

SANICHI TECHNOLOGY BERHADCompany No.661826-K
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED****31 MARCH 2009**

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year to	Preceding Year Corresponding Quarter to
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Revenue	4,774	5,980	14,553	18,868
Operating expenses	(2,355)	(5,627)	(13,395)	(15,924)
Other operating income	17	177	115	238
Profit from operations	2,436	530	1,273	3,182
Finance costs	(361)	(318)	(1,126)	(877)
Profit before taxation	2,075	212	147	2,305
Tax expense	(22)	(91)	(46)	(388)
Profit after taxation	2,053	121	101	1,917
Attributable to:				
Ordinary equity holders of the parent	2,053	121	101	1,917
Minority interest	-	-	-	-
	2,053	121	101	1,917
Earnings per share (sen)				
Basic (note B13)	1.8	0.1	0.1	1.7
Diluted (note B13)	1.8	0.1	0.1	1.7

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and accompanying explanatory notes attached to the interim financial statements.)

SANICHI TECHNOLOGY BERHADCompany No.661826-K
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009**

	(Unaudited) As at 31 March 2009 RM'000	(Audited) As at 30 June 2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	27,294	28,124
Prepaid land lease payments	1,697	1,720
Development expenditure	234	234
Goodwill on consolidation	7	7
	29,232	30,085
Current assets		
Inventories	7,563	1,131
Trade receivables	19,333	22,288
Other receivables, deposits and prepayments	2,471	2,871
Tax recoverables	1,014	608
Fixed deposits	2,234	1,119
Cash and bank balances	58	744
	32,673	28,761
TOTAL ASSETS	61,905	58,846
EQUITY AND LIABILITIES		
EQUITY		
Share capital	11,350	11,350
Share premium	10,586	10,586
Exchange translation reserve	(9)	3
Retained earnings	8,421	8,320
Equity attributable to equity holders of the parent	30,348	30,259
Non-current liabilities		
Long term borrowings	9,052	9,988
Deferred taxation	122	122
	9,174	10,110
Current liabilities		
Trade payables	4,541	2,650
Other payables and accruals	2,066	2,450
Provision for taxation	5	18
Short term borrowings	13,947	12,579
Bank overdrafts	1,824	780
	22,383	18,477
TOTAL LIABILITIES	31,557	28,587
TOTAL EQUITY AND LIABILITIES	61,905	58,846
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.27	0.27

(The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and accompanying explanatory notes attached to the interim financial statements.)

SANICHI TECHNOLOGY BERHADCompany No.661826-K
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED
31 MARCH 2009**

(The figures below are unaudited)

	Current Year to 31 March 2009 RM'000	Preceding Year Corresponding Period to 31 March 2008 RM'000
Cash flows from operating activities		
Profit before tax	147	2,305
Adjustments for:-		
Non-cash items	4,003	3,109
Non-operating items	1,091	828
Operating profit before changes in working capital	<u>5,241</u>	<u>6,242</u>
Changes in working capital:-		
Net change in current assets	(3,076)	(5,228)
Net change in current liabilities	1,505	2,781
Net cash from operations	<u>3,670</u>	<u>3,795</u>
Interest paid	(1,126)	(877)
Tax paid	(463)	(617)
Net cash from operating activities	<u>2,081</u>	<u>2,301</u>
Cash flows for investing activities		
Interest received	35	49
Increase in development expenditure	-	(16)
Proceeds from disposal of equipment	-	168
Purchase of plant and equipment	(3,150)	(2,460)
Net cash for investing activities	<u>(3,115)</u>	<u>(2,259)</u>
Cash flows for financing activities		
Dividend paid	-	(568)
Net drawdown of other short-term bank borrowings	3,887	1,902
Repayment of term loans	(1,995)	(1,834)
Repayment of hire purchase liabilities	(1,461)	(1,444)
Net cash from/(for) financing activities	<u>431</u>	<u>(1,944)</u>
Net decrease in cash and cash equivalents	(603)	(1,902)
Effects of changes in exchange rates	(12)	(27)
Cash and cash equivalents at beginning of the period	<u>1,083</u>	<u>3,290</u>
Cash and cash equivalents at end of the period	<u>468</u>	<u>1,361</u>
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks**	2,234	1,109
Cash and bank balances	58	515
Bank overdrafts	(1,824)	(263)
	<u>468</u>	<u>1,361</u>

** Fixed deposits with licensed banks have been pledged to licensed banks for banking facilities granted to the Group.

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and accompanying explanatory notes attached to the interim financial statements.)

SANICHI TECHNOLOGY BERHAD

Company No.661826-K
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED
31 MARCH 2009**

(The figures below are unaudited)

	← Attributable to Equity Holders of the Parent →				Total Equity RM'000
	Share Capital RM'000	Non-Distributable Share Premium RM'000	Translation reserve RM'000	Distributable Retained Profit RM'000	
At 1 July 2008	11,350	10,586	3	8,320	30,259
Profit for the period	-	-	-	101	101
Exchange translation differences	-	-	(12)	-	(12)
Total recognised expenses for the period	-	-	(12)	101	89
At 31 March 2009	11,350	10,586	(9)	8,421	30,348
At 1 July 2007	11,350	10,586	(59)	8,033	29,910
Profit for the period	-	-	-	1,917	1,917
Dividend paid	-	-	-	(568)	(568)
Exchange translation differences	-	-	(27)	-	(27)
Total recognised income for the period	-	-	(27)	1,349	1,322
At 31 March 2008	11,350	10,586	(86)	9,382	31,232

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and accompanying explanatory notes attached to the interim financial statements.)

SANICHI TECHNOLOGY BERHAD

Company No. 661826-K
(Incorporated in Malaysia)

A. EXPLANATORY NOTES IN ACCORDANCE WITH FRS 134

A1. Basis of Preparation

The unaudited condensed interim financial statements for the third quarter ended 31 March 2009 have been prepared in accordance with Financial Reporting Standards ("FRS") No. 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the MESDAQ Market ("MMLR"). The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of Sanichi Technology Berhad ("Sanichi" or "Company") and its subsidiary companies (collectively known as "Sanichi Group" or "Group") for the financial year ended ("FYE") 30 June 2008.

Changes in Accounting Policies

The accounting policies and presentations adopted by the Group for these interim condensed financial statements are consistent with the most recent audited financial statements for the FYE 30 June 2008.

A2. Seasonality or Cyclicity Factors

The Group's operations for the current quarter under review were not significantly affected by any seasonal or cyclical factors.

A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

During the quarter, there were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence.

A4. Material Change in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect on the results for the quarter under review.

A5. Issuances, Repurchases and Repayments of Debt and Equity Securities

During the quarter, there were no issuances, repurchases and repayments of debt and equity securities.

A6. Dividend Paid

There was no dividend paid during the quarter under review.

SANICHI TECHNOLOGY BERHAD

Company No. 661826-K
(Incorporated in Malaysia)

A7. Segmental Reporting

(A) By Business Segment

No business segmental information is presented as the Group is operating principally within a single business segment.

(B) By Geographical Segment

Segment sales	Current	Preceding Year
	Quarter	Corresponding
	31.3.2009	Period to
	RM'000	31.3.2008
		RM'000
Malaysia	3,335	3,945
European countries	1,168	-
Other countries in Asia Pacific	271	2,035
	<hr/> 4,774	<hr/> 5,980

Segment assets	As at	As at
	31.3.2009	30.6.2008
	RM'000	RM'000
Malaysia	59,970	55,696
Thailand	1,935	3,150
	<hr/> 61,905	<hr/> 58,846

Capital expenditure	Current Year To Date	
	31.3.2009	31.3.2008
	RM'000	RM'000
Malaysia	2,998	2,054
Thailand	152	406
	<hr/> 3,150	<hr/> 2,460

SANICHI TECHNOLOGY BERHAD

Company No. 661826-K
(Incorporated in Malaysia)

A8. Material Events Subsequent to the End of the Quarter under Review

There was no material event subsequent to the end of the quarter under review up to the date of this report which has not been reflected in the financial statements for the quarter under review.

A9. Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A10. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date up to the date of this report.

- The rest of this page has been intentionally left blank -

SANICHI TECHNOLOGY BERHAD

Company No. 661826-K
(Incorporated in Malaysia)

B. ADDITIONAL INFORMATION REQUIRED BY MMLR (APPENDIX 9B)

B1. Review of Group's Results for the Current Quarter and Year-to-Date Period Ended 31 March 2009

The Group recorded a revenue of RM4.774 million and RM14.553 million for the third financial quarter and cumulative 9-month financial period ended 31 March 2009 respectively. Advance Precision Injection Mould ("APIM") contributed RM1.439 million, representing approximately 30% of the revenue for the quarter under review. The Group's profit before tax ("PBT") for the quarter was RM2.075 million and profit after tax ("PAT") for the quarter was RM2.053 million.

The Group's revenue of RM14.553 million for the cumulative 9-month financial period ended 31 March 2009 represents a decrease of approximately 23% as compared to the preceding year corresponding period. As a result of the decline in revenue, the Group's PBT and PAT dropped to RM0.147 million and RM0.101 million respectively for the cumulative 9-month financial period ended 31 March 2009, as compared to a PBT of RM2.305 million and a PAT of RM1.917 million for the preceding year corresponding period ended 31 March 2008. The reason for the decline in the Group's financial performance was mainly due to the impact of the global economic crisis on the automotive and consumer electronic industries especially in the second half of year 2008. The decline was also partly due to the Group's penetration into the European automotive market by adopting competitive pricing strategy in the 1st and 2nd quarter of the financial year.

B2. Variation of Results for the Current Quarter Ended 31 March 2009 against Immediate Preceding Quarter

The Group recorded an increase of approximately 62% in its revenue to RM4.774 million for the quarter ended 31 March 2009 against RM2.945 million for the immediate preceding quarter ended 31 December 2008. As a result thereof, the Group registered a PBT of RM2.075 million for the quarter ended 31 March 2009 as compared to a loss before tax ("LBT") of RM1.377 million in the immediate preceding quarter ended 31 December 2008.

The increase in revenue by approximately RM1.9 million for the current quarter under review compared to preceding quarter ended 31 December 2008 was mainly due to improve demand from the automotive and electronic industries.

In tandem with the increase in revenue, PBT for the quarter ended 31 March 2009 had increased by RM3.452 million to RM2.075 million as compared to the preceding quarter ended 31 December 2008. The implementation of various cost cutting measures, including reduction in production overhead, coupled with lower raw material cost incurred had contributed to the increase of PBT. The increase of sales volume also increased the profit margin for the quarter under review.

SANICHI TECHNOLOGY BERHAD

Company No. 661826-K
(Incorporated in Malaysia)

B3. Group's Prospects for FYE 30 June 2009

The Group expects the FYE 30 June 2009 to be a challenging year due to the continuing weak consumer sentiments as a result of the global economic slowdown. It is expected that sales of moulds and tooling to the consumer electronics industry will further decline in FYE 30 June 2009. However, the Board of Directors of Sanichi ("Board") is hopeful that the expected increase in sales from the Group's existing customers in the automotive industry for the FYE 30 June 2009 will partially offset the expected decrease in sales to the consumer electronics industry.

Notwithstanding the decline in sales, the Board expects the lower raw materials cost and the cost cutting measures presently being undertaken by the management to improve the Group's results for the remaining quarter of the FYE 30 June 2009.

B4. Variance of Profit Forecast

The Group did not publish any profit forecast for the period under review.

SANICHI TECHNOLOGY BERHAD

Company No. 661826-K
(Incorporated in Malaysia)

B5. Tax Income/ (Expense)

Taxation comprises the following:-

	Individual quarter ended		Cumulative quarter ended	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:-				
Current taxation	(22)	(155)	(46)	(452)
Deferred taxation	-	-	-	-
	<u>(22)</u>	<u>(165)</u>	<u>(46)</u>	<u>(452)</u>
In respect of the previous period:-				
Taxation	-	64	-	64
Deferred taxation	-	-	-	-
Net tax charge	<u>(22)</u>	<u>(91)</u>	<u>(46)</u>	<u>(388)</u>

The Group's higher PBT for individual quarter was set-off by losses incurred in the preceding quarter ended 31 December 2008 which had resulted in lower effective tax rate.

The Group's effective tax rate for the cumulative quarter ended 31 March 2009 was higher than statutory tax rate mainly due to loss recorded by one of the foreign subsidiary companies of the Company.

B6. Profit on Sale of Unquoted Investments and Properties

There was no disposal of unquoted investments and properties during the quarter under review and financial year-to-date.

B7. Purchase and Disposal of Quoted and Marketable Securities

There was no purchase or disposal of quoted and marketable securities during the quarter under review and financial year-to-date.

SANICHI TECHNOLOGY BERHAD

Company No. 661826-K
(Incorporated in Malaysia)

B8. Status of Corporate Proposals Announced

- (i) On 5 December 2007, the Group announced the following corporate proposals:
- (a) A proposed private placement of up to 11,350,000 new ordinary shares of RM0.10 each in the Company ("Sanichi Shares") ("Placement Shares"), representing up to 10% of the existing issued and paid-up share capital at an issue price to be determined later ("Proposed Private Placement"); and
 - (b) A proposed special issue of up to 53,507,200 Sanichi Shares, representing up to 30% of the enlarged issued and paid-up share capital of the Company ("Special Issue Shares"), (after the Proposed Private Placement and Proposed Special Issue), at an issue price to be determined later ("Proposed Special Issue").

(hereinafter, the Proposed Private Placement and Proposed Special Issue shall collectively be referred to as the "Proposals").

On 19 February 2008, the Group announced that the Securities Commission ("SC") had, *vide* its letter dated 18 February 2008 approved the Proposals subject to certain terms and conditions.

Further to the above, on 25 March 2008, the Group announced that the Ministry of International Trade and Industry ("MITI") approved the Proposals *vide* its letter dated 25 March 2008 subject to certain terms and conditions.

Apart from the approvals received from SC and MITI, the Proposals are conditional upon the approvals of the following:

- (a) MITI for the recognition of the Bumiputera placees to be identified;
- (b) Bursa Malaysia Securities Berhad for the listing of and quotation for the Placement Shares and the Special Issue Shares to be issued pursuant to the Proposals; and
- (c) The shareholders of Sanichi at an extraordinary general meeting to be convened.

SANICHI TECHNOLOGY BERHAD

Company No. 661826-K
(Incorporated in Malaysia)

B8. Status of Corporate Proposals Announced (Cont'd)

On behalf of the Company, Alliance Investment Bank Berhad ("Alliance") had submitted applications to the SC to seek its approval for an extension of time up to 18 February 2009 ("First Extension") for the implementation of the Proposals. The SC had, *vide* its letters dated 10 July 2008 and 11 August 2008, approved the First Extension.

Further to the above and on behalf of the Company, Alliance had, on 4 February 2009, submitted an application to the SC for a further extension of time up to 18 August 2009 and 18 February 2010 for the implementation of the Proposed Private Placement and the Proposed Special Issue respectively ("Second Extension").

Concurrent to the above, Alliance had also submitted an application to the Equity Compliance Unit of the SC ("ECU") for the following:

- (a) waiver for the implementation of the Proposed Special Issue; and
- (b) waiver for the requirement of having to set-aside 30% of the Placement Shares for subscription by Bumiputera investors to be issued pursuant to the Proposed Private Placement,

(collectively referred to as the "Waiver Proposals")

based on the flexibility accorded by SC on the enhancement of Bumiputera allocation process announced on 12 November 2008.

The SC *vide* its letter dated 18 March 2009 ("SC Approval Letter") had granted an exemption to Sanichi in respect of the Waiver Proposals subject to MITI confirming that MITI is unable to allocate the Special Issue Shares to Bumiputera investors by 24 April 2009 ("Exemption").

MITI had *vide* its letter dated 18 May 2009 informed that as at 15 May 2009, despite several rounds of offer/ invitation extended to Bumiputera investors to subscribe for the Special Issue Shares, MITI has not received any positive response on the said offer/ invitation.

Premised on the above and on behalf of Sanichi, Alliance had written to inform the SC on 20 May 2009 that the Exemption is deemed effective based on the condition stipulated in the SC Approval Letter.

The Proposed Private Placement is still pending implementation.

SANICHI TECHNOLOGY BERHAD

Company No. 661826-K
(Incorporated in Malaysia)

(ii) Utilisation Of Proceeds Received From Public Issue

As at 31 March 2009, the status of utilisation of the gross proceeds of RM15.86 million raised from the public issue of 30,499,980 new ordinary shares of RM0.10 each in Sanichi at an issue price of RM0.52 per share in conjunction with the listing of Sanichi on the MESDAQ Market of the Bursa Securities is as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Timeframe for Utilisation	Deviation Amount RM'000	%	Explanations
Capital expenditure	4,000	4,000	-	-	-	-
Research & Development	2,000	1,447	By 7 September 2009*	553	28	-
Repayment of bank borrowings	4,000	4,000	-	-	-	-
Working Capital	4,160	4,160	-	-	-	-
Estimated Listing Expenses	1,700	1,700	-	-	-	-
TOTAL	15,860	15,307		553	28	

Note:

* The SC had, vide its letter dated 3 September 2008, approved an extension of time up to 7 September 2009 for the utilisation of the remaining R&D proceeds and stipulated that any further extension of time or variation of utilisation of listing proceeds in the future will not require the SC's approval.

SANICHI TECHNOLOGY BERHAD

Company No. 661826-K
(Incorporated in Malaysia)

B9. Group Borrowings and Debt Securities

The Group's borrowings, all repayable in Ringgit Malaysia and secured, as at the end of the quarter under review are as follows:

	RM'000
<u>Short Term Borrowings</u>	
Term Loans	1,170
Hire Purchase Payables	1,317
Trade Financing	11,460
Bank overdraft	1,824
	<hr/> 15,771
<u>Long Term Borrowings</u>	
Term Loans	4,605
Hire Purchase Payables	4,447
	<hr/> 9,052
Total	<hr/> 24,823 <hr/>

The Group does not have any foreign borrowings and debt securities as at the date of this report.

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

B11. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

B12. Dividend Proposed

No dividend was declared and recommended for payment during the quarter under review.

SANICHI TECHNOLOGY BERHAD

Company No. 661826-K
(Incorporated in Malaysia)

B13. Earnings Per Share ("EPS")

Basic EPS

	Current quarter ended		Cumulative quarter ended	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
Net profit for the period (RM'000)	2,053	121	101	1,917
Weighted average number of shares in issue ('000)	113,500	113,500	113,500	113,500
Basic EPS (sen)	<u>1.8</u>	<u>0.1</u>	<u>0.1</u>	<u>1.7</u>

Basic EPS is calculated by dividing the net profit attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

Diluted EPS

Diluted EPS is equal to the basic EPS as there were no convertible or option outstanding which can be potentially converted into ordinary shares in both the previous and current financial periods.

B14. Audit Report of Preceding Annual Financial Statements

The audited financial statements of the Company and its subsidiary companies for the FYE 30 June 2008 were not subject to any qualification.