

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 second quarter ended 31 December 2012 have been prepared in accordance with the 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 ACE Market ("ACE Listing Requirements"). 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 2012.

The significant accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2012.

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1: First Time Adoption of Malaysia Financial Reporting Standards has been applied.

The transition to MFRS framework does not have any material financial impact to these interim financial statements.

A2. Seasonality or Cyclical 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.

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A6. Dividend Paid

There was no dividend paid during the quarter under review.

A7. Segmental Information

The board views the Group has a single business segment from the geographic perspective. The reportable segments are Malaysia and Thailand which both segments are in design and fabrication of precision moulds and tooling.

The Group 31 December 2012	Malaysia RM'000	Thailand RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External sales	1,486	764	-	2,250
Inter segment sales	375	-	(375)	-
Total revenue	<u>1,861</u>	<u>764</u>	<u>(375)</u>	<u>2,250</u>
Results				
Loss from operation	(2,900)	(630)	-	(3,530)
Finance cost	(1,070)	-	-	(1,070)
Income from other investment	-	-	-	-
Loss before tax				<u>(4,600)</u>
Income tax expenses				153
Net loss for the year				<u>(4,447)</u>
Other Information				
Additions of fixed assets	3,938	-	-	3,938
Depreciation and amortization	1,169	79	-	1,248
Consolidated Balance Sheet				
Assets				
Segment assets	56,992	1,323	-	58,315
Segment liabilities	38,844	4,159	-	43,003

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The Group 31 December 2011	Malaysia RM'000	Thailand RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External sales	949	639	-	1,588
Inter segment sales	240	-	(240)	-
Total revenue	<u>1,189</u>	<u>639</u>	<u>(240)</u>	<u>1,588</u>
Results				
Loss from operation	(2,540)	(287)	-	(2,827)
Finance cost	(1,073)	-	-	(1,073)
Income from other investment	-	-	-	-
Loss before tax				<u>(3,900)</u>
Income tax expenses				-
Net loss for the year				<u>(3,900)</u>
Other Information				
Additions of fixed assets	152	95	-	247
Depreciation and amortization	976	107	-	1,083
Consolidated Balance Sheet				
Assets				
Segment assets	40,292	1,733	-	42,025
Segment liabilities	28,959	3,802	-	32,761

Segment sales

	Current Quarter 31.12.2012 RM'000	Preceding Year Corresponding Quarter to 31.12.2011 RM'000
Malaysia	223	155
European countries	498	111
Other countries in Asia Pacific	148	305
	<u>869</u>	<u>571</u>

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Segment sales	Current Year To date 31.12.2012 RM'000	Preceding Year Corresponding Period to 31.12.2011 RM'000
Malaysia	796	757
European countries	825	111
Other countries in Asia Pacific	629	720
	<hr/>	<hr/>
	2,250	1,588

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

There were no material events subsequent to the end of 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.

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B. ADDITIONAL INFORMATION REQUIRED BY ACE LISTING REQUIREMENTS (APPENDIX 9B)

B1. Review of Group's Results for the Current Quarter and Year-to-Date Ended 31 December 2012

The Group recorded a revenue of RM0.869 million for the second quarter ended 31 December 2012. The Group's loss before tax ("LBT") and loss after tax (LAT) for the quarter were RM2.733 million and RM2.733 million for the period respectively.

The Group's revenue of RM2.250 million for the 6 months period ended 31 December 2012 represents an increase of approximately 41.7% as compared to the preceding year corresponding period. In addition, the Group incurred LBT and LAT of RM4.600 million and RM4.447 million for the both period respectively for the 6 months period ended 31 December 2012, as compared to LBT and LAT of RM3.900 million and RM3.900 million for the both period respectively for the preceding year ended 31 December 2011. The reasons for the Group's financial performance were mainly due to constraint on Group's cash flow.

B2. Variation of Results for the Current Quarter Ended 31 December 2012 against Immediate Preceding Quarter

The Group recorded a decrease of approximately 3.7% in its revenue to RM0.869 million for the quarter ended 31 December 2012 against RM1.381 million for the immediate preceding quarter ended 30 September 2012. As a result thereof, the Group registered both LBT and LAT of RM2.733 million and RM2.733 million for the current quarter ended 31 December 2012 respectively as compared to both LBT and LAT of RM1.867 million and RM1.714 million respectively in the immediate preceding quarter ended 30 September 2012.

The Group recorded a decrease in revenue by approximately RM0.512 million for the current quarter under review compared to preceding quarter ended 30 September 2012. However, performance of the Group will be shown positive and reflect at the coming quarter.

B3. Group's Prospects for FYE 30 June 2013

The corporate proposals of the Group is expected to be completed by March 2013 and the Group will be financially stronger and is expected to show improvement in financial performance in the next quarter.

The Group does not expect any immediate development in the collaboration arrangement with FIRC Trade (Malaysia) Sdn Bhd (FIRC) in relation to the trading and supply of iron ore and coal products as the modes of proposed settlement for identified transactions by prospective buyers are not acceptable to the Group and may prove challenging to the Group to close such deals. Shareholders' approval will be sought if and when the Group is in a position to move ahead in this business.

The Board of Directors of Sanichi had entered into a Memorandum of Understanding

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(“ MOU ”) with Projektarbelt Technische Beratung Venretung International (“ PROTEV ”) on 6th June 2011 with the intention to form an alliance with PROTEV for a one-stop plastic injection mould fabrication solution centre.

Under the MOU, PROTEV had taken up a strategic stake in the Company, the amount of 85,000,000 ordinary shares of RM0.10 each in December 2012.

B4. Variance of Profit Forecast

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

B5. Tax Expenses

Taxation comprises the following:-

	Individual quarter ended		Cumulative quarter ended	
	31	31	31	31
	December	December	December	December
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:-				
Current taxation	-	-	-	-
Deferred taxation	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
In respect of the previous period:-				
Taxation	-	-	153	-
Deferred taxation	-	-	-	-
Net tax charge	<u>159</u>	<u>-</u>	<u>159</u>	<u>-</u>

All the subsidiaries did not incur tax expenses for this quarter under review mainly due to the business losses for current quarter under review.

B6. Profit/(Losses) 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.

B8. Status of Corporate Proposals Announced

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(i) Restructuring Scheme

On behalf of the Board of Directors of STB (“**Board**”), Public Investment Bank Berhad (“**PIVB**”) had on 15 May 2012 announced that the Company is proposing to undertake the following:

(a) proposed reduction of up to RM10,586,318 from the share premium account of STB pursuant to Section 60(2) and 64(1) of the Companies Act, 1965 (“**Act**”) based on the audited financial statements as at 30 June 2011 to set off the accumulated losses of STB (“**Proposed Share Premium Reduction**”);

(b) proposed reduction of the issued and paid-up share capital of the Company pursuant to Section 64(1) of the Act, involving the cancellation of RM0.08 of the par value of each ordinary share of RM0.10 each in STB (“**STB Share(s)**”) and thereafter the consolidation of five (5) ordinary shares of RM0.02 each into one (1) new STB Share of RM0.10 each on an entitlement date to be determined and announced later (“**Proposed Par Value Reduction and Consolidation**”);

(c) proposed increase in authorised share capital of STB from RM25,000,000 comprising 250,000,000 ordinary shares of RM0.10 each to RM100,000,000 comprising 1,000,000,000 ordinary shares of RM0.10 each (“**Proposed Increase in Authorised Share Capital**”);

(d) proposed amendments to the Memorandum and Articles of Association (“**M&A**”) of STB to facilitate the increase in the authorised share capital of STB pursuant to the Proposed Increase in Authorised Share Capital (“**Proposed M&A Amendments**”);

(e) proposed restricted issue of 85,000,000 new STB Shares of RM0.10 each (“**Restricted Issue Shares**”) together with 42,500,000 free Warrants (“**Warrant(s) A**”) to Protev Asia Limited (“**Protev Asia**”) at an issue price of RM0.10 per Restricted Issue Share on the basis of one (1) free Warrant A for every two (2) Restricted Issue Shares subscribed by Protev Asia (“**Proposed Restricted Issue with Warrants**”);

(f) proposed restructuring of debts owing to certain financial institutions and trade creditors of STB and its subsidiaries (“**STB Group**” or the “**Group**”) pursuant to Section 176 of the Act (“**Proposed Debt Restructuring**”);

(g) proposed renounceable rights issue of up to 120,970,000 new STB Shares of RM0.10 each (“**Rights Shares**”) together with up to 60,485,000 free Warrants (“**Warrant(s) B**”) at an issue price of RM0.10 per Rights Share on the basis of two (2) Rights Shares together with one (1) free Warrant B for every two (2) new STB Shares held after the Proposed Share Premium Reduction, the Proposed Par Value Reduction and Consolidation and the Proposed Restricted Issue with Warrants on an entitlement date to be determined and announced later based on a minimum subscription level of 65,000,000 Rights Shares together with 32,500,000 free Warrants B (“**Proposed Rights Issue with Warrants**”); and

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(h) proposed exemption to Protev Asia, Herbert Tucakovic and other person(s) acting in concert (“**PACs**”) under Practice Note 9, Paragraph 16.1 of the Malaysian Code on Take-Overs and Mergers 2010 (“**Code**”) from the obligation to undertake a mandatory take-over offer to acquire all the remaining STB Shares and convertible securities not already held by Protev Asia and its PACs upon completion of the Proposed Restricted Issue with Warrants as prescribed under Part III of the Code (“**Proposed Exemption**”).

Collectively the Proposed Share Premium Reduction, the Proposed Par Value Reduction and Consolidation, the Proposed Increase in Authorised Share Capital, the Proposed M&A Amendments, the Proposed Restricted Issue with Warrants, the Proposed Debt Restructuring, the Proposed Rights Issue with Warrants and the Proposed Exemption shall hereinafter referred to as the (“**Multiple Proposals**”).

(ii) Court Convened Meeting of Scheme Creditors

The Company had at the Adjourned Court Convened Meetings held on 3 July 2012 and Court Convened Meetings held on 25 June 2012 obtained the requisite approvals from the Scheme Creditors of its subsidiary companies, Sanichi Precision Mould Sdn Bhd and Asia Pinnacle Sdn Bhd.

(iii) Extension of Stay Order pursuant to Section 176 of the Companies Act, 1965

The Company had on 30 July 2012 announced that it has received a notification from its Solicitors notifying of the Sealed Court Order dated 25 July 2012 where the Kuala Lumpur High Court had on 25 July 2012 granted a further extension of Stay Order (“**Order**”) pursuant to Section 176 of the Companies Act, 1965 to restrain all further proceedings against STB and its subsidiaries for a period of six (6) months from 26 July 2012 to 25 January 2013. The Order is an extension of the Stay Order dated 19 January 2012 which expired on 25 July 2012. The Order does not have any financial and operational impact on STB.

(iv)The Board of Directors had on 4 September 2012 vide PIVB announced that the solicitor for the Company had on 3 September 2012 received a sealed copy of the court order from the High Court of Malaya sanctioning the Schemes of Arrangement pursuant to Section 176 of the Companies Act, 1965 undertaken as an integral part of the Proposed Debt Restructuring.

(v)The Board of Directors had on 30 September 2012 vide PIVB announced that Securities Commission Malaysia (Private Debt Securities) had vide its letter dated 26 September 2012 approved the Proposed issuance of RM4,623,656 nominal value of 4% irredeemable convertible unsecured loan stocks (“**ICULS**”) at 100% of the nominal value of RM0.10 each pursuant to the Proposed Debt Restructuring under the Private Debt Securities Guidelines.

(vi)The Board of Directors had on 25 October 2012 vide PIVB announced that Bursa Malaysia Securities Berhad (“**Bursa Securities**”) had vide its letter dated 25 October 2012 approved the following:-

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- i) Admission to the Official List of Bursa Securities and the listing and quotation for up to 60,485,000 Warrants B to be issued pursuant to the Proposed Rights Issue with Warrants; and
- ii) Listing of and quotation for:-
 - a) 85,000,000 Restricted Issue Shares to be issued pursuant to the Proposed Restricted Issue with Warrants;
 - b) 8,766,320 Settlement Shares to be issued pursuant to the Proposed Debt Restructuring;
 - c) Up to 120,970,000 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
 - d) Up to 46,236,560 new Sanichi Shares arising from the full conversion of RM4,623,656 nominal value of ICULS to be issued pursuant to the Proposed Debt Restructuring; and
 - e) Up to 102,985,000 new Sanichi Shares arising from the full exercise of 42,500,000 Warrants A and 60,485,000 Warrants B to be issued pursuant to the Proposed Restricted Issue with Warrants and the Proposed Rights Issue with Warrants, respectively.

(vii) The approval for the Proposed Restricted Issue with Warrants, the Proposed Debt Restructuring and the Proposed Rights Issue with Warrants are subject to certain conditions as contained in Bursa Securities letter.

(viii) The Shareholders of the Company had at the Extraordinary General Meeting held on 21 November 2012 approved all the resolutions as set out in the Notice of EGM dated 30 October 2012 vide show of hands except for Ordinary Resolution 4 which was decided on a poll as required under the Malaysian Code on Take-Overs and Mergers 2010.

(ix) The Board of Directors had on 22 November 2012 vide PIVB announced that an application in respect of the Proposed Exemption has been submitted to the Securities Commission Malaysia on even date.

(x) The Board of Directors had on 26 November 2012 vide PIVB announced that the Securities Commission Malaysia had vide its letter dated 23 November 2012, which was received on 26 November 2012, approved the application by Protev Asia Limited (formerly known as Oceanaire International Limited) and its persons acting in concert for the Proposed Exemption.

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(xi)The Board of Directors had on 7 December 2012 vide PIVB announced that the High Court of Malaya had on 7 December 2012 granted an order confirming the Proposed Share Premium Reduction and the Proposed Par Value Reduction and Consolidation pursuant to Sections 60(2) and 64(1) of the Companies Act, 1965 (“Act”) (“Court Order”).

(xii)The Board of Directors had on 10 December 2012 vide PIVB announced the Entitlement (Notice of Book Closure) to determine the shareholders of Sanichi who will be subject to the reduction of the issued and paid-up share capital of Sanichi pursuant to Section 64(1) of the Act, involving the cancellation of RM0.08 of the par value of each ordinary share of RM0.10 each in Sanichi (“Sanichi Share”) and thereafter the consolidation of five (5) ordinary shares of RM0.02 each into one (1) new Sanichi Share of RM0.10 each (“Par Value Reduction and Consolidation”).

(xiii)The Board of Directors had on 18 December 2012 vide PIVB announced that the Deed Poll for Warrants A constituting the terms and conditions of the 42,500,000 Warrants A to be issued pursuant to the Proposed Restricted Issue with Warrants has been duly executed on 18 December 2012.

(xiv)The Board of Directors had on 24 December 2012 vide PIVB announced that the Sealed order of the High Court of Malaya dated 7 December 2012 confirming the Proposed Share Premium Reduction and the Proposed Par Value Reduction and Consolidation has been lodged with the Companies Commission of Malaysia on even date.

Consequently, the par value reduction of the existing ordinary shares of Sanichi and thereafter the consolidation of five (5) ordinary shares of RM0.02 each into one (1) new ordinary share of RM0.10 each has become effective today and from 26 December 2012, the new consolidated ordinary shares of RM0.10 each will be quoted and traded on the ACE Market of Bursa Securities.

Pursuant to the completion of the Proposed Par Value and Consolidation, the new issued and paid-up share capital of Sanichi is RM3,597,000 comprising 35,970,000 ordinary shares of RM0.10 each.

(xv)The Board of Directors had on 26 December 2012 vide PIVB announced that the Proposed Par Value Reduction and Consolidation was completed with the listing of and quotation for the 35,970,000 new ordinary shares of RM0.10 each in Sanichi on the ACE Market of Bursa Securities effective from 9.00 a.m. on 26 December 2012.

In addition to the Proposed Par Value Reduction and Consolidation, other proposals namely the Proposed Share Premium Reduction, the Proposed Increase in Authorised Share Capital and the Proposed M&A Amendments, were also completed.

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(xvi)The Board of Directors had on 28 December 2012 vide PIVB announced that the Proposed Restricted Issue with Warrants has been completed on 28 December 2012 following the listing of and quotation for the 85,000,000 new ordinary shares of RM0.10 each in Sanichi on the ACE Market of Bursa Securities.

(xvii)The Board of Directors had on 14 January 2013 vide PIVB announced that the Trust Deed constituting the terms and conditions of RM4,623,656 nominal value of 4%, five year irredeemable convertible unsecured loan stocks at 100% of the nominal value of RM0.10 each to be issued pursuant to the Proposed Debt Restructuring has been duly executed on 14 January 2013; and the Deed Poll for Warrants B constituting the terms and conditions of up to 60,485,000 Warrants B to be issued pursuant to the Proposed Rights Issue with Warrants has been duly executed on 14 January 2013.

(xviii)The Board of Directors had on 31 January 2013 vide PIVB announced the Entitlement (Notice of Book Closure) for the Renounceable Rights Issue of up to 120,970,000 new ordinary shares of RM0.10 each in Sanichi (“Rights Shares”) together with up to 60,485,000 free warrants (“Warrants B”) at an issue price of RM0.10 per Rights Share on the basis of two (2) Rights Shares together with one (1) free Warrant B for every two (2) existing ordinary shares of RM0.10 each held at 5.00 p.m. on 19 February 2013, based on a minimum subscription level of 65,000,000 Rights Shares together with 32,500,000 free Warrants B (“Rights Issue with Warrants”).

(xix)The Board of Directors had on 18 February 2013 vide PIVB announced that the Abridged Prospectus in relation to the Rights Issue with Warrants, together with the Notice of Provisional Allotment and Rights Subscription Form, have been duly registered with the Securities Commission Malaysia and lodged with the Registrar of Companies on 18 February 2013.

(xx)Utilisation Of Proceeds From Private Placement

The Private Placement which was announced on 12 October 2011 has been completed on 5 December 2011. The gross proceeds of RM1,635,000 raised from the Private Placement of 16,350,000 new ordinary shares of RM0.10 each in Sanichi (“Placement Shares”) at an issue price of RM0.10 per share has been fully utilized during the first quarter 2013.

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:

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	RM'000
<u>Short Term Borrowings (Secured)</u>	
Term Loans	10,930
Hire Purchase Payables	4,156
Trade Financing	11,839
Bank overdraft	1,831
	<u>28,756</u>
<u>Long Term Borrowings</u>	
Hire Purchase Payables	-
	<u>-</u>
Total	<u>28,756</u>

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

Certain subsidiary companies of the Group have defaulted in the repayment of the bank borrowings and hire purchase instalments and legal action have been instituted by the lenders for recovery of the principal, interest and other costs. Accordingly, all the term loans and a majority of the hire purchase creditors have been reclassified to short term borrowings.

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 material litigation of the Company are stated as below:

- 1) The Board of Directors of Sanichi wishes to announce that the Company had on 7 February 2013 received a notification from the Company's Solicitors notifying of the Sealed Court Order dated 21 January 2013 where the
- 2) e Kuala Lumpur High Court had on 21 January 2013 granted a further extension of Stay Order ("Order") pursuant to Section 176 of the Companies Act, 1965, to restrain all further proceedings against Sanichi and its subsidiaries for a period of four (4) months from 26 January 2013 to 25 May 2013. The Order is an extension of the Stay Order dated 25 July 2012 which expired on 25 January 2013.

The Order does not have any financial and operational impact on Sanichi.

This announcement is dated 7 February 2013.

- 3) The Board of Directors of Sanichi wishes to announce that the Company had today received a notification from the Company's Solicitors notifying of the Sealed Court Order dated 25 July 2012 where the Kuala Lumpur High Court had on 25 July 2012 granted a further extension of Stay Order ("Order") pursuant to Section 176 of the

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Companies Act, 1965, to restrain all further proceedings against Sanichi and its subsidiaries for a period of six (6) months from 26 July 2012 to 25 January 2013. The Order is an extension of the Stay Order dated 19 January 2012 which expired on 25 July 2012.

The Order does not have any financial and operational impact on Sanichi.

This announcement is dated 30 July 2012.

- 4) The Board of Directors of STB wishes to announce the results in relation to the adjourned court convened meeting for the respective scheme creditors of its subsidiary companies, Sanichi Precision Mould Sdn Bhd ("SPM Scheme Creditors CCM") and Asia Pinnacle Sdn Bhd ("APSB Scheme Creditors CCM") which were held on 3 July 2012 at the Board Room, Sanichi Technology Berhad, PLO 135, Jalan Cyber 5, Kawasan Perindustrian Senai Fasa 3, 81400 Senai, Johor Darul Takzim as set out below:-

(i) The SPM Scheme Creditors CCM had obtained the requisite approval from the Scheme B Unsecured Creditors; and

(ii) The APSB Scheme Creditors CCM had obtained the requisite approvals from the Scheme A Secured Creditors and Scheme B Unsecured Creditors.

The Scheme of Arrangement is subject to, *inter-alia*, the:

(i) approval of the shareholders of STB; and

(ii) sanction of the High Court of Malaya ("Court").

The Company will submit its petition to the Court under Section 176 of the Companies Act, 1965 for the Court's sanction for the Scheme of Arrangement in due course.

This announcement is dated 3 July 2012.

- 5) The Board of Directors of STB wishes to announce the results in relation to the court convened meeting for the respective scheme creditors of its subsidiary companies, Sanichi Precision Mould Sdn Bhd ("SPM Scheme Creditors CCM") and Asia Pinnacle Sdn Bhd ("APSB Scheme Creditors CCM") which were held on 25 June 2012 at the Board Room, Sanichi Technology Berhad, PLO 135, Jalan Cyber 5, Kawasan Perindustrian Senai Fasa 3, 81400 Senai, Johor Darul Takzim as set out below:-

(i) The SPM Scheme Creditors CCM had obtained the requisite approvals from the Scheme A Creditors and Scheme C Creditors;

(ii) The SPM Scheme B Creditors CCM has been adjourned to 3 July 2012, to be held at the Board Room, Sanichi Technology Berhad, PLO 135, Jalan Cyber 5, Kawasan Perindustrian Senai Fasa 3, 81400 Senai, Johor Darul Takzim;

(iii) The APSB Scheme Creditors CCM had obtained the requisite approval from the Scheme D Creditor; and

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(iv) The APSB Scheme A Creditors CCM and APSB Scheme B Creditors CCM have been adjourned to 3 July 2012, to be held at the Board Room, Sanichi Technology Berhad, PLO 135, Jalan Cyber 5, Kawasan Perindustrian Senai Fasa 3, 81400 Senai, Johor Darul Takzim.

The Scheme of Arrangement is subject to, *inter-alia*, the:

- (i) approval of the SPM Scheme B creditors, APSB Scheme A creditors and APSB Scheme B creditors which have been adjourned to 3 July 2012;
- (ii) approval of the shareholders of STB; and
- (iii) sanction of the High Court of Malaya ("Court").

The Company will submit its petition to the Court under Section 176 of the Companies Act, 1965 for the Court's sanction for the Scheme of Arrangement in due course.

This announcement is dated 25 June 2012.

- 6) Sanichi had announced that the Company and its subsidiary companies; i.e. Sanichi Precision Mould Sdn. Bhd. and Asia Pinnacle Sdn. Bhd., have been granted a Stay Order ("Order") of all proceedings against them pursuant to Section 176 of the Companies Act, 1965 by the Kuala Lumpur High Court under the originating summons No:24NCC-224-2011 on 27 July 2011. Kuala Lumpur High Court had on 19 January 2012 granted a further extension of Stay Order ("Order") pursuant to Section 176 of the Companies Act 1965, to restrain all further proceedings against Sanichi and its subsidiaries for a period of six (6) months from 26 January 2012 to 25 July 2012.
- 7) We refer to the announcement made on 21 February 2011 by Sanichi in respect of the default in payment by the Company's wholly owned subsidiary, Sanichi Precision Mould Sdn. Bhd. ("SPM") of the banking facilities granted by United Overseas Bank (Malaysia) Bhd ("UOB"). The banking facilities were secured inter alia by a first party legal first legal charge for RM 2,500,000 and second legal charge for RM6,000,000 registered with Presentation No. 71671/2005 and Presentation No. 71672/2005 created over a 1 ½ storey factory at PLO 135, Jalan Cyber 5, Senai Industrial Estate Phase 3, 81400 Senai, Johor held under HS(D) No. 370623, PTD 6552, Mukim Senai, District of Johor Bahru ("the Land") registered under SPM. The Company wishes to inform that SPM had on 24 June 2011 received a Saman Pemula No: MT-24-F1508-2011 from UOB's solicitors, Messrs Raja Darryl & Loh. Under the Saman Pemula, UOB has applied for the Land to be sold under the provisions of Section 257 of the National Land Code 1965 for the purposes of settlement of the amount owing to UOB. Kuala Lumpur High Court had on 19 January 2012 granted a further extension of Stay Order ("Order") pursuant to Section 176 of the Companies Act 1965, to restrain all

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further proceedings against Sanichi and its subsidiaries for a period of six (6) months from 26 January 2012 to 25 July 2012.

- 8) Advertisement of Winding-up Petition served on Sanichi Precision Mould Sdn Bhd ("Sanichi Precision") by Kowa Technologies Sdn Bhd. The Winding-up Petition was dated 12 April 2011 and was served on SPM on 27 April 2011. The Petitioner's claims are for the sum of RM16,383.60 as at 6 February 2009 in respect of balance due for goods sold and delivered at SPM's request. The interest rate on the amount claimed is 8% per annum from 7 February 2009 to the date of realisation. The case have been fully settled and closed.
- 9) The Board of Directors of Sanichi had announced that the Company's wholly-owned subsidiary namely Sanichi Precision Mould Sdn Bhd ("SPM") had on 25 March 2011 received a Notice of Demand in respect of the default in payment of the Banking Facilities totaling RM1,979,657.46 granted by RHB Bank Berhad. Kuala Lumpur High Court had on 19 January 2012 granted a further extension of Stay Order ("Order") pursuant to Section 176 of the Companies Act 1965, to restrain all further proceedings against Sanichi and its subsidiaries for a period of six (6) months from 26 January 2012 to 25 July 2012.
- 10) The Board of Directors of Sanichi had announced that the Company's wholly-owned subsidiary namely Sanichi Precision Mould Sdn Bhd ("SPM") had on 14 January 2011 received a Notice of Demand in respect of the default in payment of the Fixed Loan 1, 2, 3 and 4 Facilities totaling RM8,440,126.15 granted by United Overseas Bank Malaysia Berhad. Kuala Lumpur High Court had on 19 January 2012 granted a further extension of Stay Order ("Order") pursuant to Section 176 of the Companies Act 1965, to restrain all further proceedings against Sanichi and its subsidiaries for a period of six (6) months from 26 January 2012 to 25 July 2012.
- 11) The Board of Directors of Sanichi had announced that the Company's wholly-owned subsidiary namely Sanichi Precision Mould Sdn Bhd ("SPM") had on 11 November 2010 received a Notice of Demand in respect of the default in payment of the Term Loan Facilities totaling RM805,105.10 granted by OCBC Bank (Malaysia) Berhad. Kuala Lumpur High Court had on 19 January 2012 granted a further extension of Stay Order ("Order") pursuant to Section 176 of the Companies Act 1965, to restrain all further proceedings against Sanichi and its subsidiaries for a period of six (6) months from 26 January 2012 to 25 July 2012.
- 12) The Board of Directors of Sanichi had announced that the Company's wholly-owned subsidiary namely Asia Pinnacle Sdn Bhd ("AP") had on 11 November 2010 received a Notice of Demand in respect of the default in payment of the Islamic Multi Trade Line-i (MTL-i) Facility totaling RM2,179,788.44 granted by RHB Islamic Bank Berhad. Kuala Lumpur High Court had on 19 January 2012 granted a further extension of Stay Order ("Order") pursuant to Section 176 of the Companies Act 1965, to restrain all further proceedings against Sanichi and its subsidiaries for a period of six (6) months from 26 January 2012 to 25 July 2012.

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- 13) Sanichi had announced that Sanichi (as Corporate Guarantor) and the Company's wholly-owned subsidiary namely Asia Pinnacle Sdn Bhd ("AP") had on 8 November 2010 received Notices of Demand for default in payment of monthly instalments amounting to RM25,744.73 in respect of a Hire-Purchase Facility granted by Orix Credit Leasing Sdn Bhd ("Orix"). Kuala Lumpur High Court had on 19 January 2012 granted a further extension of Stay Order ("Order") pursuant to Section 176 of the Companies Act 1965, to restrain all further proceedings against Sanichi and its subsidiaries for a period of six (6) months from 26 January 2012 to 25 July 2012.
- 14) SANICHI's subsidiary, Sanichi Precision Mould Sdn Bhd("SPM") was served a Petition dated 20 October 2010 on 29 October 2010 pursuant to a notice under Section 218 of the Companies Act, 1965.

The total amount claimed under by the Petitioner against SPM was RM4,519.00 together with interest thereon at the rate of 8% per annum from 9/5/2009 to the date of realisation within 21 days from the receipt of the said notice. The case have been fully settled and closed.

- 15) Sanichi had announced that Sanichi and the Company's wholly-owned subsidiaries namely Sanichi Precision Mould Sdn Bhd ("SPM") and Asia Pinnacle Sdn Bhd ("AP") had on 22 October 2010 received Notices of Demand in respect of the default in payment of principal and interest on credit facilities granted by EON Bank Berhad ("EON") as follows:

Name of subsidiary: SPM

Type of Facility:

(i) Overdraft of RM2,000,000

(ii) Tradelines of RM2,500,000

(iii) Foreign Exchange Contract Line of RM300,000

Default Amount: RM2,102,145.66

Name of subsidiary: AP

Type of Facility:

(i) Overdraft of RM500,000

(ii) Tradelines of RM3,500,000

(iii) Foreign Exchange Contract Line of RM300,000

Default Amount: RM3,545,237.03

Kuala Lumpur High Court had on 19 January 2012 granted a further extension of Stay Order ("Order") pursuant to Section 176 of the Companies Act 1965, to restrain all further proceedings against Sanichi and its subsidiaries for a period of six (6) months from 26 January 2012 to 25 July 2012.

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16) Sanichi had announced that the Company and its wholly-owned subsidiary namely Sanichi Precision Mould Sdn Bhd ("SPM") had on 20 December 2010 received Notices of Demand for default in payment of monthly instalments in respect of 10 Hire Purchase Facility(ies) granted by RHB Bank Berhad ("RHB"). Total default amount was RM3,665,712.97. Kuala Lumpur High Court had on 19 January 2012 granted a further extension of Stay Order ("Order") pursuant to Section 176 of the Companies Act 1965, to restrain all further proceedings against Sanichi and its subsidiaries for a period of six (6) months from 26 January 2012 to 25 July 2012.

B12. Dividend Proposed

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

B13. Loss Per Share ("LPS")

Basic LPS

	Current quarter ended		Cumulative quarter ended	
	31	31	31	31
	December	December	December	December
	2012	2011	2012	2011
Net loss for the period (RM'000)	(2,733)	(1,759)	(4,447)	(3,900)
Weighted average number of shares in issue ('000)	38,803	163,500	36,669	163,500
Basic LPS (sen)	<u>(7.0)</u>	<u>(1.0)</u>	<u>(12.1)</u>	<u>(2.4)</u>

Basic LPS is calculated by dividing the net loss 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.

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B14. Retained Profits/(Accumulated Losses)

	As at 31 December 2012 RM'000	As at 31 December 2011 RM'000
Realized (Loss) / Gain	(16,416)	(12,648)
Unrealized (Loss) / Gain	-	-
	<hr/>	<hr/>
	(16,416)	(12,814)
Less Consolidated adjustment	19,549	(7,964)
	<hr/>	<hr/>
Total group retained profit/(accumulated losses)	3,133	(20,778)

B15. Comprehensive Income Disclosure

	Current quarter ended		Cumulative quarter ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Interest income	(3)	(5)	(3)	(11)
Interest expense	510	545	1,071	1,073
Depreciation and amortization	664	544	1,248	1,083
Bad debt recovered	(35)	(624)	(35)	(624)
Bad debt written off	-	-	-	-
Loss / (Gain)on foreign exchange	-	167	-	167
(Gain) / Loss on disposal of property, plant and equipments	-	(58)	-	(97)
	<hr/>	<hr/>	<hr/>	<hr/>

B16. Audit Report of Preceding Annual Financial Statements

The audited financial statements of the Company and its subsidiary companies for the FYE 30 June 2012 were subject to modified opinion with emphasis on the Company's going concern.

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