

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Third (3rd) Quarter Ended 31 August 2011

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31.08.2011 RM'000	Preceding Year Corresponding Quarter Ended 31.08.2010 RM'000	Current Year-to-date Ended 31.08.2011 RM'000	Preceding Year-to-date Ended 31.08.2010 RM'000
Revenue	115,309	42,920	326,874	53,282
Cost of sales	(110,200)	(38,851)	(311,110)	(45,984)
Gross profit	5,109	4,069	15,764	7,298
Other operating income	731	399	2,249	547
Research and development cost	(34)	(111)	(89)	(212)
Distribution costs	(44)	(31)	(91)	(111)
Administrative and other expenses	(4,418)	(3,472)	(13,781)	(6,531)
Profit from operations	1,344	854	4,052	991
Finance costs	(481)	(301)	(1,590)	(352)
Profit before taxation	863	553	2,462	639
Taxation	(286)	(258)	(1,098)	(282)
Profit for the period	577	295	1,364	357
Other comprehensive income	0	0	0	0
Total comprehensive income for the period	577	295	1,364	357
Profit attributable to:				
Owners of the Company	272	216	188	278
Minority interest	305	79	1,176	79
	577	295	1,364	357
Total comprehensive income attributable to:				
Owners of the Company	272	216	188	278
Minority interest	305	79	1,176	79
	577	295	1,364	357
Earnings per share for profit attributable to the owners of the Company (sen):-				
Basic earnings per share (sen)	0.04	0.12	0.04	0.16
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 2010 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 August 2011

	(Unaudited) As at 31.08.2011 RM'000	(Audited) As at 30.11.2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	28,965	24,488
Goodwill arising from consolidation	3,296	3,296
Investment properties	515	524
	32,776	28,308
Current assets		
Inventories	12,390	8,855
Receivables, deposits and prepayments	72,974	39,991
Tax recoverable	751	1,048
Fixed deposits with licensed banks	21,710	14,361
Cash and cash equivalents	23,614	7,047
	131,439	71,302
TOTAL ASSETS	164,215	99,610
EQUITY AND LIABILITIES		
Share capital	63,004	21,001
Share premium	6,136	7,090
Warrant Reserve	8,400	0
Retained profits	5,824	5,636
Equity attributable to owners of the Company	83,364	33,727
Minority interest	7,398	6,222
TOTAL EQUITY	90,762	39,949
Non-current liabilities		
Hire purchase payables	775	764
Deferred taxation	260	238
Bank borrowings	0	769
	1,035	1,771
Current liabilities		
Payables and accruals	39,132	22,678
Hire purchase payables	247	249
Bank borrowings	32,832	34,742
Taxation	207	221
	72,418	57,890
TOTAL LIABILITIES	73,453	59,661
TOTAL EQUITY AND LIABILITIES	164,215	99,610
Net assets per share attributable to ordinary equity holders of the Company(RM)	0.13	0.16

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 November 2010 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Second (3rd) Quarter Ended 31 August 2011

(The figures have not been audited)

	Attributable to equity holders of the Company			Minority interest	Total Equity
	Share capital	Non-distributable Share premium	Distributable Retained profits		
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 December 2009	16,300	5,883	5,140	0	27,323
Issuance of shares arising from private placement	1,909	554	0	0	2,463
Issuance of shares arising from acquisition of subsidiaries	2,792	1,256	0	0	4,048
Corporate exercises expenses relating to acquisition of subsidiaries, private placement and rights issue	0	(603)	0	0	(603)
Total comprehensive income for the financial year	0	0	496	452	948
Minority interest arising from business combination	0	0	0	5,770	5,770
At 30 November 2010	21,001	7,090	5,636	6,222	39,949

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 2010 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Second (3rd) Quarter Ended 31 August 2011(Continued)

(The figures have not been audited)

	Attributable to equity holders of the Company			Minority Interest	Warrant Reserve	Total Equity
	Share Capital	Non-distributable Share premium	Distributable Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 December 2010	21,001	7,090	5,636	6,222	0	39,949
Issuance of shares arising from rights issue	42,003	0	0	0	0	42,003
Arising from the issuance of warrants	0	0	0	0	8,400	8,400
Corporate exercises expenses relating to acquisition of subsidiaries, private placement and rights issue	0	(954)	0	0	0	(954)
Total comprehensive income for the financial period	0	0	188	1,176	0	1,364
At 31 August 2011	63,004	6,136	5,824	7,398	8,400	90,762

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 2010 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the Second (3rd) Quarter Ended 31 August 2011

(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		
Profit before taxation	2,462	639
Adjustments for:-		
Allowance for doubtful debts no longer required	0	(62)
Allowance for doubtful debts	0	9
Bad debts written off	0	26
Depreciation of property, plant and equipment	1,851	844
Depreciation of investment properties	9	9
Gain on disposal of property, plant and equipment	(5)	(156)
Loss on disposal of property, plant and equipment	4	0
Property, plant and equipment written off	2	0
Interest expense	1,590	352
Interest income	(126)	(64)
Unrealized loss on foreign exchange	(27)	16
Operating profit before working capital changes	5,760	1,613
Inventories	(3,535)	3,124
Receivables, deposits and prepayments	(32,983)	6,290
Payables and accruals	16,454	(2,454)
	(14,304)	8,573
Interest paid	(1,590)	(352)
Interest received	126	64
Tax paid	(797)	(496)
Tax refund	4	0
Net cash flows (used in)/from operating activities	(16,561)	7,789
Cash flows from investing activities		
Changes in fixed deposits with licensed banks	(1,096)	(220)
Proceeds from disposal of property, plant and equipment	17	170
Issuance of share capital	42,003	0
Issuance of warrant reserve	8,400	0
Payment of corporate exercise expenses relating to acquisition of subsidiaries, private placement and rights issue	(954)	(441)
Acquisition of subsidiaries	0	(732)
Purchase of property, plant and equipment (Note a)	(6,195)	(4,187)
Net cash flows from/(used in) investing activities	42,175	(5,410)
Cash flows from financing activities		
Repayment of hire purchase payables	(142)	(188)
Repayment of bankers acceptance	(2,564)	(3,438)
Net repayment of term loans	(1,050)	(225)
Net cash flows used in financing activities	(3,756)	(3,851)
Net increase/(decrease) in cash and cash equivalents	21,858	(1,472)
Cash and cash equivalents at the beginning of the financial period	7,004	7,642
Effect of foreign exchange rate changes	27	(16)
Cash and cash equivalents at the ending of the financial period (Note b)	28,889	6,154

CONDENSED CONSOLIDATED CASH FLOW STATEMENT**For the Second (3rd) Quarter Ended 31 August 2011 (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	151	0
- financed by cash	6,195	4,187
	<u>6,346</u>	<u>4,457</u>
(b) Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	15,451	220
Short-term funds	6,259	0
Bank overdraft	(984)	0
Cash and bank balances	23,614	6,154
	<u>44,340</u>	<u>6,374</u>
Less: Fixed deposit pledged to a licensed bank	(15,451)	(220)
	<u>28,889</u>	<u>6,154</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 November 2010 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 Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the Ace Market.

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 2010 and the explanatory notes attached to the interim financial statements, which provide an explanation of events and transactions that are significant to understand the changes in the financial position and performance of the Group since the financial year ended 30 November 2010.

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 2010.

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 November 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations with effect from 1 December 2010.

FRS 7	Financial Instruments: Disclosures
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards
Amendment to FRS 2	Share-based Payment
Amendment to FRS 3	Business Combinations
Amendment to FRS 5	Non-Current Assets Held for Sale and Discontinue Operations
Amendment to FRS 7	Financial Instruments Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 101	Presentation of Financial Statements
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 117	Lease
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistant
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements
Amendment to FRS 128	Investment in Associates
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendment to FRS 131	Interest in Joint Ventures
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 138	Intangible Assets
Amendment to FRS 140	Investment Properties
IC Interpretation 9	Reassessment of Embedded Derivative
IC Interpretation 10	Interim Financial Reporting and Impairment

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

IC Interpretation 11	FRS 2 Group and Treasury Share Transaction
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 13	Customer Loyalty Programmers
IC Interpretation 14	FRS 119 The Limit on a Defined benefit Asset, Minimum Funding Requirements and their interaction
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-Cash Assets to Owners

The adoption of the above new FRSs, Amendments to FRSs and IC Interpretations did not have significant impact on the Group's financial statements except as follows: -

FRS 101: Presentation of Financial Statements

FRS 101 requires an entity to present, in a statement of changes in equity, all owner change in equity. All non-owner changes in equity (i.e comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. FRS 101 does not have any impact on the Group's financial position or results.

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 2010 was not subject to any qualification.

4. Seasonal or Cyclical Factors

The Group is subjected to the cyclical effects of the global and Malaysian technology industry.

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 3rd quarter ended 31 August 2011 are as follows:-

	<u>Hydraulic</u>	<u>Trading</u>	<u>ICT</u>	<u>Investment holding</u>	<u>Consolidated</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External Sales	1,701	0	113,553	55	115,309
Gross Profit	653	0	4,401	55	5,109
Profit/(loss) before taxation	(193)	0	1,457	(401)	863

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 2010.

11. Contingent Assets or Liabilities

Details of contingent liabilities as at 21 October 2011 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report) are as follows:

	As at 31.08.2011 RM'000	As at 30.11.2010 RM'000
Corporate guarantees extended to financial institutions for banking facilities granted to subsidiary companies and a supplier	23,170	7,464

There are no contingent assets since the last annual balance sheet as at 30 November 2010.

12. Capital Commitments

There were no capital commitments for the current quarter under review.

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

There were no material events subsequent to the end of the current quarter under review up to 21 October 2011, 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 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 August 2011 (“Q3 2011”), the Group recorded revenue of RM115,309 million as compared to the revenue for the preceding year's corresponding quarter (“Q3 2010”) of RM42,920 million. The increase was mainly due to the consolidation of revenue from the two new subsidiaries, namely PC3 Technology Sdn Bhd (“PC3”) and Essential Action Sdn Bhd (“Essential”) (i.e. RM97.967 million) upon completion of the acquisitions on 22 July 2010 and 1 July 2010 respectively.

The Group generated a profit before taxation (“PBT”) of RM0.863 million for Q3 2011 as compared to profit before taxation (“PBT”) of RM577 million in Q2 2010. The profit was mainly due to the contribution from the two new subsidiaries as mentioned above.

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

The Group recorded a lower gross profit margin of 4.43% for the financial period ended (“FPE”) 31 August 2011 as compared to 9.48% in the corresponding period in the preceding year. The decrease was mainly due to the lower margin derived from the ICT business and the continuing intense competition from the hydraulic market.

The Group recorded a PBT margin of 0.75% in financial period ended (“FPE”) 31 August 2011, as compared to PBT margin of 1.29% in financial period ended (“FPE”) 31 August 2010. The decrease was mainly due to the lower margin derived from the ICT business and the continuing intense competition from the hydraulic market.

2. Variation of Results against Preceding Quarter

	Quarter ended		Variance	
	31.08.2011	31.05.2011	RM'000	%
	RM'000	RM'000		
Revenue	115,309	108,330	6,979	64.4
Profit before tax	863	317	546	1.72

The Group generated revenue and PBT of RM115,309 million and RM 0.863 million respectively. The increase in PBT was mainly attributed to the lower losses recorded in the hydraulic division and also one-off penalty sum payable to a bank for early settlement of term loan in the previous quarter.

3. Commentary on Prospects

In Q1 2010, the Group had ventured into the ICT industry via its wholly-owned subsidiary, ICT Utopia Sdn Bhd. The Group had further expanded its ICT division with the completion of the recent acquisitions of PC3 and Essential in Q3 2010 and PDA Expert Mobility Sdn Bhd on 17 October 2011. Both PC3 and Essential these companies contributed positively to the revenue and profit after tax of the Group for the year ended 30 November 2010. Barring any unforeseen circumstances, the acquisitions are expected to continue to contribute positively to the earnings of the Group for the financial year ending 30 November 2011.

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 period under review.

5. Income Tax Expense

	Current Quarter Ended		Cumulative Quarter Ended	
	31.08.2011	31.08.2010	31.08.2011	31.08.2010
	RM'000	RM'000	RM'000	RM'000
Current tax	286	258	1,098	282

The effective tax rate of the Group for the current quarter under review is higher than the statutory tax rate of 25% mainly due to losses incurred for one of its subsidiary.

6. Sales of Unquoted Investments and Properties

There were no disposals of unquoted investment 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 30 November 2010.

8. Status of Corporate Proposals**(a) Proposed Acquisition**

On 18 April 2011, on behalf of the Board of Directors of Tejari, PM Securities Sdn Bhd announced that the Company proposes to undertake the following proposals:-

- (i) Proposed acquisition of the entire equity interest of PDA Expert Mobility Sdn Bhd (“**PDA Expert**”) and its subsidiary, PC3 Corporate Sdn Bhd (“**PDA Expert Group**”) representing 100% of the issued and paid-up share capital of PDA Expert from Sin Chin Chai (“**SCC**”) and Lee Kah Keng (“**LKK**”) by Tejari for a total purchase consideration of RM4,038,343 to be satisfied via the issuance of 40,383,430 new ordinary shares of RM0.10 each in Tejari (“**Tejari Shares**” or “**Shares**”) at par (“**Proposed Acquisition**”)
- (ii) Proposed increase in the authorized share capital of Tejari from RM100,000,000 comprising 1,000,000,000 Tejari Shares to RM200,000,000 comprising 2,000,000,000 Tejari Shares (“**Proposed Increase in Authorized Share Capital**”)
- (iii) Proposed amendments to the memorandum of association of Tejari (“**Proposed Amendments**”); and
- (iv) Proposed purchase by Tejari or up to ten percent (10%) of its own issued and paid-up share capital (“**Proposed Share Buy-Back**”)

(Collectively referred to as the “**Proposals**”)

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

The Company had on 18 April 2011, entered into the following agreements pursuant to the Proposed Acquisition:

- (i) Share sale agreement with SCC and LKK (collectively referred to as “**Vendors**”) in relation to the Proposed Acquisition (“**SSA**”); and
- (ii) Profit guarantee agreement with SCC in relation to the guarantee to Tejari that the audited profit after tax (“**PAT**”) of PDA Expert Group shall not be less than RM1,000,000, being aggregated audited PAT of PDA Expert and PC3 Corporate Sdn Bhd (“**PC3 Corporate**”), a subsidiary of PDA Expert for each financial year of the companies for the guaranteed financial years (“**PGA**”).

Tejari is also proposing to undertake the following:

- (i) Proposed Increase in Authorised Share Capital;
- (ii) Proposed Amendments; and
- (iii) Proposed Share Buy-Back.

On 4 May 2011, on behalf of the Board of Directors of Tejari, PM Securities Sdn Bhd announced that the Company proposes to undertake the Proposed Ratification of Business Diversification of Tejari and its subsidiary companies into the Information, Communication and Technology (“**ICT**”) Business.

On 18 July 2011, PM Securities on behalf of the Board announced that the cut-off date for the expiry of above-mentioned SSA is 17 July 2011 (“**Cut-Off Date**”) and Tejari had on 17 July 2011 received the agreement of the Vendors for an extension of 4 months from the expiry of the Cut-Off Date i.e., to 17 November 2011 (being the “**Revised Cut-Off Date**”) for the fulfillment of the conditions precedent of the SSA.

On 2 September 2011, on behalf of the Board, PM Securities announced that Bursa Securities has, vide its letter dated 29 August 2011 which was received on 2 September 2011, approved the additional listing application for the listing of 40,383,430 new ordinary shares of RM0.10 each in Tejari to be issued pursuant to the proposed acquisition of the entire equity interest of PDA Expert representing 100% of the issued and paid-up share capital of PDA Expert by Tejari for a total purchase consideration of RM4,038,343 (“**Additional Listing Application**”).

The approval by Bursa Securities for the Additional Listing Application is subject to the following conditions:

- (i) Certified true copy of the resolution passed by the shareholders in general meeting approving the proposed ratification of business diversification of Tejari and its subsidiary companies into the information communication and technology business;
- (ii) Tejari/PM Securities must fully comply with the relevant provisions under the ACE Market Listing Requirements pertaining to the implementation of the Proposed Acquisition;
- (iii) Tejari/PM Securities to inform Bursa Securities upon completion of the Proposed Acquisition;
- (iv) Tejari/PM Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Proposed Acquisition has been implemented; and

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

- (v) Certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed Acquisition.

On 3 October 2011, on behalf of the Board, PM Securities announced that the resolutions as set out in the Notice of the Extraordinary General Meeting ('EGM') dated 8 September 2011 and tabled at the EGM of Tejari held earlier today at Conference Room of the Company, 667 & 668 Mukim 13, Jalan Sungai Juru, Juru 14100 Bukit Mertajam, Penang, have been duly approved by the shareholders of Tejari.

On 14 October 2011, on behalf of the Board, PM Securities announced that the 40,383,430 new ordinary shares of RM0.10 each in Tejari were allotted and issued pursuant to the Proposed Acquisition.

On 17 October 2011, on behalf of the Board, PM Securities announced that the Proposed Ratification of Business Diversification and the Proposals (save for the Proposed Share Buy-back) have been completed on even date. The authority from the shareholders of Tejari to undertake Proposed Share Buy-back is effective on 3 October 2011, being the date of passing of the relevant ordinary resolution for the Proposed Share Buy-back until:

- i. the conclusion of the next Annual General Meeting ("AGM") of Tejari following the general meeting at which the ordinary resolution for the Proposed Share Buy-back is passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- ii. the expiration of the period within which the next AGM after the date it is required by law to be held; or
- iii. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company.

whichever occurs first.

(b) Proposed change in company name

On 3 October 2011, the Board of Directors of Tejari announced that the Company is proposing to change its name from "Tejari Technologies Berhad" to "1 Utopia Berhad" ("Proposed Change of Name").

The name "1 Utopia Berhad" had been approved and reserved by the Companies Commission of Malaysia for the Company. The Proposed Change of Name is subject to the approval of the shareholders of the Company at the forthcoming EGM to be convened at a date to be announced later. The Proposed Change of Name, if approved by the shareholders, will take effect from the date of issuance of the Certificate of Incorporation on Change of Name of Company (Form 13) by the Companies Commission of Malaysia.

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

9. Utilisation Of Proceeds From Rights Issue

The gross proceeds from Rights Issue of RM50,403,000 have been/ will be utilized in the following manner:-

Description	Proposed Utilization RM'000	Actual Utilization as at 31 August 2011 RM'000	Intended timeframe for utilization
Hydraulic division			
Supplies for a potential local deck fitting and equipment contract and purchase of inventories to cater for the increased demand of Bridgestone hydraulic hoses	16,000	0	Within 24 months
R&D for the renewable energy segment and downstream expansion into the food industry business	7,000	2,500	Within 24 months
ICT Division			
Expansion and diversification of ICT products and services	12,386	7,500	Within 24 months
Others			
Repayment of borrowings	11,000	11,000	Within 6 months
General working capital	3,117	3,117	Within 24 months
Estimated expenses	900	900	Within 3 months
Total	50,403	25,017	

Date of completion of Rights Issue is 24 February 2011.

10. Borrowings and Debt Securities

The Group's borrowings as at 31 August 2011 are as follows:-

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total outstanding RM'000
<u>Secured</u>			
Banker's acceptance	31,848	0	31,848
Bank overdraft	984	0	984
Hire purchase	247	775	1,022
Term loan	0	0	0
Total	33,079	775	33,854

The banker's acceptance are secured by fixed deposits of a subsidiary company and jointly and severally guaranteed by all the directors of the subsidiary company.

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

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

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

- a) legal charges over the Group's freehold land and buildings;
- b) fixed deposit with licensed bank; and
- c) Corporate guarantee by the Company.

The Group's borrowings and other facilities are denoted in local currency. The Group does not have any foreign borrowings and debt securities as at 31 August 2011.

11. Derivative Financial Instruments

There were no derivative financial instruments as at 21 October 2011 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report).

12. Changes in Material Litigation

Since the last annual balance sheet date, there was no pending material litigation as at 21 October 2011 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report).

13. Dividend

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

14. Basic 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	
	31.08.2011	31.08.2010	31.08.2011	31.08.2010
	RM'000	RM'000	RM'000	RM'000
Profit for the year	272	216	188	278
Weighted average number of ordinary shares of RM0.10 in issue	630,036	175,139	499,737	175,139
Basic earnings per share (sen)	0.04	0.12	0.04	0.16

The fully diluted earnings per share is not disclosed as the effects on the assumed exercise of the share options under Warrants is anti-dilutive.

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

15. Disclosure of Realised and Unrealised Profits

On 25 March 2010, Bursa Securities issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Ace Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Malaysian Institute of Accountants further issued guidance on the disclosure and the format required.

The breakdown of the retained profits of the Group as at 31 August 2011, into realised and unrealised profits, pursuant to the directive, is as follows:

	As at 31.08.2011 RM'000	As at 30.11.2010 RM'000
Total retained profits of the Group:		
- Realised	6,084	5,874
- Unrealised	(260)	(238)
	<u>5,824</u>	<u>5,636</u>

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.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

16. Authorisation for Issue

These unaudited interim financial statements were authorised for release by the Company in accordance with a resolution of the Directors dated 27 October 2011.