

SANICHI TECHNOLOGY BERHADCompany No.661826-K
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED
30 JUNE 2010**

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 30 June 2010 RM'000	Preceding Year Corresponding Quarter 30 June 2009 RM'000	Current Year to date 30 June 2010 RM'000	Preceding Year Corresponding Period 30 June 2009 RM'000
Revenue	3,557	2,368	19,262	16,921
Operating expenses	(5,251)	(12,800)	(16,679)	(26,195)
Other operating income	6	(50)	6	65
(Loss)/Profit from operations	(1,688)	(10,482)	2,589	(9,209)
Finance costs	(1,411)	(328)	(2,360)	(1,454)
(Loss)/Profit before taxation	(3,099)	(10,810)	229	(10,663)
Tax income/(expenses)	2	(126)	(26)	(172)
(Loss)/Profit after taxation	(3,097)	(10,936)	203	(10,835)
Attributable to:				
Ordinary equity holders of the parent	(3,097)	(10,936)	203	(10,835)
Minority interest	-	-	-	-
	(3,097)	(10,936)	203	(10,835)
Loss per share (sen)				
Basic (note B13)	(1.9)	(9.6)	0.1	(9.5)
Diluted (note B13)	(1.9)	(9.6)	0.1	(9.5)

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2009 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 30 JUNE 2010**

	(Unaudited) As at 30 June 2010 RM'000	(Audited) As at 30 June 2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,949	26,665
Prepaid land lease payments	1,659	1,690
Development expenditure	33	148
Goodwill on consolidation	7	7
	26,648	28,510
Current assets		
Inventories	6,373	4,959
Trade receivables	19,093	14,441
Other receivables, deposits and prepayments	417	1,314
Tax recoverables	761	782
Fixed deposits	501	741
Cash and bank balances	63	92
	27,208	22,329
TOTAL ASSETS	53,856	50,839
EQUITY AND LIABILITIES		
EQUITY		
Share capital	16,350	11,350
Share premium	10,586	10,586
Exchange translation reserve	(19)	59
Retained earnings	(2,313)	(2,516)
Equity attributable to equity holders of the parent	24,604	19,479
Non-current liabilities		
Long term borrowings	9,453	7,192
Deferred taxation	-	-
	9,453	7,192
Current liabilities		
Trade payables	2,616	3,868
Other payables and accruals	2,021	3,927
Amount owing to directors	794	1,481
Provision for taxation	-	10
Short term borrowings	13,247	13,116
Bank overdrafts	1,121	1,766
	19,799	24,168
TOTAL LIABILITIES	29,252	31,360
TOTAL EQUITY AND LIABILITIES	53,856	50,839
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.15	0.17

(The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 June 2009 and accompanying explanatory notes attached to the interim financial statements.)

SANICHI TECHNOLOGY BERHAD

Company No.661826-K
(Incorporated In Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED
30 JUNE 2010**

(The figures below are unaudited)

	Current Year to 30 June 2010 RM'000	Preceding Year Corresponding Year to 30 June 2009 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	229	(10,664)
Adjustments for:-		
Non-cash items	3,497	5,315
Non-operating items	3,080	5,091
Operating profit/(loss) before changes in working capital	<u>6,806</u>	<u>(258)</u>
Changes in working capital:-		
Net change in current assets	(6,446)	295
Net change in current liabilities	<u>(3,012)</u>	<u>3,084</u>
Net cash (for)/from operations	(2,652)	3,121
Interest paid	(2,362)	(1,454)
Net tax refund/(paid)	<u>(15)</u>	<u>(475)</u>
Net cash (for)/from operating activities	<u>(5,029)</u>	<u>1,192</u>
Cash flows for investing activities		
Interest received	-	52
Increase in development expenditure	-	-
Proceeds from disposal of equipment	460	1,020
Purchase of plant and equipment	<u>(1,715)</u>	<u>(3,065)</u>
Net cash for investing activities	<u>(1,255)</u>	<u>(1,993)</u>
Cash flows from financing activities		
(Repayment to)/Advances from directors	(687)	1,481
Proceed from issuance of shares	5,000	-
(Repayment)/Net drawdown of other short-term bank borrowings	(6,162)	1,961
Net drawdown/(Repayment) of term loans	9,726	(1,910)
Repayment of hire purchase liabilities	<u>(1,172)</u>	<u>(2,701)</u>
Net cash from/(for) financing activities	<u>6,705</u>	<u>(1,169)</u>
Net increase/(decrease) in cash and cash equivalents	421	(1,970)
Effects of changes in exchange rates	(45)	(46)
Cash and cash equivalents at beginning of the period	<u>(933)</u>	<u>1,083</u>
Cash and cash equivalents at end of the year	<u>(557)</u>	<u>(933)</u>
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks**	501	741
Cash and bank balances	63	92
Bank overdrafts	<u>(1,121)</u>	<u>(1,766)</u>
	<u>(557)</u>	<u>(933)</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 2009 and accompanying explanatory notes attached to the interim financial statements.)

SANICHI TECHNOLOGY BERHADCompany No.661826-K
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED
30 JUNE 2010**

	← 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 2009	11,350	10,586	59	(2,516)	19,479
Profit for the year	-	-	-	203	203
Exchange translation differences	-	-	(78)	-	(78)
Total recognised income for the year	-	-	(78)	203	125
Issuance of shares	5,000	-	-	-	5,000
At 30 June 2010	<u>16,350</u>	<u>10,586</u>	<u>(19)</u>	<u>(2,313)</u>	<u>24,604</u>
At 1 July 2008	11,350	10,586	3	8,320	30,259
Loss for the year	-	-	-	(10,836)	(10,836)
Exchange translation differences	-	-	56	-	56
Total recognised expenses for the year	-	-	56	(10,836)	(10,780)
At 30 June 2009	<u>11,350</u>	<u>10,586</u>	<u>59</u>	<u>(2,516)</u>	<u>19,479</u>

(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 2009 and accompanying explanatory notes attached to the interim financial statements.)