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## PROSPECTUS

PUBLIC ISSUE OF 31,772,000 NEW ORDINARY SHARES OF RM0.10 EACH AT AN ISSUE PRICE OF RM0.45 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION COMPRISING:

- 9,650,000 NEW ORDINARY SHARES OF RM0.10 EACH FOR APPLICATION BY ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES OF ETI TECH CORPORATION BERHAD ("ETICB") AND ITS SUBSIDIARY COMPANY
- 20,622,000 NEW ORDINARY SHARES OF RM0.10 EACH TO IDENTIFIED PLACEES BY WAY OF PLACEMENT
- 1,500,000 NEW ORDINARY SHARES OF RM0.10 EACH FOR APPLICATION BY THE MALAYSIAN PUBLIC

IN CONJUNCTION WITH THE LISTING OF ETICB ON THE MESDAQ MARKET OF BURSA MALAYSIA SECURITIES BERHAD

Adviser, Sponsor, Underwriter and Placement Agent



**ALLIANCE MERCHANT BANK**

ALLIANCE MERCHANT BANK BERHAD (21605-D)

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" IN SECTION 4 HEREOF



THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF ETI TECH CORPORATION BERHAD (COMPANY NO. 667845-M) ("ETICB" OR "COMPANY") AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING.

ALLIANCE MERCHANT BANK BERHAD (21605-D), BEING THE ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE (AS HEREINAFTER DEFINED).

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE PUBLIC ISSUE. HOWEVER, THE APPROVAL IS NOT AN INDICATION THAT THE SC RECOMMENDS THE PUBLIC ISSUE. THE BURSA MALAYSIA SECURITIES BERHAD ("SECURITIES EXCHANGE") HAS ALSO, ON 6 APRIL 2005 GRANTED ITS APPROVAL-IN-PRINCIPLE FOR THE LISTING OF ETICB SHARES ON MESDAQ MARKET OF THE SECURITIES EXCHANGE. THE ADMISSION TO THE OFFICIAL LIST OF THE MESDAQ MARKET OF THE SECURITIES EXCHANGE IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE COMPANY, THE MERITS OF ITS SHARES OR THE PUBLIC ISSUE.

THE SC AND THE SECURITIES EXCHANGE ARE NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

THIS PROSPECTUS IS PREPARED AND PUBLISHED SOLELY FOR THE PUBLIC ISSUE IN MALAYSIA UNDER THE LAWS OF MALAYSIA. THE PUBLIC ISSUE SHARES (AS DEFINED HEREIN) ARE OFFERED IN MALAYSIA SOLELY BASED ON THE CONTENTS OF THIS PROSPECTUS. ETICB AND ITS ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE INVESTORS WITH INFORMATION WHICH IS NOT CONTAINED IN THIS PROSPECTUS.

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**CHARACTERISTICS OF THE MESDAQ MARKET OF THE SECURITIES EXCHANGE:**

INVESTORS SHOULD BE AWARE THAT THE MESDAQ MARKET IS A DISTINCT MARKET FROM THE MAIN AND SECOND BOARDS IN MANY RESPECTS. IN PARTICULAR, COMPANIES LISTED ON THE MESDAQ MARKET ARE SUBJECT TO DIFFERENT QUANTITATIVE AND QUALITATIVE REQUIREMENTS, WHICH HAVE BEEN PRIMARILY DESIGNED TO ACCOMMODATE HIGH-GROWTH AND/OR TECHNOLOGY COMPANIES. COMPANIES THAT ARE LISTED ON THE MESDAQ MARKET MAY NOT HAVE AN OPERATING HISTORY OR ANY PROFIT TRACK RECORD PRIOR TO LISTING. AS SUCH, WHILST POTENTIAL INVESTMENT RETURNS MAY BE RELATIVELY HIGH, COMPANIES LISTED ON THE MESDAQ MARKET MAY BE OF HIGHER INVESTMENT RISK. THE REGULATORY PHILOSOPHY UNDERLYING THE MESDAQ MARKET IS THAT THE MARKET SHOULD BE ALLOWED TO DETERMINE THE MERITS OF THE SECURITIES/INSTRUMENTS IN A PARTICULAR COMPANY. HENCE, AS WITH ALL INVESTMENTS, PROSPECTIVE INVESTORS SHOULD BE AWARE OF ALL POTENTIAL RISKS IN INVESTING IN SUCH COMPANIES AND SHOULD MAKE THE DECISION TO INVEST AFTER DUE AND CAREFUL CONSIDERATION BY REFERRING TO, AMONGST OTHERS, THE PROSPECTUS, LATEST FINANCIAL STATEMENTS AND CORPORATE ANNOUNCEMENTS. IN THIS RESPECT, ADVICE FROM A SECURITIES PROFESSIONAL/ADVISER IS STRONGLY RECOMMENDED.

**THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM THE SECURITIES EXCHANGE'S WEBSITE AT [www.bursamalaysia.com](http://www.bursamalaysia.com).**

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**INDICATIVE TIMETABLE**

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<b>EVENTS</b>		<b>INDICATIVE DATE/TIME</b>
Opening of applications	:	10.00 a.m. on 28 February 2006
Closing of applications	:	5.00 p.m. on 16 March 2006
Balloting	:	20 March 2006
Allotment	:	27 March 2006
Listing	:	28 March 2006

The Board and the Underwriter may mutually decide, at their absolute discretion, to extend the date and time for the closing of applications to any later date or dates. If the date of the closing of applications is extended, the dates of the balloting, allotment and Listing would be extended accordingly. Any extension of the closing of application will be advertised in a widely circulated English and Bahasa Malaysia newspaper not less than one (1) Market Day before the original date of the closing of applications.

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## DEFINITIONS

Unless otherwise indicated, the following definitions shall apply throughout this Prospectus:

“Act”	: The Companies Act, 1965
“ADA”	: Authorised Depository Agent
“ADA Code”	: ADA (Broker) Code
“Alliance”	: Alliance Merchant Bank Berhad (21605-D)
“Amanah Ventures”	: Amanah Ventures Sdn Bhd (205310-W)
“Application Form(s)”	: Printed application form(s) for the application of the Public Issue Shares
“Articles”	: Articles of Association of the Company
“ATM(s)”	: Automated Teller Machine(s)
“Audit Committee”	: Audit Committee of the Company
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (165570-W)
“Board”	: The Board of Directors of the Company
“By-Laws”	: The By-Laws of the ESOS as set out in Section 16 of this Prospectus
“CDS”	: Central Depository System
“CDS Account”	: An account established by Bursa Depository for a depositor for the recording of deposit of securities and for dealing in such securities by depositor
“Central Depositories Act”	: The Securities Industry (Central Depositories) Act, 1991
“Conversion of RCCPS”	: Conversion of the RCCPS at a conversion rate of one (1) ETI TECH Share for every one (1) RCCPS held
“EPS”	: Earnings per share
“ESA”	: Application of the Public Issue Shares through a Participating Financial Institution’s ATM
“ESOS”	: ETICB Employees’ Share Option Scheme 2006
“ESOS Option(s)”	: The right to subscribe for new ETICB Shares pursuant to the ESOS
“ETICB” or the “Company”	: ETI Tech Corporation Berhad (667845-M)
“ETICB Group” or the “Group”	: ETICB and its subsidiary company, ETI TECH
“ETICB Share(s)” or “Shares”	: Ordinary share(s) of RM0.10 each in ETICB
“ETI TECH”	: ETI Tech (M) Sdn Bhd (587980-M)
“ETI TECH Share(s)”	: Ordinary share(s) of RM1.00 each in ETI TECH

**DEFINITIONS (Cont'd)**

“ETI TECH Acquisition”	: The acquisition by ETICB of the entire issued and paid-up share capital of ETI TECH of RM1,376,627 comprising 1,376,627 ETI TECH Shares for a total purchase consideration of RM8,168,998 satisfied wholly by the issuance of 81,689,980 new ETICB Shares at an issue price of RM0.10 per ETICB Share, credited as fully paid
“FIC”	: Foreign Investment Committee
“GDP”	: Gross domestic product
“Grantee”	: Any eligible employee who has accepted the Offer by the Company of an ESOS Option in accordance with the terms of the ESOS
“Infocredit D&B”	: Infocredit D&B (Malaysia) Sdn Bhd (527570-M)
“Infocredit D&B Report”	: Infocredit D&B’s Report dated 15 December 2004 and updated on 15 February 2006
“Initial Grant”	: The initial grant of 11,346,000 ESOS Options in conjunction with the listing of ETICB on the MESDAQ Market
“Issue Price”	: RM0.45 for each Public Issue Share
“IT”	: Information Technology
“Latest Practicable Date”	: 15 February 2006, being the latest practicable date prior to the registration of this Prospectus
“Listing”	: Admission to the official list of the Securities Exchange and the listing of and quotation for the entire enlarged issued and paid-up capital of ETICB of RM11,346,200 comprising 113,462,000 ETICB Shares on the MESDAQ Market
“Market Day”	: Any day of which the Securities Exchange is open for trading of securities
“MDC”	: Multimedia Development Corporation Sdn Bhd (389346-D)
“MESDAQ”	: Malaysian Exchange of Securities Dealing & Automated Quotation Bhd
“MI”	: Minority interest
“MIDFCCS” or “Issuing House”	: MIDF Consultancy and Corporate Services Sendirian Berhad (11324-H)
“MITI”	: Ministry of International Trade and Industry
“MMLR”	: Securities Exchange Listing Requirements for the MESDAQ Market
“MSC”	: Multimedia Super Corridor
“NAV”	: Net asset value
“NBV”	: Net book value
“NTA”	: Net tangible assets
“Offer”	: An offer made in writing by the Option Committee to an eligible participant pursuant to the ESOS

**DEFINITIONS (Cont'd)**

“Option Committee”	:	The committee appointed by the Board to administer the ESOS
“Participating Financial Institutions”	:	Participating financial institutions for ESA
“PAT”	:	Profit after tax
“PBT”	:	Profit before tax
“Pink Form Shares”	:	The 9,650,000 Public Issue Shares representing approximately 8.50% of the enlarged issued and paid-up share capital of ETICB reserved for application by eligible Directors, employees and business associates of the ETICB Group
“PNS”	:	Perbadanan Nasional Berhad (9157-K)
“Promoters”	:	Lee Kah Kheng, Dennis Chuah, PNS, Khor Yee Kwang, Chan Kam Woo and Mansor Bin Padzin, collectively
“Public Issue” or “Issue”	:	The public issue of 31,772,000 new ETICB Shares, representing approximately 28.00% of the enlarged issued and paid-up share capital of ETICB, at the Issue Price subject to the terms and conditions of this Prospectus
“Public Issue Share(s)”	:	The 31,772,000 new ETICB Shares to be issued pursuant to the Public Issue subject to the terms and conditions of this Prospectus
“R&D”	:	Research and development
“RCCPS”	:	The 181,894 10% redeemable convertible cumulative preference shares of RM1.00 each in ETI TECH issued to Amanah Ventures on 10 December 2004 at an issue price of approximately RM18.69 each
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Rules”	:	Rules of Bursa Depository
“SC”	:	Securities Commission
“Securities Exchange”	:	Bursa Malaysia Securities Berhad (635998-W)
“USA”	:	United States of America
“USD”	:	United States Dollar

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of a day in this Prospectus shall be a reference to Malaysian time, unless otherwise stated.

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**ABBREVIATED TECHNICAL TERMS**


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To facilitate a better understanding of the business of the Company, the following definitions provides an explanation of some of the technical terms and abbreviations (which should not be treated as definitive of their meanings) used in this Prospectus relating to the Company's business:

"Ampere"	:	A unit of measure of electrical current
"Ah"	:	Ampere-hour. It is defined as a current of one (1) ampere flowing for one (1) hour. Ampere-hours are normally used to indicate the amount of energy a storage battery can deliver
"Battery Pack"	:	A PLi cell pack assembled with BMS used to directly power up an electronic product. A battery pack can be in various combination of series and parallel forms
"BMS"	:	Battery management system. The firmware and hardware design which incorporates the constant current constant voltage, charger circuit, safety protection circuit and a cell balancing circuit, with firmware of various levels of intelligence including highly accurate fuel gauging and communication architecture protocols to optimise the cell performance as well as prolong the cell life
"Bluetooth"	:	Chip technology enabling seamless voice and data connections between a wide range of devices through short-range digital two-way radio. It is an open specification for short-range communications of data and voice between both mobile and stationary devices. For instance, it specifies how mobile phones, computers and PDAs interconnect with each other, with computers, and with office or home phones
"CanBus"	:	Control Area Network Bus. An ISO standard (ISO 11898) for serial data communication widely used in industrial automation as well as automotive and mobile machines
"capacity"	:	The total number of ampere-hours or watt-hours that can be withdrawn from a fully charged cell or battery under specified conditions of discharge
"cell"	:	The basic electrochemical unit used to generate or store electrical energy
"cell balancing"	:	A process of ensuring equal charge to all cells in series, by closely monitoring the cells voltages
"charge"	:	The conversion of electrical energy, provided in the form of electrical current from an external source, to restore the chemical energy in a cell or battery
"coulomb"	:	Unit of measure of large charges. One (1) Coulomb = the amount of electricity passing a given point in one (1) second at a current of one (1) Ah
"C-rate"	:	Current rate. C-rate is defined as the amount of current needed to completely discharge a battery within one (1) hour
"cycle"	:	A sequence where a charged battery is discharged and recharged
"cycle life"	:	The number of cycles under specified conditions that are available from a secondary battery before it fails to meet specified criteria as to performance
"discharge"	:	The conversion of the chemical energy of a battery into electrical energy, and the withdrawal of the electrical energy into load



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**ABBREVIATED TECHNICAL TERMS (Cont'd)**


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“energy”	:	The output capability of a cell or battery, usually expressed in watt-hours
“energy density”	:	The ratio of the energy available from a battery to its volume (expressed in watt-hour per litre or Wh/L) or weight (expressed in watt-hour per kilogram or Wh/kg)
“EPROM”	:	Erasable programmable read-only memory. It is a special type of memory that retains its contents until it is exposed to ultraviolet light. The ultraviolet light clears its contents, making it possible to reprogram the memory
“ESD”	:	Electrostatic discharge
“firmware”	:	Software that is embedded in a hardware device that allows reading and executing of the software, but does not allow modification, e.g., writing or deleting data by an end user
“LED”	:	Light emitting diode
“mAh”	:	Miliampere-hour. 1,000 mAh equivalent to 1 Ah
“MOSFET”	:	Metal oxide semiconductor field effect transistor
“NiCd”	:	Nickel Cadmium
“NiMH”	:	Nickel metal hydride
“ODM”	:	Original design manufacturer
“OEM”	:	Original equipment manufacturer
“Ohm”	:	The basic unit of electrical resistance
“parallel”	:	A term used to describe the interconnection of cells or batteries in which all the like terminals are connected together. In this configuration, the capacity is the sum of the individual batteries and voltage is unchanged
“PDA”	:	Personal digital assistant
“PLi”	:	Polymer lithium ion
“Portable Power Pack”	:	A PLi cell pack assembled with BMS designed as a mobile charger. After being charged, it can be used to recharge another battery. A Portable Power Pack can be in various combinations of series/parallel forms
“RC”	:	Radio control
“Rds”	:	Referring to FET’s (Field Effect Transistor) Drain-Source resistance
“rechargeable battery”	:	A battery which, after discharge, may be restored to the fully charged state by the passage of an electrical current through the cell in the opposite direction to that of discharge
“RFI”	:	Radio frequency interference
“series”	:	The interconnection of cells in such a manner that the positive terminal of the first is connected to the negative terminal of the second, and so on. The voltage of the assembled battery is the sum of the individual batteries. The capacity of the battery is unchanged

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**ABBREVIATED TECHNICAL TERMS (Cont'd)**

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“shunt capacitors”	:	Those capacitors shunting or paralleling the output, for filtering and electro-magnetic interference/noise suppression purposes
“SMBus”	:	System Management Bus. A low speed system management communication protocol used mostly in personal computers and server
“Switching Regulation Control”	:	A charge control circuitry which controls the switching regulator, in-order to supply the right amount of charge to the cells
“Smart Battery”	:	A PLi cell pack incorporated with a BMS. A smart battery refers to either a Battery Pack or a Portable Power Pack
“UPS”	:	Uninterruptible power supply
“V”	:	Volt. The unit of electrical potential. One (1) volt is the electrical potential that will cause one (1) ampere of current to flow through one (1) ohm of resistance
“voltage”	:	Electrical potential force measured in Volts

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