

ETI TECH CORPORATION BERHAD (667845-M)
(Incorporated in Malaysia)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2011

The Board of Directors of ETI TECH Corporation Berhad ("ETICB" or "Company") is pleased to announce the following unaudited consolidated results for the second quarter ended 28 February 2011.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 28.02.2011 RM'000	QUARTER ENDED 28.02.2010 RM'000	PERIOD ENDED 28.02.2011 RM'000	PERIOD ENDED 28.02.2010 RM'000
Revenue	12,409	18,493	26,088	40,247
Other operating income	352	9	359	18
Operating expenses	(12,063)	(15,302)	(24,358)	(33,573)
Finance costs	(310)	(157)	(559)	(251)
Profit before taxation	388	3,043	1,530	6,441
Taxation	-	-	-	-
Profit for the period	388	3,043	1,530	6,441
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	388	3,043	1,530	6,441
Profit for the period attributable to :				
Owners of the parent	388	3,043	1,530	6,441
Non-controlling interest	-	-	-	-
	388	3,043	1,530	6,441
Total comprehensive income attributable to :				
Owners of the parent	388	3,043	1,530	6,441
Non-controlling interest	-	-	-	-
	388	3,043	1,530	6,441
Earnings per share (sen)				
1) Basic	0.06	0.45	0.22	0.95
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

	AS AT CURRENT QUARTER 28.02.2011 RM'000	AUDITED (RESTATED) AS AT PRECEDING FINANCIAL YEAR 31.08.2010 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	18,924	14,072
Development expenditure	32,176	30,116
	51,100	44,188
CURRENT ASSETS		
Inventories	29,336	10,266
Trade receivables	30,236	46,009
Other receivables	7,799	9,802
Short-term deposits with a licensed bank	823	823
Cash and cash equivalents	8,410	6,002
	76,604	72,902
TOTAL ASSETS	127,704	117,090
EQUITY		
Share capital	68,077	68,077
Retained profits	34,134	32,604
Equity attributable to owners of the Parent	102,211	100,681
Non controlling interest	-	-
TOTAL EQUITY	102,211	100,681
NON-CURRENT LIABILITIES		
Deferred tax liabilities	484	484
Borrowings	3,113	3,212
	3,597	3,696
CURRENT LIABILITIES		
Trade payables	1,962	2,723
Other payables	1,700	1,742
Borrowings	18,234	8,248
	21,896	12,713
TOTAL LIABILITIES	25,493	16,409
TOTAL EQUITY AND LIABILITIES	127,704	117,090
Net assets per share (RM)	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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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	AS AT 28.02.2011 RM'000	AS AT 28.02.2010 RM'000
Cash flows from operating activities		
Profit before tax	1,530	6,441
Adjustments for:		
Non-cash items	1,687	1,629
Non operating items	569	250
	3,786	8,320
Operating profit before working capital changes		
Changes in working capital:		
Net changes in current assets	(1,299)	(3,070)
Net changes in current liabilities	(803)	(611)
	1,684	4,639
Net cash generated from operating activities		
Cash flows from investing activities		
Interest received	-	1
Purchase of property, plant and equipment	(6,660)	(1,734)
Development expenditure	(1,935)	(3,338)
	(8,595)	(5,071)
Net cash used in investing activities		
Cash flows from financing activities		
Increase in short term bank borrowings (net)	9,987	2,111
Interest paid	(569)	(251)
Repayment of hire purchase	-	(13)
Repayment of term loans	(99)	(105)
	9,319	1,742
Net cash from financing activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,408	1,310
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	6,002	10,436
CASH AND CASH EQUIVALENTS CARRIED FORWARD	8,410	11,746

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.

ETI TECH CORPORATION BERHAD (667845-M)**(Incorporated in Malaysia)****QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2011****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<u>SHARE CAPITAL</u> RM'000	<u>RETAINED PROFITS</u> RM'000	<u>TOTAL</u> RM'000
2nd quarter ended 28 February 2011			
Balance at 1.9.2010	68,077	32,604	100,681
Total comprehensive income for the period	-	1,530	1,530
Balance at 28.02.2011	<u>68,077</u>	<u>34,134</u>	<u>102,211</u>
2nd quarter ended 28 February 2010			
Balance at 1.9.2009	22,692	68,336	91,028
Total comprehensive income for the period	-	6,441	6,441
Bonus Issue	45,385	(45,385)	-
Balance at 28.02.2010	<u>68,077</u>	<u>29,392</u>	<u>97,469</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.

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