

SANICHI TECHNOLOGY BERHADCompany No.661826-K
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED
31 DECEMBER 2010**

(The figures below are unaudited)

| | <u>INDIVIDUAL QUARTER</u> | | <u>CUMULATIVE QUARTER</u> | |
|--|---|---|--|--|
| | Current Quarter 31 December 2010 RM'000 | Preceding Year Corresponding Quarter 31 December 2009 RM'000 | Current Year to date 31 December 2010 RM'000 | Preceding Year Corresponding Period 31 December 2009 RM'000 |
| Revenue | 1,545 | 5,298 | 6,391 | 11,397 |
| Operating expenses | (2,955) | (4,176) | (7,382) | (8,319) |
| Other operating income | - | (16) | - | - |
| (Loss)/Profit from operations | (1,410) | 1,106 | (991) | 3,078 |
| Finance costs | (279) | (329) | (578) | (658) |
| (Loss)/Profit before taxation | (1,689) | 777 | (1,569) | 2,420 |
| Tax income/(expenses) | 67 | (5) | - | (8) |
| (Loss)/Profit after taxation | (1,622) | 772 | (1,569) | 2,412 |
| Attributable to: | | | | |
| Ordinary equity holders of the parent | (1,622) | 772 | (1,569) | 2,412 |
| Minority interest | - | - | - | - |
| | (1,622) | 772 | (1,569) | 2,412 |
| (Loss)/Earnings per share (sen) | | | | |
| Basic (note B13) | (1.0) | 0.7 | (1.0) | 2.1 |
| Diluted (note B13) | (1.0) | 0.7 | (1.0) | 2.1 |

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

| | (Unaudited) As at 31 December 2010 RM'000 | (Audited) As at 30 June 2010 RM'000 |
|---|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 22,626 | 24,949 |
| Prepaid land lease payments | 1,644 | 1,659 |
| Development expenditure | 33 | 33 |
| Goodwill on consolidation | 7 | 7 |
| | <u>24,310</u> | <u>26,648</u> |
| Current assets | | |
| Inventories | 6,680 | 6,374 |
| Trade receivables | 19,386 | 19,093 |
| Other receivables, deposits and prepayments | 291 | 417 |
| Tax recoverables | 761 | 761 |
| Fixed deposits | 616 | 501 |
| Cash and bank balances | 66 | 63 |
| | <u>27,800</u> | <u>27,209</u> |
| TOTAL ASSETS | <u>52,110</u> | <u>53,857</u> |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Share capital | 16,350 | 16,350 |
| Share premium | 10,586 | 10,586 |
| Exchange translation reserve | 110 | (19) |
| Retained earnings | (3,882) | (2,313) |
| Equity attributable to equity holders of the parent | <u>23,164</u> | <u>24,604</u> |
| Non-current liabilities | | |
| Long term borrowings | 7,560 | 9,218 |
| Deferred taxation | - | - |
| | <u>7,560</u> | <u>9,218</u> |
| Current liabilities | | |
| Trade payables | 2,186 | 2,616 |
| Other payables and accruals | 2,229 | 2,021 |
| Amount owing to directors | 546 | 794 |
| Provision for taxation | - | - |
| Short term borrowings | 14,944 | 13,483 |
| Bank overdrafts | 1,481 | 1,121 |
| | <u>21,386</u> | <u>20,035</u> |
| TOTAL LIABILITIES | <u>28,946</u> | <u>29,253</u> |
| TOTAL EQUITY AND LIABILITIES | <u>52,110</u> | <u>53,857</u> |
| Net assets per share attributable to ordinary equity holders of the parent (RM) | 0.14 | 0.15 |

(The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 June 2010 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 DECEMBER 2010**

(The figures below are unaudited)

| | Current Year to 31 December 2010 RM'000 | Preceding Year Corresponding Year to 31 December 2009 RM'000 |
|---|--|---|
| Cash flows from operating activities | | |
| (Loss)/Profit before tax | (1,569) | 2,420 |
| Adjustments for:- | | |
| Non-cash items | 1,656 | 1,310 |
| Non-operating items | 170 | 658 |
| Operating profit before changes in working capital | <u>257</u> | <u>4,388</u> |
| Changes in working capital:- | | |
| Net change in current assets | (309) | (4,631) |
| Net change in current liabilities | (470) | (3,213) |
| Net cash for operations | <u>(522)</u> | <u>(3,456)</u> |
| Interest paid | (578) | (658) |
| Net tax paid | - | 47 |
| Net cash for operating activities | <u>(1,100)</u> | <u>(4,067)</u> |
| Cash flows from investing activities | | |
| Proceeds from disposal of equipment | 1,977 | 595 |
| Purchase of plant and equipment | (1,052) | (1,028) |
| Net cash from/(for) investing activities | <u>925</u> | <u>(433)</u> |
| Cash flows from financing activities | | |
| Repayment of short-term bank borrowings | (103) | (253) |
| Net (repayment)/drawdown of term loans | (124) | 5,341 |
| Net drawdown/(repayment) of hire purchase liabilities | 31 | (401) |
| Net cash (for)/from financing activities | <u>(196)</u> | <u>4,687</u> |
| Net (decrease)/increase in cash and cash equivalents | (371) | 187 |
| Effects of changes in exchange rates | 129 | (66) |
| Cash and cash equivalents at beginning of the period | <u>(557)</u> | <u>(933)</u> |
| Cash and cash equivalents at end of the period | <u>(799)</u> | <u>(812)</u> |
| Cash and cash equivalents comprise: | | |
| Fixed deposits with licensed banks** | 616 | 616 |
| Cash and bank balances | 66 | 63 |
| Bank overdrafts | (1,481) | (1,491) |
| | <u>(799)</u> | <u>(812)</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 2010 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
31 DECEMBER 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 2010 | 16,350 | 10,586 | (19) | (2,313) | 24,604 |
| Loss for the year | - | - | - | (1,569) | (1,569) |
| Exchange translation differences | - | - | 129 | - | 129 |
| Total recognised income for the year | - | - | 129 | (1,569) | (1,440) |
| At 31 December 2010 | <u>16,350</u> | <u>10,586</u> | <u>110</u> | <u>(3,882)</u> | <u>23,164</u> |
| At 1 July 2009 | 11,350 | 10,586 | 59 | (2,516) | 19,479 |
| Profit for the year | - | - | - | 2,412 | 2,412 |
| Exchange translation differences | - | - | (66) | - | (66) |
| Total recognised expenses for the year | - | - | (66) | 2,412 | 2,346 |
| At 31 December 2009 | <u>11,350</u> | <u>10,586</u> | <u>(7)</u> | <u>(104)</u> | <u>21,825</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 2010 and accompanying explanatory notes attached to the interim financial statements.)