

CONDENSED CONSOLIDATED INCOME STATEMENT
Quarterly Report on the Results for the fourth (4th) Quarter Ended 30 November 2009

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30.11.2009 RM'000	Preceding Year Corresponding Quarter Ended 30.11.2008 RM'000	Current Year-to-date Ended 30.11.2009 RM'000	Preceding Year-to-date Ended 30.11.2008 RM'000
Revenue	3,344	6,598	14,727	28,994
Cost of sales	(2,128)	(3,970)	(9,812)	(17,674)
Gross profit	1,216	2,628	4,915	11,320
Other operating income	24	106	204	148
Research and development cost	(112)	(112)	(387)	(418)
Distribution costs	(69)	(219)	(181)	(390)
Administrative and other expenses	(3,524)	(2,008)	(8,944)	(7,341)
(Loss)/Profit from operation	(2,465)	395	(4,393)	3,319
Finance costs	(28)	(32)	(126)	(156)
(Loss)/Profit before taxation	(2,493)	363	(4,519)	3,163
Taxation	57	(12)	49	(98)
(Loss)/Profit attributable to equity holders of the Company	(2,436)	351	(4,470)	3,065
(Loss)/Earnings per share (sen):-				
Basic (loss)/earnings per share (sen)	(1.49)	0.22	(2.74)	1.88
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 30 NOVEMBER 2009
Quarterly Report on the Results for the fourth (4th) Quarter Ended 30 November 2009

	(Unaudited) As at 30.11.2009 RM'000	(Audited) As at 30.11.2008 RM'000
Non-current assets		
Property, plant and equipment	9,547	11,179
Investment Properties	536	0
	<u>10,083</u>	<u>11,179</u>
Current assets		
Inventories	7,375	9,144
Receivables, deposits and prepayments	6,904	7,495
Tax Recoverable	218	182
Fixed deposit pledged to a licensed bank	216	207
Cash and cash equivalents	7,642	9,143
	<u>22,355</u>	<u>26,171</u>
Current liabilities		
Payables and accruals	3,245	3,215
Hire purchase payables	194	292
Bank borrowings	275	280
Taxation	62	75
	<u>3,776</u>	<u>3,862</u>
Net current assets	18,579	22,309
	<u>28,662</u>	<u>33,488</u>
Equity		
Share capital	16,300	16,300
Share premium	5,883	5,883
Retained profits	5,140	9,610
Total equity	<u>27,323</u>	<u>31,793</u>
Non-current liabilities		
Hire purchase payables	264	299
Term loan	1,075	1,381
Deferred taxation	0	15
	<u>1,339</u>	<u>1,695</u>
	<u>28,662</u>	<u>33,488</u>
Net assets per share attributable to ordinary equity holders of the Company(RM)	0.17	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 fourth (4th) Quarter Ended 30 November 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	(4,470)	(4,470)
At 30 November 2009	16,300	5,883	0	5,140	27,323

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 fourth (4th) Quarter Ended 30 November 2009

(The figures have not been audited)

	Cumulative quarter	
	Current Year-to-date RM'000	Preceding Year-to-date RM'000
Cash flow from operating activities		
(Loss)/Profit before taxation	(4,519)	3,163
Adjustments for: -		
Allowance for doubtful debts	85	215
Allowance for doubtful debts no longer required	(1)	(3)
Bad debts written off	34	0
Depreciation of property, plant and equipment	996	1,047
Depreciation of investment properties	6	0
Gain on disposal of property, plant and equipment	(146)	(104)
Loss on disposal of property, plant and equipment	36	0
Interest expense	126	156
Interest income	(199)	(247)
Loss on disposal of investment	28	0
Other investment written off	0	90
Property, plant and equipment written off	605	4
Stock written off	1,647	0
Unrealised loss on foreign exchange	3	45
Operating (Loss)/profit before working capital changes	(1,299)	4,366
Inventories	122	1,132
Receivables, deposits and prepayments	472	1,928
Payables and accruals	30	(1,029)
	(675)	6,397
Interest paid	(126)	(156)
Interest received	199	247
Tax paid	(76)	(213)
Tax refund	61	0
Net cash flows from operating activities	(617)	6,275
Cash flows from investing activities		
Changes in fixed deposits with licensed banks	(8)	3,303
Investment in unquoted securities	(38)	0
Dividend paid	0	(905)
Proceeds from disposal of property, plant and equipment	285	105
Proceeds from disposal of investment	10	0
Purchase of property, plant and equipment (Note a)	(486)	(2,758)
Net cash flows from investing activities	(237)	(255)
Cash flows from financing activities		
Repayment of hire purchase payables	(333)	(323)
Repayment of term loans	(311)	(510)
Net cash flows from financing activities	(644)	(833)
Net (decrease)/ increase in cash and cash equivalents	(1,498)	5,187
Cash and cash equivalents at beginning of the financial period	9,143	3,956
Effect of foreign exchange rate changes	(3)	0
Cash and cash equivalents at end of the financial period (Note b)	7,642	9,143

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
Quarterly Report on the Results for the fourth (4th) Quarter Ended 30 November 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	200	200
- financed by cash	486	2,758
	686	2,958
	686	2,958
(b) Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	4,274	207
Short term funds	2,235	8,439
Cash and bank balances	1,349	704
	7,858	9,350
Less: Fixed deposits pledged to a licensed bank	(216)	(207)
	7,642	9,143

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 25 January 2010 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report) are as follows:

	As at 25.01.10	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

There are no capital commitment of the current quarter under review.

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 30 November 2009 (“Q4 2009”), the Group recorded revenue of RM3.344 million compared with the preceding year's corresponding quarter (“Q4 2008”) revenue of RM6.598 million. The decrease in sales was mainly due to a drop in demand as a result of global down trend in the hydraulic market.

The Group suffered a loss before taxation (“LBT”) of RM2.493 million for the quarter under review as compared to profit before taxation (“PBT”) of RM0.363 million in the preceding quarter. The loss was mainly due to the lower revenue of RM3.344 million as compared to RM6.598 million in the preceding quarter together with the decrease in sales margins from 39.83% in Q4 2008 to 36.36% in Q4 2009. In addition, the Group has write off stocks, machineries, fittings and equipments which amounted to RM1.945 million during the current quarter under review.

Current Year to Date versus Preceding Year to Date

The Group recorded a LBT of RM4.519 million as compared to PBT of RM3.164 million in the corresponding period in the preceding year. The loss was mainly due to the following:-

- 1) Our sales for the FYE 30 November 2009 reflects the impact of the global recession, as contracts from the marine sector has dropped dramatically as compared to FYE 30 November 2008. As such, sales decreased by approximately 49.21% from RM28.99 million to RM14.73 million;
- 2) Lower gross profit margin of 33.37% for FYE 30 November 2009 resulting from intensified competition coupled with fluctuation in material price and exchange rate which increased the cost of certain materials; and
- 3) Stocks, machineries, fittings and equipments written off amounted to RM2.252 million arising from cessation of operation in certain subsidiaries and withdrawal of non- viable activities.

2. Variation of Results against Preceding Quarter

	Quarter ended		Variance	
	30.11.2009 RM'000	31.08.2009 RM'000	RM'000	%
Revenue	3,344	4,682	(1,338)	(28.58)
Loss before tax	(2,493)	(108)	(2,385)	(>100)

The Group's revenue decreased by 28.58% mainly due to the decline in electro hydraulic automation segment. The reasons for the loss during this quarter has been explained in Section 1 above.

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

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 2010 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 have and will continue to ensure cost efficiencies to align the Group's costs with the lower anticipated revenue for the year 2010. At the same time, the Board will continue to explore other business to cushion the declining demand in hydraulic segment and strengthen the Group's earning base.

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	
	30.11.2009	30.11.2008	30.11.2009	30.11.2008
	RM'000	RM'000	RM'000	RM'000
Current tax	(57)	12	(49)	98

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 Company and most of its subsidiaries recorded losses before taxation; and
- Over/under provision of tax in the preceding year.

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

6. Sales of Unquoted Investments and Properties

Save as disclosed below, there were no disposals of unquoted investments and properties during the current quarter under review:-

	RM'000
Disposal of Investment in unquoted securities by Tejari Sdn Bhd being subsidiary of the Group	(38)
Proceeds from disposal of investment	10
Loss from the disposal of investment	<u>(28)</u>

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 30 November 2009.

8. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 25 January 2010 (being the latest practicable date which is not earlier than 7 days from the issue of this quarterly report).

9. Borrowings and Debt Securities

The Group's borrowings as at 30 November 2009 are as follows

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total outstanding RM'000
<u>Secured</u>			
Hire purchase	194	264	458
Term loan	275	1,075	1,350
Total	<u>469</u>	<u>1,339</u>	<u>1,808</u>

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:-

- a) legal charge over the Group's freehold land and buildings;
- b) fixed deposit with licensed bank; and
- c) 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 30 November 2009.

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

10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 25 January 2010 (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 25 January 2010 (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.

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	
	30.11.2009	30.11.2008	30.11.2009	30.11.2008
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the year	(2,436)	351	(4,470)	3,065
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)	(1.49)	0.22	(2.74)	1.88

Diluted earnings per share was not computed as the Company did not have any convertible financial instruments as at 30 November 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 28 January 2010.