

SANICHI TECHNOLOGY BERHAD

Company No. 200401023320 (661826-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2020

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year to date	Preceding Year Corresponding Period
	31 DECEMBER 2020 RM'000	31 DECEMBER 2019 RM'000	31 DECEMBER 2020 RM'000	31 DECEMBER 2019 RM'000
Revenue	7,627	12,526	23,332	21,487
Cost of sales	(12,068)	(8,969)	(24,809)	(20,835)
Gross profit / (loss)	(4,441)	3,557	(1,477)	652
Other income	10,063	7,800	13,030	9,752
Operating expenses	(8,813)	(14,922)	(19,010)	(31,127)
Loss from operations	(3,191)	(3,565)	(7,457)	(20,723)
Finance costs	1,963	-	(269)	(32)
Loss before taxation	(1,227)	(3,565)	(7,725)	(20,755)
Tax expense	446	1,380	27	25
Loss after tax from continuing operation	(781)	(2,185)	(7,698)	(20,730)
Loss from discontinued operations, net of tax	-	-	-	-
Loss for the period	(781)	(2,185)	(7,698)	(20,730)
Other Comprehensive (Loss) / Income, net of tax				
Foreign currency translation	(124)	28	(613)	9
Overprovision of taxation	-	-	-	-
	(124)	28	(613)	9
Total Comprehensive Loss For The Financial Period	(905)	(2,157)	(8,311)	(20,721)
Loss attributable to:				
Owners of the Parent	(789)	(1,986)	(7,705)	(20,531)
Non-controlling interest	8	(198)	7	(198)
	(781)	(2,184)	(7,698)	(20,729)
Total comprehensive Loss attributable to:				
Owners of the Parent	(912)	(1,959)	(8,318)	(20,523)
Non-controlling interest	7	(198)	7	(198)
	(905)	(2,157)	(8,311)	(20,721)
Loss per share (sen)				
Basic (note B13)	(0.06)	(0.18)	(0.62)	(1.85)
Diluted (note B13)	(0.05)	(0.13)	(0.48)	(1.35)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and accompanying explanatory notes attached to the interim financial statements.

SANICHI TECHNOLOGY BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD 31 DECEMBER 2020

	(Unaudited) As at 30 September 2020 RM'000	(Audited) Restated As at 31 December 2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	44,530	84,694
Investment properties	38,675	-
Right-of-use of asset	44	34
Other investment	23,145	5,303
Goodwill	494	
	<u>106,888</u>	<u>90,031</u>
Current assets		
Inventories	58,800	63,113
Trade and other receivables	51,564	63,469
Tax assets / (liabilities)	55	110
Cash and cash equivalents	137,130	99,578
	<u>247,548</u>	<u>226,270</u>
TOTAL ASSETS	<u>354,436</u>	<u>316,301</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	236,672	184,200
Retained earnings	38,444	46,149
Other reserve	8,968	8,355
Equity attributable to owners of the parent	<u>284,084</u>	<u>238,704</u>
Non-controlling interests	9,501	1,265
Total equity	<u>293,584</u>	<u>239,969</u>
Non-current liabilities		
Borrowings	34,196	36,177
Deferred tax liabilities	-	192
	<u>34,196</u>	<u>36,369</u>
Current liabilities		
Trade and other payables	21,941	37,472
Provision	768	768
Borrowings	3,946	1,723
	<u>26,655</u>	<u>39,963</u>
TOTAL LIABILITIES	<u>60,851</u>	<u>76,332</u>
TOTAL EQUITY AND LIABILITIES	<u>354,436</u>	<u>316,301</u>
Net assets per share attributable to owners of the parent (RM)	0.14	0.22

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 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 31 DECEMBER 2020

	Attributable to Owners of the Parent					
	Share Capital RM'000	Translation reserve RM'000	Warrant reserve RM'000	Retained Profit RM'000	Non-controlling interest RM'000	Total Equity RM'000
At 1 January 2020	169,343	(878)	9,233	61,001	1,265	239,964
Prior year adjustment	14,854	-	-	(14,854)	-	-
At 1 January 2020 (Restated)	184,197	(878)	9,233	46,148	1,265	239,964
Loss for the financial period	-	-	-	(7,698)	7	(7,691)
Exercised of ESOS	29,259	-	-	-	-	29,259
Private placement	23,217	-	-	-	-	23,217
Incorporation of a subsidiary	-	-	-	-	9,000	9,000
Accretion of interest in subsidiary	-	-	-	(6)	(771)	(777)
Foreign currency translation	-	612	-	-	-	612
At 31 December 2020 (unaudited)	236,672	(266)	9,233	38,444	9,501	293,584
						0
At 1 January 2019 (Restated)	184,197	(887)	25,245	50,668	1,464	260,687
Loss for the financial period	-	-	-	(20,532)	(199)	(20,731)
Foreign currency translation	-	9	-	-	-	9
Expiration of warrant C and D	-	-	(16,012)	16,012	-	-
Exercised of warrants	4	-	-	-	-	4
At 31 December 2019 (audited)	184,201	(878)	9,233	46,148	1,265	239,969

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 DECEMBER 2020

(The figures below are unaudited)

	Current Year to 31 December 2020 RM'000	Preceding Year Corresponding Period to 31 December 2019 RM'000
Cash flows from operating activities		
Loss before tax	(7,726)	(20,755)
Adjustments for:-		
Depreciation of property, plant and equipment	4,915	4,118
Interest expenses	2,753	258
Interest income	(10,735)	(4,178)
Unrealised loss on foreign exchange	(71)	(33)
Operating loss before working capital changes	(11,574)	(20,591)
Inventories	4,313	(13,347)
Receivables	35,509	4,582
Payables	(15,530)	5,870
Cash used in operations	12,718	(23,486)
Interest received	10,735	4,178
Tax paid	(579)	(1,211)
Net cash used in operating activities	22,874	(20,519)
Cash flows from investing activities		
Purchase of short term investment	(17,841)	(3,300)
Purchase of investment property	-	(45,844)
Purchase of plant and equipment	(3,463)	(269)
Net cash used in investing activities	(39,146)	(49,413)
Cash flows from financing activities		
Interest paid	(2,753)	(258)
Proceeds from issuance of shares	52,476	-
Drawdown / (Repayment) of borrowings	3,487	37,166
Net cash from financing activities	53,210	36,908
Effects of changes in exchange rates	613	(19)
Net decrease in cash and cash equivalents	37,552	(33,043)
Cash and cash equivalents at beginning of the period	99,578	132,621
Cash and cash equivalents at end of the period	137,130	99,578
Cash and cash equivalents comprise:		
Fixed deposits	80,576	105,498
Cash and bank balances**	56,554	(5,920)
	137,130	99,578

** 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 2019 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 2020 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 2019.

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 2019, 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 2020. 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 and (1) issuance of 63,500,000 shares under ESOS at RM0.055 dated 21 October 2020, and (2) issuance of 63,500,000 shares under ESOS at RM0.045 dated 11 November 2020, (3) issuance of 200,000,000 shares under private placement at RM0.0526 dated 18 November 2020, (4) issuance of 100,000,000 shares under private placement at RM0.0602 dated 30 November 2020, (5) issuance of 113,938,600 shares under private placement at RM0.0586 dated 7 December 2020, (6) issuance of 80,000,000 shares under ESOS at RM0.0569 dated 10 December 2020, (7) issuance of 82,000,000 shares under private placement at RM0.0569 dated 15 December 2020, and (8) issuance of 49,000,000 shares under ESOS at RM0.059 dated 18 December 2020.

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
31 December 2020	RM'000	RM'000	RM'000	RM'000
Revenue				
External sales	6,561	16,771	-	23,332
Inter segment sales	-	-	-	-
Total revenue	<u>6,561</u>	<u>16,771</u>	<u>-</u>	<u>23,332</u>
Results				
(Loss) / Profit from operations	(5,587)	(1,870)	-	(7,457)
Finance cost	(269)	-	-	(269)
Income from other investment	-	-	-	-
Loss before tax				<u>(7,725)</u>
Income tax				<u>27</u>
Net loss for the period				<u>(7,698)</u>
The Group	Precision Mould	Property Development	Elimination	Consolidated
31 December 2019	RM'000	RM'000	RM'000	RM'000
Revenue				
External sales	3,270	18,218	-	21,488
Inter segment sales	-	-	-	-
Total revenue	<u>3,270</u>	<u>18,218</u>	<u>-</u>	<u>21,488</u>
Results				
(Loss) / Profit from operation	(23,748)	3,025	-	(20,723)
Finance cost	(32)	-	-	(32)
Loss before tax				<u>(20,755)</u>
Income tax				<u>25</u>
Net loss for the period				<u>(20,730)</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 except for the Company had on 4 December 2020 incorporated Sanichi Glove Sdn Bhd (“SGSB”), a wholly-owned subsidiary of Sanichi with an issued and paid-up capital of RM1.00 comprising of one (1) ordinary share (“Incorporation”). The principal activity of SGSB is to carry on the business of manufacturing, sales and distribution of hand gloves and protective healthcare products. Please refer to announcement dated 10 December 2020 for further details.

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 2020

	Individual period (period ended 31 December 2020)			Cumulative period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (in Amount)	Current Year-to-date	Preceding Year Corresponding Period	Changes (in Amount)
	31 Dec 2020	31 Dec 2019		31 Dec 2020	31 Dec 2019	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	7,627	12,526	(4,899)	23,332	21,487	1,845
Operating (loss) / profit	(3,191)	(3,565)	374	(7,457)	(20,723)	13,266
(Loss) / Profit before interest and tax	(3,191)	(3,565)	374	(7,457)	(20,723)	13,266
(Loss) / Profit before tax	(1,277)	(3,565)	2,288	(7,725)	(20,755)	13,030
(Loss) / Profit after tax	(781)	(2,185)	1,404	(7,698)	(20,730)	13,032
(Loss) / Profit attributable to ordinary equity holders of the parent	(789)	(1,986)	1,197	(7,705)	(20,531)	12,826

The Group recorded a revenue of RM 7.627 million for the quarter ended 31 December 2020. The Group's loss before tax ("LBT") and loss after tax ("LAT") for the quarter were RM 1.277 million and RM 0.781 million for the period respectively.

The Group recorded a revenue of RM 12.526 million for the immediate preceding quarter at 31 December 2019. The Group achieved LBT and LAT of RM 3.565 million and RM 2.185 million respectively for the immediate preceding quarter at 31 December 2019.

The increase in revenue reflected the recovered contribution from recognition of revenue from property development segments as compared to immediate preceding quarter ended 31 December 2019. The tighten of cost controlling that resulted with a lower operation costs that attributed to lower loss for the quarter ended 31 December 2020 as compared to immediate preceding quarter ended 31 December 2019.

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B2. Variation of Results for the Current Quarter Ended 31 December 2020 against Immediate Preceding Quarter

	Current Quarter 31/12/2020 RM'000	Preceding Quarter 30/9/2020 RM'000	Variance RM'000
Revenue	7,627	3,397	4,230
Operating (Loss) / Profit	(3,191)	(2,229)	(962)
Loss before Interest and tax	(3,191)	(2,229)	(962)
Loss before tax	(1,227)	(2,927)	1,700
Loss after tax	(781)	(3,203)	2,422
Loss attributable to ordinary equity holders of the parent holders of the parent	(789)	(3,203)	2,414

The Group recorded an increase of approximately 125% in its revenue to RM 7.627 million for the quarter ended 31 December 2020 against RM 3.397 million for the immediate preceding quarter ended 30 September 2020. The Group registered LBT and LAT of RM 1.227 million and RM 0.781 million respectively for the current quarter ended 31 December 2020, as compared to LBT and LAT of RM 2.927 million and RM 3.203 million respectively in the immediate preceding quarter ended 30 September 2020. The reason for the Group's increase in revenue for the current quarter was mainly due to higher contribution from property development division within the quarter ended 31 December 2020 as compared to preceding quarter 30 September 2020.

B3. Group's Prospects for FYE 31 December 2021

Barring any unforeseen circumstances, the Board expects the Group's performance to be challenging for the financial year ending 31 December 2021. 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. Furthermore, the uncertainty carried the impact of covid-19 that might affect the performance of the Group in the near future. However, the completion of several share issuances during the year and the expected completion of property development in Marina Point Melaka would strengthen the financial health of the Group. Furthermore, the Group had entered several memorandum of understanding with reputable corporations such as Collaboration Agreement with PDZ and several reputable corporation, the Group is of the view that the Group might yield a fruitful results in the near future.

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	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
In respect of the current period:-				
Current taxation	446	750	27	(601)
Deferred taxation	-	-	-	-
	<u>446</u>	<u>750</u>	<u>27</u>	<u>(601)</u>
In respect of the previous period:-				
Taxation	-	630	-	626
Deferred taxation	-	-	-	-
Net tax charge/(credit)	<u>446</u>	<u>1,380</u>	<u>27</u>	<u>25</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.

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.) On behalf of the Board of Directors of the Company, Mercury Securities Sdn Bhd (“Mercury Securities” or the “Principal Adviser”) wishes to announce that the Company proposes to undertake (1) proposed diversification of the business of Sanichi and its subsidiaries (“Sanichi Group” or the “Group”) to include the manufacture, sale and marketing of gloves and other related activities (“Gloves Business”) (“Proposed Diversification”); (2) proposed consolidation of every 10 existing ordinary shares in Sanichi (“Sanichi Shares” or “Shares”) into 1 Share (“Consolidated Share”) (“Proposed Share Consolidation”); (3) proposed renounceable rights issue of up to 1,424,437,980 new Shares (“Rights Shares”) together with up to 712,218,990 free detachable warrants in Sanichi (“Warrants F”) on the basis of 6 Rights Shares together with 3 free Warrants F for every 1 Consolidated Share held by the entitled shareholders of the Company on an entitlement date to be determined (“Entitlement Date”) (“Entitled Shareholders”) (“Proposed Rights Issue with Warrants”); (4) termination of the existing employees’ share options scheme of the Company, which took effect on 7 November 2014 for a period of 5 years and subsequently extended for another 5 years (“Existing ESOS”) (“Proposed Termination of Existing ESOS”); and (5) proposed establishment of a new employees’ share options scheme (“New ESOS” or “Scheme”) involving up to 30% of the total number of issued Shares (excluding treasury shares, if any) (“Proposed New ESOS”). Please refer to announcement dated 3 February 2021 and 19 February 2021 for further details.
- 2.) On behalf of the Board of Directors of the Company (“Board”), Mercury Securities Sdn Bhd (“Mercury Securities” or the “Principal Adviser” or the “Placement Agent”) wishes to announce that the Company

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proposes to undertake the private placement of up to 524,815,000 new ordinary shares in the Company (“Sanichi Shares” or “Shares”), representing 30% of the enlarged total number of issued shares of the Company, to independent third-party investor(s) to be identified later and at an issue price to be determined later (“Placement Shares”) (“Proposed Private Placement”). Please refer to announcement dated 25 September 2020, 9 October 2020, 16 October 2020, 12 November 2020, 24 November 2020, 2 Dec 2020, and 7 December 202 for further details. Further to the above, Mercury Securities wishes to announce, on behalf of the Board, that the Company has decided not to place out the remaining 110,876,400 Placement Shares out of the 524,815,000 Placement Shares allocated under the Maximum Scenario. As such, the Private Placement is deemed completed. On 7 Dec 2020, the Company completed a private placement exercise which involved the issuance of 413,938,600 new shares, raising a total of RM23.22 million carries an utilization of proceed as follows:-

Status of Utilisation of Proceeds

Purpose	Proposed Utilisation	Actual Utilisation as at 31/12/2020	Intended Timeframe for Utilisation	Balance Unutilised	
	RM'000	RM'000		RM'000	%
Development of Marina Point Project	22,866	-	Within eighteen (18) months	22,866	100
Estimated expenses for the corporate exercise	351	351	Immediate	-	-
	23,217	351		22,866	98

- 3.) The Board of Directors of Sanichi (“Board”) wishes to announce that the Company had on 17 July 2020 entered into a Collaboration Agreement (“the Agreement”) with PDZ Holdings Bhd (“PDZ”) (individually and collectively known as “Party” or “the Parties”) to jointly develop and operate a regional e-Commerce logistics hub located in Desaru, Kota Tinggi, Johor which will eventuate to the forming of Special Purpose Vehicle (“SPV”). Please refer to announcement dated 17 May 2020, 17 July 2020 and 30 October 2020 for further details. No major development after the agreement signed.
- 4.) 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 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.
- 5.) The Board of Directors of Sanichi Technology Berhad (“Sanichi” or “the Company”) wishes to announce that the Company had on 18 May 2020 entered into a Memorandum of Understanding with PNE PCB BERHAD (Registration No. 198801000741 (168098-V) or any of its subsidiaries, a company incorporated in Malaysia and having its correspondence address at 6, Jalan Firma 2/1, Kawasan Perindustrian Tebrau, 81100 Johor Bahru, Johor, AT SYSTEMATIZATION BERHAD (Registration

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No. 200401006297 (644800-X) or any of its subsidiaries, a company incorporated in Malaysia and having its correspondence address at Lot 11.2, Level 11, Menara Lien Hoe, No.8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor and ARZON SOLAR, LLC, a company incorporated in the United States of America and having its correspondence address at 3425 Fujita Street, Torrance, California 90505, USA. Please refer to announcements dated 18 May 2020, 20 May 2020, 27 May 2020, 17 August 2020 and 27 November 2020 for further details. No major development after the MOU signed.

- 6.) 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 31/12/2020	Intended Timeframe for Utilisation	Balance Unutilised	
	RM'000	RM'000		RM'000	%
Property development activities	60,000	36,679	Within thirty-six (36) months	23,321	39
Working capital	12,946	12,946	Up to twelve (12) months	-	-
Estimated expenses for the corporate exercise	920	920	Immediate	-	-
	73,866	50,545		23,321	32

- 7.) The Company had on 18 February 2016 announced that the Company proposes to undertake the following: (1) proposed par value reduction via the cancellation of RM0.075 from the par value of every existing ordinary share of RM0.10 each in the issued and paid-up share capital of the Company pursuant to Section 64 of the Companies Act, 1965 (“Proposed Par Value Reduction”); (2) proposed consolidation of every four (4) ordinary shares of RM0.025 each (after the Proposed Par Value Reduction) in Sanichi into one (1) ordinary share of RM0.10 each (“Share”) (“Proposed Share Consolidation”); and (3) proposed renounceable rights issue of up to 779,928,448 new Shares (“Rights Shares”) together with up to 389,964,224 free warrants (“Warrants D”) on the basis of two (2) Rights Shares together with one (1) free Warrant D for every one (1) existing Share held by the entitled shareholders on an entitlement date to be determined (after the Proposed Share Consolidation) (“Proposed Rights Issue with Warrants”). For more details, please refer to Bursa Malaysia announcement dated 18 February 2016, 8 March 2016, 10 March 2016, 27 April 2016, 4 May 2016, 20 May 2016, 30 May 2016, 31 May 2016, 14 June 2016, 28 June 2016, 21 July 2016, and 28 July 2016. The Company wishes to announce that on 29 July 2016 the Rights Issue with Warrants has been completed following the listing and quotation of 572,273,460 Rights Shares and 286,136,730 Warrants D as well as 6,064,595 additional Warrants B and 34,889,061 additional

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Warrants C arising from the Rights Issue with Warrants on the ACE Market of Bursa Securities. The utilization of proceeds as below:-

Status of Utilisation of Proceeds

Purpose	Proposed Utilisation	Actual Utilisation as at 31/12/2020	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	10,000	Within twenty four (24) months	26,000	72
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	36,950		26,000	41

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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>	
Lease Liabilities	-
Term Loans	3,946
	<hr/> 3,946 <hr/>
<u>Long Term Borrowings</u>	
Lease Liabilities	-
Term Loans	34,196
	<hr/> 34,196 <hr/>
Total	<hr/> 38,142 <hr/>

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 (2019: 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 31 December 2020				
	Current	1 – 3 months	3 – 6 months	More than 6 months	Total
	RM'00	RM'00	RM'00	RM'00	RM'00
	0	0	0	0	0
Precision mould division	-	2,068	65	1,088	3,221
Property development division	7,667	(577)	(58)	1,536	8,568
Total	7,667	1,491	7	2,624	11,789

B10. Off Balance Sheet Financial Instruments

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

B11. Material Litigation

There was no material litigation involving the Group as at the date of this report.

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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	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Net loss for the period (RM'000)	(789)	(1,986)	(7,705)	(20,531)
Weighted average number of shares in issue ('000)	1,233,500	1,108,795	1,233,500	1,108,795
Basic LPS (sen)	<u>(0.06)</u>	<u>(0.18)</u>	<u>(0.62)</u>	<u>(1.85)</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 31 December 2020.

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/12/2020	Preceding Corresponding Quarter Ended 31/12/2019	Current Year To Date Ended 31/12/2020	Preceding Corresponding Year To Date Ended 31/12/2019
Net loss attributable to ordinary equity holders of the Company (RM'000)	(789)	(1,986)	(7,705)	(20,531)
Weighted average number of ordinary shares in issue ('000)	1,233,500	1,108,795	1,233,500	1,108,795
Effect of dilution after conversion of all outstanding ICULS, ESOS and Warrants ('000)	369,329	414,663	369,329	414,663
Adjusted weighted average number of ordinary shares in issue ('000)for the purpose of diluted earnings per share	1,602,829	1,523,458	1,602,829	1,523,458

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Diluted basic loss per share (sen)	(0.05)	(0.13)	(0.48)	(1.35)
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B14. Comprehensive Income / (Expenses) Disclosure

	Current quarter ended		Cumulative quarter ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Interest income	9,067	2,226	10,708	4,178
Interest expense	(1,067)	-	(2,753)	(32)
Depreciation and amortization	(1,217)	(1,740)	(4,915)	(4,118)
Fair value adjustment in quoted shares	(706)	-	-	-
Unrealized (loss) / gain on foreign exchange	176	7	105	33
Realized gain / (loss) on foreign exchange	187	(15)	86	(344)
Impairment loss on trade and other receivables	(51)	(7,940)	(51)	(7,940)

B15. Audit Report of Preceding Annual Financial Statements

The audited financial statements of the Company and its subsidiaries for the FYE 31 December 2019 were not subject to any qualification.