

ETI TECH CORPORATION BERHAD (667845-M)
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE YEAR ENDED 31 AUGUST 2010

The Board of Directors of ETI TECH Corporation Berhad ("ETICB" or "Company") is pleased to announce the following unaudited consolidated results for the fourth quarter ended 31 August 2010.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31.08.2010 RM'000	QUARTER ENDED 31.08.2009 RM'000	YEAR ENDED 31.08.2010 RM'000	YEAR ENDED 31.08.2009 RM'000
Revenue	15,183	23,418	74,026	83,080
Other operating income	131	164	147	166
Operating expenses	(14,749)	(18,117)	(63,707)	(62,598)
Finance costs	(172)	(191)	(581)	(527)
Profit before taxation	393	5,274	9,885	20,121
Taxation	(207)	(105)	(207)	(105)
Net profit for the year attributable to shareholders	186	5,169	9,678	20,016
Earnings per share (sen)				
1) Basic	0.03	0.76	1.42	2.94
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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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	AS AT 31.08.2010 RM'000	AUDITED AS AT 31.08.2009 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	12,890	13,480
Prepaid lease payments	1,182	1,216
Development expenditure	30,115	23,279
	<u>44,187</u>	<u>37,975</u>
CURRENT ASSETS		
Inventories	10,266	7,452
Trade receivables	46,009	42,710
Other receivables	9,802	5,269
Short-term deposits with a licensed bank	823	803
Cash and cash equivalents	6,002	10,436
	<u>72,902</u>	<u>66,670</u>
CURRENT LIABILITIES		
Trade payables	2,723	2,806
Other payables	1,717	1,087
Borrowings	8,247	6,043
Current tax liabilities	-	26
	<u>12,687</u>	<u>9,962</u>
NET CURRENT ASSETS	<u>60,215</u>	<u>56,708</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	484	251
Borrowings	3,212	3,404
	<u>3,696</u>	<u>3,655</u>
NET ASSETS	<u>100,706</u>	<u>91,028</u>
FINANCED BY:-		
Share capital	68,077	22,692
Retained profits	32,629	68,336
SHAREHOLDERS' EQUITY	<u>100,706</u>	<u>91,028</u>
Net assets per share (RM)	<u>0.15</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

	AS AT 31.08.2010 RM'000	AS AT 31.08.2009 RM'000
Cash flows from operating activities		
Profit before tax	9,885	20,132
Adjustments for:		
Non-cash items	3,053	3,516
Non operating items	558	441
Operating profit before working capital changes	<u>13,496</u>	<u>24,089</u>
Changes in working capital:		
Net changes in current assets	(10,654)	(9,346)
Net changes in current liabilities	547	(279)
Net cash generated from operating activities	<u>3,389</u>	<u>14,464</u>
Cash flows from investing activities		
Interest received	1	1
Purchase of property, plant and equipment	(2,647)	(3,900)
Development expenditure	(6,610)	(6,274)
Net cash used in investing activities	<u>(9,256)</u>	<u>(10,173)</u>
Cash flows from financing activities		
Increase in short term bank borrowings (net)	2,230	1,845
Interest paid	(580)	(443)
Repayment of hire purchase	(13)	(40)
Repayment of term loans	(204)	(233)
Net cash from financing activities	<u>1,433</u>	<u>1,129</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(4,434)</u>	<u>5,420</u>
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	<u>10,436</u>	<u>5,016</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>6,002</u>	<u>10,436</u>

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

	SHARE CAPITAL	RETAINED PROFITS	TOTAL
	RM'000	RM'000	RM'000
Year ended 31 August 2010			
Balance at 1.9.2009	22,692	68,336	91,028
Net profit for the year	-	9,678	9,678
Bonus Issue	45,385	(45,385)	-
Balance at 31.08.2010	<u>68,077</u>	<u>32,629</u>	<u>100,706</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>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.

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