



ETI TECH CORPORATION BERHAD (667845-M)
 (Incorporated In Malaysia)
QUARTERLY REPORT FOR THE PERIOD ENDED 31 JANUARY 2015

**PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”)
 No. 134**

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of Chapter 9, Continuing Disclosure, Paragraph 9.22 of the Main Market Listing Requirements (“LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and in compliance with Malaysian Financial Reporting Standards (“MFRSs”) 134, Interim Financial Reporting issued by Malaysian Accounting Standards Board (MASB), and should be read in conjunction with the ETI Tech Corporation Berhad (“Group”) annual audited financial statements for the seventeen months period ended 31 July 2014.

The significant accounting policies, methods of computation and basis of consolidation adopted by the Group for the preparation of the interim financial report are consistent with those adopted in the annual audited financial statements for the seventeen months period ended 31 July 2014 except for the adoption of the following new and revised Malaysian Financial Reporting Standards (“MFRS”) and amendment to MFRS that had been issued but not yet effective as below:-

Effective date : 1 January 2016

MFRS 10	Consolidated Financial Statements : Investment Entities
MFRS 12	Disclosure of Interest in Other Entities : Investment Entities
MFRS 11	Joint Arrangements
MFRS 101	Presentation of Financial Statements : Disclosure Initiative
MFRS 116	Property, Plant and Equipment
MFRS 128	Investment in Associates and Joint Ventures : Investment Entities
MFRS 141	Agriculture

New MFRS 14 Regulatory Deferral Accounts

Effective date : 1 January 2017

MFRS 15 Revenue from Contracts with Customers

Effective date to be announced by MASB

MFRS 9 Financial Instruments

Effective upon application of MFRS 9

MFRS 7 Financial Instruments : Disclosures
 MFRS 139 Financial Instruments : Recognition and Measurement

The adoptions of new and revised MFRSs, and amendment to MFRS are not expected to have significant financial impact to the Group.

A2. Changes in accounting polices

There is no material changes in Statement in Financial Position, Statement of Comprehensive Income and Statement of Cash Flows presented under MFRSs framework.

A3. Seasonal or cyclical operations

There is no material seasonal or cyclical fluctuation in the operations of the Group.



A4. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that is unusual because of their nature, size or incidence

There was no item of unusual nature or amount affecting the assets, liabilities, equity, net income or cash flows during the current quarter under review.

A5. Nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year, which give a material effect in the current interim period

There was no material change in the estimates of amounts reported in prior interim periods of the current financial year or prior years that have a material effect on the current quarter under review.

A6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuance, cancellations, repurchase, resale and repayments of debts and equity securities during the current quarter under review except for the issuance of 221,767,429 of RM0.10 ordinary shares and 168,598,350 of warrants in pursuant of the Proposed Debt Restructuring Scheme. The Group had not engaged in any share buyback scheme or implemented any share cancellation.

A7. Dividend paid

No dividend was declared or paid during the current quarter under review.

A8. Segmental information

Segmental reporting by industries of the Group for the current financial period to -date is set out below:-

	Solar Division RM'000	Construction & Property Development RM'000	Others RM'000	Total RM'000
Revenue	550	667	-	1,217
Profit / (Loss) before tax	(7,890)	(71)	(803)	(8,764)
Total assets	67,109	2,287	189	69,585

A9. Valuation of property, plant and equipment

There was no valuation on any of the Group's property, plant and equipment during the current quarter under review.

A10. Significant events during the current quarter

There were no other material events to be disclosed in the financial statements for the current financial quarter.

A11. Changes in the composition of the ETI Tech Corporation Berhad ("ETICB")

There was no change in the composition of the Group during the current quarter under review.



A12. Contingent liabilities

As at the date of this report, the Group has no material contingent liabilities except for a corporate guarantee granted to financial institutions in respect of credit facilities extended to a subsidiary company as follow:-

	Company	
	As at 31.01.2015 RM	As at 31.7.2014 RM
Unsecured		
Corporate guarantee for banking facilities granted to a subsidiary company		
- Limit	4,400,000	36,450,000
- Utilised	4,356,166	28,949,691

A13. Capital commitment

There were no material capital commitments in respect of property, plant and equipment as at the end of the current quarter under review.

A14. Material events subsequent to the end of the interim reporting period

Save as disclosed below and Note B6, there were no material events subsequent to the end of the current quarter under review:-

i. Proposed establishment of an Employee Share Option Scheme (“ESOS”)

On 13 March 2015, the Board of Directors (“Board”) announced that the Group proposes to establish an ESOS of up to fifteen per cent (15%) of the prevailing issued and paid-up share capital of the Group (excluding treasury shares) for the Eligible Employees (including Directors) of the Group. Please refer to the Group’s announcement dated 13 March 2015 for full details of ESOS establishment.

ii. Proposed change of the Company name

On 17 March 2015, the Board of Directors (“Board”) announced that the Company proposes to change its name from “ETI Tech Corporation Berhad” to “Trive Property Berhad”. The name "Trive Property Berhad" had been approved and reserved by the Companies Commission of Malaysia for the Company. The Proposed Change of Name is subject to the approval of the shareholders of the Company at the forthcoming Extraordinary General Meeting to be convened at a date to be announced later. The Proposed Change of Name, if approved by the shareholders, will take effect from the date of issuance of the Certificate of Incorporation on Change of Name of Company (Form 13) by the Companies Commission of Malaysia.

iii. Termination of Memorandum of Understanding (“MOU”) between the ETI Tech Corporation Berhad (“ETICB”) and Castel Engineering Ltd

With refer to the Company’s announcements dated 2 June 2014 pertaining to the MOU signed between the Parties. The Board of the Company wishes to announce that the Parties have mutually agreed to terminate the MOU with effect from 24 March 2015. The termination of MOU will not have any material effect on the share capital, substantial shareholders’ shareholding, net assets, gearing and earnings of the Company and its subsidiaries for the financial ended 31 July 2015 and the Company would not be assuming any liabilities, contingent liabilities or guarantees due to the termination of the MOU.



PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE MAIN MARKET

B1. Review of performance

For the quarter ended 31 January 2015, the Group recorded a revenue of RM0.667 million as compared to RM2.031 million in the immediate corresponding quarter of the preceding period. The decrease in the Group’s revenue by RM1.364 million was mainly due to the establishing of solar contracts and development projects in which the revenue will only be realised in the coming quarters.

The Group registered a loss before taxation (“LBT”) for the quarter ended 31 January 2015 of approximately RM6 million as compared to RM0.898 million in the immediate corresponding quarter of the preceding period. The LBT in the reporting quarter was mainly due to the amortization of development expenditures, depreciation of property, plant and equipment, impairment loss of the development expenditure and corporate restructuring costs incurred.

B2. Variation of results against preceding quarter

	Current Quarter 31/01/2015 RM'000	Preceding Quarter 31/10/2014 RM'000	Variance RM'000
Revenue	667	550	117
Loss before tax	(5,996)	(2,768)	(3,228)

The Group obtained a revenue of RM0.667 million for the current quarter under review as compared to the immediate preceding quarter’s revenue of RM 0.55 million. The increased of revenue mainly due to the contribution from Group’s property development division. The Group recorded a loss before taxation of approximately RM 6 million for the current quarter as compared to a loss before taxation of RM 2.768 million for the preceding quarter. The higher loss in current quarter under review as compared to immediate preceding quarter was mainly due to the impairment loss of the development expenditure in current quarter.

B3. Current Prospects

The Group is currently experiencing a challenging time and is working on a restructuring plan with corporate consultants to strengthen its financial and operational position.

With the approval obtained from shareholders of Group for the restructuring plan dated 9 December 2014 and share issuance pursuant to corporate restructuring dated 7 January 2015, the financial position of the Group is expected to significantly improve and the management will be able to fully concentrate on strengthening and growing the business.

With the diversification into the construction and property development industry and the contract awarded as per announcement made on Bursa Malaysia dated 21 May 2014, barring any unforeseen circumstances, the Group is confident of achieving better performance.

B4. Variance on forecast profit/profit guarantee

The Group is not subjected to any profit forecast or profit guarantee.

B5. Tax Income / (expense)

There is no income tax charge for the Group.

B6. Status of corporate proposals

(a) Disposal of the entire equity interest in Power Mac Sdn. Bhd. (hereinafter called “PRMSB”)

On 24 March 2014, The Board of Directors of the Group announced that the disposal of the entire equity interest in Power Mac Sdn. Bhd to Musyarakah Equity Venture Sdn. Bhd. for total cash consideration of RM 5,878,000 has been completed. The status of utilization of proceeds raised from the disposal of PRMSB as below:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended timeframe for utilization	Balance Utilisation	
				RM'000	%
Salaries and related costs comprising allowances and statutory payments	1,000	1,000	Within 12 months from the date of completion of the Proposed Disposal	-	-
Partial repayment of existing bank borrowings including interest payments	3,200	3,200	Within 12 months from the date of completion of the Proposed Disposal	-	-
Trade payables	678	678	Within 12 months from the date of completion of the Proposed Disposal	-	-
Outstanding payables and operating expenses comprising professional fees, utilities, factory and marketing expenses	1,000	1,000	Within 12 months from the date of completion of the Proposed Disposal	-	-

(b) Private Placement

The Board of Directors (“Board”) had on 18 February 2014 vide Public Investment Bank Berhad announced that the Group proposed to undertake a private placement of up to 70,627,200 Placement Shares, representing up to ten percent (10%) of the issued and paid-up share capital of the Group, to investors to be identified at an issue price to be determined and announced later. The listing application has been submitted to Bursa Malaysia Securities Berhad on 25 February 2014 for the listing of and quotation for these Placement Shares.

On 14 May 2014, the Group announced that the Board fixed the issue price of the 70,627,200 Placement Shares, at RM0.10 per Placement Share. The Private Placement has been completed on 20 May 2014.



The utilization of the gross proceeds of RM7,062,720 from the private placement as at 31 January 2015 is as follows:-

Purpose	Proposed Amount RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Timeframe for Utilisation
Working Capital	6,863	6,013	850	Within twelve (12) months from the date of completion of the private placement
Corporate Proposal Expenses	200	200	-	Within six (6) month from the date of completion of the private placement
	7,063	6,213	850	

B7. Borrowings and debt securities

The Group's borrowings at the end of the financial quarter are as follows:

	Current Payable within Twelve (12) months RM'000	Non- current Payable after Twelve (12) months RM'000
<u>Secured</u>		
Bank Overdraft	4,356	-
	4,356	-

There was no unsecured debt during the current quarter under review and financial period-to-date. The Group does not have any foreign borrowing or debt securities as at the date of this announcement.

B8. Breakdown of realised and unrealised losses of the Group

	As at 31.01.2015 RM'000
Realised loss	(46,204)
Unrealised loss	-
Total retained loss	(46,204)



B9. Changes in material litigation

On 27 February 2015, the Group announced that the Alor Setar High Court had fixed the matter for hearing for suit filed by Malayan Banking Berhad (“MBB”) being the amount owing by ETMSB amounted to RM5,454,447.32 and interest on the sum to 15 April 2015.

On 9 February 2015, the Group announced that the Penang High Court had fixed the matter for hearing for suit filed by Maybank Islamic Berhad being the amount owing by ETMSB amounted to RM5,496,047.54 and interest on the sum to 5 May 2015.

There is no changes in status for the suit filed by Hong Leong Bank (HLB) regarding to ETMSB has failed to settle the outstanding balances of trade facilities, bank overdraft and hire purchase payables amounted to RM11,145,342 and interest on the sum. The Group had provided for the total claims of RM11,145,342.00 in the Group’s and ETI-M’s accounts as such there is no further financial impact on the Group.

The judgment delivered in favour of MBB & HLB will not have any financial and/or operational impact on the Group as the Shah Alam High Court had granted an extension of the Restraining Order (“RO”) under Section 176(1) of the Companies Act, 1965 for a further period up to 25 November 2014.

There is no changes in status for the suit filed by Standard Chartered Bank (SCB) regarding to the claims of RM5,033,557.46, USD915,000 and interest on the sum.

B10. Dividend

No dividend was proposed and declared in the current quarter under review.

B11. Audit report of preceding annual financial statements

The preceding year’s annual audited financial statements of the Group were subjected to qualification on Development Expenditure, Property, Plant & Equipment and Investment in Subsidiaries including an emphasis of matter relating to going concern consideration.

B12. Loss per share

	Current quarter 3 months 31.01.2015	Restated Preceding year corresponding quarter 3 months 31.01.2014	Current year to date 6 months 31.01.2015	Restated Preceding year corresponding period 6 months 31.01.2014
Net loss after tax from continuing operations (RM'000)	(5,996)	(898)	(8,764)	(3,109)
Restated weighted average number of ordinary shares in issue ('000)	901,454	706,272	901,454	706,272
Basic loss per share (sen) from continuing operations	(0.67)	(0.13)	(0.97)	(0.44)

B13. Loss before Tax

The following items have been included in arriving at loss before tax:

	Current quarter 3 months 31.01.2015 RM'000	Restated Preceding year corresponding quarter 3 motnhs 31.01.2014 RM'000	Current year to date 6 months 31.01.2015 RM'000	Restated Preceding year corresponding period 6 months 31.01.2014 RM'000
After charging:-				
Interest expense	(111)	-	472	-
Amortisation of development expenditure	980	377	1,959	1,508
Impairment loss of the development expenditure	3,629	-	3,629	-
Depreciation	551	289	1,177	790
After crediting:-				
Interest income	-	-	2	6
Bad debts recovered	-	3	-	3

Save as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Securities Main Market Listing Requirements are not applicable.

B14. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 March 2015.