

SANICHI TECHNOLOGY BERHAD

Company No. 661826-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2019

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 30 September 2019 RM'000	Preceding Year Corresponding Quarter 30 September 2018 RM'000	Current Year to date 30 September 2019 RM'000	Preceding Year Corresponding Period 30 September 2018 RM'000
Revenue	2,648	12,868	8,961	27,546
Cost of sales	(5,036)	(8,653)	(11,866)	(19,832)
Gross (loss) / profit	(2,388)	4,215	(2,905)	7,714
Other income/ (expenses)	801	1,546	1,952	977
Operating expenses	(6,021)	(2,951)	(16,205)	(12,993)
Loss from operations	(7,608)	2,810	(17,158)	(4,302)
Finance costs	(4)	(30)	(32)	(166)
Loss before taxation	(7,612)	2,780	(17,190)	(4,468)
Tax expense	(337)	(409)	(1,355)	(430)
Loss for the financial period	(7,949)	2,371	(18,545)	(4,898)
Other Comprehensive Loss, net of tax				
Foreign currency translation	-	(272)	(19)	(6,909)
Overprovision of taxation	-	-	-	-
	-	(272)	(19)	(6,909)
Total Comprehensive Loss For The Financial Period	(7,949)	2,099	(18,564)	(11,807)
Loss attributable to:				
Owners of the Parent	(7,949)	2,372	(18,545)	(4,897)
Non-controlling interest	-	(1)	-	(1)
	(7,949)	2,371	(18,545)	(4,898)
Total comprehensive Loss attributable to:				
Owners of the Parent	(7,949)	2,099	(18,564)	(11,807)
Non-controlling interest	-	-	-	-
	(7,949)	2,099	(18,564)	(11,807)
Loss per share (sen)				
Basic (note B13)	(0.72)	0.44	(1.67)	(0.90)
Diluted (note B13)	(0.52)	0.35	(1.22)	(0.72)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and accompanying explanatory notes attached to the interim financial statements.

SANICHI TECHNOLOGY BERHAD

Company No. 661826-K
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	(Unaudited) As at 30 September 2019 RM'000	(Audited) As at 31 December 2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	38,398	41,329
Other investment	1,448	-
Goodwill	7,940	7,940
	47,786	49,269
Current assets		
Inventories	2,671	1,740
Short term Investment	3,855	555
Property development cost	56,473	56,770
Trade and other receivables	47,697	45,675
Tax liabilities	(497)	(628)
Cash and cash equivalents	109,073	132,621
	219,272	236,733
Assets classified as held for sale	-	18
	267,058	286,020
TOTAL ASSETS		
EQUITY AND LIABILITIES		
EQUITY		
Share capital	169,343	169,343
Retained earnings	46,977	65,522
Warrant reserve	25,245	25,245
Exchange translation reserve	(906)	(887)
Equity attributable to owners of the parent	240,659	259,223
Non-controlling interests	1,464	1,464
Total equity	242,123	260,687
Non-current liabilities		
Borrowings	-	2
Deferred tax liabilities	824	824
	824	826
Current liabilities		
Trade and other payables	23,954	23,766
Borrowings	157	731
	24,111	24,497
Liabilities classified as held for sale	-	10
	24,935	25,333
TOTAL LIABILITIES	24,935	25,333
TOTAL EQUITY AND LIABILITIES	267,058	286,020
Net assets per share attributable to owners of the parent (RM)	0.22	0.15

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and accompanying explanatory notes attached to the interim financial statements.)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	Share Capital RM'000	Share Premium RM'000	Attributable to Owners of the Parent Non-Distributable			ICULS RM'000	Accumulated Profit RM'000	Non-controlling interest RM'000	Total Equity RM'000
			Translation reserve RM'000	Warrant reserve RM'000	ESOS reserve RM'000				
At 1 January 2019	169,343	-	(887)	25,245	-	-	65,522	1,464	260,687
Loss for the financial period	-	-	-	-	-	-	(18,545)	-	(18,545)
Foreign currency translation	-	-	(19)	-	-	-	-	-	(19)
Issuance and listing of Rights Issue Shares with Warrants E	-	-	-	-	-	-	-	-	-
Issuance of ESOS	-	-	-	-	-	-	-	-	-
Employee share option reserve transfer to share capital upon ESOS exercised	-	-	-	-	-	-	-	-	-
ICULS	-	-	-	-	-	-	-	-	-
At 30 September 2019 (unaudited)	169,343	-	(906)	25,245	-	-	46,977	1,464	242,123
At 1 January 2018	107,451	-	(1,941)	18,796	1,212	579	64,816	(4)	190,909
Prior period adjustments	(18,724)	-	-	-	108	-	18,874	-	258
Adjustment of initial application of MFRS 15 & 9, net of tax	-	-	-	-	-	-	(2,229)	-	(2,229)
Balance at 1 January 2018, as restated	88,727	-	(1,941)	18,796	1,320	579	81,461	(4)	188,938
Loss for the financial period	-	-	-	-	-	-	(15,939)	(58)	(15,997)
Foreign currency translation	-	-	1,054	-	-	-	-	1,526	2,580
Expiration of warrant B	938	-	-	(938)	-	-	-	-	-
Issuance and listing of Rights Issue Shares with Warrants E	66,479	-	-	7,387	-	-	-	-	73,866
Issuance of ESOS	6,012	-	-	-	5,288	-	-	-	11,300
Employee share option reserve transfer to share capital upon ESOS exercised	6,608	-	-	-	(6,608)	-	-	-	-
ICULS	579	-	-	-	-	(579)	-	-	-
At 31 December 2018 (audited)	169,343	-	(887)	25,245	-	-	65,522	1,464	260,687

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 SEPTEMBER 2019

(The figures below are unaudited)

	Current Year to 30 September 2019 RM'000	Preceding Year Corresponding Period to 30 September 2018 RM'000
Cash flows from operating activities		
Loss before tax	(17,190)	(4,468)
Adjustments for:-		
Depreciation of property, plant and equipment	2,378	3,582
Interest expenses	32	166
Interest income	(2,214)	(1,910)
Unrealised loss on foreign exchange	(26)	514
Operating (loss) / profit before working capital changes	(17,019)	(2,116)
Property development costs	297	(8,546)
Inventories	(2,022)	19,086
Receivables	(2,476)	16,579
Payables	188	3,973
Cash (used in) / from operations	(21,032)	28,976
Interest received	2,214	1,910
Tax paid	(1,355)	(21)
Net cash (used in) / from operating activities	(20,173)	30,865
Cash flows from investing activities		
Purchase of short term investment	(3,300)	(2,100)
Purchase of plant and equipment	553	(10,890)
Net cash used in investing activities	(2,747)	(12,990)
Cash flows from financing activities		
Interest paid	(32)	(166)
Proceeds from issuance of shares	-	6,012
Repayment of borrowings	(576)	(905)
Net cash (used in) / from financing activities	(608)	4,941
Effects of changes in exchange rates	(19)	(6,909)
Net increase in cash and cash equivalents	(23,548)	15,907
Cash and cash equivalents at beginning of the period	132,621	58,441
Cash and cash equivalents at end of the period	109,073	74,348
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	105,498	68,688
Cash and bank balances**	3,575	5,660
	109,073	74,348

** Cash and bank balances include amounts held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and accompanying explanatory notes attached to the interim financial statements.

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A. EXPLANATORY NOTES IN ACCORDANCE WITH FRS 134

A1. Basis of Preparation

The unaudited condensed interim financial statements for the quarter ended 31 March 2019 have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 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 subsidiaries (collectively known as “Sanichi Group” or “Group”) for the financial year ended (“FYE”) 31 December 2018.

The significant accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2018, except in the current financial year, the Group has adopted all the new and revised standards which are effective for the financial year beginning 1 January 2019. The adoption of these standards did not have any effect on the financial performance or position of the Group and of the Company.

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 materials 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 except for disclosed in Note B7.

A6. Dividend Paid

There was no dividend paid during the quarter under review.

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A7. Segmental Information

The board views the Group as having two segments from an industry perspective. The reportable segments are the Precision Mould business and the Property Development business. The Precision Mould business is geographically located in Malaysia and Thailand. The Property Development business is geographically located in Malaysia only.

The Group	Precision Mould	Property Development	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
30 September 2019				
Revenue				
External sales	2,259	6,702	-	8,961
Inter segment sales	-	-	-	-
Total revenue	<u>2,259</u>	<u>6,702</u>	<u>-</u>	<u>8,961</u>
Results				
(Loss) / Profit from operations	(17,473)	315	-	(17,158)
Finance cost	(32)	-	-	(32)
Income from other investment	-	-	-	-
Loss before tax				<u>(17,190)</u>
Income tax				<u>(1,355)</u>
Net loss for the period				<u>(18,545)</u>
30 September 2018				
Revenue				
External sales	19,583	7,963	-	27,546
Inter segment sales	-	-	-	-
Total revenue	<u>19,583</u>	<u>7,963</u>	<u>-</u>	<u>27,546</u>
Results				
(Loss) / Profit from operation	(4,050)	(252)	-	(4,302)
Finance cost	(166)	-	-	<u>(166)</u>
Loss before tax				<u>(4,468)</u>
Income tax				<u>(430)</u>
Net loss for the period				<u>(4,898)</u>

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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 except for those disclosed in note B7.

A9. Changes in the Composition of the Group

During the quarter under review, there were no significant changes in the composition of the Group.

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 30 September 2019

	Individual period (period ended 30 September 2019)			Cumulative period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (in Amount)	Current Year-to-date	Preceding Year Corresponding Period	Changes (in Amount)
	30 Sep 2019	30 Sep 2018		30 Sep 2019	30 Sep 2018	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	2,648	12,868	(10,220)	8,961	14,678	(5,717)
Operating (loss) / profit	(7,608)	2,810	(10,418)	(17,158)	(7,112)	(10,046)
(Loss) / Profit before interest and tax	(7,608)	2,810	(10,418)	(17,158)	(7,112)	(10,046)
(Loss) / Profit before tax	(7,612)	2,780	(10,392)	(17,190)	(7,248)	(9,942)
(Loss) / Profit after tax	(7,949)	2,371	(10,320)	(18,545)	(7,269)	(11,276)
(Loss) / Profit attributable to ordinary equity holders of the parent	(7,949)	2,372	(10,321)	(18,564)	(7,269)	(11,295)

The Group recorded a revenue of RM 2.648 million for the quarter ended 30 September 2019. The Group's loss before tax ("LBT") and loss after tax ("LAT") for the quarter were RM 7.612 million and RM 7.949 million for the period respectively.

The Group recorded a revenue of RM 12.868 million for the immediate preceding quarter at 30 September 2018. The Group achieved LBT and LAT of RM 2.780 million and RM 2.371million respectively for the immediate preceding quarter at 30 September 2018.

The slower revenue recognition from precision mould and property development segments which resulted a lower revenue recognition as compared to immediate preceding quarter ended 30 September 2018. The recognition of cost of sales following kick start of new projects as well as higher operation costs that attributed to higher loss for the quarter ended 30 September 2019 as compared to immediate preceding quarter ended 30 September 2018.

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B2. Variation of Results for the Current Quarter Ended 31 December 2018 against Immediate Preceding Quarter

	Current Quarter 30/09/2019 RM'000	Preceding Quarter 30/06/2019 RM'000	Variance RM'000
Revenue	2,648	3,568	(920)
Operating Loss	(7,608)	(3,535)	(4,073)
Loss before Interest and tax	(7,608)	(3,535)	(4,073)
Loss before tax	(7,612)	(3,546)	(4,066)
Loss after tax	(7,949)	(3,943)	(4,006)
Loss attributable to ordinary equity holders of the parent holders of the parent	(7,949)	(3,943)	(4,006)

The Group recorded a decrease of approximately 26% in its revenue to RM 2.648 million for the quarter ended 30 September 2019 against RM 3.568 million for the immediate preceding quarter ended 30 June 2019. The Group registered LBT and LAT of RM 7.612 million and RM 7.949 million respectively for the current quarter ended 30 September 2019, as compared to LBT and LAT of RM 3.546 million and RM 3.943 million respectively in the immediate preceding quarter ended 30 June 2019. The reason for the Group's lower revenue for the current quarter was mainly due lower recognition of property development revenue within the quarter ended 30 September 2019. A significant loss in current quarter recorded was mainly due to the higher of operating/non-operating cost such as job cost, advertising and promotion cost, depreciation and legal and professional fees.

B3. Group's Prospects for FYE 31 December 2019

Barring any unforeseen circumstances, the Board expects the Group's performance to be challenging for the financial year ending 31 December 2019. Volatility of foreign exchange rates will continue to affect the Group's tooling business as a significant percentage of its revenue is derived from overseas markets. The completion of right issue on 29 December 2018 and the expected completion of property development in Marina Point Melaka would strengthen the financial health of the Group. The Group will continually strive to control its cost structure and expand its revenue stream should there any opportunities arisen.

B4. Variance of Profit Forecast

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

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B5. Tax Expenses

Taxation comprises the following:-

	Individual quarter ended		Cumulative quarter ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
In respect of the current period:-				
Current taxation	(337)	(409)	(1,355)	(430)
Deferred taxation	-	-	-	-
	<u>(337)</u>	<u>(409)</u>	<u>(1,355)</u>	<u>(430)</u>
In respect of the previous period:-				
Taxation	-	-	-	-
Deferred taxation	-	-	-	-
Net tax charge/(credit)	<u>(337)</u>	<u>(409)</u>	<u>(1,355)</u>	<u>(430)</u>

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.

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B7. Status of Corporate Proposals Announced

There were no corporate proposal announced but not completed as at the date of this report except for:-

- 1.) The Board of Directors of Sanichi wishes to announce that its wholly-owned subsidiary, SANICHI CAPITAL SDN BHD (Company No. 119416-A) ("SCSB" or "Purchaser") had on 29 December 2018 entered into a Sale and Purchase Agreement ("SPA") with TAKAFUL IKHLAS FAMILY BERHAD (formerly known as Takaful Ikhlas Berhad) (Company No. 593075-U) ("TIFB" or "Vendor"), a company incorporated in Malaysia for the proposed acquisition of a twelve (12) storey with one (1) lower ground floor office building identified as Boutique Building No. Building Block 13, Type A2, bearing premise address Ikhlas Point, Tower 11, Avenue 5, The Horizon, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, with a total floor area of 5,021.04 square metres or 54,046 square feet, and constructed on part of a piece of leasehold land held under the Master Title known as Pajakan Negeri 46338, Lot 58190 (formerly known as H.S.(D) 115345 PT 8097) Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur (hereinafter referred to as "the said Property") for a cash consideration of Ringgit Malaysia Forty-Six Million only (RM46,000,000.00) subject to the terms and conditions as stipulated in the SPA ("Proposed Acquisition"). Please refer to announcements dated 2 Jan 2019, 7 Jan 2019, 8 Jan 2019, and 14 Jan 2019 for further details.
- 2.) On behalf of the Board, Mercury Securities wishes to announce that the Rights Issue with Warrants has been completed following the listing and quotation of 738,658,516 Rights Shares, 369,329,241 Warrants E, 13,541,530 additional Warrants C and 31,792,007 additional Warrants D with effect from 9.00 a.m. today on the ACE Market of Bursa Securities. Please refer to announcements dated 9 Oct 2017, 27 July 2018, 24 Oct 2018, 21 Nov 2018 and 12 Dec 2018, 18 Dec 2018 and 20 Dec 2018 for further details.

Status of Utilisation of Proceeds

Purpose	Proposed Utilisation	Actual Utilisation as at 30/09/2019	Intended Timeframe for Utilisation	Balance Unutilised	
	RM'000	RM'000		RM'000	%
Property development activities	60,000	14,279	Within thirty-six (36) months	45,721	76
Working capital	12,946	11,883	Up to twelve (12) months	1,063	8
Estimated expenses for the corporate exercise	920	920	Immediate	-	-
	73,866	27,082		46,784	63

- 3.) The Board of Directors of Sanichi Technology Berhad ("Sanichi" or "the Company") wishes to announce that the Company had on 11 December 2018 entered into a Memorandum of Understanding ("MOU") with FKS Holdings Pte. Ltd. ("FKS") (Company No. 201502196H), a company incorporated

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in Singapore. The Board of Directors of Sanichi on 14 December 2018 wishes to further inform that the Parties agree to enter into an agreement within 6 months from the date of the MOU (i.e. 11 December 2018) or such other extended period as may be agreed by the Parties. Please refer to announcement for further details. No major development after the MOU signed.

- 4.) On 9 October 2017, the Company proposes to undertake the proposed renounceable rights issue of up to 1,012,285,042 new ordinary shares in Sanichi (“Sanichi Shares” or “Shares”) (“Rights Shares”) together with up to 506,142,521 free detachable warrants in Sanichi (“Warrants E”) on the basis of 2 Rights Shares together with 1 free Warrant E for every 1 existing Sanichi Share held by entitled shareholders of Sanichi on an entitlement date to be determined later (“Proposed Rights Issue With Warrants”). Bursa Malaysia had vide its letter dated 18 July 2018 approved this proposal. Shareholders via the deed poll had passed the resolution of EGM held on 27 August 2018. For more details, please refer to Bursa Malaysia announcement.

Status of Utilisation of Proceeds

Purpose	Proposed Utilisation	Actual Utilisation as at 30/06/2019	Intended Timeframe for Utilisation	Balance Unutilised	
	RM'000	RM'000		RM'000	%
Completing the construction of a factory building	5,500	5,500	Within eighteen (18) months	-	-
Expansion of production capacity	6,000	6,000	Within twenty four (24) months	-	-
Marketing expenses	4,000	4,000	Within twenty four (24) months	-	-
Acquisition of properties for investment	36,000	6,028	Within twenty four (24) months	29,972	83
Acquisition and/or investment in other complementary businesses	4,957	4,957	Within twenty four (24) months	-	-
Working capital	5,493	5,493	Within twenty four (24) months	-	-
Estimated expenses for the corporate exercise	1,000	1,000	Immediate	-	-
	62,950	32,978		29,972	48

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B8. 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	-
Hire Purchase Payables	157
	<hr/>
	157
<u>Long Term Borrowings</u>	
Term Loans	-
ICULS	-
Hire Purchase Payables	-
	<hr/>
	-
	<hr/>
Total	<u><u>157</u></u>

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

B9. Trade Receivables

The Group's normal trade credit terms granted to trade receivables ranged from 1 month to 2 months (2018: 1 month to 2 months). Other credit terms are assessed and approved on a case by case basis. There are no trade receivables from related parties.

	As at quarter ended 30 September 2019				
	Current	1 – 3 months	3 – 6 months	More than 6 months	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
	0	0	0	0	0
Precision mould division	253	143	6	31	433
Property development division	243	-	-	-	243
Total	496	143	6	31	676

B10. Off Balance Sheet Financial Instruments

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

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B11. Material Litigation

There was no material litigation involving 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.

B13. Earnings Per Share (“EPS”)

Basic EPS

	Current quarter ended		Cumulative quarter ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
Net (loss) / profit for the period (RM'000)	(7,949)	2,372	(18,545)	(4,897)
Weighted average number of shares in issue ('000)	1,108,795	544,735	1,108,795	544,735
Basic (LPS) / EPS (sen)	<u>(0.72)</u>	<u>0.44</u>	<u>(1.67)</u>	<u>(0.90)</u>

Basic LPS 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

1) Diluted Earnings per ordinary shares

The diluted earnings per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue and issuable after the conversion of all outstanding warrants during the financial period ended 30 September 2019.

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30/09/2019	Preceding Corresponding Quarter Ended 30/09/2018	Current Year To Date Ended 30/09/2019	Preceding Year To Date Ended 30/09/2018
Net (loss) / profit attributable to ordinary equity holders of the Company (RM'000)	(7,949)	2,372	(18,545)	(4,897)
Weighted average number of ordinary shares in issue ('000)	1,108,795	544,735	1,108,795	544,735

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Effect of dilution after conversion of all outstanding ICULS, ESOS and Warrants ('000)	414,663	136,006	414,663	136,006
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	1,523,458	680,741	1,523,458	680,741
Diluted basic (loss) / earnings per share (sen)	(0.52)	0.35	(1.22)	(0.72)

B14. Comprehensive Income / (Expenses) Disclosure

	Current quarter ended		Cumulative quarter ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	RM'000	RM'000	RM'000	RM'000
Interest income	750	1,196	1,952	1,910
Interest expense	(4)	(30)	(32)	(166)
Depreciation and amortization	(442)	(1,686)	(2,378)	(3,582)
Unrealized loss / (gain) on foreign exchange	16	321	26	(514)
Realized loss on foreign exchange	(211)	25	(329)	(490)
Share based payments	-	(5,288)	-	(5,288)

B15. Audit Report of Preceding Annual Financial Statements

The audited financial statements of the Company and its subsidiaries for the FYE 31 December 2018 were not subject to any qualification.