

ETI TECH CORPORATION BERHAD (667845-M)
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2009

The Board of Directors of ETI TECH Corporation Berhad ("ETICB" or "Company") is pleased to announce the following unaudited consolidated results for the first quarter ended 30 November 2009.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|--|---|---|
| | QUARTER ENDED 30.11.2009 RM'000 | QUARTER ENDED 30.11.2008 RM'000 | PERIOD ENDED 30.11.2009 RM'000 | PERIOD ENDED 30.11.2008 RM'000 |
| Revenue | 21,754 | 19,475 | 21,754 | 19,475 |
| Other operating income | 9 | 1 | 9 | 1 |
| Operating expenses | (18,271) | (15,134) | (18,271) | (15,134) |
| Finance costs | (94) | (125) | (94) | (125) |
| Profit before taxation | <u>3,398</u> | <u>4,217</u> | <u>3,398</u> | <u>4,217</u> |
| Taxation | - | - | - | - |
| Net profit for the year attributable to shareholders | <u>3,398</u> | <u>4,217</u> | <u>3,398</u> | <u>4,217</u> |
| Earnings per share (sen) | | | | |
| 1) Basic | 0.50 | 0.62 | 0.50 | 0.62 |
| 2) Diluted | N/A | N/A | N/A | N/A |

The unaudited condensed consolidated income statements should be read in conjunction with the accompanying explanatory notes of this interim financial report.

The calculation of the basic earnings per share has been taken into account the effect of the bonus shares issued on 1 October 2009 on the basis of two (2) new ordinary share of RM0.10 each for every existing ordinary share of RM0.10 each held.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2009

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

| | AS AT 30.11.2009 RM'000 | AUDITED AS AT 31.08.2009 RM'000 |
|--|--|--|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 13,847 | 13,480 |
| Prepaid lease payments | 1,210 | 1,216 |
| Development expenditure | 25,326 | 23,279 |
| | <u>40,383</u> | <u>37,975</u> |
| CURRENT ASSETS | | |
| Inventories | 8,417 | 7,452 |
| Trade receivables | 41,531 | 42,710 |
| Other receivables | 5,311 | 5,269 |
| Short-term deposits with a licensed bank | 803 | 803 |
| Cash and cash equivalents | 9,383 | 10,436 |
| | <u>65,445</u> | <u>66,670</u> |
| CURRENT LIABILITIES | | |
| Trade payables | 2,103 | 2,806 |
| Other payables | 1,234 | 1,087 |
| Borrowings | 4,436 | 6,043 |
| Current tax liabilities | 26 | 26 |
| | <u>7,799</u> | <u>9,962</u> |
| NET CURRENT ASSETS | <u>57,646</u> | <u>56,708</u> |
| NON-CURRENT LIABILITIES | | |
| Deferred tax liabilities | 251 | 251 |
| Borrowings | 3,352 | 3,404 |
| | <u>3,603</u> | <u>3,655</u> |
| NET ASSETS | <u>94,426</u> | <u>91,028</u> |
| FINANCED BY:- | | |
| Share capital | 68,077 | 22,692 |
| Retained profits | 26,349 | 68,336 |
| SHAREHOLDERS' EQUITY | <u>94,426</u> | <u>91,028</u> |
| Net assets per share (RM) | <u>0.14</u> | <u>0.13</u> |

The unaudited condensed consolidated balance sheet should be read in conjunction with the accompanying explanatory notes of this interim financial report.

The calculation of the net assets per share has been taken into account the effect of the bonus shares issued on 1 October 2009 on the basis of two (2) new ordinary share of RM0.10 each for every existing ordinary share of RM0.10 each held.

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| | PERIOD ENDED 30.11.2009 RM'000 | PERIOD ENDED 30.11.2008 RM'000 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before tax | 3,398 | 4,217 |
| Adjustments for: | | |
| Non-cash items | 790 | 703 |
| Non operating items | 93 | 125 |
| Operating profit before working capital changes | 4,281 | 5,045 |
| Changes in working capital: | | |
| Net changes in current assets | 170 | (656) |
| Net changes in current liabilities | (557) | (569) |
| Net cash generated from operating activities | 3,894 | 3,820 |
| Cash flows from investing activities | | |
| Interest received | 1 | - |
| Purchase of property, plant and equipment | (1,200) | (537) |
| Development expenditure | (1,996) | (1,943) |
| Net cash used in investing activities | (3,195) | (2,480) |
| Cash flows from financing activities | | |
| (Decrease)/Increase in short term bank borrowings (net) | (1,591) | 1,595 |
| Interest paid | (93) | (126) |
| Repayment of hire purchase | (10) | (10) |
| Repayment of term loans | (58) | (58) |
| Net cash (used in)/from financing activities | (1,752) | 1,401 |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (1,053) | 2,741 |
| CASH AND CASH EQUIVALENTS BROUGHT FORWARD | 10,436 | 5,016 |
| CASH AND CASH EQUIVALENTS CARRIED FORWARD | 9,383 | 7,757 |

The unaudited condensed consolidated cashflow statement should be read in conjunction with the accompanying explanatory notes of this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | <u>SHARE CAPITAL</u> RM'000 | <u>SHARE PREMIUM</u> RM'000 | <u>RETAINED PROFITS</u> RM'000 | <u>TOTAL</u> RM'000 |
|---|------------------------------------|------------------------------------|---------------------------------------|------------------------|
| 1st quarter ended 30 November 2009 | | | | |
| Balance at 1.9.2009 | 22,692 | - | 68,336 | 91,028 |
| Net profit for the year | - | - | 3,398 | 3,398 |
| Bonus Issue | 45,385 | | (45,385) | - |
| Balance at 30.11.2009 | <u>68,077</u> | <u>-</u> | <u>26,349</u> | <u>94,426</u> |
| Year ended 31 August 2009 | | | | |
| Balance at 1.9.2008 | 22,692 | - | 48,320 | 71,012 |
| Net profit for the year | - | - | 20,016 | 20,016 |
| Balance at 31.08.2009 | <u>22,692</u> | <u>-</u> | <u>68,336</u> | <u>91,028</u> |

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes of this interim financial report.