

**CONDENSED CONSOLIDATED INCOME STATEMENT****Quarterly Report on the Results for the First (1st) Quarter Ended 28 February 2010**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 28.02.2010 RM'000	Preceding Year Corresponding Quarter Ended 28.02.2009 RM'000	Current Year-to-date Ended 28.02.2010 RM'000	Preceding Year-to-date Ended 28.02.2009 RM'000
Revenue	6,155	3,179	6,155	3,179
Cost of sales	(4,673)	(2,315)	(4,673)	(2,315)
Gross profit	1,482	864	1,482	864
Other operating income	109	17	109	17
Research and development cost	(58)	(109)	(58)	(109)
Distribution costs	(50)	(47)	(50)	(47)
Administrative and other expenses	(1,396)	(1,753)	(1,396)	(1,753)
Profit/(Loss) from operations	87	(1,028)	87	(1,028)
Finance costs	(27)	(34)	(27)	(34)
Profit/(Loss) before taxation	60	(1,062)	60	(1,062)
Taxation	(13)	0	(13)	0
Profit/(Loss) attributable to equity holders of the Company	47	(1,062)	47	(1,062)
Earnings/(Loss) per share (sen):-				
Basic earnings/(loss) per share (sen)	0.03	(0.65)	0.03	(0.65)
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 2009 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 28 FEBRUARY 2010
Quarterly Report on the Results for the First (1st) Quarter Ended 28 February 2010

	(Unaudited) As at 28.02.2010 RM'000	(Audited) As at 30.11.2009 RM'000
Non-current assets		
Property, plant and equipment	9,769	9,547
Investment properties	533	536
	10,302	10,083
Current assets		
Inventories	6,710	7,375
Receivables, deposits and prepayments	4,802	6,904
Tax recoverable	223	218
Fixed deposit pledged to a licensed bank	217	216
Cash and cash equivalents	9,392	7,642
	21,344	22,355
Current liabilities		
Payables and accruals	2,537	3,245
Hire purchase payables	151	194
Bank borrowings	275	275
Taxation	71	62
	3,034	3,776
Net current assets	18,310	18,579
	28,612	28,662
Equity		
Share capital	16,300	16,300
Share premium	5,883	5,883
Retained profits	5,187	5,140
Total equity	27,370	27,323
Non-current liabilities		
Hire purchase payables	242	264
Term loan	1,000	1,075
	1,242	1,339
	28,612	28,662
Net assets per share attributable to ordinary equity holders of the Company(RM)	0.17	0.17

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 November 2009 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 First (1st) Quarter Ended 28 February 2010
 (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 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
At 1 December 2009	16,300	5,883	0	5,140	27,323
Net profit for the financial period	0	0	0	47	47
At 28 February 2010	16,300	5,883	0	5,187	27,370

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 2009 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
Quarterly Report on the Results for the First (1st) Quarter Ended 28 February 2010

(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		
Profit/(Loss) before taxation	60	(1,062)
Adjustments for:-		
Allowance for doubtful debts no longer required	(22)	0
Bad debts written off	18	0
Depreciation of property, plant and equipment	205	250
Depreciation of investment properties	3	0
Gain on disposal of property, plant and equipment	(58)	0
Loss on disposal of property, plant and equipment	0	36
Interest expense	27	34
Interest income	(3)	(3)
Property, plant and equipment written off	0	23
Unrealised loss on foreign exchange	14	0
Operating profit/(loss) before working capital changes	244	(722)
Inventories	665	(679)
Receivables, deposits and prepayments	2,106	1,619
Payables and accruals	(708)	(146)
	2,307	72
Interest paid	(27)	(34)
Interest received	3	3
Tax paid	(9)	(41)
Tax refund	0	42
Net cash flows from operating activities	2,274	42
Cash flows from investing activities		
Changes in fixed deposits with licensed banks	(1)	0
Proceeds from disposal of property, plant and equipment	58	20
Purchase of property, plant and equipment (Note a)	(427)	(189)
Net cash flows from investing activities	(370)	(169)
Cash flows from financing activities		
Repayment of hire purchase payables	(65)	(84)
Repayment of term loans	(75)	(86)
Net cash flows from financing activities	(140)	(170)
Net increase/(decrease) in cash and cash equivalents	1,764	(297)
Cash and cash equivalents at the beginning of the financial period	7,642	9,143
Effect of foreign exchange rate changes	(14)	0
Cash and cash equivalents at the ending of the financial period (Note b)	9,392	8,846

CONDENSED CONSOLIDATED CASH FLOW STATEMENT**Quarterly Report on the Results for the First (1st) Quarter Ended 28 February 2010 (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	0	200
- financed by cash	427	189
	<u>427</u>	<u>389</u>
(b) Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	4,298	207
Short-term funds	2,953	6,291
Cash and bank balances	2,358	2,555
	<u>9,609</u>	<u>9,053</u>
Less: Fixed deposit pledged to a licensed bank	(217)	(207)
	<u>9,392</u>	<u>8,846</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 November 2009 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 the audited financial statements of Tejari Technologies Berhad (“Tejari” or “Company”) on a consolidated basis with its subsidiaries (“Tejari Group” or “Group”) for the financial year ended 30 November 2009 and the explanatory notes attached to the interim financial statements, which provide an explanation of events and transactions that are significant to understanding the changes in the financial position and performance of the Group since the financial year ended 30 November 2009.

2. Changes In Accounting Policies

The accounting policies and methods of computation used in the preparation of the quarterly financial statements are consistent with those applied in the latest audited annual financial statements for the financial year ended 30 November 2009.

As at the date of authorisation for these interim financial statements, the following FRSs and Issues Committee (“IC”) Interpretations were issued but not yet effective and have not been applied by the Group and the Company:-

FRSs, amendments to FRSs and IC Interpretations		Effective for financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 1 and FRS 127	Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2	Share-based Payment - Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2	Share-based Payment	1 July 2010
FRS 3	Business Combinations	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 7	Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
FRS 8	Operating Segments	1 July 2009
Amendment to FRS 8	Operating Segments	1 January 2010
FRS 101	Presentation of Financial Statements	1 January 2010
Amendment to FRS 107	Statement of Cash Flows (formerly known as Cash Flow Statements)	1 January 2010

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

		Effective for financial periods beginning on or after
FRSs, amendments to FRSs and IC Interpretations		
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendment to FRS 110	Events after the Reporting Period (formerly known as Events after the Balance Sheet Date)	1 January 2010
Amendment to FRS 116	Property, Plant and Equipment	1 January 2010
Amendment to FRS 117	Leases	1 January 2010
Amendment to FRS 118	Revenue	1 January 2010
Amendment to FRS 119	Employee Benefits	1 January 2010
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
FRS 123 and		
Amendment to FRS 123	Borrowing Costs	1 January 2010
FRS 127	Consolidated and Separate Financial Statements	1 July 2010
Amendment to FRS 127	Consolidated and Separate Financial Statements	1 January 2010
Amendment to FRS 128	Investments in Associates	1 January 2010
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies	1 January 2010
Amendment to FRS 131	Interests in Joint Ventures	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendment to FRS 134	Interim Financial Reporting	1 January 2010
Amendment to FRS 136	Impairment of Assets	1 January 2010
Amendment to FRS 138	Intangible Assets	1 January 2010
Amendments to FRS 138	Intangible Assets	1 July 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 140	Investment Property	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2: Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010

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

All of the above new/revised FRSs, amendments to FRSs and IC Interpretations are effective for periods beginning on or after 1 January 2010 and 1 July 2010, except for FRS 8 which was effective for annual financial statements for period beginning on or after 1 July 2009.

By virtue of the exemption provided in paragraph 103AB of FRS 139 and paragraph 44AB of FRS 7, the impact of applying FRS 139 and FRS 7 on the financial statements of the Group and of the Company upon initial application of these standards as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

The adoption of the above FRSs and IC Interpretations upon their effective dates are not expected to have any significant impact on the interim financial statements of the Group.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements of the Group for the financial year ended 30 November 2009 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.

6. Material Changes in Estimates

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

8. Dividends Paid

No dividend has been paid during the current quarter.

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

9. Segmental Information

Sales revenue by division to external parties for the quarter ended 28 February:

	Current Quarter Ended 28 February 2010 RM'000	Preceding Year Quarter Ended 28 February 2009 RM'000
Hydraulic division	3,257	3,179
Trading of Raw Materials	2,898	-
Total	6,155	3,179

10. Valuation of Property, Plant and Equipment

The Group did not revalue any of its assets from the previous audited financial statements for the financial year ended 30 November 2009.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter ended 28 February 2010, except for the following:-

On 18 February 2010, the Company acquired two (2) ordinary shares of RM1.00 each in ICT Utopia Sdn Bhd (“ICTU”), representing the entire issued and paid-up share capital of ICTU for a total cash consideration of RM2.00 only. With the acquisition, ICTU had become a wholly-owned subsidiary of Tejari.

On 3 March 2010, the Company further subscribed for 999,998 new ordinary shares of RM1.00 each in ICTU, for a total cash consideration of RM999,998 (“Subscription”). With the Subscription, the issued and paid-up share capital of ICTU had increased from RM2 to RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each.

12. Contingent Assets or Liabilities

Details of contingent liabilities as at 23 April 2010 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report) are as follows:

	As at 23.04.2010 RM'000	As at 30.11.2009 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 2009.



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

13. Capital Commitments

There were no capital commitments for 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 up to 23 April 2010, being the latest practicable date not earlier than seven (7) days from the date of issue of this quarterly report.

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 28 February 2010 (“Q1 2010”), the Group recorded revenue of RM6.155 million as compared to the preceding year’s corresponding quarter (“Q1 2009”) revenue of RM3.179 million. The increase was attributed to the trading of raw materials, which commenced this quarter.

The Group generated a profit before taxation (“PBT”) of RM0.06 million for the quarter under review as compared to loss before taxation (“LBT”) of RM1.062 million in the preceding year’s corresponding quarter. The profit was mainly due to the higher revenue of RM6.155 million as compared to RM3.179 million in the preceding quarter.

Current Year-to-Date versus Preceding Year-to-Date

The Group recorded a lower Gross profit margin of 24.08% in Q1 2010 as compared to 27.18% in Q1 2009. The decrease was mainly due to the lower margin derived from the trading activity as mentioned above.

The Group recorded a PBT margin of 0.97% in the current Q1 2010, as compared to LBT margin of 33.41% in Q1 2009. The profit was attributed to the higher revenue of RM6.155 million as compared to RM3.179 million recorded in the preceding quarter coupled with the cost cutting measures implemented by the management had caused the reduction of operating cost by RM0.405 million as compared to Q1 2009.

2. Variation of Results against Preceding Quarter

	Quarter ended		Variance	
	28.02.2010	30.11.2009	RM’000	%
	RM’000	RM’000	RM’000	
Revenue	6,155	3,344	2,811	84.06
Profit/(Loss) before tax	60	(2,493)	2,553	(>100)

The Group generated revenue and PBT of RM6.155 million and RM0.06 million respectively. The reasons for the increase during this quarter has been explained in Section 1 above.

3. Commentary on Prospects

The weak global economic recovery following the financial markets turbulence in 2009 has posed an extremely challenging environment for Tejari’s operations. As a consequence, the marine, steel, machinery and equipment industries that Tejari is involving in are negatively affected and Tejari has experienced cancellation of orders and request for postponement of works.

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

The Board anticipates that in the near term the global and local demand for the Group's products and services would be weak as it takes time for the industry to ride out excess capacity and given the stiff competition, sole reliance on single core business activities would not be feasible. Notwithstanding above, the Board has and will continue to ensure cost efficiencies to align the Group's costs with the lower anticipated revenue for the year 2010.

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	
	28.02.2010	28.02.2009	28.02.2010	28.02.2009
	RM'000	RM'000	RM'000	RM'000
Current tax	13	0	13	0

The effective tax rate of the Group for the current quarter under review is lower than the statutory tax rate of 25% mainly due to the following:-

- The Company has been granted Multimedia Super Corridor ("MSC") status by Multimedia Development Corporation Sdn Bhd 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'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;
- Certain subsidiaries recorded losses before taxation; and
- Over/under provision of tax in the preceding year.

6. Sales of Unquoted Investments and Properties

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

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

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 23 April 2010, being the latest practicable date not earlier than seven (7) days from the date of issue of this quarterly report.

9. Borrowings and Debt Securities

The Group's borrowings as at 28 February 2010 are as follows:-

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total outstanding RM'000
<u>Secured</u>			
Hire purchase	151	242	393
Term loan	275	1000	1,275
Total	426	1,242	1,668

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

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

- legal charges 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 28 February 2010.

10. Off-Balance-Sheet Financial Instruments

There were no off-balance-sheet financial instruments as at 23 April 2010 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report).

11. Changes in Material Litigation

There are no other material litigation except for a winding-up petition served on Tejari Sdn Bhd (TSB), a wholly-owned subsidiary of the Company by D.S.C. Engineering (JB) Sdn Bhd for a sum of RM146,143.09 together with 8% interest thereon.

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

TSB had, on 5 April 2010 via its counsel Messrs. Phee, Chen & Ung, filed at Johor Bahru High Court an application to strike out the Winding-Up Petition as well as to stay the said Winding-Up proceedings and the same had been fixed for hearing on **22 April 2010**.

However, the hearing for both the above-mentioned application and the Winding-Up Petition had now been adjourned to **1 June 2010** pending the filing of affidavit in reply and the written submission by both parties.

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	
	28.02.2010	28.02.2009	28.02.2010	28.02.2009
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the year	47	(1,062)	47	(1,062)
Weighted average number of ordinary shares of RM0.10 in issue	163,000	163,000	163,000	163,000
Basic earnings/(loss) per share (sen)	0.03	(0.65)	0.03	(0.65)

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

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 April 2010.