

**ETI TECH CORPORATION BERHAD (667845-M)**  
(Incorporated in Malaysia)  
**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2010**

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 2010.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30.11.2010 RM'000	QUARTER ENDED 30.11.2009 RM'000	PERIOD ENDED 30.11.2010 RM'000	PERIOD ENDED 30.11.2009 RM'000
Revenue	13,679	21,754	13,679	21,754
Other operating income	7	9	7	9
Operating expenses	(12,295)	(18,271)	(12,295)	(18,271)
Finance costs	(249)	(94)	(249)	(94)
Profit before taxation	1,142	3,398	1,142	3,398
Taxation	-	-	-	-
Profit for the period	1,142	3,398	1,142	3,398
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,142	3,398	1,142	3,398
Profit for the period attributable to :				
Owners of the parent	1,142	3,398	1,142	3,398
Non-controlling interest	-	-	-	-
	1,142	3,398	1,142	3,398
Total comprehensive income attributable to :				
Owners of the parent	1,142	3,398	1,142	3,398
Non-controlling interest	-	-	-	-
	1,142	3,398	1,142	3,398
<b>Earnings per share (sen)</b>				
1) Basic	0.17	0.50	0.17	0.50
2) Diluted	N/A	N/A	N/A	N/A

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 August 2010 and the accompanying explanatory notes of this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT CURRENT QUARTER 30.11.2010 RM'000</b>	<b>AUDITED (RESTATED) AS AT PRECEDING FINANCIAL YEAR 31.08.2010 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	15,262	14,072
Development expenditure	31,955	30,116
	47,217	44,188
<b>CURRENT ASSETS</b>		
Inventories	23,172	10,266
Trade receivables	34,843	46,009
Other receivables	10,072	9,802
Short-term deposits with a licensed bank	823	823
Cash and cash equivalents	8,121	6,002
	77,031	72,902
<b>TOTAL ASSETS</b>	124,248	117,090
<b>EQUITY</b>		
Share capital	68,077	68,077
Retained profits	33,746	32,604
Equity attributable to owners of the Parent	101,823	100,681
Non controlling interest	-	-
<b>TOTAL EQUITY</b>	101,823	100,681
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	484	484
Borrowings	3,154	3,212
	3,638	3,696
<b>CURRENT LIABILITIES</b>		
Trade payables	2,223	2,723
Other payables	1,590	1,742
Borrowings	14,974	8,248
	18,787	12,713
<b>TOTAL LIABILITIES</b>	22,425	16,409
<b>TOTAL EQUITY AND LIABILITIES</b>	124,248	117,090
<b>Net assets per share (RM)</b>	0.15	0.15

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 August 2010 and the accompanying explanatory notes of this interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>AS AT 30.11.2010 RM'000</b>	<b>AS AT 30.11.2009 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	1,142	3,398
Adjustments for:		
Non-cash items	787	790
Non operating items	249	93
Operating profit before working capital changes	<u>2,178</u>	<u>4,281</u>
Changes in working capital:		
Net changes in current assets	(2,012)	170
Net changes in current liabilities	(653)	(557)
<b>Net cash (used in)/generated from operating activities</b>	<u>(487)</u>	<u>3,894</u>
<b>Cash flows from investing activities</b>		
Interest received	-	1
Purchase of property, plant and equipment	(2,038)	(1,200)
Development expenditure	(1,776)	(1,996)
<b>Net cash used in investing activities</b>	<u>(3,814)</u>	<u>(3,195)</u>
<b>Cash flows from financing activities</b>		
Increase/(Decrease) in short term bank borrowings (net)	6,727	(1,591)
Interest paid	(249)	(93)
Repayment of hire purchase	-	(10)
Repayment of term loans	(58)	(58)
<b>Net cash from/(used in) financing activities</b>	<u>6,420</u>	<u>(1,752)</u>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	2,119	(1,053)
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	6,002	10,436
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<u>8,121</u>	<u>9,383</u>

The unaudited condensed consolidated statement of cashflows should be read in conjunction with the audited financial statements for the financial year ended 31 August 2010 and the accompanying explanatory notes of this interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>SHARE CAPITAL</b>	<b>RETAINED PROFITS</b>	<b>TOTAL</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>1st quarter ended 30 November 2010</b>			
Balance at 1.9.2010	68,077	32,604	100,681
Total comprehensive income for the period	-	1,142	1,142
Balance at 30.11.2010	<u>68,077</u>	<u>33,746</u>	<u>101,823</u>
<b>1st quarter ended 30 November 2009</b>			
Balance at 1.9.2009	22,692	68,336	91,028
Total comprehensive income for the period	-	3,398	3,398
Bonus Issue	45,385	(45,385)	-
Balance at 30.11.2009	<u>68,077</u>	<u>26,349</u>	<u>94,426</u>

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 August 2010 and the accompanying explanatory notes of this interim financial report.