial statements of the Tejari Technologies Berhad (“Tejari” or “Company”) on a consolidated basis with its subsidiaries (“Tejari Group or Group”) for the financial year ended 30 November 2008 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 2008.

2. Changes In Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 November 2008 except for the adoption of FRS 140 Investment Property effective for accounting periods beginning on or after 1 January 2006.

The adoption of FRS 140 does not have any significant financial impact on the Group.

3. 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 2008 was not subject to any qualification.

4. Seasonal or Cyclical factors

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

5. 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.

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

6. Material Changes in Estimates

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

7. Debt and Equity Securities

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

8. Dividends Paid

No dividend has been paid during the current quarter.

9. 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.

10. 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 2008.

11. Changes in Composition of the Group

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

12. Contingent Assets or Liabilities

Details of contingent liabilities as at 22 October 2009 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report) are as follows:

	As at 22.10.09	As at 30.11.08
	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 2008.

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

13. Capital Commitment

	As at 31.08.09 RM'000
Contracted but not provided for - Property, plant and equipment	<u>60</u>

14. 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 Ace Market Listing Requirements of Bursa Malaysia Securities Berhad

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

For the current quarter ended 31 August 2009 (“Q3 2009”), the Group recorded revenue of RM4.682 million compared with preceding year corresponding quarter (“Q3 2008”) revenue of RM7.330 million. The decrease in sales was mainly due to drop in demand from marine sector which contributed substantially to the Group's revenue in Q3 2008.

The Group suffered a loss before taxation (“LBT”) of RM0.108 million for the quarter under review as compared to profit before taxation of RM0.598 million in the preceding quarter. The loss was mainly due to the lower revenue of RM4.682 million as compared to RM7.330 million in the preceding quarter together with the decrease in sales margins from 37.88% in Q3 2008 to 33.79% in Q3 2009. In addition, the Group has written off obsolete stock, bad debts and made provision for doubtful debts which amounted to RM0.275 million during the current quarter under review.

Current Year to Date versus Preceding Year to Date

The Group recorded a LBT of RM2.026 million as compared to profit before taxation of RM2.800 million in the corresponding period in the preceding year. The loss was mainly due to the decrease in sales by approximately 49.18% from RM22.40 million to RM11.38 million. In addition, the lower gross profit margin of 32.50% for the third quarter ended 31 August 2009 resulting from intensified competition in the industry which the Company operates in also contributed to the loss.

2. Variation of Results against Preceding Quarter

	Quarter ended		Variance	
	31.08.2009 RM'000	31.05.2009 RM'000	RM'000	%
Revenue	4,682	3,522	1,160	32.94
Loss before tax	(108)	(856)	748	87.38

The Group's revenue increased by 32.94% mainly contributed by improved sales of electro hydraulic automation segment. The reasons for the loss during this quarter has been explained in Section 1 above.

3. Commentary on Prospects

At present there exist uncertainties relating to the business prospects of the Group for the financial year ended 30 November 2009 given the prevailing uncertainty in the global economic environment.

The Board expects the financial year ending 30 November 2009 to be a challenging year due to the continuing weak consumer sentiments as a result of the global economic slowdown. Based on the above and barring unforeseen circumstances, the Board will continue to ensure cost efficiencies to align the Group's costs with the lower anticipated revenue for the year 2009.

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	
	31.08.2009	31.08.2008	31.08.2009	31.08.2008
	RM'000	RM'000	RM'000	RM'000
Current tax	8	12	8	86

The Group has provided RM8,000 on the interest for the current quarter under review. There are no further provision for statutory tax rate made due to the following:-

- 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 certain 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;
- 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 certain statutory income is exempted from tax for a period of five years from 1 June 2005;
- The enactment of the 20% income tax rate on first chargeable income of RM500,000 applicable to certain subsidiary companies; and
- The Company and most of its subsidiaries recorded losses before tax.
- Over/under provision of tax in the preceding year.

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 August 2009.

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 the 22 October 2009 (being the latest practicable date which is not earlier than 7 days from the 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 fully utilized in the following manner:-

Purpose	Proposed Utilization RM'000	Actual Utilization As at 31.08.09 RM'000	Intended timeframe for utilization	Deviation		Remark
				RM'000	%	
Expansion of factory building	2,650	2,650	18 months from listing	N/A		
Research & Development expenditure	1,240	1,240	36 months from listing	N/A		
Repayment of bank borrowings	1,300	1,300	6 months from listing	N/A		
Purchase of machinery and equipment	1,860	1,860	24 months from listing	N/A		
Sales and marketing expenditure	1,000	1,000	12 months from listing	N/A		
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	11,200				

The unused portion of listing expenses was allocated to working capital of the Group.

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad (Formerly known as MESDAQ Market of Bursa Malaysia Securities Berhad) on 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 as at 31 August 2009 are as follows

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total outstanding RM'000
Secured			
Hire purchase	234	291	525
Term loan	300	1,125	1,425
Total	534	1,416	1,950

The hire purchases are secured by the assets of the Group under hire purchase arrangement.

The term loans are secured and covered by the following:-

- legal charge over the Group's freehold land and buildings;
- fixed deposit with licensed bank; and
- 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 31 August 2009.

10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 22 October 2009 (the latest practicable date which is not earlier than 7 days from the 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 22 October 2009 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report).

12. Dividend

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

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

13. (Loss)/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	
	31.08.2009	31.08.2008	31.08.2009	31.08.2008
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the year	(116)	586	(2,034)	2,714
Weighted average number of ordinary shares of RM0.10 in issue	163,000	163,000	163,000	163,000
Basic (loss)/earnings per share (sen)	(0.07)	0.36	(1.25)	1.67

Diluted earnings per share was not computed as the Company did not have any convertible financial instruments as at 31 August 2009.

14. Authorisation for Issue

These unaudited interim financial statements were authorised for release by the Company in accordance with a resolution of the Directors dated 26 October 2009.