

18 December 2009

Tejoori Limited
("Tejoori" or the "Company")

Investing policy update

The Board of Tejoori announces clarification of its investing policy in accordance with the revised AIM Rules for investing companies dated 1 June 2009. The Board confirm that this investing policy has not materially changed from the investing policy as established and announced on admission of the Company to trading on AIM. This announcement is for clarification purposes only. Further details regarding the investing policy and the administration of Tejoori can be found on the Company's website (www.tejooriltd.ae). It is the Company's intention to announce the investing policy annually in the Company's annual accounts.

Tejoori was conceived to meet the growing global demand by Muslims and non-Muslims seeking Shari'a compliant investment opportunities that are both ethically and socially responsible. The Company operates under the overriding principle that all investments (made through the investment manager) must be Shari'a compliant. Tejoori's investment activities are mainly focused on opportunities within the MENA region although investments will be made in other regions.

Tejoori is committed to achieving the highest rate of total return and capital preservation within prudent levels of risk and liquidity by diversifying its portfolio while maintaining a disciplined investment approach to include emerging and fast growing industries as well as established and traditional sectors. Tejoori's portfolio only contains investments in companies proactively seeking to make a positive contribution to society, the environment and the world around us.

As such Tejoori's investment portfolio is diversified into the following asset classes with the following target asset allocation ranges:

- Traditional investments (maximum: 50%, range: 30%-50%)

Tejoori will invest in traditional industries with a view to ensuring that the overall portfolio is well diversified, achieving superior risk-adjusted returns while providing current income. The principal approach is to provide bridge financing to mature corporate that are facing a short term funding gap.

Within the real estate investment class it is envisaged that the Company will diversify by property type and geography in the following areas:

- Agricultural land real estate;
- Apartment real estate;
- Office real estate;

- Retail real estate;
- Industrial real estate; and
- Real estate development.

Real estate investments are in the form of partnerships and direct investments. Under partnerships, decision-making and management discretion is granted to outside managers. Investment opportunities are classified as direct investments when Tejoori retains discretion and manages the investment internally or through its external resource(s).

In reviewing potential real estate investment opportunities Tejoori adheres to the following criteria for each sub-sector:

Agricultural land real estate

The agricultural land real estate sub-portfolio is managed to accomplish the following:

- Provide diversification;
- Preserve investment capital;
- Generate attractive risk-adjusted rates of return;
- Provide, at a minimum, moderate to low cash flow from operations; and
- Provide appreciation potential resulting from biological growth and active management techniques, including, but not limited to, agricultural best practices.

Other

The apartment real estate, office real estate, retail real estate and industrial real estate sub-portfolios are managed to accomplish the following:

- Provide diversification;
- Preserve investment capital;
- Generate attractive risk-adjusted rates of return;
- Provide stable cash flow from operations; and
- Provide appreciation potential.

Alternative investments (maximum: 40%, range: 30%-40%)

- Environmental technologies (maximum: 40%, range: 20%-40%)

The environmental technologies component targets investments providing solutions that are more efficient and less polluting than existing or legacy products, services or technologies. Areas of particular interest include but are not limited to:

1. Alternative and renewable energy (clean energy);
2. Water technologies (clean water);
3. Advanced materials or nanotechnology (clean material); and
4. Air purification technologies (clean air).

- Other investments (maximum: 15%, range: 5%-15%)

Other investments made by Tejoori will comprise a maximum of 15% of the assets of the Company.

- Treasury (maximum: 40%, range: 0%-40%)

The treasury investment class is mainly comprised of limited duration, highly liquid Shari'a compliant investment products and instruments, including, but not limited to, Murabahas and Short Term Sukuks.

The objective of this asset class is to ensure Tejoori has adequate liquidity to meet its projected cash flow needs and liabilities while keeping its cash balances fully invested so as to achieve the highest total rate of return possible consistent with a prudent level of risk.

Tejoori's investment approach comprises mainly equity investments with a 2-5 year investment horizon across various sectors. The investments will cover the following main sub-asset classes within the business cycle:

1. Venture capital- investing in companies in the later stage when they have started to generate revenue and expect to become profitable in the near future;
2. Expansion/growth capital- investing in an established company to provide the required capital to enter new markets and/or expand operations; and
3. Distressed financing- the use of debt and equity to finance a company undergoing short to medium term operational or financial challenges.

Tejoori leverages its board of directors, management and shareholders' longstanding relationships with companies, investors and financial intermediaries to generate a constant deal flow of high yield investments. All investments will be made in compliance with the principles of Shari'a law. All investment proposals are vetted by Dr. Hussain Hassan, Sharia' Supervisor, and only made if the board of directors approves the investment proposal.

Tejoori seeks controlling stakes in its portfolio companies and where Tejoori is not the majority shareholder it will put in place the appropriate controls such as effective board representation and ownership of certain rights.

Revenues for Tejoori are mainly derived from private equity investments, generally in privately-held companies and private investments in public companies, with a view of realising the investment through the capital markets, trade sales and recapitalisations. As the Company's ordinary shares are traded on AIM this provides a facility for shareholders to realise their investment in the Company.

There are no limits on the Company's level of leveraging.

There is no minimum or maximum limit on the length of time that any investment may be held. There is no limit on the number of projects into which the Company may invest nor the proportion of the Company's gross assets that any investment may represent at any time.

The Company will provide an update on its investing activities in its audited results for each financial year but otherwise has no current plans to publish any regular estimates of its net asset value or updated on its investments.

Tejoori Limited

Tel: 00971 433 00994

Ilke Toklu Onal

Allenby Capital Limited

Tel: +44 (0)203 328 5656

Nick Athanas/James Reeve

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